



# BONDALTI

TOMORROW MATTERS<sup>®</sup>

INTEGRATED REPORT  
2023



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Tomorrow Matters is focus  
on a future that matters, to us  
and to those around us.

It is viewing the business as an engine  
of sustainable and inclusive growth,  
in a world undergoing rapid change.

It is our commitment to create  
a positive impact. On the planet,  
on people, on society  
and on economic prosperity.

## Message from the Chairman

### 2023 - Decisive steps in the implementation of the growth strategy

The year 2023 was especially challenging for the chemical industry, with the main companies in the sector seeing sharp falls in sales and results driven by the economic stagnation that specifically affected the European area.

Despite this adverse scenario, Bondalti's performance was very positive. The company achieved good economic and operational results and increased its structural investments, while at the same time bolstering its financial solidity.

It was a year in which we implemented numerous initiatives with a view to increasing the competitiveness and sustainability of our businesses and in which we prepared our company for forthcoming growth.

We are reaching new heights at Bondalti, confident in our competencies and our people. Ours is a great team that, even in the



João de Mello

Chairman of the Board  
of Directors

most complex scenarios, like that of 2023, never loses sight of our major strategic goals and has demonstrated, once again, that the human factor is what sets Bondalti apart from the rest. Also for that reason, I must also express my gratitude to all our employees for the commitment and professionalism they have shown in facing an extraordinarily challenging year.

## Economic and operational performance

In 2023, Bondalti achieved a highly positive commercial performance among most of our customers, which resulted in us reaching all-time highs in terms of production at our facilities in Estarreja. This is despite of the fact that turnover fell from €596 million to €504 million, due to a reduction in the prices of our main chemical products.

In this negative scenario, the company's performance is illustrative of the effectiveness and efficiency of our Iberian operations, as well as our commercial dynamics, associated with effective management of our supply chains and efficient management of the financial component in general.

It is important to note that, during 2023, the company substantially increased its investment, reaching a figure of €30 million, most of which was put into operational modernisation and the decarbonisation of industrial processes. Simultaneously, Bondalti managed to reduce its financial debt.

## Energy transition

The results obtained constitute the foundation on which we continue our journey towards being an increasingly sustainable and responsible company, gradually decarbonising and investing in energy transition, with a view to decarbonising operations along the entire value chain in which we operate.

We continue to develop the green hydrogen project (H2Enable), which seeks to decarbonise our complex at Estarreja (Portugal) and, complementarily, those belonging to customers and partners. We have begun an ambitious project to decarbonise operations (RePower), with the development of electrical energy production under a self-supply system, electric boilers, batteries and the renovation and modernisation of the electrolysis of brine. Despite doubling production, between 2005 and 2023, our results were impressive. We lowered emissions of volatile organic compounds by 93% in this period, while particulate matter fell by 94%.

Our goal is to achieve 100% consumption of electrical energy from renewable sources by 2030, either in self-consumption projects or in the acquisition of green energy with guarantees of origin. In 2023, this figure already stood at 46% in Estarreja.

## Innovation and corporate accountability

In 2023, Bondalti played an important role in pursuing its purpose of “contributing to a better world through creating innovative and sustainable chemistry”.

In terms of innovation, highlights include the launch of the Bondalti Impact Lab, a platform that seeks to bring innovation to all levels of the organisation and encourage an entrepreneurial and intra-departmental spirit, as well as the launch of various initiatives in the field of digitalisation.

In the area of corporate accountability, Bondalti’s commitment was reinforced through the launch of a new programme called Together Matters, which impacts five areas of activity: Education and Citizenship; Home and Energy; Entrepreneurship and Decent Work; Life; and Nature.

In terms of sustainability, it is worth highlighting the achievement, for the third year in a row, of a platinum medal from the EcoVadis benchmark, the highest classification given by this global organisation dedicated to evaluating the sustainability of companies, as well as Bondalti’s membership of the UN Global Compact.

## Ambition for growth

In 2022, we defined our ambition for growth, based on three pillars – Growth of the core Chemical business; Consolidation of the Water

Treatment and Reuse business; and New initiatives in the field of decarbonisation – in which internationalisation becomes particularly relevant. In 2023, we took decisive steps in the implementation of the growth strategy.

In the core business, in March 2024, we launched an OPA (public takeover bid) for the Spanish company Ercros, a leading chemical industrial group in Spain, based in Barcelona, specialising in the production and sale of chemical and pharmaceutical products. Once completed, this will be a union that will allow the formation of a group with the size and financial capacity necessary to face the challenges that the European chemical industry faces, whilst simultaneously expanding strategic potential and opportunities for growth, with a long-term vision.

In the area of Water Treatment and Reuse, this was a year of strong consolidation for Bondalti Water, with a 58% increase in equipment produced, compared to 2022, and notable growth of 73% in the project pipeline, significantly expanding the customer base. Bondalti Water is an example of success in integration synergies, which allows us today to offer complete solutions for the entire water cycle, from process water to wastewater treatment.

In the field of business initiatives to diversify our activity, we highlight the launch of the Lifthium Energy project in conjunction with our shareholder, the José de Mello Group. This is a profoundly distinctive initiative in lithium refining for the electric vehicle battery value chain, which harnesses our industrial skills in electrolysis, in which Bondalti has extensive know-how thanks to its Iberian leadership in chlorine

production. The set of technologies to be adopted by Lifthium could reduce emissions per ton produced by at least 50%, when compared to the industry average.

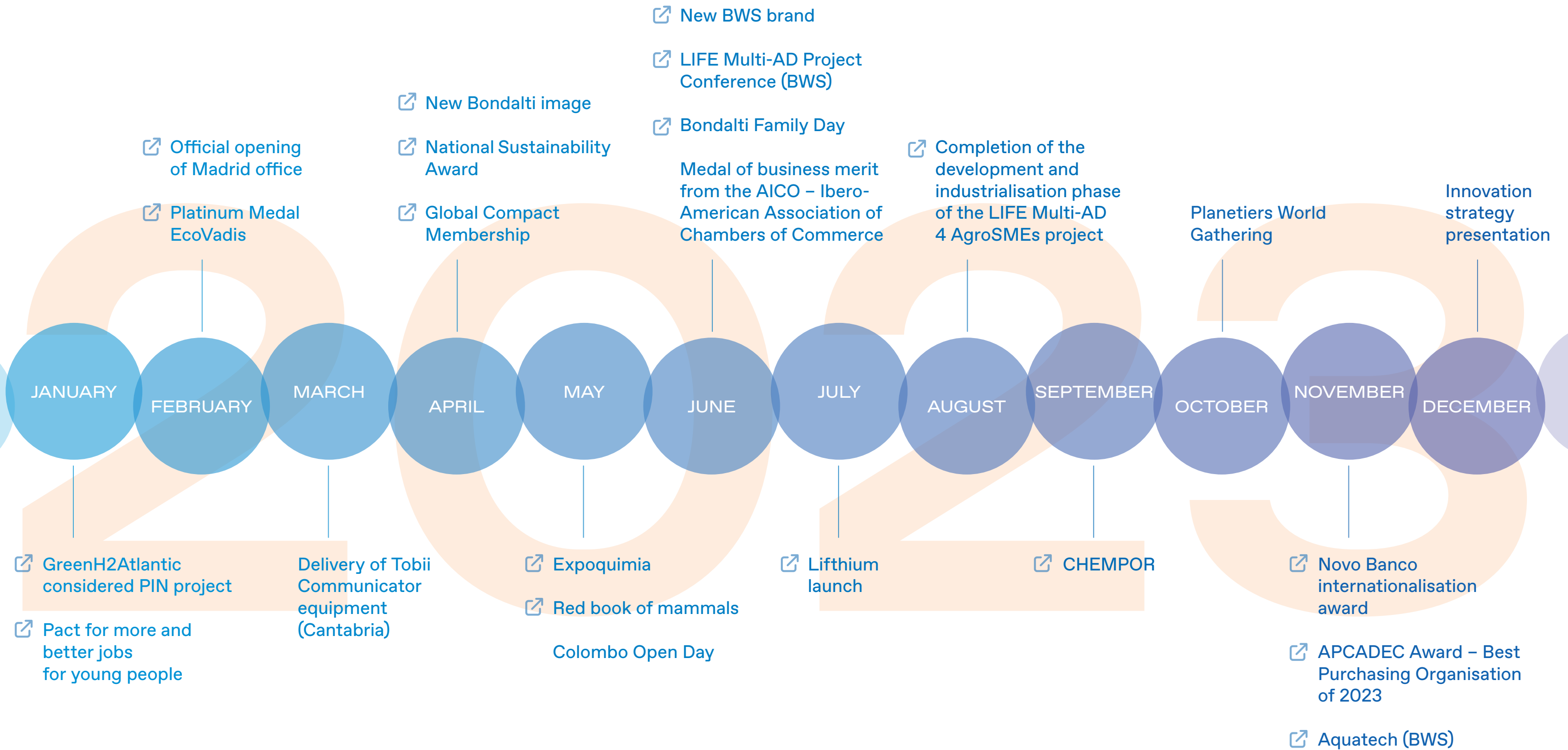
## Tomorrow Matters

The new ambition for sustainable growth led to the adoption, in 2023, of a renewed image for the Bondalti brand, which we made a point of accompanying with a new signature that is, at the same time, the expression of our commitment to all stakeholders and the affirmation of that which drives us: TOMORROW MATTERS.

It is with enthusiasm and optimism that we face the future, aware of the challenges the sector faces. And, therefore, from the very beginning, we were signatories to the Antwerp declaration, aiming to implement an EU Industrial Deal, in addition to the EU Green Deal, in order to restore the competitiveness of European industry, a strong creator of jobs and knowledge, in which the chemical sector assumes a strategic role in the development of products and solutions critical to meeting ambitious European environmental goals.

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Because, at Bondalti, it isn't just what we do that matters, but, above all, how we get there.





### PEOPLE

**752**

professionals (+8 over 2022)

**44 756 h**

of training

**48%**

of Bondalti employees are millennials

### FINANCIAL

**96 M€**

in EBITDA

**504 M€**

in turnover

**30 M€**

in investment

### ENVIRONMENT

**18%**

reduction in direct and indirect emissions of CO<sub>2</sub> \*

**40%**

of electrical energy from 100% renewable sources in Industrial Chemicals

**21%**

water reuse in Industrial Chemicals

### GT

**7**

projects completed in 2023

**3.8 M€**

in investment

**> 70**

partners

### COMMUNITY

**2.4 M€**

invested

**3**

new projects

**19**

activities carried out by the PACOPAR INNOVATION

\* Only considers scope 1 and 2 emissions from the entire Bondalti Group in the Market-based category. The calculation was made using the three-year average.

# Growing with purpose

People at the centre  
of our decisions

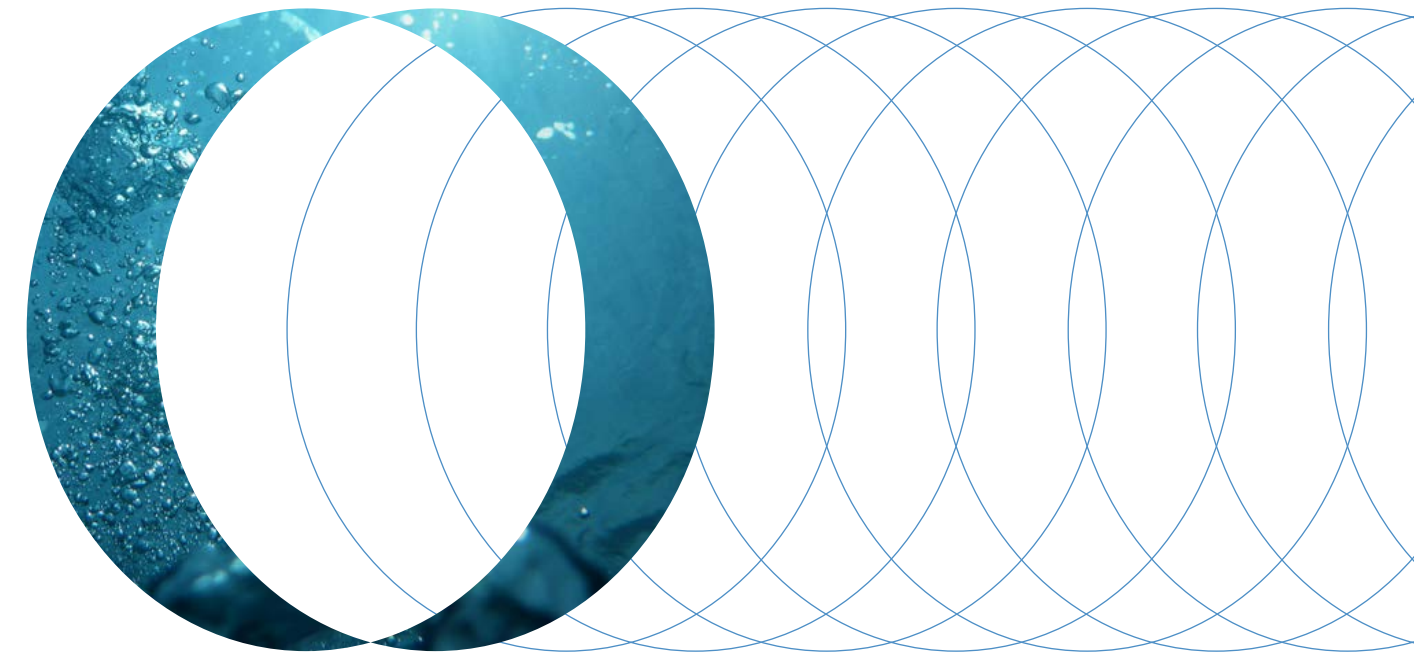
# 1.

## STRATEGY AND GOVERNANCE FOR CHANGE

# 1. Change

For Bondalti, sustainable growth is that which develops in full alignment with the priorities of the society. We therefore view business as a driver for creating a positive impact, in the certainty that our strategic decisions gain even more relevance in the face of unprecedented challenges on a global scale, at an environmental, social and economic level.

“Tomorrow Matters” represents the motto that guides our growth in areas that complement and enhance each other. We innovate today, mindful of the future.



## Strategic SDG



## Impacted SDG



By 2025, Bondalti plans to invest more than 70 million euros in decarbonisation projects at the Estarreja unit

## 1.1. Identity

### PURPOSE

To contribute to a better world through creating innovative and sustainable Chemistry.

### VALUES



#### Competence

Bondalti encourages an ongoing attitude of continuous improvement, through individual responsibility and team work, striving for excellence and consistency.



#### Innovation

Bondalti fosters an entrepreneurial culture and an open and curious mentality, in a constant search for new solutions and value-creating opportunities.



#### Human development

Bondalti puts human dignity at the centre of its decision-making and contributes to the development of its people's abilities, fostering autonomy and ongoing learning.



#### Integrity

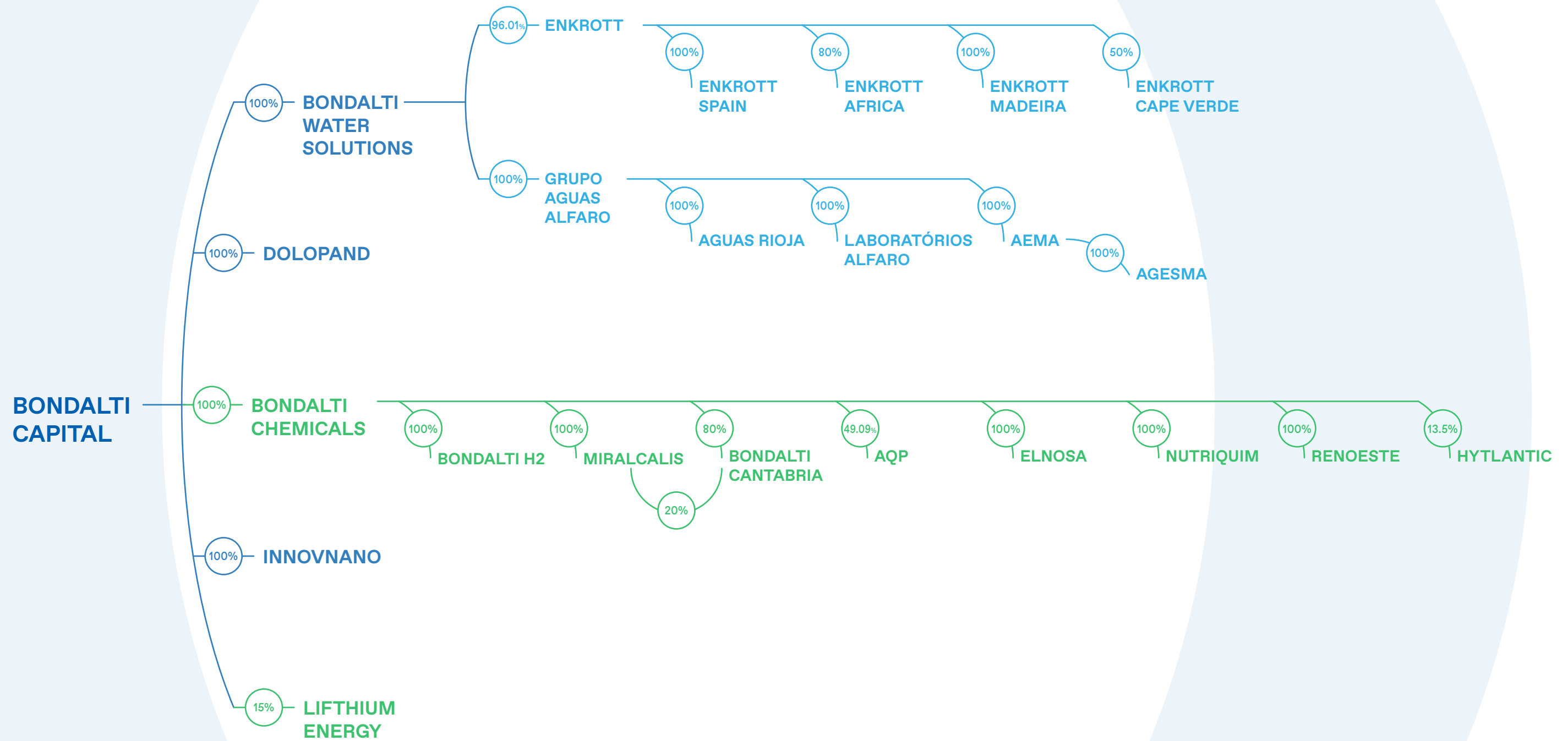
Bondalti promotes honest and ethical behaviour, establishing relationships of trust and loyalty, treating everyone fairly and candidly.



#### Responsible practices

Bondalti strives every day to be synonymous with high standards of quality, safety and respect for the environment, seeking to add value to the communities where it operates, while protecting both people and the planet.

# Bondalti Companies



## 1.2. Business areas

### 1.2.1. Bondalti Chemistry

#### ORGANIC CHEMICALS

#### Aniline and derivatives

#### INORGANIC CHEMICALS

#### Chloralkali

As the largest Portuguese producer in the industrial chemicals sector, and one of the main Iberian operators, Bondalti has manufacturing plants in Portugal (Estarreja) and Spain (Torrelavega) that aim to satisfy a wide range of customers in the domestic and international markets.

In the organic chemicals segment, Bondalti is the European sales leader and one of the world's leading non-integrated aniline producers, through the use of proprietary technology. It is also the Iberian peninsula's largest producer of chlorine, in the inorganic chemicals segment and the second largest Iberian producer of electrolytic hydrogen, or hydrogen obtained through processes of electrolysis. Bondalti currently exports more than 90% of its production.

“To contribute to a better world through creating innovative and sustainable chemistry” – Bondalti’s purpose is reflected in the company’s strategic positioning and the responsibility with which it engages in its activities. Its 150 years of experience, which laid the foundation of what Bondalti is today, represents a distinctive feature in the market, but also a pillar of its sustainable vision for the business.

Bondalti products are indispensable in our daily lives and essential for the well-being of modern societies. Bondalti’s chemistry is present in a diverse range of sectors, from water treatment and reuse through pharmaceuticals to footwear, and also includes agriculture and cleaning and disinfection.

But being an “industry of industries” also means the responsibility of contributing to sustainable development goals, either by minimising its own impacts or by innovating new products capable of contributing to the decarbonisation of the economy, while maintaining its economic and social function.



## Investment in decarbonisation

Despite the economic context with multiple challenges on a global scale, 2023 was a very positive year for Bondalti's activity in the chemical sector. It managed to maintain an excellent sales volume and its market position, as well as implementing initiatives aligned with the long-term objectives of decarbonising its industrial sites.

Bondalti was the company with the highest percentage and the highest absolute value of incentive approved under Component 11 of the PRR, in support of its investment plan in decarbonisation, which involves different areas and different technologies, with a total of more than 70 million euros to be invested, until the end of 2025, at the Estarreja unit. A project that includes pioneering technologies in the industry, such as the use of batteries to store locally produced renewable energy. In 2023, the execution of these investments, aligned with the company's sustainable business strategy, has already mobilised 13 million euros.

## Efficiency gains and cost reduction

In 2023, the company bolstered its commitment to efficiency gains and cost reductions. Although inflation had a significant direct impact on operating costs, especially materials and services, Bondalti maintained its competitiveness compared to European industry.

The primary treatment of salt (an essential raw material for chlorine production) represented one of the focuses of 2023. In addition to

meeting the objective of diversifying sources of supply, mitigating the company's exposure in the event of a shortage, this initiative provided a relevant impact on cost reduction through the replacement of vacuum salt – a product of high purity and higher cost – with sea salt.

## Bondalti Chemicals' competitiveness milestones in 2023

**Reliability:** the Estarreja site achieved reliability rates close to 90%, a competitive advantage that translates into meeting production targets, delivering products to customers and implementing improvement projects.

**Efficiency:** the main achievement was in terms of specific consumption, which recorded historically low values. Raw materials are the biggest cost of production and using them in the most efficient way has a very significant impact on the business. Currently, the main raw materials are at the highest level of efficiency ever achieved.

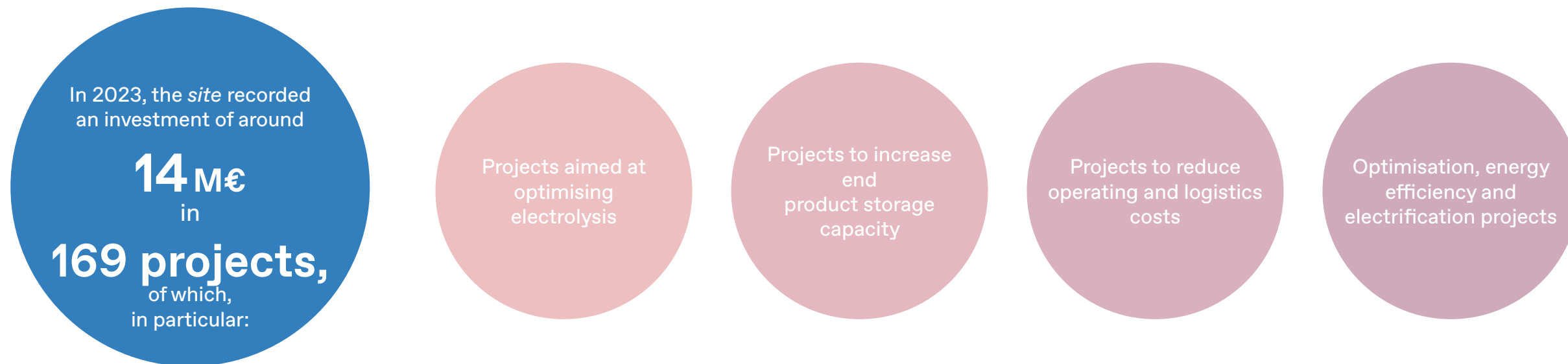
**Productivity:** In terms of quantities produced, 2023 was the second best year ever, especially for aniline, nitrobenzene and nitric acid, thanks to two fundamental factors: on the one hand, the capture of sales, which created the need to maintain production at high levels throughout the year, and, on the other, the availability of the factories to operate at an optimal performance level.

**Technology:** the decision was made to replace the brine electrolysis technology in Estarreja with a more energy efficient one with greater technical support for the maintenance of those units (best in class). Around 20% of a total investment of around 40 million euros was made during 2023.

**Rejuvenation:** the ambitious know-how transmission plan among the Estarreja operations teams, with a view to ensuring

continuity in the manufacturing area, resulted in an important training component during the year (through the 4x4 Training programme, specifically designed for this purpose). The average age of the employees of the site fell from 44 in 2022, to 42 in 2023. In 2021, in industrial chemicals, Bondalti had 135 employees over 50 years of age, a number that decreased to 116 in 2023.

Main investments made in Estarreja

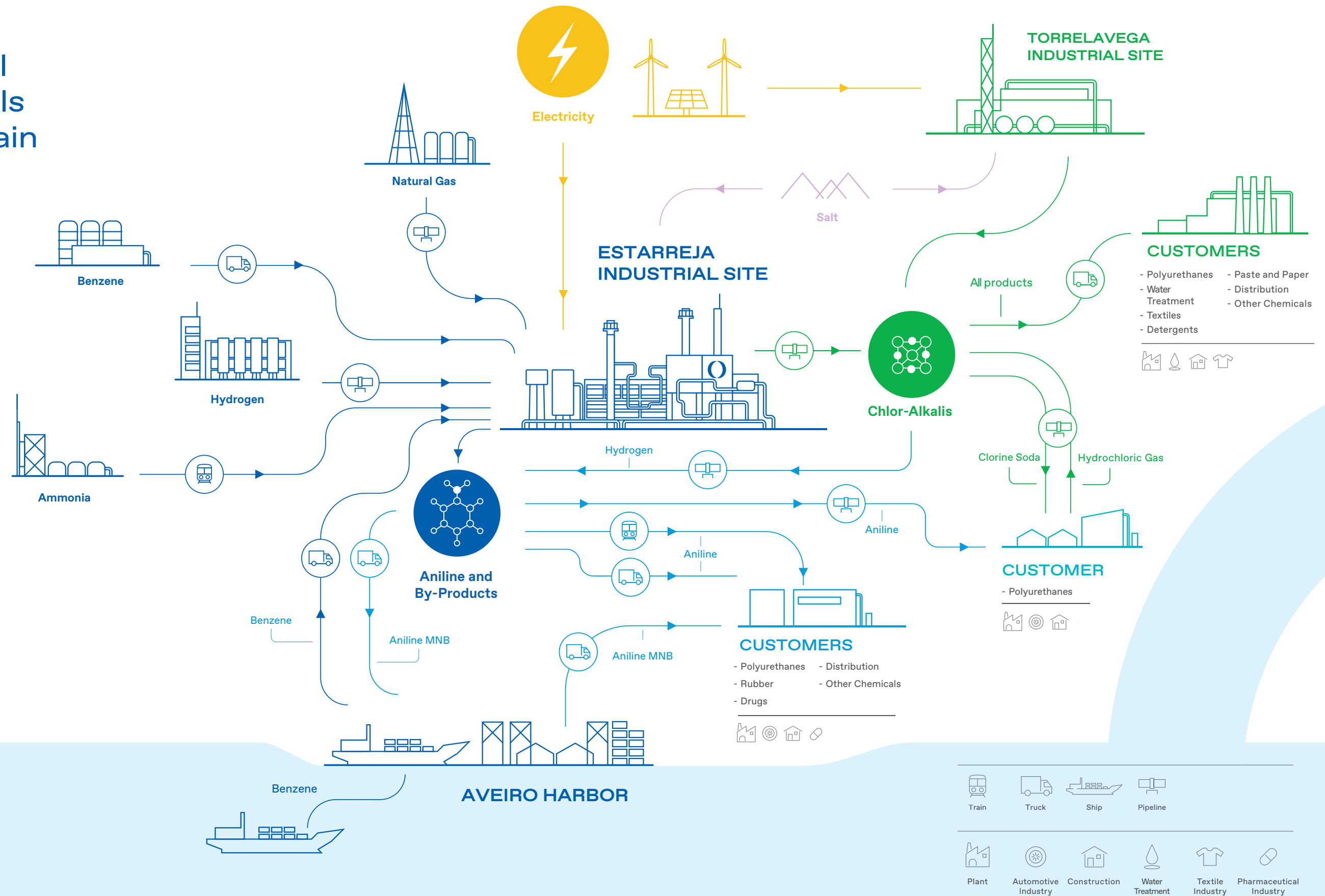




 <p><b>Chemical Industry</b></p> <p>The chemicals produced form part of the beginning of the value chain for countless customers</p>	 <p><b>Paints and Pigments</b></p> <p>The composition of paints involves water-insoluble chemicals and oily substances</p>	 <p><b>Rubber Industry</b></p> <p>In rubber processing, organic chemicals are used in its composition</p>	 <p><b>Pharmaceutical Industry</b></p> <p>Pharmaceutical industry products have very high purity requirements</p>	 <p><b>Hygiene and cleaning products/ Detergents and Soaps</b></p> <p>Cleaning products are characterised by the effective elimination of oils and fats and the disinfection of surfaces</p>	 <p><b>Water Treatment</b></p> <p>Chlorine-based products act to disinfect public water and water for human consumption</p>	 <p><b>Paper Industry</b></p> <p>The manufacture of paper and derivatives depends essentially on inorganic products</p>
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Nitric Acid	○					
Sulphanilic Acid	○	○	○	○		○
Aniline	○	○	○			
Mononitrobenzene	○	○	○	○		
Hydrochloric Acid	○		○		○	○
Chlorine					○	
Sodium Hypochlorite			○		○	○
Caustic Soda	○		○		○	○

# Industrial Chemicals Value chain



## 1.2.2. Bondalti Water

### Present in the whole water cycle








Bondalti Water develops two types of complementary activities, for customers in sectors such as industry, health, tourism and large buildings and facilities, for whom water is a critical asset:

#### DESIGN AND ENGINEERING

Design, production, marketing and installation of highly reliable and competitive equipment and solutions for the production of water for human consumption, the treatment of process water and wastewater, sludge and other waste products;

#### OPERATION AND MAINTENANCE

Close and continuous monitoring, whether of integrated management, operation, preventive and/or corrective maintenance.

- Design and Engineering —  
- Factory and Production/Work —  
- Operation and Maintenance —   

To these two activities, we can add the accredited **Laboratory** in Spain, which allows us to offer, both to external customers and internal operations, chemical and biological analyses and high quality process and technical inspection services, guaranteeing total independence.

The company has operations in Portugal, Spain and Angola, and exports solutions for the integrated water cycle throughout



the world, with an extensive portfolio of technologies, including:

- Solutions with membrane technologies, such as reverse osmosis or ultrafiltration;
- Electrodeionisation equipment;
- Advanced biological solutions, including membrane bioreactors (MBR) and anaerobic reactors;
- Solutions with physicochemical treatments, advanced oxidation systems and sludge treatment;
- Customised 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 Water products.

At a time of strong pressure on the management of natural resources, Bondalti Water puts its experience and skills at the service of a more sustainable operation for its customers, throughout the entire water cycle.

Bondalti Water bases its activity on offering technological solutions for the integral water cycle to various customers, particularly industrial customers and those in the services sector. It addresses the most difficult and technically demanding challenges as those where the greatest value can be contributed. It covers the entire water cycle, including process water, utilities, wastewater treatment and reuse. These solutions have a strong focus on increasing operational and energy efficiency and reducing the water footprint. Reinforcing its

commitment to the energy efficiency of solutions, Bondalti Water is also present at various points in the Water-Energy nexus, including the generation of biogas and, associated with it, the recovery of waste and recovery of nutrients.

The holistic approach to the challenge of managing this vital resource means that the company is today recognised in the market as an outstanding partner for personalised, technically advanced and multidisciplinary solutions tailored to each customer for optimising water flows, in multiple sectors of activity.

Bondalti Water recognises that the circularity of resources, particularly water, represents a critical factor for competitiveness through the reduction of operational costs and compliance with ESG – Environmental, Social and Governance criteria, which is why it has developed a comprehensive service that cuts across the entire water cycle.

The result of the consolidation of two companies, the Spanish AEMA and the Portuguese Enkrott, Bondalti Water brings together more than 60 years of accumulated experience, which puts it in a position to offer the best technologies. The company has more than 500 active service references and brings together know-how and multidisciplinary skills to develop solutions specific to each need. It is a European leader in membrane bioreactor (MBR) technology, in which Bondalti Water professionals have more than two decades of experience, in addition to designing, manufacturing and integrating advanced solutions, particularly automation, all over the world, from the Iberian Peninsula to Australia, and including Antarctica.

## Year of growth and consolidation

For Bondalti Water, the year 2023 will be marked by major growth in its customer base, as well as the diversification of the products and services offered. The company's organic growth has involved expanding its commercial products and services in the Portuguese and Spanish markets, through the cross-referencing of skills and specialisations between the two geographical areas.

As part of this strategy, Bondalti Water reinforced its presence in the Process Water segment, in Spain, and in the Waste Water segment, in Portugal, which also involved increasing production capacity and the portfolio of technologies, as well as expansion of the network of international partners. In 2023, the company expanded the number of countries to which it exports, with markets outside the Iberian Peninsula and Angola contributing 9% of total sales volume, compared to 6% in the previous year.

As a result of the international promotion and market recognition of the cross-cutting nature of the company's skills, the year 2023 is also marked by a record number of large-scale projects in different sectors of activity.

The strengthening of Bondalti Water's scale also translated into its teams: the number of employees represents around 47% of Bondalti's headcount. Due to this growth and continuing the already contemplated path towards integration, in 2023 a new organisational

structure for integrated Iberian coordination was implemented, which allows for better sharing of skills and capabilities.

## Biogas and circularity

Biogas, a renewable fuel produced from organic waste originating from the treatment of wastewater, animal or vegetable waste, is one of the fundamental fronts of development at Bondalti Water. The aim is to recover waste as a raw material for energy production, realising the full potential of circularity and reducing the carbon footprint.

The biogas segment is developed in two main areas of activity, the first of which consists of the use of technologies in the treatment of wastewater with a view to optimising the production of this product. This is a front in which Bondalti Water is already very active, with two large-scale installations operating in a brewery and a WWTP shared by four factories in the food sector.

In addition to production from wastewater, the company is also developing projects that aim to implement dedicated units, in which biogas production incorporates not only waste from water treatment, but also other types of organic waste. The sector is emerging in the Iberian Peninsula, where there are still few projects in execution or operation. In Portugal, the public strategy to support biogas was presented in January 2024.

## Desalination: a market with potential

Bondalti Water is investing in desalination, a market segment that is gaining increasing significance, given the current backdrop of water scarcity. The company has been developing solutions for the industrial or tertiary sector (hospitals and hotels), with a focus on small installations or portable equipment. In 2023, it completed a project in the area of tourism that adds to previous references in the area.

## Investment in manufacturing facilities

The strategy of producing the equipment needed for different projects internally, with a view to reducing costs and risks, resulted, in 2023, in increased investment in manufacturing facilities.

At the Sintra unit, dedicated to process water, factory floor space increased by around 40%, now standing at 4 500 square metres, allowing the company to bolster efficiency and respond to the needs of a market that covers Portugal and Spain, as well as other geographical areas, and complementing the increase in industrial space put in place previously at the Alfaro unit, which today focuses on the area of waste waters.

The company is also developing activities that aim to enhance local skills in each of the production centres, namely work with stainless steel components in Spain, allowing this to complement the existing specialisation in Portugal, which is more focused on plastic elements.

## Constant commitment to Research and Development (R&D)

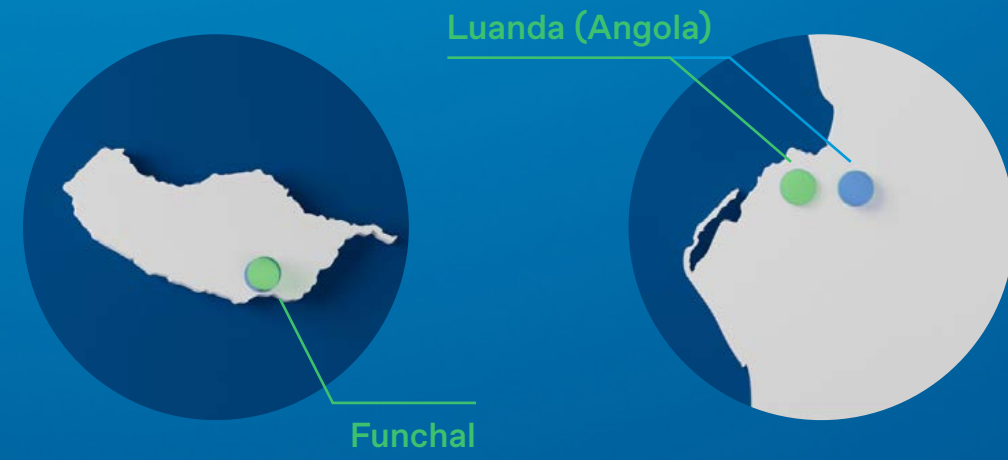
The year 2023 marked the end of the European LIFE Multi-AD project, which took place under the coordination of the AEMA, in a consortium with the companies ITAinnova (Spain), SIS (Romania), I&S (France) and Energy Greengas Almazan (Spain).

With an investment of around 1.2 million euros from Bondalti Water - AEMA, this initiative established new levels of efficiency in water management as a critical factor for the competitiveness of Small and Medium Enterprises (SME) in the food and beverage sector in the European Union.

The initiative consisted of the development of a highly efficient and accessible anaerobic system (without the use of oxygen). This includes a new type of high-performance reactor and software that Bondalti Water is in the process of patenting, with the great advantage of producing high-quality biogas, with a methane content of more than 80%.

# Location of Bondalti Water facilities

- Production Units
- Logistics
- Offices



### 1.2.3. BONDALTI H2

#### Green Hydrogen

The experience of decades in the development of technologies and processes in industrial chemicals is now enabling Bondalti to occupy a unique position in sustainable energies. Green lithium and green hydrogen are at the heart of a strategy that places the company on the side of the solution in the global objectives for energy transition.

Also in this area, Bondalti intends to assume its vocation as an “industry of industries”, with innovative proposals that aim not only to decarbonise its operations and value chain, but also other value chains. Created in 2022, this is a business area that implements Bondalti’s commitment to seeing its track record capitalised in sustainability.

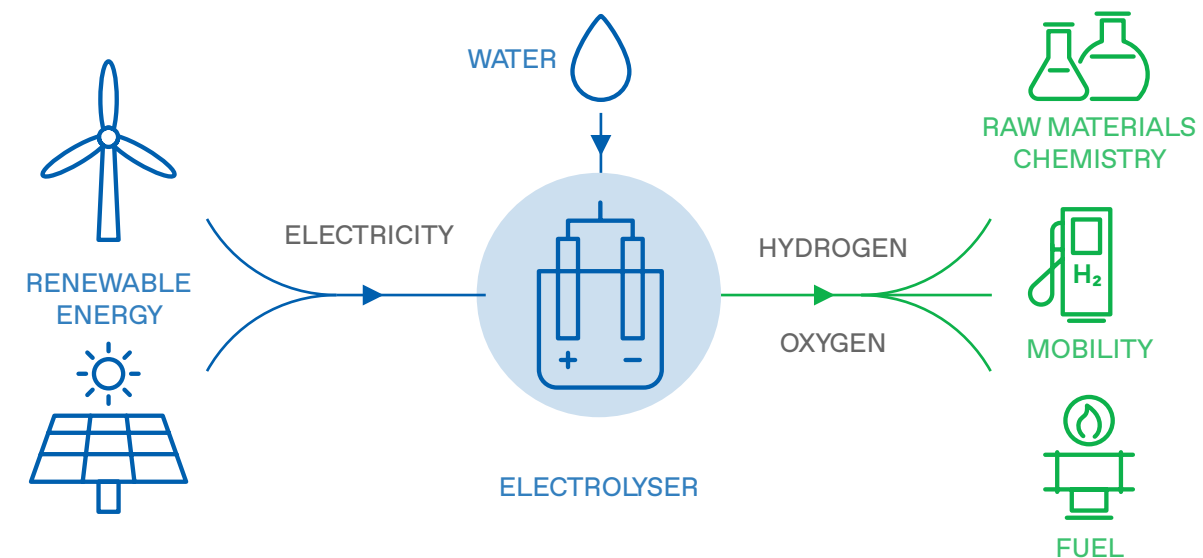
#### Green Hydrogen: an investment in decarbonisation

So-called “green hydrogen” is distinguished from conventional hydrogen by the fact that it is produced through processes that are based on energy obtained from renewable sources. Bondalti has unique conditions for converting all this decarbonisation potential: as a result of the company’s operations, the Estarreja Chemical Complex is one of the locations, nationally, with the most highly developed hydrogen value chain. Bondalti is, moreover, the second

largest Portuguese consumer of hydrogen, already having considerable knowledge in the production of hydrogen via electrolysis, inherent to the chloralkali process, in which it is the leader in the Iberian market.

The existence of a hydrogen value chain in Estarreja and experience in electrolysis technology and its operation thus constitute competitive advantages that support Bondalti’s commitment to positioning itself as a future producer of green hydrogen. This is a strategic area for the company, as it not only represents a contribution to the effort to decarbonise the company’s operations, but it also has the potential to reduce greenhouse gas (GHG) emissions from other industrial sectors, in which electrification appears more complex.

#### Green Hydrogen Production





## New market opportunities

The fact that green hydrogen is recognised as a prominent aspect of energy transition on a global scale, particularly in view of European objectives, has the potential to stimulate growth in demand, both in market segments that consume hydrogen as a raw material, and in those that can use it as a clean fuel, as is the case in long-haul transport.

Hydrogen is also being seen as a contribution to reducing the European Union's (EU) energy dependence. The European Commission has established the ambition of producing 10 million tons per year of clean hydrogen (i.e., "green", and others, the production of which has a low environmental impact) in the EU by 2030, and is defining the policies and regulatory framework to enable this target to be achieved.

## Bondalti's strategic hydrogen project

Known by the name H2Enable, it represents Bondalti's pioneering project for the production of green hydrogen at the Estarreja Chemical Complex: with an estimated investment of 142 million euros until the start of operations. Its co-promoters responsible for the R&D component are the Faculty of Engineering of the University of Porto (FEUP), the Green Hydrogen Collaborative Laboratory (HyLAB) and the Portuguese Association of Chemistry, Petrochemistry and Refining (APQuímica), and as strategic partners, Bondalti Water and Dow Chemical.

The project aims to decarbonise Bondalti's operations, as well as those of potential customers and partners, in line with the company's objectives of reducing GHG emissions through the consumption of energy from 100% renewable sources in its operations.

H2Enable is also aligned with European decarbonisation and industrial transformation 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.

This project will also allow production for direct sale in the market, specifically by means of injection into the national natural gas network, and for the mobility sector, contributing towards the competitive positioning of Portugal in green energies in alignment with the objectives of the European Commission RePowerEU.

H2Enable for the production of hydrogen at the Estarreja Chemical Complex was given the status of "Important Project of Common European Interest" (IPCEI) by the European Commission and is integrated into the mobilisation agendas of the PRR (Recovery and Resilience Facility).



**HIDROGÉNIO** →

### 1.2.4. Lifthium: innovation in the lithium value chain

The year 2023 will be marked by the establishment of Lifthium Energy, a company owned by Bondalti and the José de Mello Group that aims to develop an innovative lithium refining ecosystem, introducing a high degree of differentiation through the adoption of green technologies.

Sustainable lithium refining processes, including the use of electrolysis and renewable energy in processing the raw material, constitute one of the most distinctive elements of Lifthium Energy.

The entry of Bondalti and the José de Mello Group into the lithium value chain also creates a positive impact by enabling shorter logistics chains and, therefore, contributes to the reduction of the carbon footprint, when compared to the current model, which involves transport from more distant regions of the globe.

An all the more important perspective given that, currently, 62% of lithium is supplied by China, while Europe has not yet started producing it. It is estimated, moreover, that, with the growth of electric transport, demand will only be able to meet 50% of needs by the end of the decade.

### The construction of a new sustainable refining route

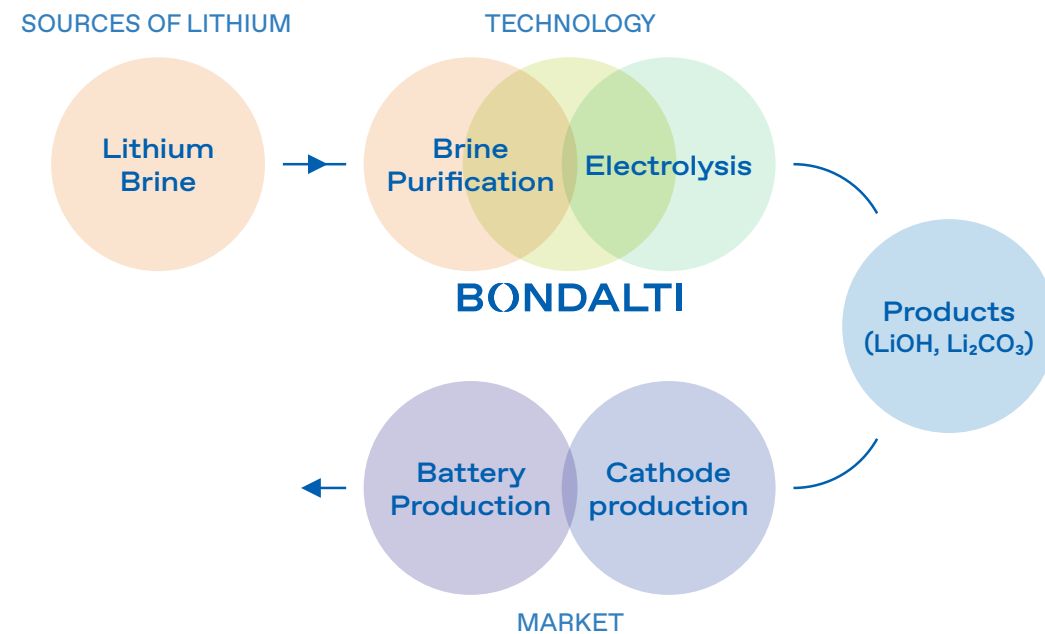
Since 2020, Bondalti had been developing a project to study the electrochemical pathway to transform lithium chloride into lithium hydroxide, a fundamental raw material for batteries, particularly those used in electric cars.

In 2023, Bondalti invested in the development of this new business area, focusing on tests carried out at a pilot plant, with a view to refining lithium through electrolysis. The results obtained, as well as the opportunity detected on a global scale and the technological skills gathered by the company, namely its vast experience in the chemical industry, were decisive factors in deepening implementation of the project.

Lifthium Energy is already developing a demonstration unit for this new technology.



## Sustainable Lithium Market Opportunity



### REFINING BY ELECTROLYSIS

Electrochemical refining represents Lifthium’s major innovation milestone. The company uses Bondalti’s extensive know-how in salt purification and electrolysis, in the context of chlorine production, to develop a refining process with a smaller environmental footprint. While, in the chloralkali value chain, electrolysis is applied to sodium chloride (brine), it will now be used on lithium chloride, in order to produce lithium hydroxide. With this process, Lifthium estimates emissions 50% below the industry average.

### CLASSIC REFINING

Conventional refining technology, based on the transformation of spodumene into lithium hydroxide, constitutes one of Lifthium’s development paths. Also in this field, the company presents an innovative and more sustainable value proposition. A reduced environmental impact will be achieved by using renewable energy sources. Moreover, this is a refining technology that allows the integration of lithium sulphates from battery recycling, thus achieving circularity in electric transport.

In 2023, Lifthium joined the IPCEI EuBatIn (Important Project of European Interest – European Battery Innovation) as the only Portuguese company with a green lithium refining project to form part of this European consortium.

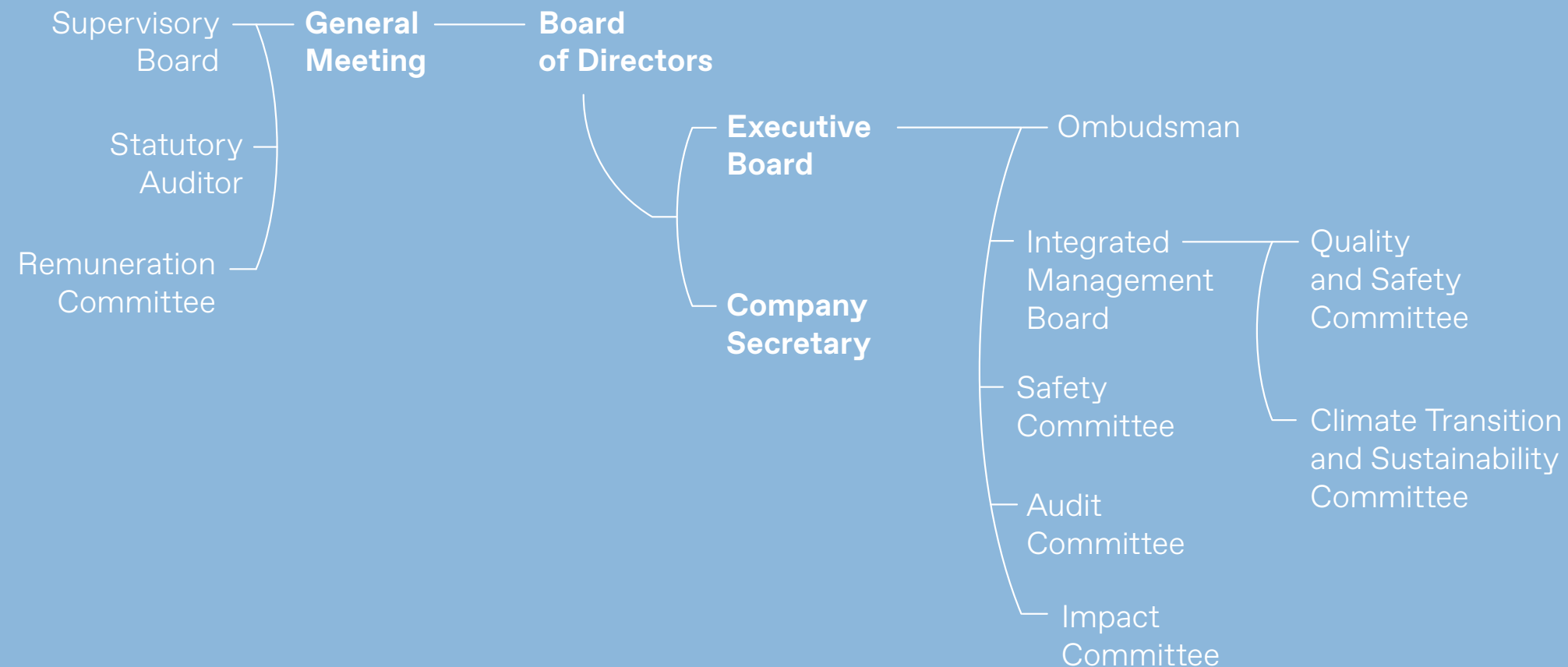


EuBatIn aims to develop a competitive, innovative and sustainable battery value chain in the EU. This project brings together the main European players in several member states and at various levels of the value chain, from mining to recycling, including refining, through advanced materials and the production of batteries, modules and systems, as well as software and systems. This integrated project brings together research, development and innovation (RDI) and FID – First Industrial Deployment skills.

# 1.3. Governance Principles

Bondalti Capital, SA owns a group of companies dedicated to managing business areas related to industrial chemicals and water treatment. Bondalti Capital, SA has responsibilities across the group, such as defining the purpose, vision, values or strategy, as well as coordinating the management of all the investees.

Bondalti’s governance model is based on ethical principles and transparency, implemented 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 responsibilities are defined in the Articles of Association, complying with the provisions of the Companies Code. The General Meeting is convened and directed by the Chair of the respective Board, which also consists of a secretary, both elected by the Board for a four-year term. Members of the Board of Directors and the Supervisory Board should also participate in the meetings, without voting rights.

The General Meeting is responsible for appraising the report of the Board of Directors; discussing and voting on the balance sheet and accounts and deliberating on the distribution of profits for the year; electing the Board of the General Meeting, the Board of Directors, the Supervisory Board and the Remuneration Committee; deciding on any changes to the articles of association and capital increase; among others.

## General Meeting Board

### CHAIRMAN

Alexandre Cabral Côte-Real de Albuquerque

### SECRETARY

Pedro Jácome da Costa Marques Henriques

## Supervisory Board and Statutory Auditor

The supervision of the company is the responsibility of the Supervisory Board, made up of three full members and one alternate, elected at the General Meeting for the current four-year period. The structure, composition, attributions, powers and duties of this body are stipulated in Articles 413 to 423 of the Companies Code.

This body is responsible for supervising the management of the company; monitoring compliance with the law and the Company's Articles of Association; verifying the regularity of the books, accounting records and supporting documents; overseeing the process of preparing and disclosing financial information; among others.

## Supervisory Board

### CHAIR

Maria do Rosário Mayoral Robles Machado Simões Ventura

### VOTING MEMBERS

José Miguel Tavares Mora do Vale

Romualdo Luís Ribera Salcedo

### ALTERNATE

Igor Amarii

## Statutory Auditor

Ernst & Young Audit & Associados – SROC, SA

### Remuneration Committee

The Remuneration Committee is responsible for establishing the remuneration policy for members of the statutory bodies, to be approved by the General Meeting, as well as setting the remuneration for members of statutory bodies.

### Board of Directors

The company's management is overseen by a Board of Directors, elected by the shareholders at the General Meeting for a four-year, renewable term of office. In January 2021, the Board of Directors was appointed for the four-year period 2021-2024, maintaining the Chairman from the previous term, as well as the members who make up the Executive Board.

This body is responsible for managing business, acts and operations related to the corporate purpose; representing the company; establishing the technical-administrative organisation and internal operating rules; among others. The Chairman of the Board of Directors is responsible for ensuring proper execution of the resolutions of the board, as well as coordinating its activities. Meetings of the Board of Directors should be held monthly and are convened by the Chairman.

### Board of Directors

#### CHAIRMAN

João Maria Guimarães José de Mello\*

#### VOTING 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 Board

### João Maria Guimarães José de Mello

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

With more than 30 years of professional experience in the chemicals sector, in addition to his duties at Bondalti, he represents the company on the General Board of the COTEC (Business Association for Innovation), he occupies the post of Deputy Chairman on the Board of the General Assembly of the AIP (Portuguese Industrial Association), participates as a member of the Board of the ACEGE (Christian Association of Entrepreneurs and Managers) and has been Chairman of the Board of Directors and Executive Board of the European Chemical Industry Council (CEFIC) since 2024. He was also Chairman of the General Meeting of APQuímica.

With a degree in Business Management from the École d'Administration et de Direction d'Entreprises, in Switzerland, João de Mello later completed university studies in Industrial Textile Techniques at the Catholic University of Leuven, in Tournai. Additionally, he underwent training in various areas of management, having completed the Leadership Management Training Programme for Top Managers at IMD International.

### André Cabral Côrte-Real de Albuquerque

With 20 years of experience in the chemicals sector, André de Albuquerque is a member of the Board of Directors and Executive Board of Bondalti Capital. Additionally, André de Albuquerque is also a member of the Board of Directors of FEIQUE (Spanish Chemicals Industry Business Federation) and a Business Angel accredited by the IAPMEI (Agency for Competitiveness and Innovation).

Over the years, André de Albuquerque has taken on various management roles in companies and sectors as diverse as Printed Electronics, Nanotechnology, Civil Explosives and Fertilisers, having acquired extensive experience in various functional areas.

André de Albuquerque holds a degree in Business Administration and Management from the Portuguese Catholic University, with postgraduate qualifications from the same university and AESE Business School.

### João Jorge Gonçalves Fernandes Fugas

João Fugas is a non-executive member of the Board of Directors of Bondalti Capital and a National Defence Auditor at the National Defence Institute.

With more than 35 years of professional experience in various industries, his CV also includes important management responsibilities at various industrial and service companies within the Sonae Group.

João Fugas holds a degree in Chemical Engineering from the Faculty of Engineering of the University of Porto. Additionally, he completed several management training programmes, including the Leadership Management Training Programme for Top Managers at IMD International and the Senior Management Programme at AESE Business School.

### João Pedro Ribeiro de Azevedo Coutinho

João Azevedo Coutinho is an executive director of José de Mello Capital and a non-executive member of the Board of Directors of Bondalti Capital.

With more than 35 years of professional experience, he began his career at Coopers & Lybrand and was director responsible for the Investment Banking Division of Deutsche Bank in Portugal. João Azevedo Coutinho was a Member of the Executive Board of Banco Mello de Investimento, an Executive Member of the Board of Directors and CFO of Brisa, and was also responsible for several areas and subsidiary companies of the Brisa Group. He was also a Member and later Chairman of the Board of Directors of the Board of CCR – Companhia de Concessões Rodoviárias in Brazil.

Holder of a degree in Business Administration and Management from the Portuguese Catholic University, he completed the Leadership Management Training Programme for Top Managers at IMD International and the Advanced Management Programme at Harvard Business School.



### João Pedro Stilwell Rocha e Melo

Pedro Rocha e Melo is an executive director of José de Mello Capital, a non-executive director of Bondalti Capital, Deputy Chairman of the CUF and Deputy Chairman of the ACEGE.

He was Deputy Chairman and Executive Director of Brisa Autoestradas de Portugal and Chairman of Via Verde Portugal. Before joining Brisa, he worked in Investment Banking, holding the position of 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 holds a degree in Mechanical Engineering from Higher Technology Institute and an MBA (Master of Business Administration) from Universidade Nova de Lisboa.



### Luís Augusto Nesbitt Rebelo da Silva

Luís Rebelo da Silva is a member of the Board of Directors and Executive Board of Bondalti Capital.

At the beginning of his professional career, Luís Rebelo da Silva worked for ICEP (Foreign Trade Institute of Portugal) and in the venture capital sector, as an investment analyst. Before joining Bondalti, Luís Rebelo da Silva worked for more than 18 years in several other businesses within the José de Mello Group, in which he held important management positions.

Luís Rebelo da Silva graduated in Business Administration from the Higher Institute of Economics and Management, in Lisbon.





## Luís Henrique Marcelino Alves Delgado

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



He joined the José de Mello Group to take on roles in the Strategic Planning, Development and Control department of José de Mello, having then worked for several companies, including Efacec Power Solutions, where he served as Executive Director on behalf of shareholders José de Mello and Têxtil Manuel Gonçalves.

Luís Delgado holds a degree in Electrical and Computer Engineering from Instituto Superior Técnico, having subsequently completed an MBA from Universidade Nova de Lisboa.

## Marisa Poncela García

Marisa Poncela García is a member of the Board of Directors of Bondalti Capital, with non-executive duties.



With a degree in Economic Sciences from the University of Zaragoza, she began her professional career in 1984 as a technician at the Ministry of the Economy and Commerce, where she had a distinguished career in the Spanish public administration as Secretary General for Science and Innovation, Secretary of State for Commerce, president of ICEX Spain Exportações e Investimentos and, until 2020, international director of Renfe Operadora.

Marisa García was also a professor on several master's degrees and general director of the Abbott Foundation and co-founder of Addtalentia SL. Currently, Marisa Poncela García is also a non-executive director at Talgo, a company in the railway sector; at Idom, engineering and consultancy; at Salvat Laboratories, in the pharmaceutical sector; and at Amber, a technology and communications engineering company.

## Vasco Luís José de Mello

Vasco Luís José de Mello is Managing Director of José de Mello Capital and a non-executive member of the Board of Directors of Bondalti Capital.



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

Holding a degree in Mechanical Engineering from the Catholic University of Leuven, Belgium, Vasco Luís José de Mello completed a master's degree 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 Board

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

As a rule, meetings of this body occur on a weekly basis and aim to manage critical and priority issues for any of the organisation's divisions, to ensure that decisions are taken in a timely and responsible manner. The regular monitoring carried out by the EB is also very

important in risk management and analysis of compliance with the objectives defined in the short, medium and long term.

Assessment of the performance of this body is based on objectives defined for a given time horizon and in the economic, social and stakeholder perception areas.

The Directors who comprise the Executive Board are responsible for the proximity management of different areas and departments:

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### João de Mello

- Communication and Branding
- Risk Management and Internal Auditing
- Legal
- People

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### André de Albuquerque

- Hydrogen Business
- Commercial
- Business Development and Market Intelligence
- Strategic Development, Planning and Management Control
- Supply Chain

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### Luís Delgado

- Sustainability and Climate Transition
- Energy and Integrated Production Planning
- Safety, Environment and Quality
- IT, Information Security, Digitalisation and Innovation
- Technology
- Sites at Estarreja + Cantabria

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### Luís Rebelo da Silva

- Bondalti Water
- Administrative and Financial

At Bondalti, there are also other advisory bodies that support the management of important matters that cut across the organisation.

### Ombudsman

The Ombudsman's mission is to oversee and supervise all matters relating to the application of the Bondalti Code of Ethics. The Code of Ethics demonstrates the company's commitment to acting in all circumstances with high ethical standards and integrity, at all times respecting the rights of its stakeholders. The Code of Ethics and the Ombudsman's Regulations define the internal and external mechanisms for counselling and reporting behaviours that present ethical or legal misconduct or a violation of integrity.

The Ombudsman is appointed or dismissed by the Executive Board and works in direct coordination with the organisation's governing bodies, committees and structures.

### Integrated Management Board

The Integrated Management Board aims to support the implementation of the Quality, Occupational Safety and Health, Environmental and Energy management systems at Bondalti

Chemicals and Bondalti Cantabria, with a view to improving performance, sustainable development, the protection of workers' health and safety, and the prevention of serious industrial accidents.

This body is subdivided into two parts, according to the subjects and areas in question, the **Quality and Safety Council**, for matters related to Quality, Occupational Safety and Health and Industrial Safety, and the **Climate Transition and Sustainability Council**, for matters relating to the Environment, Energy, Environmental Sustainability and Climate Change.

### Security Committee

The Security Committee is the body responsible for the Information Security strategy, as well as monitoring its implementation. This Committee is responsible for analysing and monitoring Bondalti's compliance with legal and regulatory Information Security obligations; discussing and proposing initiatives in this area that increase the level of internal control; promoting debate about significant changes at Bondalti; identifying and analysing impacts on Information Security and the Organisation's risk profile; and supervising Information Security performance indicators.

### Audit Committee

The Audit Committee evaluates and monitors the organisation's governance processes, risk management process and controls, and proposes appropriate improvement measures in the Annual Audit Plan, which it must approve, and the execution and results of which it must monitor. This Committee receives reports of irregularities presented by employees and any interested parties. The Internal Audit and Risk Management Division (DAIGR) reports to this Committee, as part of its internal audit activities.

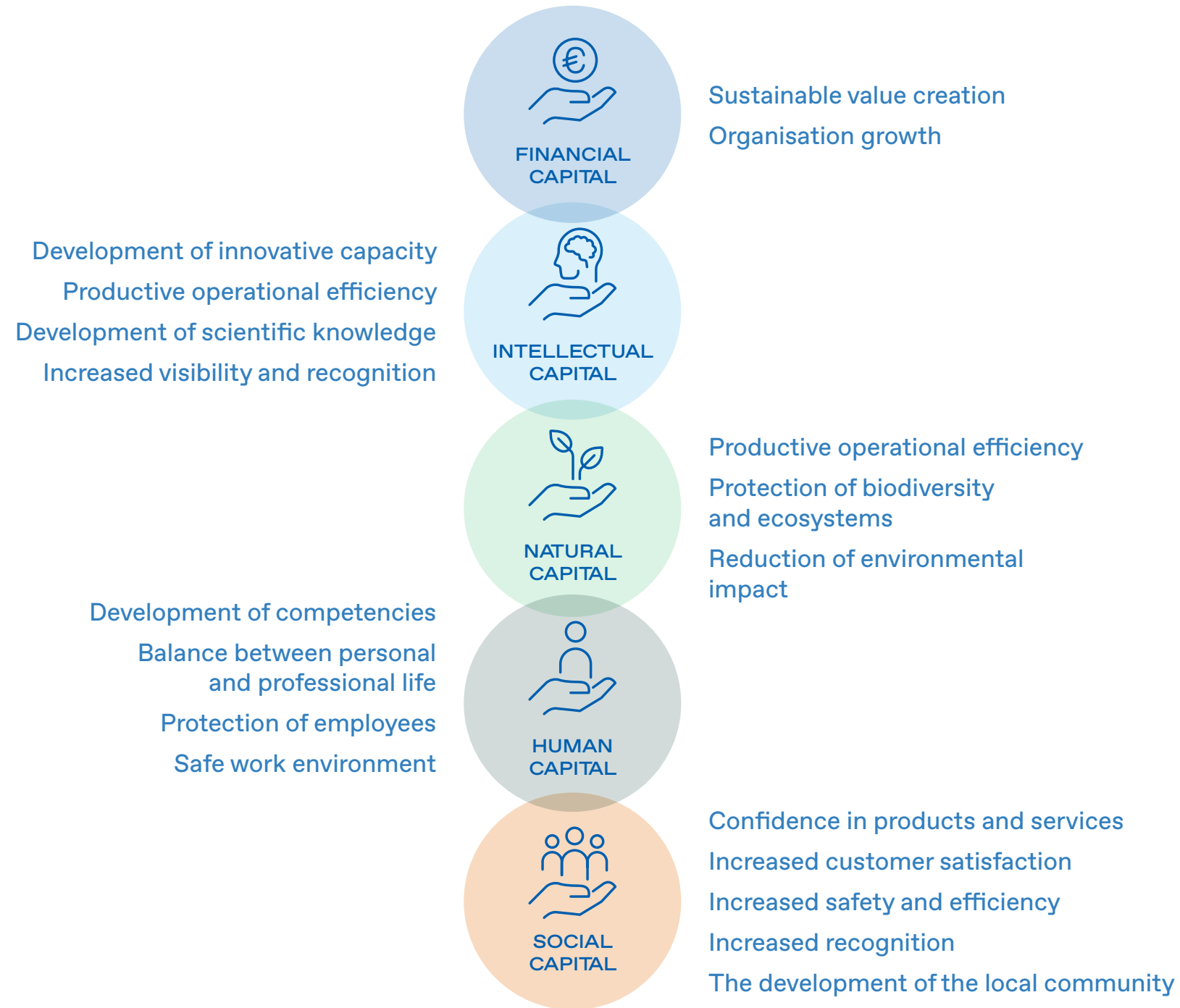
### Impact Committee

The Impact Committee is made up of a group of employees from the organisation who are responsible for driving the innovation strategy. The committee includes representatives from different departments and functions within the organisation and is responsible for overseeing the innovation strategy, allowing the identification of opportunities for new products, services and business models.

The role of the Impact Committee is to provide a forum to discuss and evaluate new ideas, assess their feasibility and potential impact, and prioritise initiatives based on their strategic importance and needs for resources.



# Leading indicators and value creation



## Commitment



**290.9 million euros** in costs of goods sold  
**87.9 million euros** in external charges for services  
**39.8 million euros** in staffing costs



**71 ideas** from employees submitted under the Colombo Programme  
**6.2 million euros** in costs and investments in RDI  
**8% of employees** involved in RDI activities



**570 thousand t** industrial chemicals raw materials  
**2.290 million m<sup>3</sup>** water consumed  
**2.882 million GJ** energy consumed



**752 Employees** (453 in Portugal, 216 in Spain and 83 in Angola)  
**1.225 million euros** in employee benefits  
**44 756 hours** of training



**2.367 million euros** invested in the community  
**208 stakeholders** evaluate sustainability performance  
**192 customers** evaluate the industrial chemicals

## Results

**503.6 million euros** in sales  
**96.2 million euros** in EBITDA  
**50.5 million euros** in net earnings  
**21 million euros** in liquid debt

**1.9 million euros** accumulated return on ideas implemented  
**39 RDI initiatives** and/or projects  
**78 partnerships** in RDI

**1.840 million t** of industrial chemical products  
**1.164 million m<sup>3</sup>** of effluents  
**18 760 t** of waste generated  
**1 060 426 t CO<sub>2</sub> eq** emitted

**efr Certification** from the Fundación MásFamilia  
**12** minor lost-time work accidents  
 Incidence rate of **0.02**

**82 out of 100** in the EcoVadis sustainability questionnaire  
**46%** response rate in the stakeholder sustainability evaluation  
**4.25 out of 5** in customer evaluation

## 1.4. Sustainable business

The new Corporate Sustainability Reporting Directive (CSRD), which came into force in January 2024, raises the level of disclosure requirements for companies in Europe.

But, more than that, it demonstrates that sustainability is an undertaking that goes beyond the borders of a company – it involves the entire value chain, in a joint and coordinated effort.

The directive is expected to impact 50 000 companies and around three quarters of business volume in the European Economic Area. As early as 2023, Bondalti anticipated the work with its partners to prepare for the new conditions.

### Materiality

Recent Global Reporting Initiative (GRI) guidelines and, especially, the current Corporate Sustainability Reporting Directive (CSRD), require organisations to conduct an in-depth analysis in relation to sustainability, which entails companies disclosing complete and consistent information that reflects the impacts, risks and opportunities of their activities on the economy, people and the environment.

The concept of double materiality has gained prominence in the contemporary business landscape, reflecting the interconnection between the financial and non-financial aspects of an organisation in the assessment of its development, performance and positioning, in addition to its impact on sustainability issues. This concept encompasses two perspectives:

**Impact materiality (from the inside out):** This refers to the significant impacts, real or potential, that organisations can cause on people and the environment in the short, medium or long term, whether at the level of operations or at the level of the value chain.

**Financial materiality (from the outside in):** This concerns evidence that sustainability issues generate financial effects on the organisation's operations, creating risks and opportunities that influence or may influence future cash flows and, consequently, the value of organisations in the short, medium and long term.

The double materiality concept and analysis supports organisations in identifying and mitigating non-financial risks, including risks related to climate change, ethical issues, social impact and inadequate governance.

This approach strengthens the resilience of organisations vis-à-vis their stakeholders and emerging challenges.

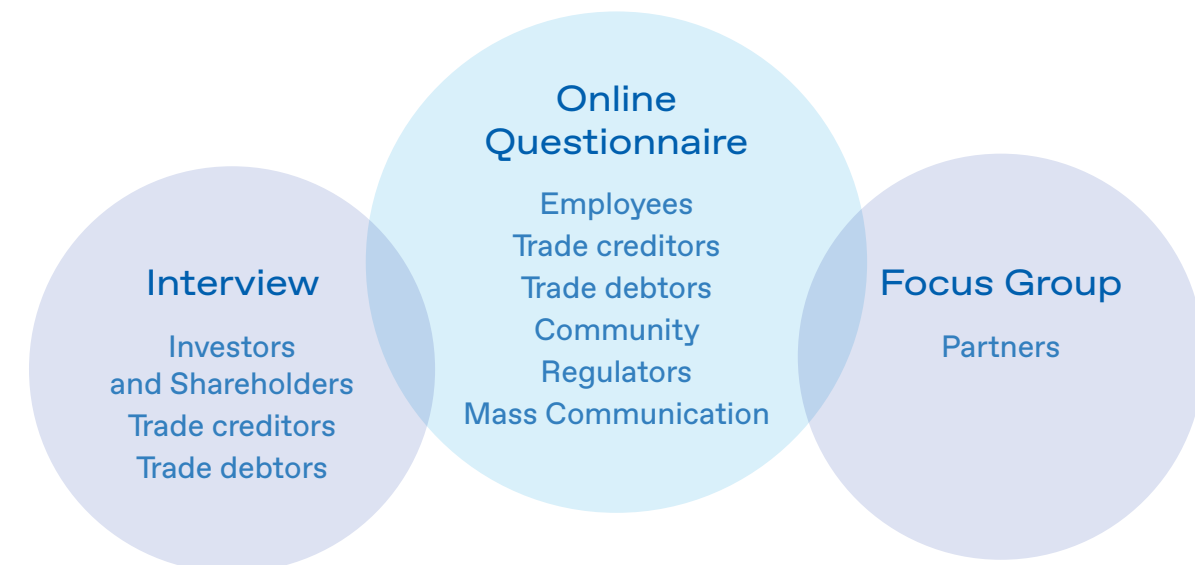
In 2023, Bondalti carried out a new materiality analysis taking into account this double materiality approach.

This new approach was implemented for Bondalti's two business areas, Industrial Chemicals and Water Treatment, resulting in a consolidated business matrix.

### Methodology

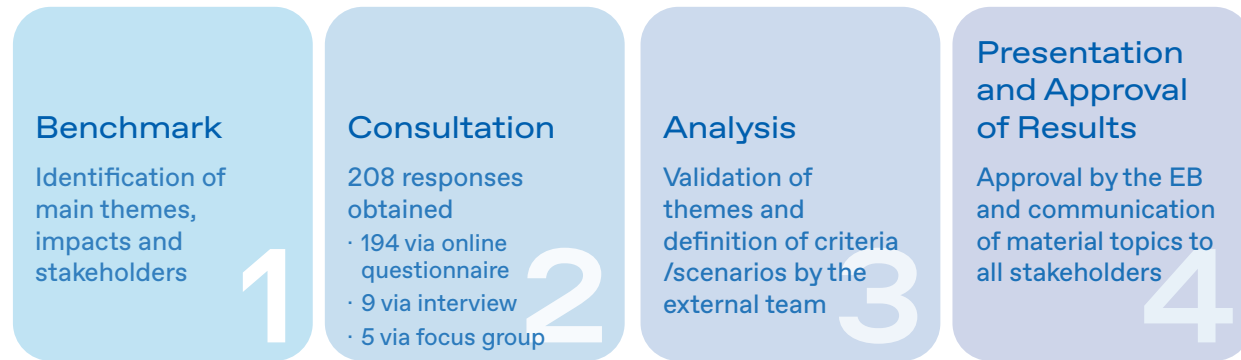
- **List of Topics:** Identification of Bondalti's main topics and impacts through an analysis of benchmarks and main trends. From this process, a questionnaire emerged and was made available to the main stakeholder groups.
- **Consultation Process:** The stakeholder consultation process took place in two distinct phases:
  - Prioritisation of topics considering the organisation's impact on the environment and society, carrying out stakeholder consultations through an online questionnaire, one-to-one interviews and/or focus groups;
  - Prioritisation of topics considering their relevance to the business and their financial impact on the organisation's value creation potential, through consultation with top management to analyse the relevance of the topics to the business.

- **Materiality Matrices:** Consolidation of results and positioning of the various themes, taking into account the internal and external perspective of the stakeholders, through the materiality matrix. A topic becomes material if it is material from the impact perspective and/or the financial perspective. This phase resulted in the list of material topics for Industrial Chemicals, Water Treatment and Consolidated Bondalti.

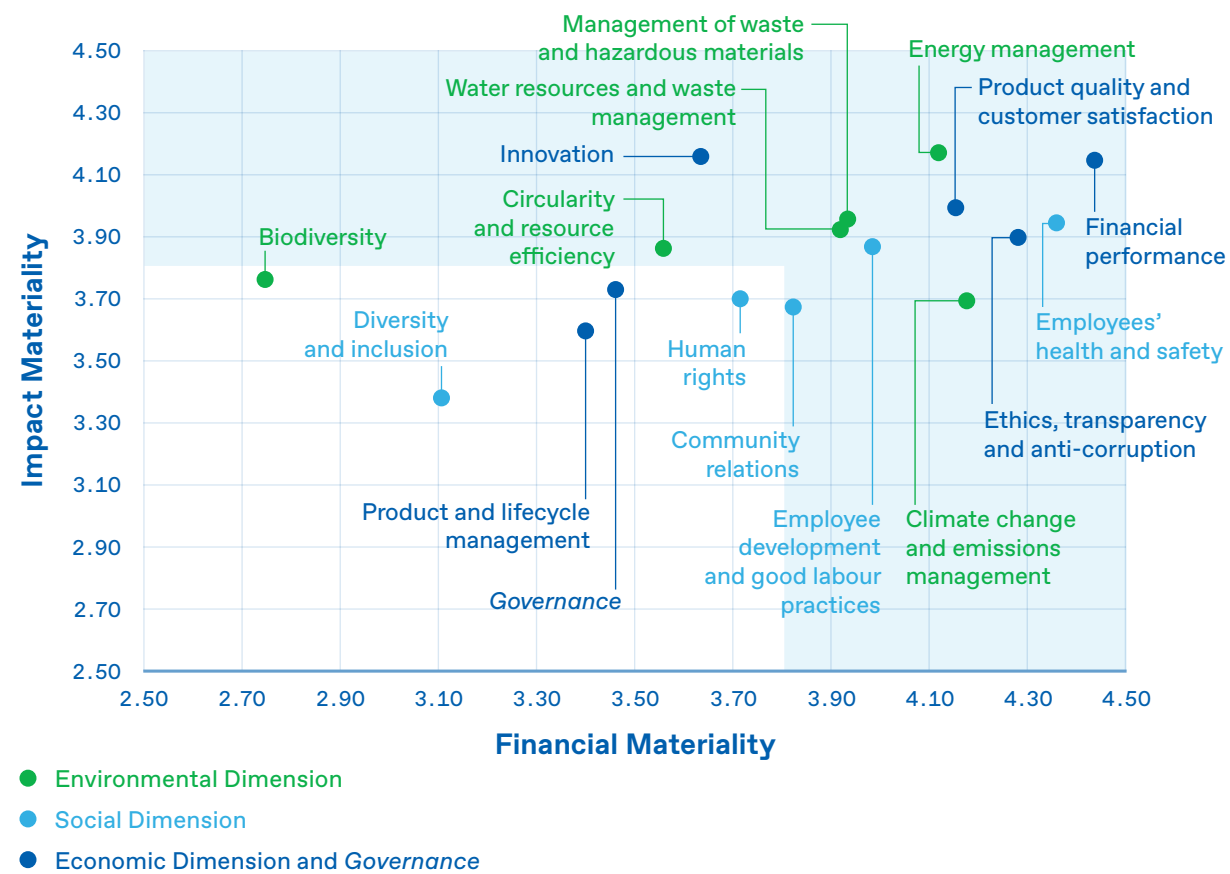




### Process

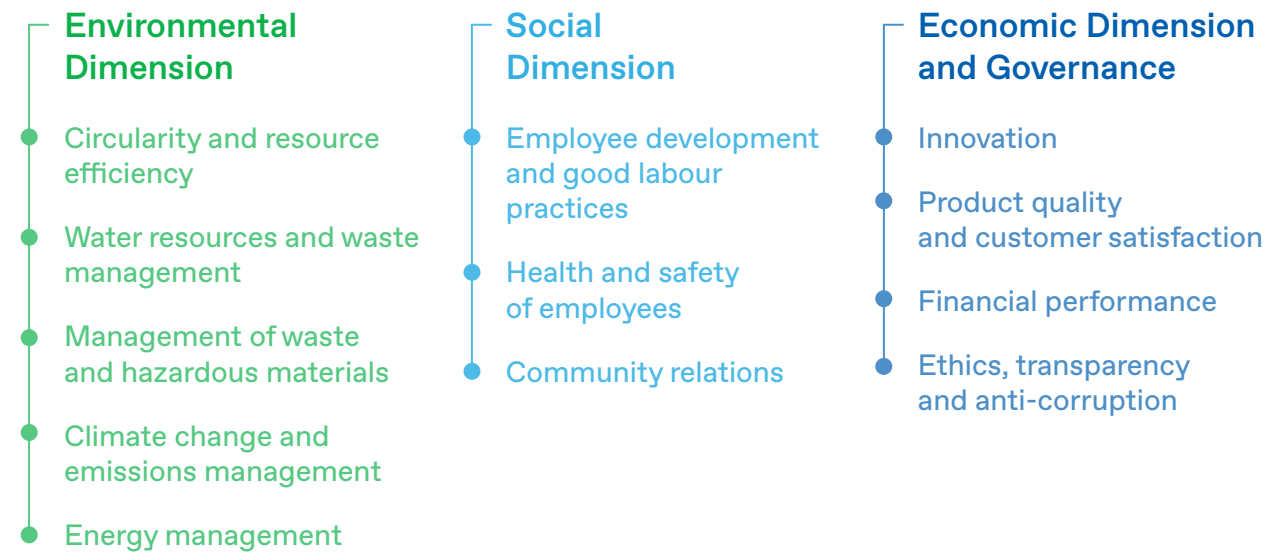


### Materiality Matrix (consolidated)



### Material Topics

The exercise of reviewing Bondalti’s material topics resulted in 12 new topics:

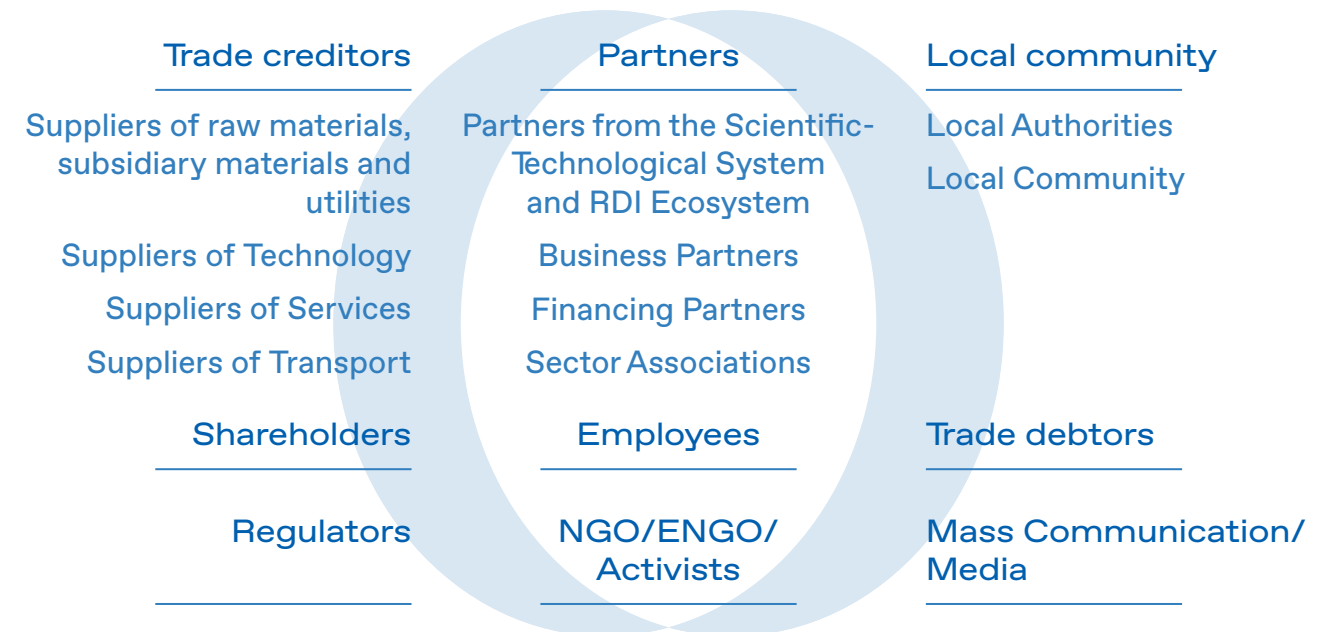


In the process of consulting with its stakeholders, it was also possible to revalidate the alignment of Bondalti’s strategy with its contribution to achieving the United Nations Sustainable Development Goals, through the identification of the SDG most strongly impacted by Bondalti, whether directly or indirectly. The SDG materialise the United Nations 2030 Agenda for Sustainable Development, which must be implemented by everyone, to promote prosperity and global well-being, protect the environment and combat climate change.

Bondalti contributes to several SDG, and in a more relevant and strategic way to the following:



## Involvement of stakeholders

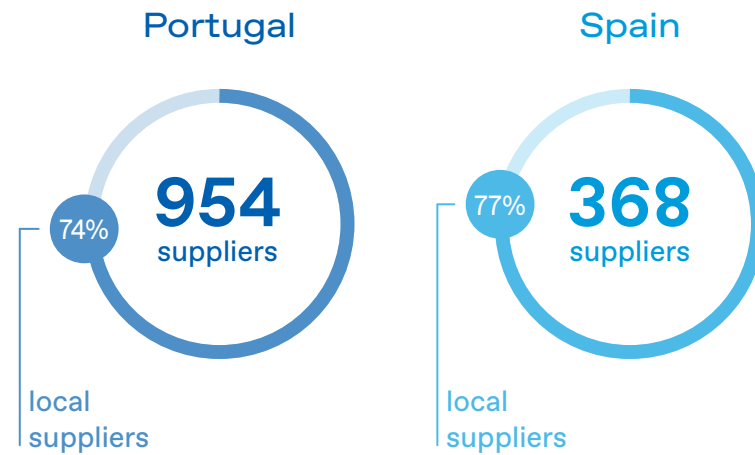


### Suppliers

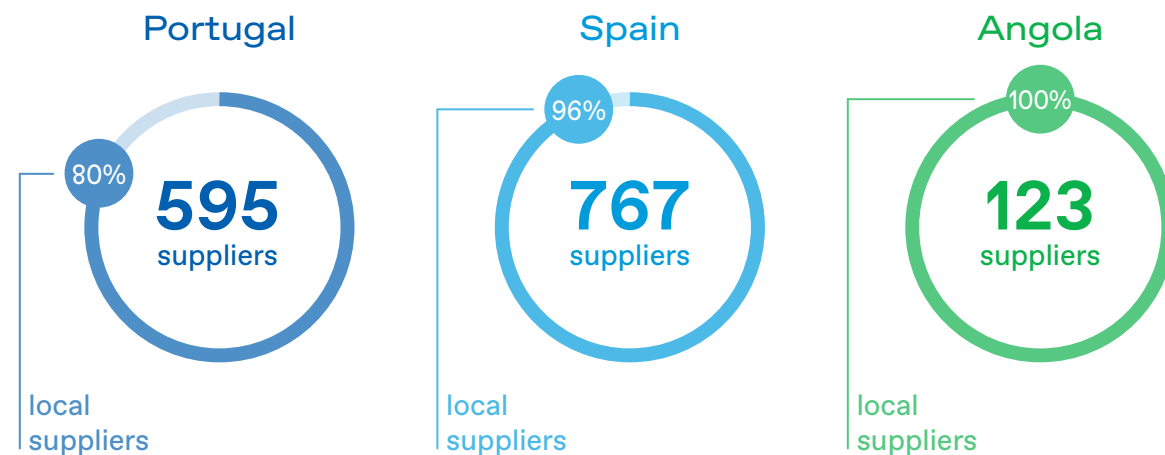
With the aim of ensuring that its suppliers are equally aligned with the principles of sustainable development, Bondalti has been implementing its Code of Conduct for Suppliers since 2021, which establishes the main guidelines on the topics of the Environment, Health and Safety, Human Rights and Labour, and Ethics and Governance. Bondalti expects its suppliers to recognise and act in accordance with the content of this Code, in addition to complying with their contractual obligations and Bondalti's General Conditions of Purchase.

 [Code of Conduct for Suppliers](#)

### Industrial Chemicals Operations



### Water Treatment Operations



### Customers

As Product Quality and Customer Satisfaction are one of the material topics for Bondalti, the processes of involvement with this group are the focus of the organisation.

At Bondalti Chemicals, in Estarreja, a survey is carried out every two years with the aim of determining the level of customer satisfaction in relation to the products and services that Bondalti provides, as well as possible opportunities for improvement in the areas of customer service, commercial service, products, documentation, supply and technical assistance. The last survey carried out was for the year 2022, in which customers' opinions regarding the activity of Bondalti Chemicals and Cantabria were determined, based on a total of 192 responses received (overall response rate of 72%).

In 2023, no cases of non-compliance associated with impacts caused by products and services on health and safety were identified in any of Bondalti's business areas

## 1.5. EU taxonomy

With increasing exposure to acute physical climate risks (e.g. heat/wind waves) and chronic physical climate risks (e.g. rising mean sea levels), the European Commission has developed a regulatory response with the aim of boosting sustainable finance in financial markets.

The European Union Taxonomy Regulation (2020/852) aims to establish a mechanism to identify environmentally sustainable economic activities, with non-financial reporting requirements for European companies. In this regard, Article 8 of the Taxonomy Regulation requires organisations covered by the Non-Financial Reporting Directive (NFRD) to disclose how and to what extent their economic activities are eligible and aligned with the Taxonomy.

An economic activity must satisfy four conditions to be considered sustainable from an environmental standpoint, namely:

- i. It contributes substantially to one or more of the following environmental objectives: Climate change mitigation; Adaptation to climate change; Sustainable use and protection of water and marine resources; Transition to the circular economy; Pollution prevention and control; Protection and restoration of biodiversity and ecosystems;

- ii. It Does Not Significantly Harm - DNSH any of the environmental objectives;
- iii. It complies with minimum (social) safeguards to ensure alignment with the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the principles and rights established in the eight fundamental conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights;

iv. It satisfies the technical assessment criteria established by the Commission, through adopted delegated acts, which determine under what conditions this activity: i) contributes substantially to a given environmental objective; ii) does not significantly harm the other objectives.

By this we mean the following:

- An **economic activity is eligible** if it can substantially contribute to at least one of the six environmental objectives underlying the Taxonomy, regardless of whether that activity complies with the technical criteria established in the [Delegated acts](#); [↗](#)
- An **economic activity is considered aligned with the Taxonomy** when the significant contribution of this eligible economic activity to at least one of the environmental objectives is confirmed, based on the technical criteria specified in the [Delegated acts](#), [↗](#) DNSH any of the environmental objectives, and complies with minimum (social) safeguards.

Bondalti is not currently required to report under the Taxonomy. However, it developed an analysis of eligible economic activities, as well as their alignment with the criteria defined by the Regulation. In this context, and as permitted by the Regulation, Bondalti voluntarily discloses the work already carried out for this purpose.

### Eligibility of the activities

In the analysis of the economic activities of Bondalti companies, it was found that the following activities can be considered eligible according to the taxonomy for the objectives of climate change mitigation and adaptation:

#### Eligible activities of the Bondalti Group

Company	Activity	Turnover (%)	CapEx (%)	OpEx (%)
Bondalti Chemicals	Chlorine production	3.5%	14.6%	3.2%
Bondalti Chemicals	Manufacture of basic organic chemicals	11.8%	2.3%	11.0%
Bondalti Chemicals	Production of nitric acid	0.6%	0.1%	0.5%
Bondalti Water Solutions	Construction, expansion and operation of water capture, treatment and supply systems	2.4%	1.9%	4.2%
Bondalti Water Solutions	Construction, expansion and operation of wastewater collection and treatment systems	4.7%	3.7%	6.3%

In this first exercise, the activities identified as eligible were based on a principle of conservatism, and Bondalti is analysing each of these activities in a more granular way in order to better assess the possible contribution it may have in accordance with the Taxonomy.

### Alignment with the EU Taxonomy

Bondalti is also evaluating the technical evaluation criteria for **substantial contribution** to the objectives of mitigation and adaptation to climate change, and is in the process of systematising information, supported by new procedures and tools for collecting and consolidating information, which allow the analysis of the technical criteria to be completed in full.

In this regard, Bondalti is also reviewing the risk identification and management process, in order to integrate the identification of physical climate risks with greater significance for the activities it carries out. Subsequently, and as stated in the criteria in Appendix A of the Regulation, the development of a vulnerability assessment of the most relevant climate risks is planned, based on climate projections for certain future scenarios, and an impact assessment.

### Minimum safeguards

The EU Taxonomy also states that activities must ensure compliance with the **minimum safeguards** to be considered environmentally sustainable, as introduced by Article 18 of the Taxonomy Regulation, which implies the alignment of a company with:

- OECD Guidelines for multinational companies;
- United Nations Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental

conventions identified in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work;

- International Bill of Human Rights.

Considering the 4 pillars (Human Rights, Corruption, Taxation and Fair Competition) for which companies must ensure that risk situations do not occur, Bondalti manages and prevents possible risks associated with these topics through the adoption and implementation of its commitments, policies and initiatives, thus falling into alignment with the minimum safeguards criteria.

The Bondalti Code of Ethics and Conduct and the Code of Ethics for Suppliers lay down the guidelines that reflect its corporate stance and its commitment to acting in all circumstances ethically and with integrity, at all times respecting the rights of its stakeholders. Under the ambit of these two tools, Bondalti has internal procedures for controlling and preventing corruption and a dedicated reporting channel. Bondalti is a signatory to the principles of the United Nations Global Compact (UNGC), having joined the Global Compact Network Portugal, meaning its companies are also affected by its policies and codes of values, being committed to the Portuguese Platform for Integrity.

## 1.6. Risk Management and Internal Audit

As a result of its experience in the chemical sector, where it has a history spanning more than a century, Bondalti integrates into its culture an approach to risk management characterised by proactivity, mobilisation of the organisation and systematic improvement. This risk management is more than a routine procedure, representing one of the most striking traits of its identity as a responsible company. This risk management culture goes beyond complying with regulatory obligations, as reflected in its voluntary adoption of various management systems, as well as the continuous monitoring of the risk mitigation measures and assessment of new internal and external challenges.

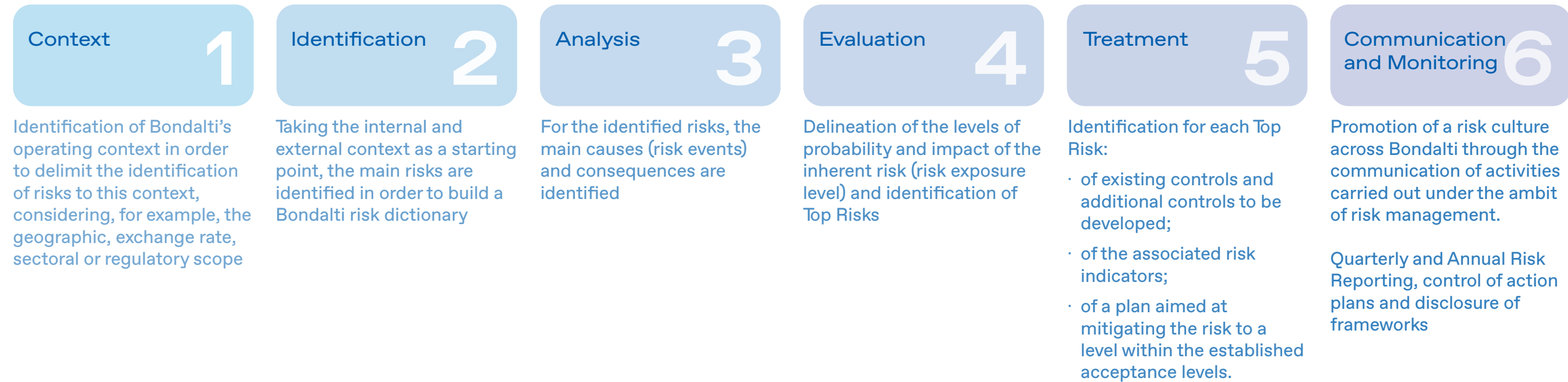
The Risk Assumption Policy establishes that Bondalti only accepts a very low level of risk in relation to the possible impact on people and the environment, and a low level in economic impacts, reputational impacts and continuity of operations. Based on these criteria, the company has defined 26 top risks to which it pays special attention, as they have the potential to bring significant uncertainty to the pursuit of the organisation's objectives.

The company's Risk Management Process is applied through the so-called Three Lines Model, which involves:

- In the first line, the functions most directly aligned with the delivery of products and services to the organisation's customers;
- In the second line, the functions that provide support in risk management;
- In the third line, functions that provide independent and objective guarantees and advice on the adequacy and effectiveness of the governance and risk management.

Bondalti's risk management process is based on the concepts of ISO 31000:2018 and COSO ERM (Enterprise Risk Management), which recommend that risk management be an integral part of business management and decision making.

## Risk Management process cycle



## New Project Risk Management model

In 2023, as a result of Bondalti's growth into new business areas, as well as recent operational initiatives, such as the new photovoltaic park in Estarreja, a Project Risk Management model was implemented. This model involves an analysis that accompanies each phase of investment in projects of high strategic value to the company.



## Internal Audit

The Internal Audit Department is responsible for providing the organisation with an independent guarantee regarding the effectiveness of processes and risk controls at Bondalti, for this purpose carrying out process and risk audits.

In its interventions, Internal Audit acts on all of Bondalti's functional areas, business and support processes, prioritising and planning its activity based on an analysis of the risks to which the company is exposed. The area's mission is to increase and protect organisational value by providing:

- Assurance regarding the effectiveness of risk management and internal controls, including how the first and second lines (Operations and Risk Management) achieve risk management objectives;
- Advisory of the nature and scope agreed with the applicant, whose work aims to add value and improve risk management and internal control processes, without Internal Audit assuming management responsibilities;
- Insight.

## Strengthening Internal Audit in 2023

It was with the conviction that the organisational independence of the Internal Audit area is a fundamental cornerstone that Bondalti approved the creation of an Audit Committee, which took office in December. The body will be responsible for evaluating and monitoring the organisation's governance and risk management processes and controls and for proposing improvement measures, in addition to receiving reports of irregularities from employees and any interested parties.

The Internal Audit and Risk Management area also gained new competencies in 2023, with its members completing the certification process as Internal Auditors at the IIA – Institute of Internal Auditors, a leading global organisation.

## 1.7. Information Security and Digital Transformation

Information Technology, Cybersecurity and Digital Transformation are topics with growing relevance in an increasingly connected world dependent on technology, and have become essential for guaranteeing the competitiveness, security and adaptability of companies in a business environment undergoing constant change.

### More comprehensive strategy in Digital Transformation

The year 2023 was marked by the end of another cycle of the Digital Transition Programme, in force since 2020, and the beginning of preparations for a new phase. Bondalti is now investing in a stronger, more agile and comprehensive strategy, which will seek to identify, across the board, areas for improvement that can be addressed using digital tools. Some of these investments deserve to be highlighted, due to their profound impact on different areas of the company, from production to administrative processes:

- **Increased operational efficiency:** Increasing use of digital technologies to optimise internal processes, reduce operational costs, eliminate redundant tasks and increase productivity;

- **Data analysis and decision making:** Investment in technologies that allow data to be collected, analysed and interpreted effectively, helping to make more informed and accurate decisions, as well as optimising production planning;
- **Conversion of processes to electronic format:** Significant advances in the conversion of documents and various procedures to electronic format, in an industrial and administrative context, always seeking to reduce manual procedures as much as possible and increase the ease of consulting historical information.

## Digital Transformation Process

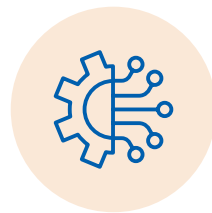


### Adoption of Cloud technologies

Migration of information technology (IT) infrastructures to cloud computing environments, allowing scalability, flexibility and reducing operational costs;

Use of cloud services for data storage, facilitating access to and sharing of information among teams and departments;

Approach based on different Cloud providers, avoiding a high degree of dependency.



### Advanced data integration

Significant advances in the ability to integrate data from different industrial systems;

Implementation of data analysis and processing systems for various purposes – purchasing, sales and customers, management data, logistics or even risk – to assess safety and regulatory compliance at all stages of production and distribution.



### Internet of Things (IoT)

Installation of sensors and connected devices to collect data in real time, enabling remote monitoring of equipment and optimisation of resources in a manufacturing context;

Using these capabilities to improve operational and energy efficiency and the safety of work spaces.



### Implementation of new technologies

Use of predictive analysis capabilities in several pilots with a view to operational and productive improvement, such as in the analysis of electrolysis processes, and to support predictive diagnosis for equipment maintenance.

### Cybersecurity: protecting the organisation and its people

Ensuring the confidentiality, as well as the integrity and availability, of the organisation's data and information is a commitment that Bondalti assumes in implementing its procedures, which adopt the best practices and international standards. Last year, Information Security represented an essential component of business planning and operations, which resulted in various measures:

- Consolidation of the capacity to monitor and detect cyber events and incidents through the assembly of an SOC (Security Operation Center);
- Definition of all processes inherent to the treatment of and response to cyber incidents;
- Raising awareness on the topic, with monthly internal phishing simulation campaigns and across-the-board training programmes – mandatory for users who, in the simulations, compromised their data – through e-learning content (CyberFlix action) and face-to-face sessions.

## 1.8. Recognition and certifications

To demonstrate its responsible approach, Bondalti worked on certifications for various management systems, ensuring the implementation of best practices and promoting continuous improvement in all its operations, namely:

**ISO 9001:2015** – Quality Management System – Bondalti Chemicals, Bondalti Cantabria;

**ISO 14001:2015** – Environmental Management System – Bondalti Chemicals, Bondalti Cantabria;

**ISO 14064-1:2018** – Greenhouse gases – Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals – Bondalti Chemicals, Bondalti Cantabria;

**Greenhouse Gas Protocol** – Corporate Accounting and Reporting Standard, revised edition, WRI/WBCSD - Scope 1, 2 and 3 – 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 and Innovation Management System – Bondalti Chemicals;

**ISCC Plus** – Bondalti Chemicals.

In the area of Water Treatment, Bondalti seeks to provide the highest standard of quality and dedication to the customer and the environment, holding the following certifications:

**ISO 9001:2015** – Quality Management System – Enkrott SA; Enkrott Spain; AEMA; Aguas Rioja;

**ISO 14001:2015** – Environmental Management System – AEMA; Aguas Rioja;

**ISO 45001:2018** – Occupational Safety and Health Management System – AEMA; Aguas Rioja; Enkrott SA;

**UNE-EN ISO/IEC 11731:2017** – Certification for carrying out physicochemical and microbiological analyses and enumeration of *legionella* - Laboratorios Alfaro;

**UNE-EN ISO/IEC 17020:2012** – Accreditation as an inspection body by ENAC, with the number 177/EI321 – Laboratorios Alfaro;

**UNE-EN ISO/IEC 17025:2017** – Accreditation as a testing laboratory by ENAC, with the number 524/LE1135 – Laboratorios Alfaro;

**ISCC EU** – Aguas Rioja.



In the first quarter of 2023, Bondalti was again recognised with the EcoVadis platinum medal, after achieving a total score of 82 points out of 100, according to the 2021 financial year. During 2023, the Sustainability and Climate Transition team worked together with the EcoVadis teams to respond to the next questionnaire, in 2024, with the consolidation of the years 2022 and 2023.



For the second consecutive year, Bondalti continued the evaluation of its chemical activities (Estarreja and Torrelavega sites) by the CDP (Carbon Disclosure Project) in the Climate Change category. This assessment involves exhaustive work to collect evidence from different areas of the company. At the end of July, the questionnaire was completed, with Bondalti Chemicals obtaining, at the end of 2023, a Level C result.



Bondalti was once again recognised with the certification of “Family Responsible Company” (efr), awarded by the Másfamilia Foundation and the ACEGE - Christian Association of Entrepreneurs and Managers.

This certification aims to recognise Bondalti’s family and work-life balance policies and is the result of the adoption of a people management model based on values such as flexibility, diversity, personal development and reconciliation, put into practice under a plan that includes more than five dozen measures.

Bondalti has been certified since 2020, and this recognition has now been renewed for another three years. The certification is awarded after an independent external audit process, lasting six months to one year.

Also in 2023, Bondalti’s efr managers were updated, comprising to date one person responsible for Bondalti Capital and three people responsible for Bondalti Chemicals.



After joining the UN Global Compact at the beginning of the year, Bondalti completed the COP - Communication on Progress questionnaire for the first time. The COP is a comprehensive report in which companies report their activities in accordance with the UN Global Compact Principles, highlighting their commitment.



For the second consecutive year, Bondalti participated in the National Sustainability Awards ceremony (Jornal de Negócios), resulting from the submission of two entries for the “New Territories for Lynxes and Iberian Imperial Eagles” project, in the category “Conservation of Natural Capital”; and “H2Enable – The Hydrogen Way for Our Chemical Future” in the category Decarbonisation. From these entries, Bondalti was awarded two Honourable Mentions, one for each category.

Also at the end of 2023, Bondalti again submitted two entries for the National Sustainability Awards under the ambit of the “Bonding with Nature” project, in the category Communication of Sustainability, and the “ElectroLithium” project, in the category Decarbonisation.



Bondalti was highlighted as an example of good practices in the SDG (Sustainable Development Goals) Observatory Report on Portuguese companies, released by the Catholic University and the Center for Responsible Business and Leadership. Bondalti’s recognition occurs in the chapter Identified Good Practices “due to the complete and organised way in which it presents its initiatives”, adopting a coherent line in the presentation of the different projects: Objective, Methodology, Ambition and expected results and Contribution to the SDG. As an example, the case “Repower Chemicals: Energy Efficiency and Renewables” was presented.



Bondalti Water | AEMA was recognised by Aqua España – Spanish Association of Companies in the Water Sector for the way it has maintained an associative course and actively participated in achieving common objectives in the industry over the last 20 years.



Bondalti was recognised with the Medal of Honour for Business Merit by AICO - Ibero-American Association of Chambers of Commerce, an award that aims to highlight companies that over the years have promoted progress and favourably influenced the economic, social and cultural environment of the country or countries where they operate.



The LIFE Multi-AD project received an award in the “SDG 6 – Clean Water and Sanitation” category by Reconocimientos go!ODS.

Given the weight of the sector and the impact that the project could generate from an economic and environmental standpoint, when installed on a large scale, LIFE Multi-AD took as its strategic axis the satisfaction of the needs of SME in this field, establishing a new technological paradigm that allows companies to evolve towards a circular economy model and, thus, increase their sustainability.

The go!ODS awards are organised and managed by the UN Global Compact Spain, in collaboration with the Rafael del Pino Foundation. These awards aim to recognise and support innovative projects that contribute to the United Nations SDG.



Bondalti’s Purchasing area was recognised as the best Purchasing Organisation of 2023 in Portugal, an award given by APCADEC – Portuguese Purchasing and Supply Association.

Sponsored by the European Institute of Purchasing Management (EIPM), the APCADEC awards aim to recognise purchasing organisations for the excellence of their practices, which allow them to assert themselves as role models. This Bondalti area has a maturity level of 4+ under the “EIPM Reference Maturity Levels”, on a scale of up to 5.

This is the third time that Bondalti has been recognised in these awards, following the distinctions obtained in 2019 and 2020 for its Procurement area.



Bondalti was awarded 1st prize in the “Large Companies” category of the Export and Internationalisation Awards, an initiative promoted by novobanco and Jornal de Negócios, which were held for the 13th time this year.

According to the organisation, the objective is to highlight Portuguese companies that invest heavily in promoting exports and internationalisation, crucial factors for the growth and development of the domestic business community.



For the first time, Bondalti was placed in the Top 10 of the “Large Companies” category in the “Excellence Index” study, an initiative promoted by CEGOC and Neves de Almeida HR Consulting, with the scientific partnership of ISCTE Executive Education.

In 2023, Bondalti competed with 150 other organisations, representing yet another recognition of the excellence of its team, its culture and the feeling of unity it cultivates every day.

# Innovation

New strategy approved in 2023

# 2.

TOMORROW  
MATTERS  
TO THE BUSINESS

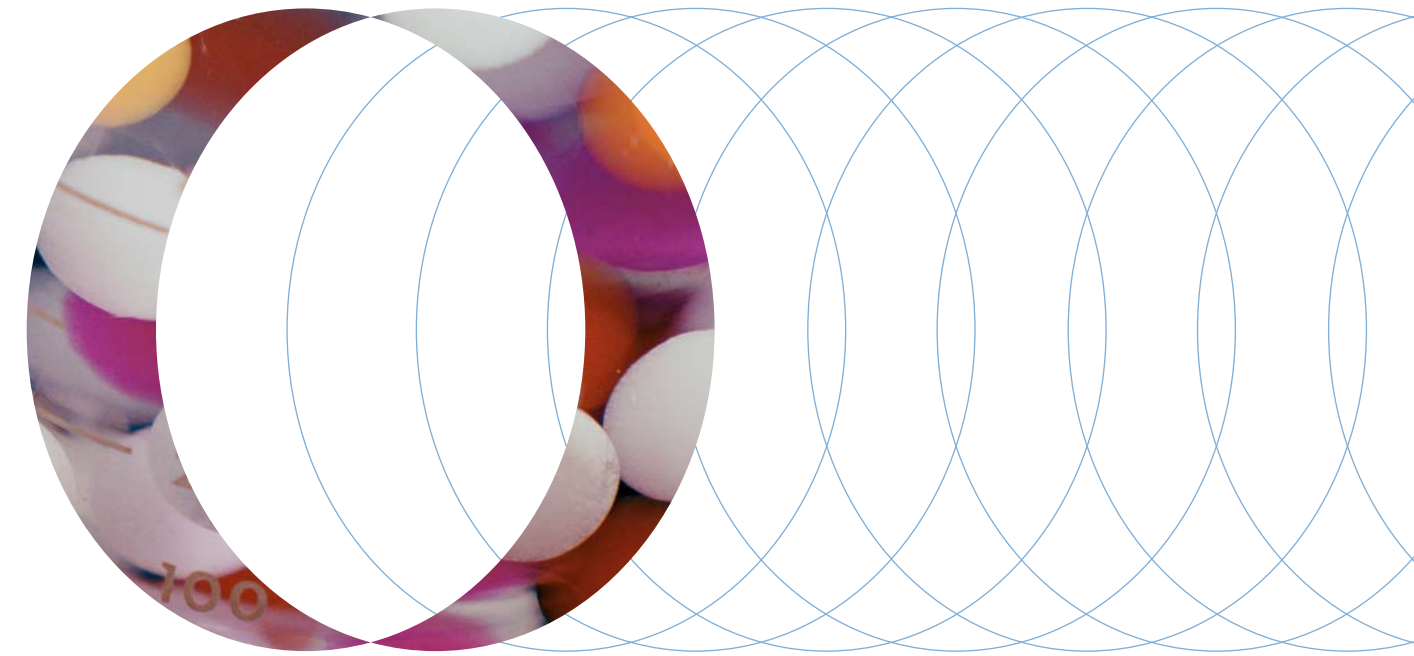


# 2. Business

In a year full of macroeconomic challenges, accentuated by geopolitical instability, Bondalti did not lose sight of its most structural investments.

We developed a new innovation strategy, with deep involvement across the entire organisation, maintaining the vision of the future that defines the company's DNA.

We grew with the value chain and consolidated our Iberian presence, focusing on quality and meeting our customers' expectations.



## Strategic SDG



In 2023, Bondalti promoted a broad reflection on the purpose, strategy and approach to innovation for the next three years

## 2.1. Development of activities

The year 2023 was characterised by various opportunities, but was also shrouded in a lot of uncertainty as a result of the international context, both at an economic and political level. Bondalti achieved results in line with the previous year, with net earnings of 50.5 million euros.

### 2.1.1. Industrial Chemicals

The year 2023 was marked by an increase in sales volume in the organic segment and in most of the inorganic segment, a particular highlight being the entry of new customers and new markets, to which the consolidation of activities at Bondalti Cantabria made a significant contribution. Sales prices were corrected compared to 2022, although it was possible to defend margins through careful management of production costs. The economic indicators achieved by Bondalti Chemicals were very positive, with consolidated sales revenue of 468 million euros, an individual EBITDA of 103.5 million euros and highest ever net earnings of 58.2 million euros.

### 2.1.2. Water Treatment

In 2023, the Water Treatment business area recorded a consolidated turnover of 35.8 million euros, similar to the previous year. It should be noted that, as a result of the commercial activity carried out, we were able to close the year with a very robust order book, which envisages a year of growth in business volume and increased margins in 2024. The year 2023 was also one of consolidation of the current management model, with the corresponding combination of operational and commercial activities carried out in different geographical regions.

### 2.1.3. Consolidated income

	Unit	2021	2022	2023
Turnover (T/O)	M€	444	596	504
Operating cash-flow (EBITDA)	M€	61.8	105.3	96.2
Operating income (EBIT)	M€	40.1	80.6	69.5
Operating income / Turnover	%	9.0	13.5	13.9
Net financial costs	M€	15.5	12.4	-0.2
Earnings before tax	M€	24.6	67.7	69.5
Net earnings*	M€	19.1	51.9	50.5
Equity	M€	113	154	171
Net assets	M€	355	395	419
Investment	M€	11	16	30
Financial liabilities	M€	135	104	86
Net financial liabilities	M€	112	69	21
Financial liabilities / EBITDA	N° of times	2.2	1.0	1.1
Net financial liabilities / EBITDA	N° of times	1.8	0.7	0.2
Financial autonomy	%	32	39	41

\* In 2022 and 2023, the accounting framework was changed to the IFRS.

### 2.1.4. Financial structure and evolution

Bondalti continued to present a very robust economic and financial situation, reporting net earnings of 50.5 million euros in 2023.

Consolidated turnover ended the year at 503.6 million euros, 91.4 million euros down on the previous year, reflecting a generalised decline in the price of the main raw materials, especially with effect from the 2nd half of the year.

In 2023, Bondalti's cash position continued to reflect the characteristic soundness and resilience of recent years. Receipts from customers and payments to suppliers did not suffer any impacts from either the continuing war in Ukraine or the geopolitical instability in the Middle East.

At a consolidated level, gross debt stood at 86.1 million euros, while net debt improved substantially, reaching 25.5 million euros.

In 2023, terms of acceptance for two PRR agendas (NGS - New Generation Storage and H2Enable - The Hydrogen Way for Our Chemical Future) were signed by Bondalti and IAPMEI, with Bondalti receiving 18.9 million euros relating to an advance of funds for these projects.

### 2.1.5. Future prospects

For 2024, the uncertainty associated with inflation, the wars in Ukraine and in the Middle East and context costs continue to be a matter for concern, in an increasingly competitive market with a strong retraction in demand in various sectors of activity. Despite the major decrease in energy costs throughout 2023, compared to the peaks seen in 2022, they remain at high levels. This is particularly true in Europe, which is currently, in terms of electro-intensive industries and in particular the chemical industry, an increasingly uncompetitive region at a global level. It is expected that this competitiveness will continue to be squeezed by China's excess capacity, ever tighter regulation and still weak demand. However, despite this situation of uncertainty, some recovery is expected in the European chemical sector in 2024, leveraged on the expected decrease in inflation and interest rates, boosted by private consumption, as well as the reliability of production and distribution chains.

Bondalti will continue to keep a close eye on energy costs, price trends in raw materials and other services, such as transport, and compliance with the investment plan to improve the specific consumption of its units.

As for investments in Bondalti plants, significant investment in Estarreja is expected to continue, specifically in the production of chlorine and its derivatives, with the project to renovate NaCl electrolysis, which should be completed in 2025, being of particular note. Bondalti's priority will always remain the safety of people and facilities, and ensuring the normal operation of production units, both in Portugal and in Spain.

In the water treatment sector, the sustained development of the activity is expected to continue, in line with that foreseen in the business plan.

### 2.1.6. Proposal for distribution of profit

The Board of Directors proposes that the Net Profit generated in the year, in the amount of 50 721 033.38 euros, should be distributed as follows:

To Unappropriated Earnings \_\_\_\_\_ 37 671 033.38 euros

To Dividends \_\_\_\_\_ 13 050 000.00 euros

## 2.2. Growing with the value chain

Bondalti believes that only by companies working in conjunction with their value chain will make it possible to achieve truly sustainable development models. Therefore, it seeks to involve and support business partners in adopting best ESG practices.

### 2.2.1. End-to-End Mapping

The End-to-End Chain Mapping project, started in 2023 with the aim of analysing the entire product pathway, represents one of the cornerstones of Bondalti's attention to its value chain. The initiative, promoted within the framework of operational risk management, introduced tracking from the arrival of raw materials to the finished product, but Bondalti's ambition is to also obtain a snapshot of downstream and upstream production.

The objectives include identifying and mitigating potential challenges in the Group's supply chains, whether due to logistical interruptions, geopolitical issues or other unforeseen events, as well as classifying suppliers according to their commitment to ESG criteria, reinforcing the concept of Sustainable Purchasing already in practice in the company.

For this integrated analysis, the participation and collaboration of everyone involved is essential, an example of how sustainability criteria must go hand in hand with the economic viability and competitiveness of the company. After identifying critical processes and points of vulnerability within the organisation, the same assessment will be carried out in collaboration with raw material suppliers and, subsequently, with key customers. According to the results, Bondalti undertakes to work together with stakeholders to ensure that they can improve their performance, in accordance with ESG standards.

This represents a giant step forward in terms of transparency, which will include, in 2024, the creation of an e-procurement platform, which includes this new supplier classification component. In addition to the purchasing process itself, this new channel for communicating with the value chain will allow the qualification of suppliers and the selection of products and services according to ESG criteria.



BONDALTI

### 2.2.2. Involvement of suppliers

In the last quarter of 2023, Bondalti invited suppliers, customers and the schools to participate in an event to discuss sustainability, the Planetiers World Gathering, which the organisation sponsored and in which it organised a forum dedicated to the topic of opportunities for decarbonisation, aimed at suppliers. The initiative also served to highlight the importance of collaboration within the value chain to achieve decarbonisation objectives and also allowed feedback on the current status of the companies present regarding their emissions reduction journey.

With the strategic objective of creating long-term partnerships and making them more solid, even boosting joint projects, the Sustainability area also launched, in 2023, a consultation on material performance issues in the value chain, to identify more critical suppliers in areas such as transport or raw materials.

This was the first phase developed to implement a new programme to monitor ESG risks in its supply chain. This programme, to be developed from 2024 onwards, will involve the respective consultation on the maturity of suppliers in relation to these matters and collaborative action aimed at improving their performance, through the exchange of information on action plans and their respective implementation status.

### 2.2.3. Supply chain sustainability certification

During 2023, Bondalti worked hard to obtain the prestigious ISCC Plus – International Sustainability & Carbon Certification and, in the first quarter of 2024, achieved certification for the Estarreja industrial plant. The audit, carried out in December 2023, validated the company’s compliance with this international standard for fully traceable and environmentally, socially and economically sustainable supply chains.

Focused on tracking the value chain, this certification represents a significant milestone for Bondalti within the framework of a sustainable future, which involves offering more circular products in the markets where it operates.

Raw material category	Inputs	Outputs
Renewable	Electricity	Chlorine
	Electricity	Sodium Hydroxide
	Electricity	Hydrogen
	Electricity	Sodium Hypochlorite
	Hydrogen	Aniline
	Hydrogen	Hydrochloric Acid
	Chlorine	Hydrochloric Acid
	Chlorine	Sodium Hypochlorite
Bio	Benzene	Aniline
	Ammonia	Nitric Acid

In parallel, the company Aguas Rioja, which belongs to BWS | AEMA, also became certified to the ISCC EU standard from the first quarter of 2024. With this certification, Aguas Rioja guarantees the point of origin in its management of sewage sludge and, also, in its use as biofuel.

This certification demonstrates an important step in the Water Treatment business, as it validates compliance with the specific sustainability requirements of European directives that regulate renewable energy and fuel quality.

### 2.2.4. Responding to customer expectations

Knowing its value chain and the market allows Bondalti to identify customer needs and challenges, according to their profile, and respond to their concerns with questions about its products, such as reuse, green products, bioproducts and recycled raw materials.

Communication of Bondalti’s objectives and achievements in terms of offering increasingly sustainable products has proven to be essential, which is why the company’s Sustainability area is frequently involved in the relationship between the sales team and customers.

### Customer satisfaction assessment

During 2023, an in-depth analysis of customer opinions regarding the quality of products and services was carried out. This study was based on the results of the Customer Satisfaction Assessment Questionnaire, carried out in 2022 for Bondalti Chemicals and Bondalti Cantabria.

### Overall customer satisfaction (0 to 5)



In 2023, an in-depth study began to evaluate the actions necessary to improve Bondalti’s position among its customers.

### Improvement of the service

In terms of transport management and planning, with the prospect of improving customer service, 2023 saw the implementation of an SAP TMS (Transportation Management System) tool, at Bondalti's two factories, in Estarreja and Torrelavega (Spain). This software allows the streamlining and automation of processes and establishes more direct collaboration with transport companies, via a website, which results in faster acceptance of cargo and more efficient cost control.

### Consolidation of the Bondalti brand on the Iberian Peninsula

With the aim of bolstering the brand's recognition in the market and establishing even closer relations with customers, Bondalti again participated, for the second time, in Expoquimia – the most important Iberian event in the sector, which took place in Barcelona. This year, Bondalti brought to the event the innovative and disruptive solutions it is developing in the area of green lithium and hydrogen, which constitute a contribution to energy transition. The exhibition space was incorporated into the Smart Chemistry Smart Future zone, which focused on themes related to the European Green Deal and was promoted by FEIQUÉ, of which Bondalti is a member.





## 2.3. Focus on innovation

### 2.3.1. New innovation strategy

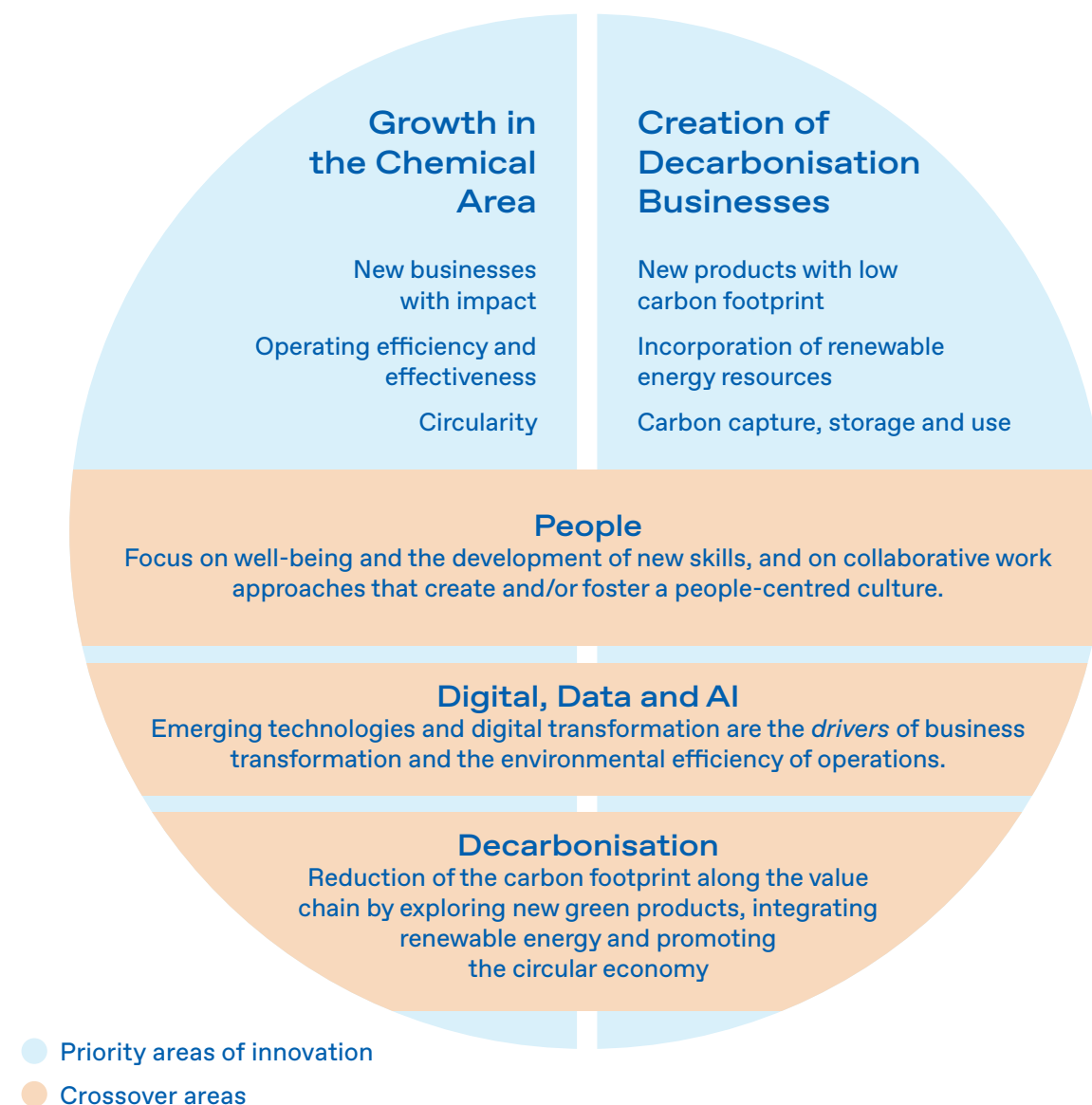
In 2023, Bondalti dedicated its efforts to reflecting on its purpose, strategy and approach to innovation for the next three years. This involved redesigning the Innovation Programme (**ImpactLab**), a “living” and collaborative space, where creativity is released and, with courage, innovative solutions are explored that have an **impact on People, the Business, and a transition to an economic greener and more digital model**. The innovation roadmap now defined constitutes a natural step, after the adoption of Bondalti’s new Business Strategy, in 2022, and established ambitious goals for 2030, under which innovation will accelerate opportunities that will not only promote business growth, but will challenge the status quo, systematically. This involves a deep understanding of market trends, stakeholder needs, technological developments and competitive scenarios.

At the same time, the new strategy aims to provide the company with agile methodologies and the necessary tools to enable it to pursue its vision of fostering an entrepreneurial culture while exploring new green opportunities.



### Priority areas of innovation

Because innovating, at Bondalti, means leaving our comfort zone and looking for opportunities that differentiate us from what we are today, and that allow the company to contribute to a better world by creating Innovative and Sustainable Chemistry, in the next three years we will focus on six macro-areas.



Across the board and in addition to the macro-areas referred to in the infographic, we will continue to encourage a **people-centred culture** through investing in collaborative work approaches and the development of new skills, as well as **investing in emerging technologies** and in **digital transformation** for the ecological efficiency of operations.

### 2.3.2. How to build an innovation portfolio

Bondalti’s new Innovation Strategy presupposes different systematic approaches to implementing innovative ideas, from incremental innovation (maximising value, through the creation of opportunities oriented towards continuous improvement, with low risk and low return, which will produce results for the business in the short term), disruptive innovation (development of new business models that disrupt the market, with high risk and return) and open innovation (collaboration with the external ecosystem to generate new opportunities).

To implement the new Innovation Programme (**ImpactLab**), Bondalti outlined an innovation model based on **experimentation** and **co-creation/collaboration with the external ecosystem** (e.g. start-ups, entities from the Scientific and Technological System, technological centres, SME, among others), seeking to be an accelerator in the exploration of new opportunities and partnerships that allow the risk and uncertainty of projects with different maturities and return potential to be managed, as well as promoting the development of innovative and sustainable solutions. It also invests in actions that allow a culture of innovation to be fostered even more, namely with

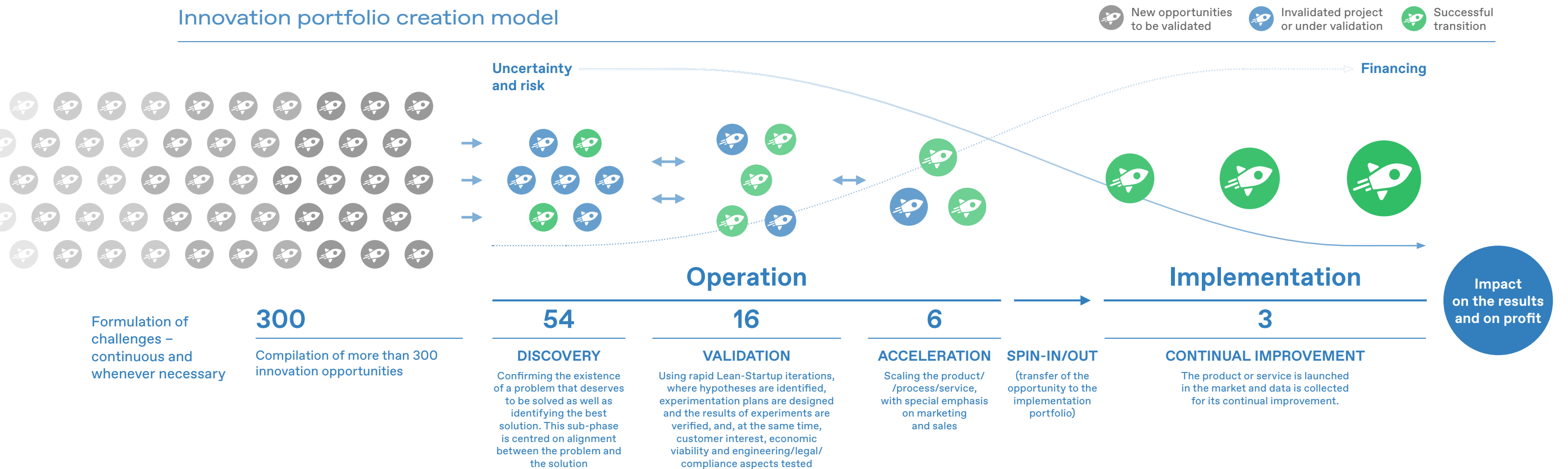
the development of an Innovation Skills Programme, with the aim of training around 180 employees.

At the end of the three-year period (2024-2026), we intend for **ImpactLab** to be the heart of innovation with the capture and analysis of around 300 proposals for internal and external innovation opportunities, 16 validated proofs of concept and 3 successfully implemented projects. With that, together with our stakeholders, we managed to build a **legacy with impact**, driving Bondalti to learn and quickly translate learning into value-creating actions and reach new levels of excellence.

Challenging the external ecosystem, namely start-ups, Bondalti identified 87 innovative opportunities, in different areas of activity, aligned with the macro-areas of innovation for analysis and collaboration with Bondalti.

In 2023, the Industrial Chemicals area and Bondalti Capital dedicated 6.5 million euros to Research, Development and Innovation (RDI) projects, of which 4.5 million corresponded to innovation activities and the remaining 2.0 million to R&D initiatives.

### Innovation portfolio creation model



### 2.3.3. A new structure focused on innovation

The implementation of this new model required an adaptation at an organisational level, to allow the creation of value throughout Bondalti. An Innovation Committee was created – Impact Committee – responsible for managing the innovation strategy. The Committee is made up of a multidisciplinary team, appointed from among Bondalti’s management, and is made up of a member of the Management and the Innovation team. It is responsible for managing the strategy and the associated innovation fund, the latter in conjunction with the Executive Board; discussing and evaluating new ideas; assessing their viability and potential impact; and prioritising initiatives based on their importance and resource needs.

### 2.3.4. ImpactLab: seeking innovation outside

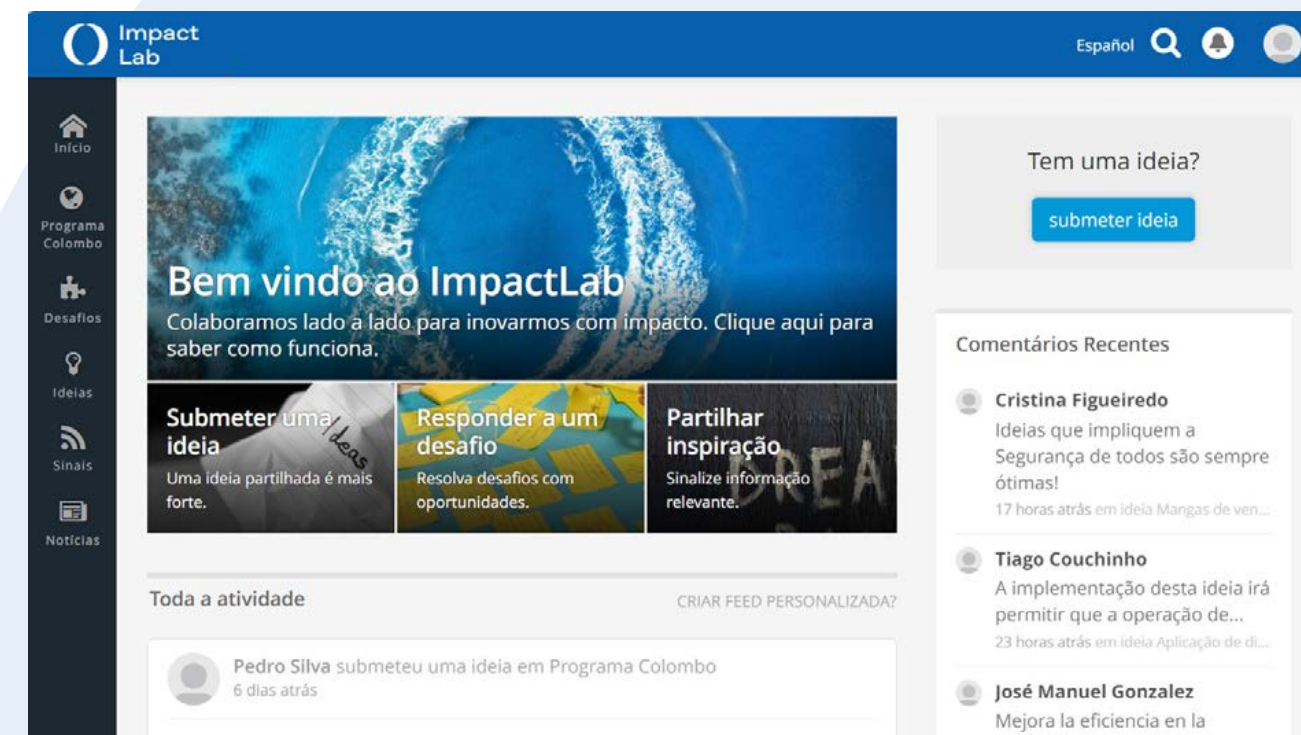
To find innovative opportunities, Bondalti decided to increasingly invest in an open innovation model (following a co-creation approach), also listening to those outside the organisation.

This approach can take place through open platforms, such as Inocrowd, direct contact with already identified partners, incubation and/or acceleration programmes or José de Mello’s start-up programme, the Grow Programme, where the company will also communicate. Bondalti also decided to reorganise its website and create a space dedicated to communicating challenges it will pose to

the external community and receiving proposals, as well as a dedicated place for any entity that has solutions and wishes to work with Bondalti to present them.

### 2.3.5. A social network for innovation

Bondalti identified the need to provide an internal digital platform to manage innovation, which was developed in 2023 and then, in January 2024, shared with the entire organisation.



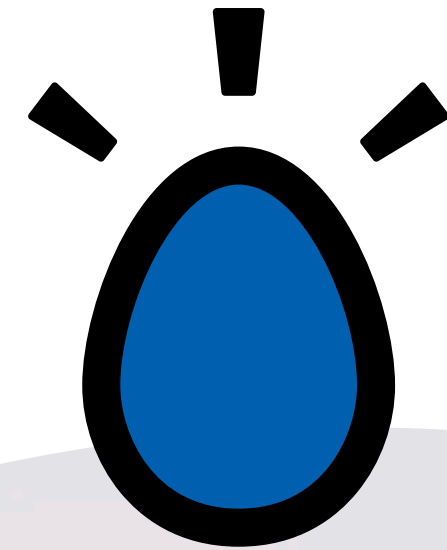
Maintaining the name ImpactLab, as the Innovation Programme is also called, the new internal channel aims to become a social network for the organisation, open to all employees of Bondalti Chemicals, Cantabria and Capital, and encouraging interaction that fosters an entrepreneurial spirit.

In addition to responding to internal innovation challenges that are launched, the platform allows the presentation of spontaneous ideas, which can be commented on and improved by other employees. These, in turn, can also share information that they consider relevant to the organisation, be it new know-how or news having an impact on innovation and the business.

It is also on this platform that Bondalti's Colombo Programme is now hosted, a programme dedicated to continual improvement, and which has its own system of incentives and evaluation of ideas submitted by employees. Since the creation of this project, in 2006, 658 ideas have been submitted, of which 214 were approved and 143 implemented, with a total financial return for the programme, to the end of 2023, of 1.9 million euros.

At the 2023 Open Day Colombo event, which took place in May, the winning proposals and

the idea considered most sustainable – by creators Juan Fonseca, Manuel Pelaez, Manuel Villanueva, Luis Costal, David Pampín, Luis Penas, Paulo Oliveira and Roberto Pinto – presented solutions to operational challenges at the Estarreja and Cantabria sites, which involve water savings, workplace safety and reduction of production losses.



## 2.4. R&D: constant action

As an industry leader, with relevant activity in several key sectors of the economy, Bondalti develops R&D projects in a systematic and continuous manner. Focused on the company's core areas, these actions have a broad scope, covering solutions to existing challenges, such as improving operational efficiency, environmental performance or process safety.

### Digital technologies in an industrial context

Bondalti seeks to realise the full potential offered by new digital tools in an industrial setting. In 2023, two projects were implemented, with a strong focus on the area of automation and control, dedicated to data analysis. The work "Operating Model of Aniline Reactors", in partnership with the University of Coimbra, brought together several years of history of the operation of these reactors and established models to understand the pattern of production stops and starts, with a view to developing new software to support operators' decision-making. A tool called "Heat exchanger performance monitoring" was also developed to detect points of improvement in the energy efficiency of this equipment.

### Knowledge sharing

On the Technology Watch front, in 2023, Bondalti implemented the BTT – Bondalti TechTalks initiative, which includes training and awareness-raising actions, in online and in-person format, dedicated to emerging issues and featuring external speakers who are specialists in each area. Over the course of the year, three sessions were held, under the themes "Industry 4.0", "Microreactors" and "Lithium Batteries". For 2024, four more initiatives are planned. This action does not end within the company. In 2023, Bondalti actively participated in events in the technical-scientific community, including Chempor – the 14th International Conference on Chemical and Biological Engineering, which took place at the Polytechnic Institute of Bragança, in September. The meeting aimed to encourage the exchange of knowledge between the academic, industrial and scientific communities.

### New R&D website

In order to streamline and disseminate the R&D environment internally, a new R&D website was created, which includes the technology watch website, to which all existing information, at times difficult to consult, was transferred. This platform now brings together the entire archive added to R&D activity and brings the innovation processes closer to the entire organisation.



### Partnerships with impact for R&D

With a view to developing and implementing projects, Bondalti is committed to establishing strategic partnerships, nationally and internationally, in academic and business circles.

By doing so, the company seeks to stimulate the effective transfer of scientific and practical know-how. This is an action that involves universities, collaborative laboratories, or knowledge networks, such as PRODEQ – Association for the Development of Chemical Engineering of the Department of Chemical Engineering of the University of Coimbra; HyLab – Green Hydrogen collaborative laboratory; and the GNIP – National Group for Process Intensification.

These partnerships also include the creation of training opportunities for students from partner institutions, involving them in Bondalti’s R&D work. In 2023, four master’s degree internships, one company internship and two doctoral scholarships were carried out.



## 2.5. Our Business Cases

### 🔗 **OZONE4WATER** – Cutting-edge ozone technology for water treatment

#### Objective

The OZONE4WATER project aims to develop a disruptive ozone technology for water/wastewater treatment. The new technology will help change the current landscape of ozone-based water treatment solutions, combating the lack of ozone generators capable of producing ozone-rich gas streams and contacting reactors with improved gas-liquid mass transfer. Ultimately, this will lead to lower energy consumption for ozone production and overcome the need for large contact reactors and extended contact times.

#### Benefits

- Networking;
- Opportunity to participate in the production of patent assets;
- Participation in scientific publications;
- Opportunity to sell equipment and/or services;
- Acquisition of know-how.

#### Owner

BWS | Enkrott

#### Expected time frame

February 2021 – December 2024

#### RDI Classification

Innovation

#### Partners

- AdP VALOR - Serviços Ambientais, SA.
- LSRE-LCM/FEUP/UPorto
- Simbiente

#### SDG





# 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 their production will be customised according to the specific needs of each customer.

## Benefits

- Generation of knowledge in the anaerobic digestion process: design, construction and operation;
- Creation of knowledge networks (i.e., networking);
- Demonstration of technical capabilities in industrial-scale anaerobic processes in the sale of other installations;
- Strengthening relationships with customers, demonstrating capacity to improve their installation;
- Potential to participate in patents;
- Participation in scientific articles;
- Development of an innovation hub in anaerobic processes for other RDI projects.

## Owner

BWS | AEMA

## Expected time frame

September 2018 - June 2023

## RDI Classification

Research and Development

## Partners

- SIS
- ITAInnova
- EGA
- I&S

## Total spend by BWS

€ 1 172 132

## SDG



# ImpactLab

## Objective

The main objective of ImpactLab is to develop an innovation vision and strategy, and to redefine and implement the Innovation Model. This project emerged as Bondalti felt the need to create Innovation with an impact on people, the business and the sustainable transition to a more digital and green economy.

## Benefits

- Creating and having a purpose and a clear vision of Innovation;
- Knowing where and how to innovate;
- Innovating with impact.

## Owner

Bondalti Capital

## Expected time frame

January 2023 - December 2024

## RDI Classification

Innovation

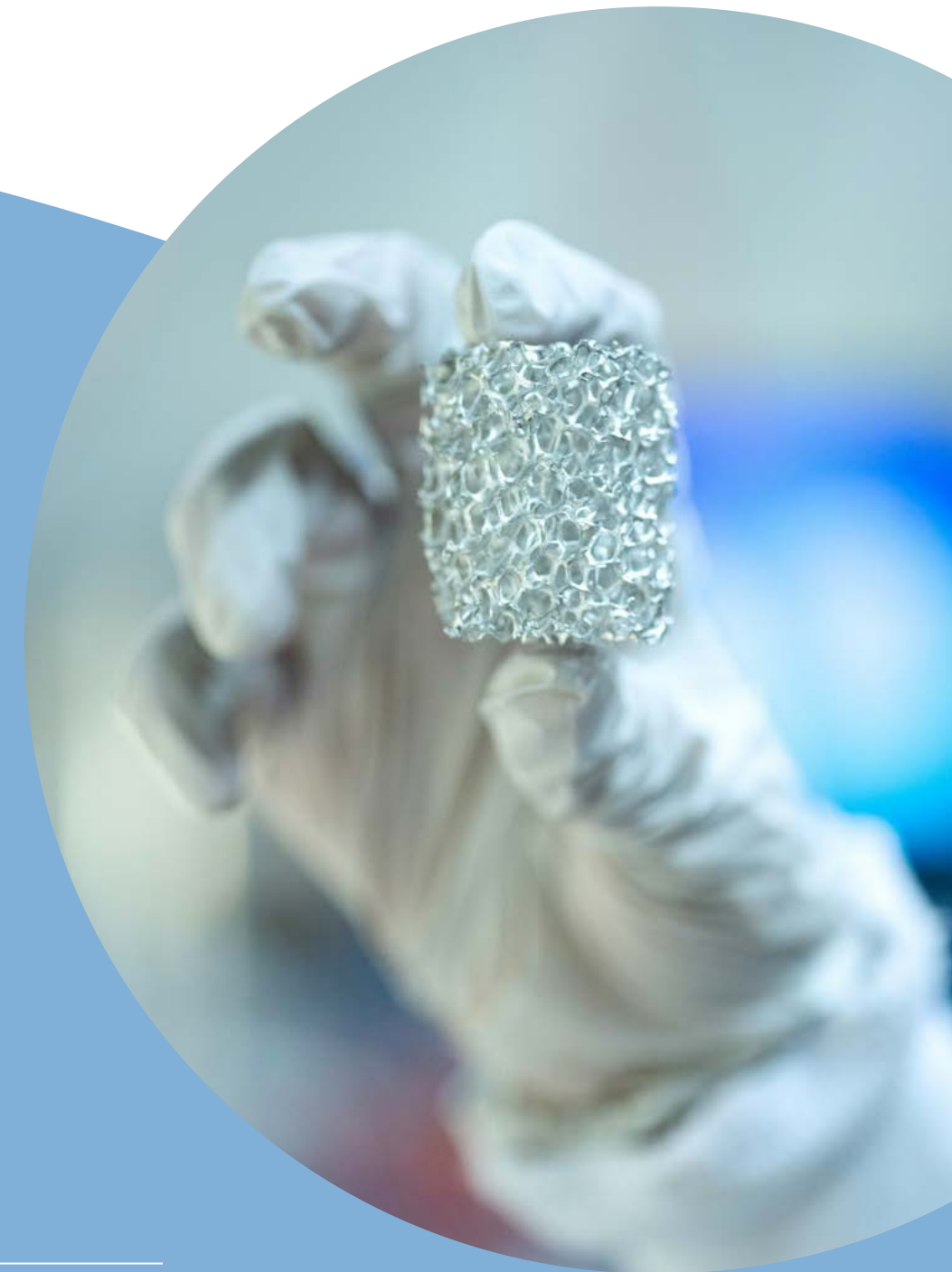
## Partners

- Innovation by Kaizen
- Innovation Cast
- InoCrowd

## Actual expenditure 2023

€ 139 400

## SDG



# SAP TMS – Transport Management System

## Objective

The SAP TMS project aims to implement the SAP TMS module in order to promote improvements in SAP with a view to optimising transport planning (reducing its overall cost), considering contract restrictions, delivery times, driving times, tanker turnover and the quality of the service provided.

## Benefits

- Direct interaction with carriers for consultation/acceptance of the planning;
- Geolocation;
- Confirmation of deliveries to customers;
- ETA calculation;
- Accounting for unloading times;
- Greater visibility of processes;
- Self-billing.

## Owner

Bondalti  
Chemicals

## Expected time frame

March 2023 -  
January 2024

## RDI Classification

Innovation

## Partners

· EXED

## Actual expenditure 2023

€ 566 700

## SDG



48%

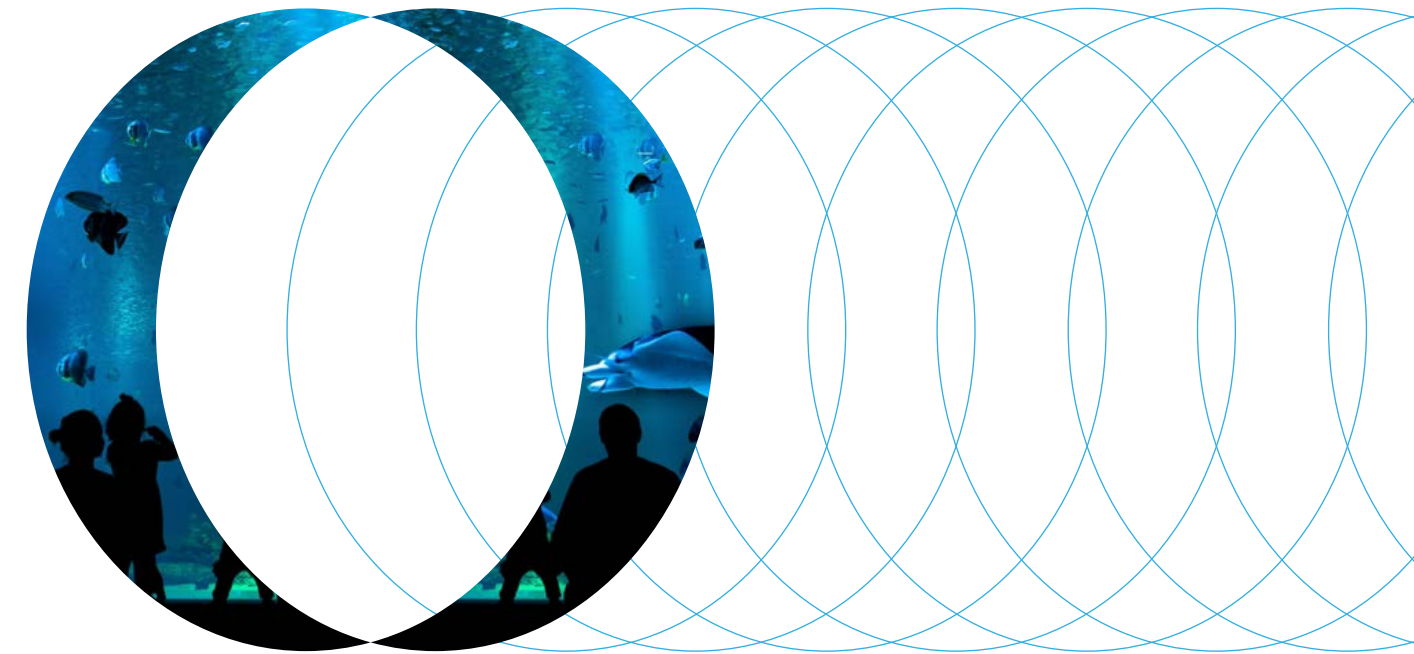
of Bondalti people  
are millennials

# 3.

TOMORROW  
MATTERS  
TO PEOPLE

# 3. People

People represent Bondalti’s greatest differentiator. They define its identity and lead its growth. In a context of strong expansion of the Group, the year 2023 will be marked by a strengthening of skills for digital transformation and the rejuvenation of human capital, with a focus on attracting and retaining new generations of professionals. For the first time in decades, the average age of Bondalti employees is below 43 years. And 48% of Bondalti’s people are millennials, i.e., they are between 27 and 41 years old.



## Strategic SDG



## Impacted SDG



Bondalti employees are invited to comment on their training needs, under a self-proposed training approach

## 3.1. Digital transformation

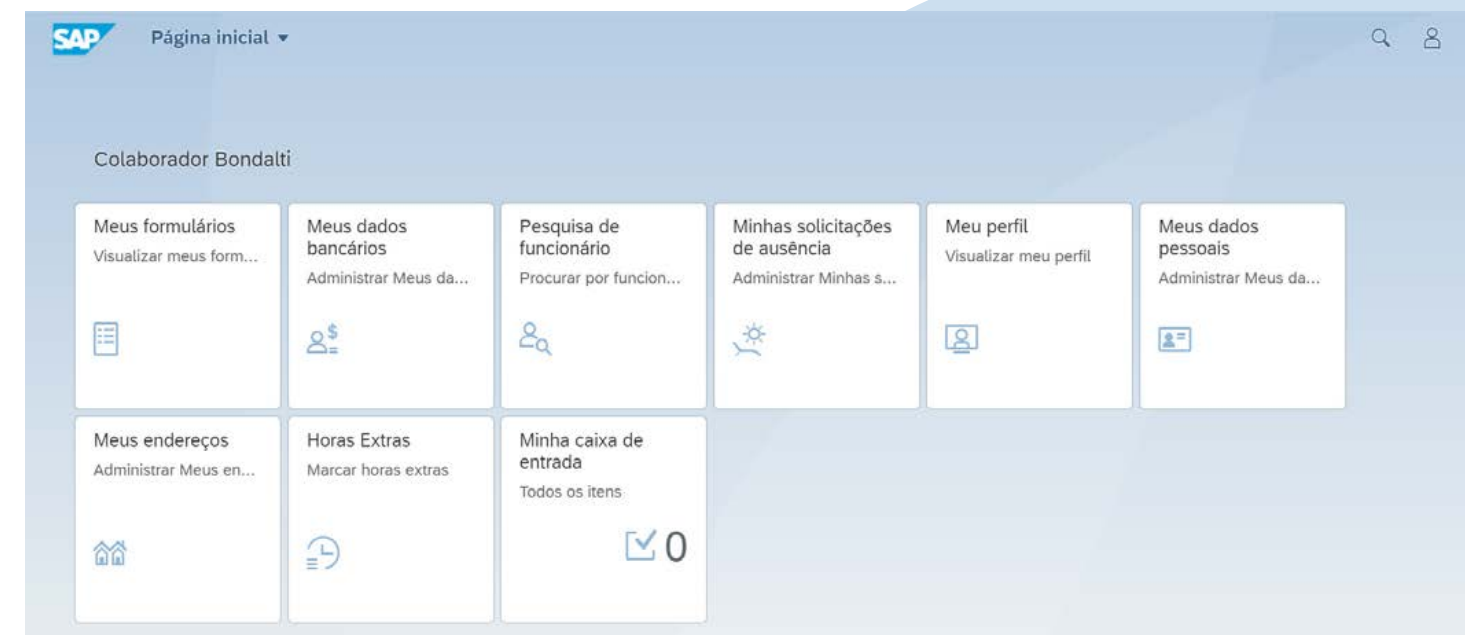
In 2023, digital transformation represented one of Bondalti's priorities with regard to the qualification and training of its human capital and process efficiency. As a sign of the importance attributed to this aspect of the organisation's life, the company created a department specially dedicated to Digital Transformation and Innovation.

Several initiatives were developed during the year, with a view to optimising human resources management and training employees for digitalisation, an example of which was the creation of the **Bondalti Library**. This is a platform that aggregates documents that are commonly accessible to the entire organisation and allows, for example, the sharing of information about official procedures with new employees, making a recruitment request, or consulting IT rules.

The **Employee Portal**, also implemented in 2023, made it possible to streamline and make more transparent all human resources administrative processes, with employees themselves being able to update their data and carry out tasks such as scheduling vacations or declaring overtime.

### 3.1.1. Dealing with Artificial Intelligence

Aware of the challenges posed by the use of Artificial Intelligence tools, and how they are decisively influencing the approach to digitalisation, in 2023, Bondalti created the **ChatGPT User Guide**. The objective is to train the company's people for this new reality, creating the conditions for efficient and informed use.



### 3.1.2. Data analysis

Data analysis represents a crucial area at Bondalti when it comes to business strategy. The company achieves levels of excellence in this regard, as a result of its experience as an industrial company in a sector where predictive models are commonly used in the field of automation. Currently, Analytics also extends to multiple areas of the company, including human capital management.

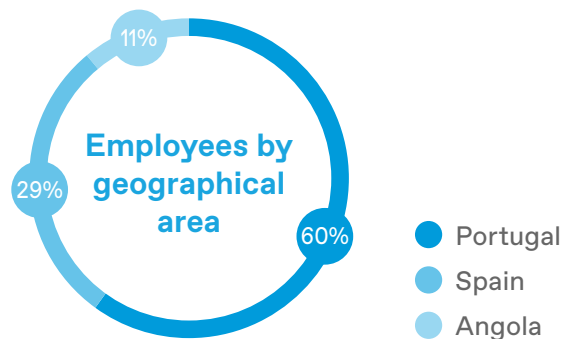
As part of the investment made in information processing, in 2023, Human Resources Management started the **ScorecardRH** project, a human resources management and reporting tool, consisting of a dashboard that aims to systematise all data and present it in a quick and streamlined manner, allowing overall and, at the same time, detailed analysis.

### 3.1.3. A question of cybersecurity

With a view to training and raising awareness among employees of the challenges of Information Security, in the reporting year, training was provided related to shimming (a type of cyber attack), and the **CyberFlix** initiative was developed.

The company also promoted simulations of computer attacks, via SMS, email and telephone, with a view to raising awareness of the less positive effects of the digital universe. The report on this initiative allowed each person to discover their own vulnerabilities, compromising their data, and a communication drive was conducted on the topic within the organisation.

## 3.2. Talent acquisition and management



Attracting and placing a high value on talent represents an essential cornerstone of Bondalti's sustainability strategy. Despite the organisation having a turnover rate of over 11%, it is constantly concerned with attracting the best employees. It is in this sense that the company

participates in various job fairs and shares its vacancies internally and externally, in a strategy that also focuses on connecting with academia, through the promotion of internships, master's degrees and doctorates, in partnership with universities.

Considering that recruitment companies function as "ambassadors" for Bondalti, by being the first "face" vis-à-vis candidates, the partnerships established with these entities are characterised by careful selection and lasting connections.

Following Bondalti's rebranding, and its effect on brand recognition in the job market, the company worked on a value proposition for its

current and future employees, which it called **Project EVP (Employee Value Proposition)**. This work resulted in a document that highlights Bondalti's distinctive features, including a rigorous and transparent description of what it offers and expects from its employees.





### 3.2.1. Strategic fronts in people management at Bondalti



#### Cohesion and well-being

Strengthening Bondalti's identity and culture, maintaining respect for people, recognising their contribution to the objectives achieved and involving them in the path to be taken.



#### Rejuvenation

Promoting the rejuvenation of human capital, ensuring the building of knowledge and experience between generations.



#### Corporate management

Ensuring the overall management of employees, implementing models and policies that reconcile the mainstreaming of the company's strategy and values, with due regard for the specific characteristics of the business and geographies.



#### Continuous development

Empowering leaders and teams, developing critical skills to achieve the goals set for the business.



#### Performance appraisal and management

The Bondalti model has the following components:

1. Crossover strategic objectives;
2. Individual and/or team objectives;
3. Competencies;
4. Individual employee contribution.

The result of the evaluation is translated into a 5-point scale and communicated by the manager to the employee at an annual performance meeting. The model also provides for the formal return of feedback to employees, by the supervisor, identifying strengths and opportunities for improvement. Based on the performance evaluation system and potential assessment, individual development plans are drawn up.

### 3.3. Training and development

Every year, Bondalti employees are invited to comment on their training needs, in a self-proposed training approach, which is integrated into the annual training plan.

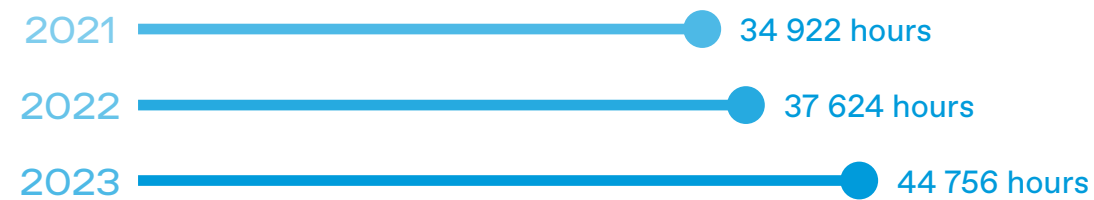
In addition to these training actions, the company promotes the development of transversal skills that go beyond the identified needs, on diverse topics such as languages, security and digital productivity tools.

Training is also aligned with the Talent Management process, insofar as, as a result of the assessments carried out, training is incorporated into individual development plans, ensuring that it is adjusted to the needs of each person.

The involvement of employees in national and international events and congresses is also encouraged, with the aim of sharing knowledge, participating in debates and keeping up to date with the latest developments in their area.

This is a commitment that mobilises a significant part of the planned training, and, in 2023, Bondalti Chemicals and Bondalti Capital employees participated in 74 national and international conferences.

#### Training sessions provided



### 3.3.1. Preparing the leadership of the future

Bondalti has been prioritising the preparation of future leaders under an approach that aims to go beyond mere business continuity by investing in continual improvement and in-depth knowledge of the best practices in the business world.

In 2023, members of different divisions participated in the **ALP (Advanced Leadership Programme)** under an initiative that aimed to provide contact with the most current and benchmark approaches in Management and Leadership, as well as national and international business perspectives, trends, values and socioeconomic environments. The programme took place in Portugal (Catholic University) and Chicago (Kellogg School of Management - Northwestern University).

Tailor-made for the leaders of the José de Mello Group, including members of the Executive Boards, the programme provided an opportunity to share experiences and good practices at the highest level of the organisation.

The initiative aimed to develop leaders with the greatest potential and strengthen teams, having been created following development assessments carried out on all Directors and Executive Directors. Based on these analyses, individual and team development plans were

drawn up, which are monitored at the level of the Executive Board of the José de Mello Group, under the ambit of the Talent Committee.

At another hierarchical level, Bondalti annually selects, as the basis of the individual development plan, employees to join the **Advanced Management Programme for Executives**, at the Catholic University, providing fundamental training for Coordinators and Technical Staff with the potential to take on leadership roles. This is a programme that already been run 20 times within the José de Mello Group, impacting more than 500 staff.

In parallel to previous programmes, and as a result of the diagnosis of training needs and the talent management and potential assessment model, Bondalti organises specific courses and training to work on priority topics related to Leadership. Examples of this are training on the topic “How to give feedback to the team” and the “Effective Leadership” course.

### 3.3.2. Diversity, inclusion and rejuvenation

Bondalti is committed to promoting an inclusive, integrative and diverse culture, in which everyone is welcome, and everyone is valued and can realise their potential.

To this end, four priority fronts of intervention have been defined.

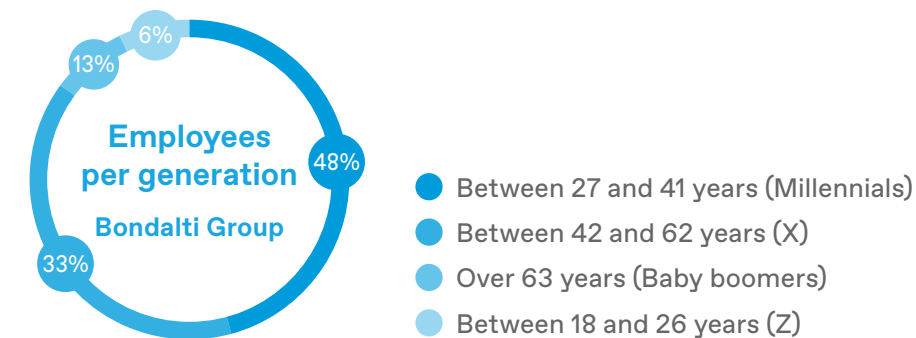
On the generational front, the year was marked by the continuity of the Group's Rejuvenation Plan, which prioritises knowledge sharing and intergenerational relationships, guaranteeing the necessary consistency to the defined succession plan.

As a result of this work, 48% of Bondalti's human capital is now made up of millennials (between 27 and 41 years old). In 2023, at Bondalti Chemicals, in Estarreja, 57% of employees were at this generational level, a rejuvenation that is particularly noticeable in Operations.

It is also the objective of the people policy to continue investing in the admission of Generation Z (those between 18 and 26 years old), increasing this number from the current 7% to 10% at Bondalti Chemicals, in 2024, in a clear strategy of attracting young people to the industry, while upskilling is encouraged through 4x4 Training. This targeted training programme, lasting one year, places trainees and employees with a high level of knowledge in sharing and mentoring work.

Having four generations at the same time, and with different nationalities, has consolidated the organisation's learning culture, an essential condition for making it more diverse, capturing new ways of thinking and acting.

For the first time in decades, Bondalti now has a workforce with an average age of under 43, with 48% being millennials



The Inclusion of People with Disabilities involves the promotion and dissemination of available vacancies with entities such as the Eurofirms Foundation or Argo Partners. At the same time, since 2020, Bondalti has been a member of the Inclusive Community Forum (ICF), a Nova SBE initiative that aims to promote a more inclusive community, challenging companies to play an active role in co-creating solutions. Today, the inclusion of people with disabilities is a reality and the induction and onboarding process is designed specifically for each of those admitted: an inclusion tutor is appointed and exhaustive work is carried out to map internal accessibility, with all the infrastructure necessary for full autonomy.

Currently, 2% of Bondalti Chemicals employees are people with disabilities, with a degree of disability greater than 60%.

Bondalti has been progressing towards effective gender balance and equal opportunities.

The organisation has 46% women in corporate areas and more than 32% in management positions\*

The Group promotes the integration of people with different sociocultural origins, ethnicities or personalities, which enable new outlooks and attitudes within the organisation. To this effect, various initiatives are promoted, such as the awarding of scholarships by the Amélia de Mello Foundation (FAM); the sharing of the journey of recruiting people with disabilities into the Community Advisory Panel of the Estarreja Responsible Care Programme (PACOPAR); participation in job fairs at major universities; and the use of a blind CV when returning the shortlist of candidates for a position within the organisation. This last practice, which aims to facilitate diversity in companies, involves removing all identification of gender, age,

nationality, sociocultural background and basic training from CVs, keeping only experience and additional training.

### “Diversity, Equity and Inclusion in the Portuguese business environment”

In 2023, Bondalti participated in a study by BCSD Portugal in partnership with EY, with the aim of delineating the national business fabric and providing recommendations for organisations to identify areas for improvement and prepare to adjust some of their policies and practices, making them more equitable and inclusive. Among 73 companies and 96 757 employees, the study concluded that 60% of the workforce is made up of employees over the age of 43 and that, as the progression to leadership positions advances, only 27% of women occupy management positions as executive directors.

### Pact for More and Better Jobs for Young People

Bondalti was one of the signatory companies of the Pact for More and Better Jobs for Young People, an initiative of the José Neves Foundation (FJN), with the Patronage of the President of the Republic, which promotes the hiring, retention and improvement of the employment conditions of young people, guaranteeing them quality employment with adequate wages. The objectives of the Pact include an increase, by 2026, of 14% of young people hired, 7% of qualified young people with adequate salaries and a further 3% with appropriate functions.

\* All positions at Bondalti Capital are considered, which includes the corporate areas. The following positions are considered: coordinators, directors and corporate bodies.

### Internal awareness-raising regarding environmental issues

Under the ambit the Bondalti Climate Transition Strategy, and in order to respond to the recommendations published by the ADENE – the Energy Agency, Bondalti developed an Energy Efficiency Plan, the objectives of which include involving all employees in awareness-raising initiatives regarding energy savings in the workplace, at home and on the road.

In this regard, four training sessions were carried out in partnership with the DECO – Portuguese Association for Consumer Protection, two in Portuguese and two in Spanish in each half of the year, for which around 110 employees enrolled. Flyers were also distributed, and leaflets and stickers were left at all Bondalti sites and workplaces. At the end of the campaign, all employees were presented with a souvenir alluding to the plan.



## 3.4. Organisational culture and employee experience

Bondalti's culture promotes a collaborative, close and autonomous environment for everyone to realise their potential. The organisation believes in the competence and integrity of its people with a view to contributing to a better world and creating unique experiences. Its purpose is to create lasting connections that recognise and value different contributions.

These goals are achieved through career recognition, as well as through investment in **team-building** activities. This is a business culture that also invests in leadership programmes, encouraging regular meetings and feedback, while establishing unique onboarding processes, providing digital platforms or physical materials, such as presentations or institutional newsletters.

The strategy for implementing a healthy work environment also includes initiatives such as the **Summer Meeting**, which took place in June 2023 and in which employees and their respective families participated, as well as **initiatives aimed at the local community**, in which employees get involved as Bondalti ambassadors.

### 3.4.1. Decent salary and benefits

Bondalti reviews the salary positioning of its people every six months, taking into account career progression and development.

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In 2023, Bondalti increased its total wage bill by 10%\*, taking into account the admission of 107 new employees

The company has a package with around 40 benefits. Additionally, employees benefit from:

- Life Insurance;
- Health Insurance for employees and direct family members (children and spouse), including employees with fixed-term contracts;
- Extension of Health Insurance to children over 25 years of age upon additional payment by the employee;
- Meal Allowance above the statutory ceiling;
- Transport Allowance;
- Additional sickness and paternity allowances paid on top of Social Security;
- Salary advances for sick leave due to a work accident;
- Flexibility in choosing holiday periods;
- One day of Flexwork for designated roles.

\* Bondalti Capital and Bondalti Chemicals.



## 3.5. Work-life balance

Bondalti has efr - Family Responsible Company Certification. The company is committed to efr policies and measures, so that they are extended to all employees, on a lasting basis, taking into account the personal and family characteristics and responsibilities of each employee.

In this regard, it is worth highlighting the increased efforts among leaders to promote the principle of psychological safety and behaviours that respect everyone. To that end, in 2023, the efr team responded to more than a dozen questions submitted by people in the organisation, and identified a series of improvements to be made in 2024.

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In 2023, Family Assistance accounted for more than 1 400 hours, used with greater incidence to support employees' children, followed by support for spouses.

Currently, certification requires the segmentation of measures, in order to respond to the demands of the employee's context, one of the most significant of which is **Family Assistance** for up to 15 days per year.

## 3.6. Managing ethics

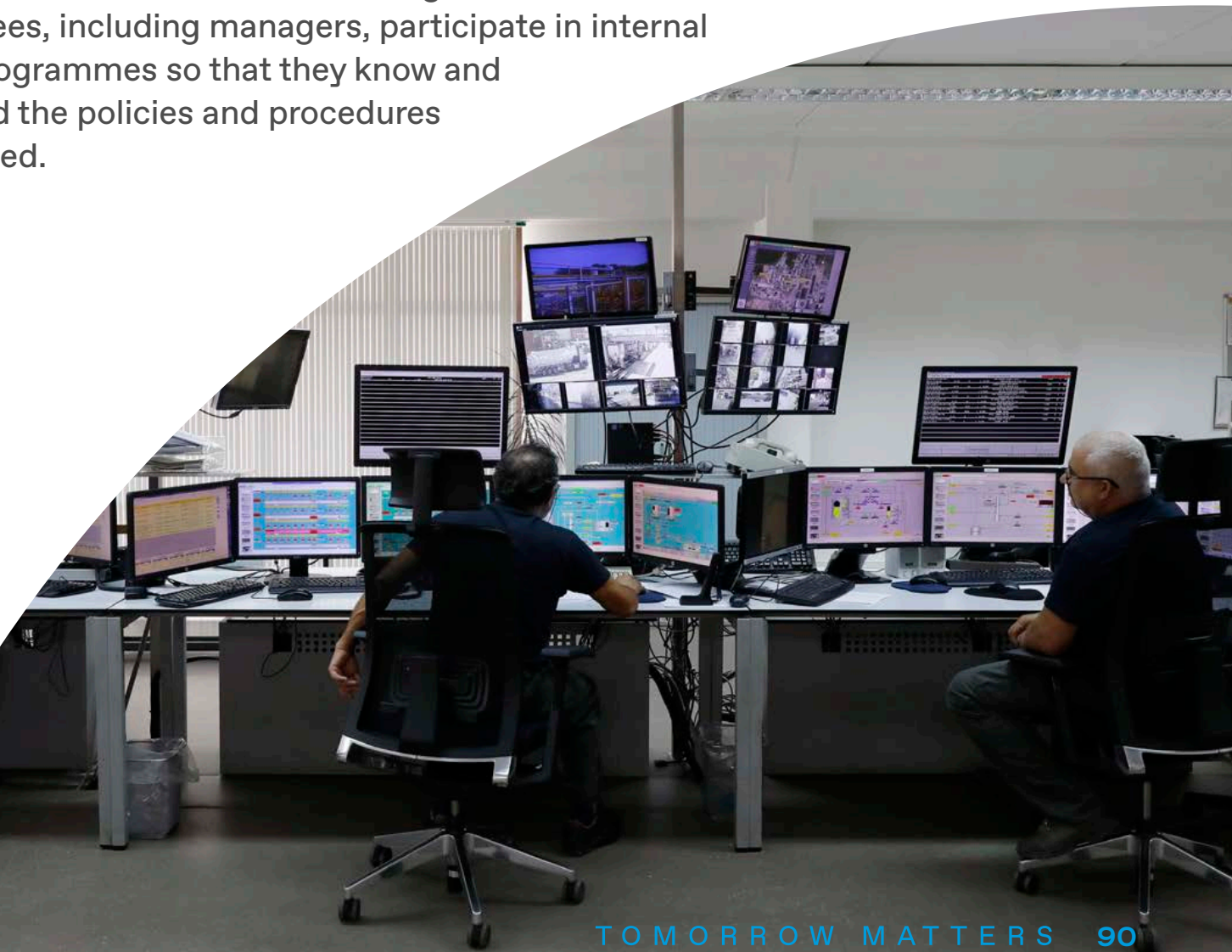
Following the entry into force of the General Framework for the Prevention of Corruption (RGPC), Bondalti's Executive Board adopted a Regulatory Compliance Programme, developed during 2023 and implemented at the beginning of 2024, which aims to prevent, detect and sanction acts of corruption and related offences carried out against or through the organisation.

Under the ambit of this programme, Bondalti carried out the following actions:

- Revision and updating of the code of ethics, now called the **Code of Ethics and Conduct**, along with the **Regulation of the Ombudsman and Body in Charge of Bondalti's Regulatory Compliance Programme**;
- Adoption of the **Plan to Prevent Risks of Corruption and Associated Offences (PPR)**, which identifies, analyses and classifies the risks and situations that may expose Bondalti to acts of corruption and associated offences and the preventive measures that allow the likelihood and impact of such an occurrence to be reduced;
- Modification of the **Reporting Channel**, which allows for the safe presentation and follow-up of reports;

- Appointment of an Ombudsman, responsible for Regulatory Compliance – position assigned to João Fugas, non-executive Director.

During 2024, Human Resources Management will also ensure that all employees, including managers, participate in internal training programmes so that they know and understand the policies and procedures implemented.



## 3.7. Occupational Safety and Health

For Bondalti, guaranteeing the Occupational Safety and Health (OSH) of its employees is an ongoing imperative. Its strategic cornerstones include a focus on a strong and positive safety culture built on trust, credibility and the behaviour of leaders and employees, which also applies to companies that provide services to the organisation.

Although the change in behaviour will not be immediate, the projects implemented will lead the company towards fulfilling its ambition of achieving an interdependent culture in relation to safety by 2025, which means that individuals should be concerned with themselves and others, without needing to be corrected.

The Health and Safety Policy is communicated at an early

stage when people enter the organisation, and is explained in the induction training. It is also discussed at meetings of the Board of Directors and Executive Board, normally held quarterly, and is widely publicised on noticeboards and on the company's website. Whenever there is a change, it is also subject to the assessment of worker representatives.

Bondalti believes that any and all accidents can be avoided, and its objective is to achieve zero workplace accidents. The year 2023 will be marked by a drive to improve behavioural safety in an area that is industrial in nature and, therefore, carries high risks. The OSH team felt motivated by the way in which members from different areas of the company got involved in a topic that is of common concern. For the organisation, the big challenge is to adapt the rules and good practices to the specific reality of its various companies.



### Rules Save Lives

As part of the strategy of involving all managers in the topic of OHS, the Rules Save Lives (RSV) project was launched in 2023, on 28 April, World Day for Safety and Health at Work. The action was communicated through various means of communication, to give new emphasis to a set of rules and improve the operational discipline of employees, with a view to reducing workplace accidents.

The initiative selected the rules considered most critical for the company's activity and included the development of best practices associated with these rules, aiming to make them more present in behaviours, and mandatory. The review of procedures is taking place in a multidisciplinary manner, as a team, to obtain input on the main implementation difficulties and establish the best way to ensure that they are accepted by everyone and applicable to the specific circumstances.

After the rules are adapted to the feedback resulting from the work sessions and stabilised, training is given to ensure that they are understood and subsequently complied with. Training results in more feedback for, potentially, further revisions and adaptations, in a process of continuous improvement that also includes a periodic assessment of the way in which procedures are being followed, through checks, audits, preventive safety observations and presence in the field of the Safety teams.

### 3.7.1. Preventive Safety Observations

Additionally, Bondalti has a practice that allows it to understand whether the behaviours to be implemented are being followed and offers a set of indicators of compliance with the rules.

The Bondalti Preventive Safety Observations (OPS) programme aims to contribute pedagogically to improving the safety culture, through the commitment of leaders to register monthly, on a dedicated platform, unsafe situations or good safety practices that are worth highlighting, promoting conversation and a collaborative spirit on the topic of Safety.

### 3.7.2. Technology at the service of prevention

The organisation's efforts to prevent and improve working conditions have resulted in a constant reduction in the number of workplace accidents at Bondalti Chemicals.

The second half of 2023, in terms of prevention, is also marked by the beginning of the development of an electronic tool to speed up the risk analysis process, an integral part of the work authorisation process, which anticipates work,

due to standardising the performance of operations, reducing the subjectivity associated with the human condition in safety decisions.

This procedure is overseen by a leader with knowledge in organisation, processes, safety and risks and ensures that any activity carried out on Bondalti premises has prior authorisation. This mechanism carries out preventive analysis and takes control or mitigating measures for certain dangers and risks, to allow work to begin safely. After the testing phase, this tool should come online in the second quarter of 2024.

### 3.7.3. Investment in Safety

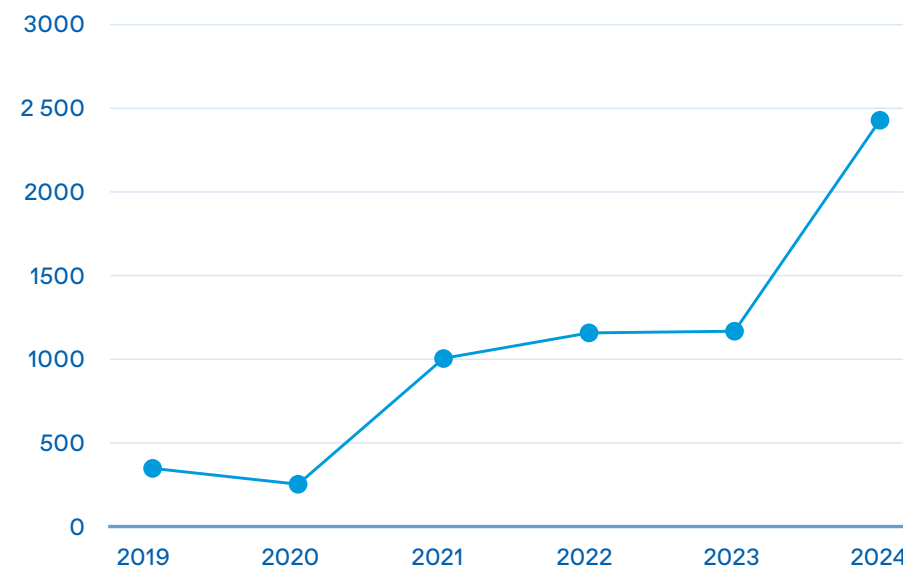
As part of Bondalti’s increasing digitalisation, the organisation’s work permits are also being digitised. This very recent innovation among top-rated companies in terms of Safety is taking place in a multidisciplinary manner, by listening to each area that uses this type of tool most, to streamline the process with a more standardised way of carrying out operations, further eliminating the subjectivity of the human factor in Safety decisions.

The company’s investments in technological innovations promote operational safety, as is the case with state-of-the-art automatic control systems.

In 2023, in terms of continuous and regular activity in the Emergency area, improvements were also made to the existing system, with the replacement of pumps and the expansion of the network of fire detection sensors, and the acquisition of equipment to combat accidents.

#### Investment in the strategic plan - Safety

Investment (thousand euros)



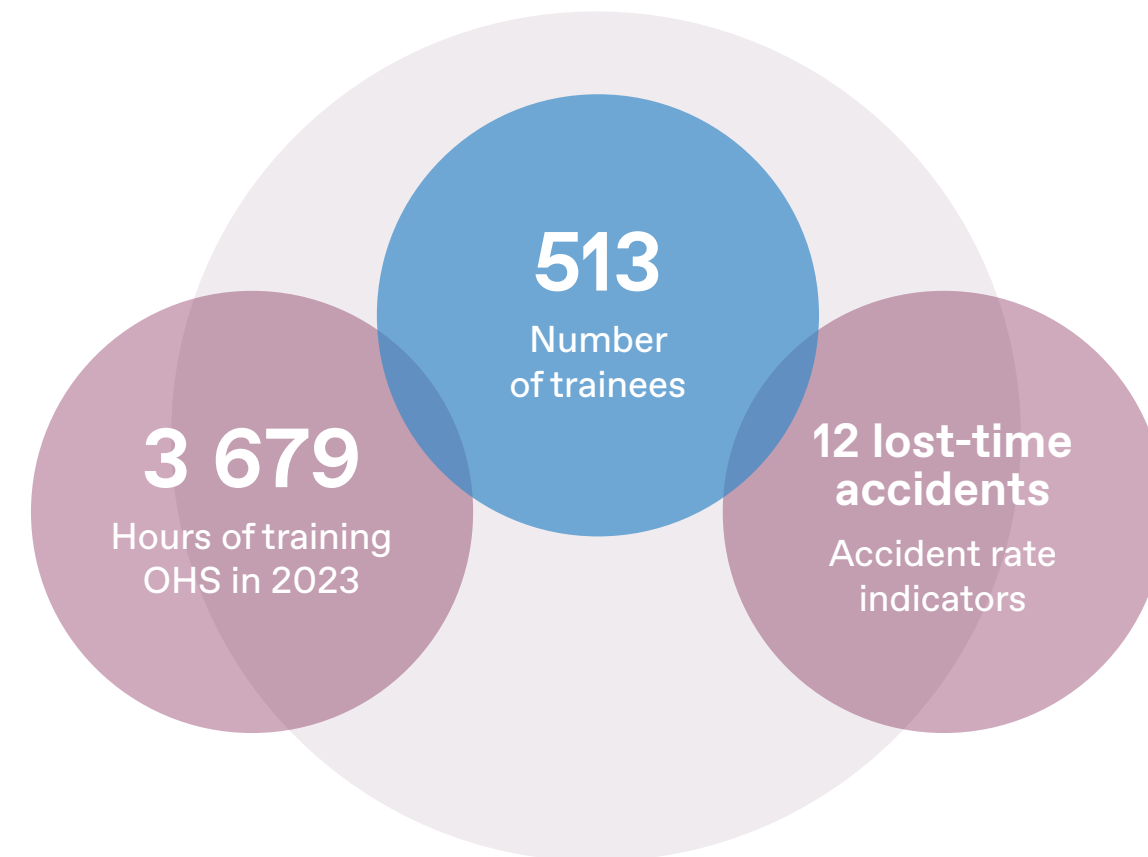
### 3.7.4. Information and awareness-raising

The training activities carried out last year in the OHS area covered topics as diverse as Personal Protective Equipment, Opening Pipes and Equipment, Confined Spaces, Working at Height and Rescue or Emergency.

As part of Bondalti's onboarding programme, 4x4 Training, OHS also promoted a training programme that covered all areas of Safety, both behavioural and functional, very much aimed at Technicians and Coordinating Technicians, but also extended to other levels of the organisation, giving them the opportunity have contact with all areas of the factory.

This is in addition to the usual risk drills, carried out on average twice a year, with the participation of Firefighters and Civil Protection; and routine training, dedicated to the use of means of prevention. In 2023, a spill simulation exercise also took place in partnership with a logistics operator, creating an opportunity to work with suppliers to respond to an emergency, with the initiative being communicated to the community surrounding the Estarreja Chemical Complex.

### Bondalti consolidated



SBTi

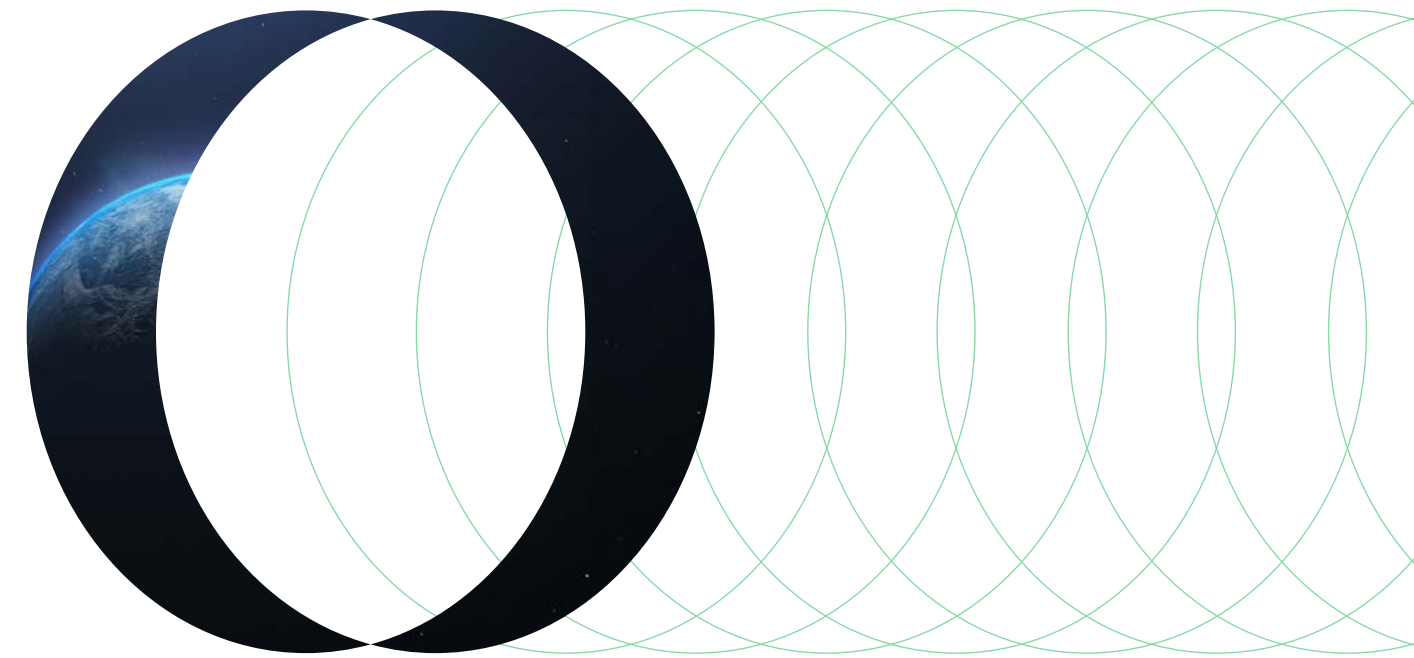
Bondalti submitted its letter of commitment

4.

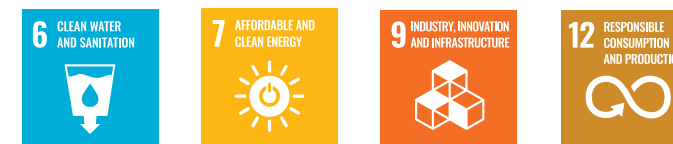
TOMORROW  
MATTERS  
TO THE PLANET

# 4. Planet

Constant improvement in environmental performance is seen by Bondalti as forming an integral part of its entire business model. Concern for the Planet is seen holistically, observing the current and future environmental aspects and impacts of our direct activity, but also all those associated with the supply chain. We are also concerned with ensuring the environmental awareness of employees, suppliers and the local community so that the preservation of the natural environment is a priority in the ecosystem in which we operate.



## Strategic SDG



## Impacted SDG



By 2030, Bondalti intends to have 100% of its electrical energy from renewable sources





In 2023, environmental sustainability once again represented a mission that cuts across all areas of the organisation, with essential steps having been taken on the path that aims to contribute to decarbonisation in operations and throughout the company's value chain

This was the year in which the calculation of the carbon footprint at Bondalti Chemicals was completed, as well as environmental licensing for the Aveiro Storage Plant. The target of achieving a 50% reduction in the number of non-compliances vis-à-vis environmental law compared to 2020 was also exceeded, falling from seven to one in 2023.

Over the course of the year, new environmental projects were also initiated. One of them involved the standardisation of internal standards for environmental management processes between the two industrial sites (Estarreja and Cantabria), including changes at the level of Sustainable Purchasing, in order to create a single document.

Among the highlights of 2023, it is worth highlighting the Earth project, an initiative that will allow us to understand how, over the years, the dispersion of possible soil contaminants can occur.

Divided into three stages, this project, which began in 2023 and is scheduled for completion in 2024, aims to summarise the whole gamut of monitoring carried out over the last 15 years, enabling spatio-temporal profiling, to study its evolution and develop a dashboard of indicators to which an alert system is associated.

## 4.1. Towards Climate Transition

The strategy outlined by Bondalti in its Climate Transition Programme, presented in 2020, comprises various action fronts, with a wide range of projects to reduce emissions, as well as water and waste management, taking place in 2023.

### 4.1.1. Strategic objectives

Objective	Goal	Prospects 2024-2026	Performance
Consumption of electrical energy from 100% renewable sources	2030	On track	40%
-0.7% Specific energy consumption	2025	On track	In line with the target
-50% Scope 1 GHG Emissions, compared to 2005	2030	On track	-16%
-100% Scope 2 GHG Emissions, compared to 2005	2030	On track	-39%
Reduction of other atmospheric pollutants, compared to 2005, according to PNEC (VOC, SOx, NOx, PM10)	-	Already achieved	Under review according to new legislation for PT and ES
+30% Water reuse, compared to 2012 (Estarreja site)	2030	Objective/Target under review	21%
-43% Specific water consumption, compared to 2012 (Estarreja site)	2030	Objective/Target under review	-21%
-30% Total volume of liquid effluents per ton of product, compared to 2012 (Estarreja site)	2030	Objective/Target under review	-17%
100% Non-Hazardous Industrial Waste (NHIW) recovered (Recycling) / 0% NHIW final deposition (Estarreja site)	2030	On track	-97%
Hazardous Industrial Waste (HIW) recovered* / HIW final deposition (Estarreja site)	2030	On track	-94%
-15% Production of industrial waste, compared to 2012 (Estarreja site)	2030	Objective/Target under review	+18%

\* Includes incineration of waste with energy recovery

## 4.1.2. Investments to improve environmental performance



The year was marked by intense work on the development of the green hydrogen project, under Component 5 of the PRR. Produced using renewable energy, green hydrogen will thus allow the decarbonisation of the aniline production process – this being one of the products sold by Bondalti – as well as creating a positive environmental impact for society in general, through injection into the natural gas network.

Another set of projects started last year stems from the candidature for Component 11 of the PRR, which involves a total investment of 76 million euros and is based on two essential fronts for reducing emissions: energy efficiency and electrification.

On the energy efficiency front, the Technological Reconversion Project involved the replacement of two less efficient technologies with a state-of-the-art technology that presents lower specific energy

consumption in the production of chlorine. This initiative will reduce energy consumption by around 2% and, therefore, CO<sub>2</sub> emissions per product produced.

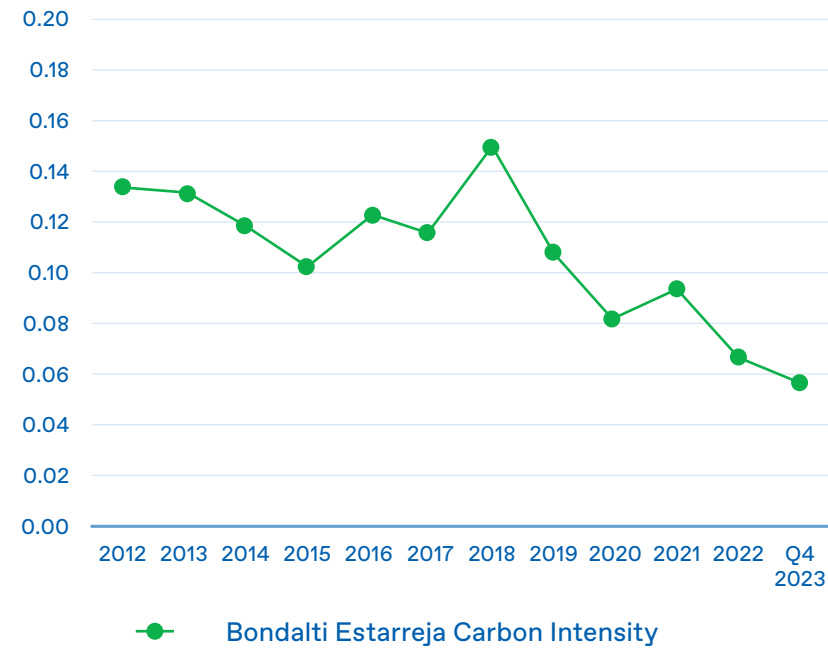
Bondalti plans to reduce natural gas consumption through the partial electrification of its steam production system.

Under the ambit of Component 11 of the PRR, there are also other structural investments in the improvement and expansion of electrical infrastructures, which will allow us to focus on increasing power, electrifying more processes, as well as connecting and self-consuming renewable energy produced in solar parks under construction at the Bondalti Chemicals site in Estarreja.

Despite a doubling of production, there was a 93% reduction in emissions of volatile organic compounds at Bondalti Chemicals, between 2005 and 2023, and a 93.8% reduction in particles

### Emissions per ton of product

Total Carbon Intensity (t CO<sub>2</sub> eq/t product)



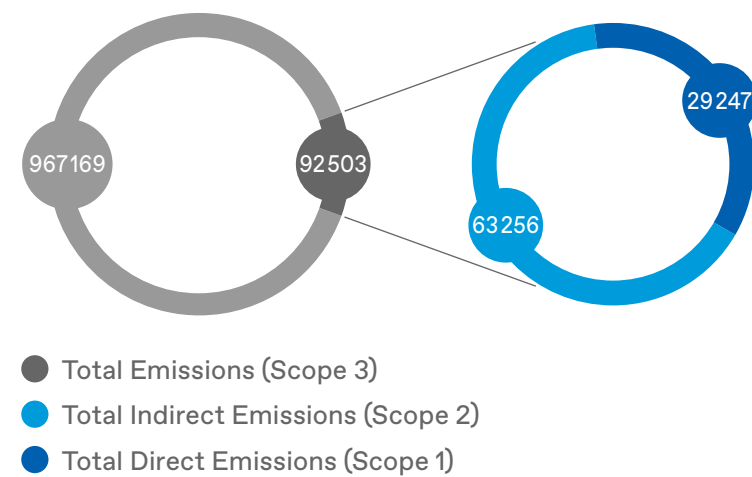
### Total GHG Emissions in Industrial Chemicals

	2021	2022	2023	Δ (%)
Scope 1 Emissions in Industrial Chemicals (t CO <sub>2</sub> eq)	29 395	26 327	29 247	3%
Scope 2 Emissions in Industrial Chemicals (t CO <sub>2</sub> eq)*	110 500	81 107	63 256	-26%
Scope 3 Emissions in Industrial Chemicals (t CO <sub>2</sub> eq)	1 076 723	985 909	967 169	-4%
<b>Total</b>	<b>1 216 619</b>	<b>1 093 343</b>	<b>1 059 672</b>	<b>-6%</b>

\* Market-based.  
To calculate the variation, the difference between 2023 and the three-year average was determined.

### Total GHG Emissions in Industrial Chemicals

(t CO<sub>2</sub> eq)

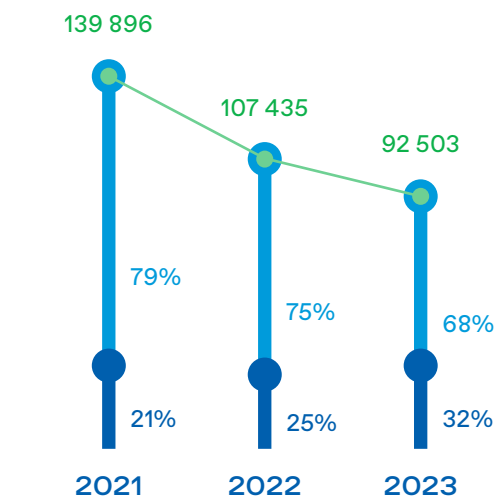


In terms of its global carbon footprint, Bondalti Chemicals achieved a reduction of 6% in relation to the three-year average, representing a reduction of 7% per ton of product produced

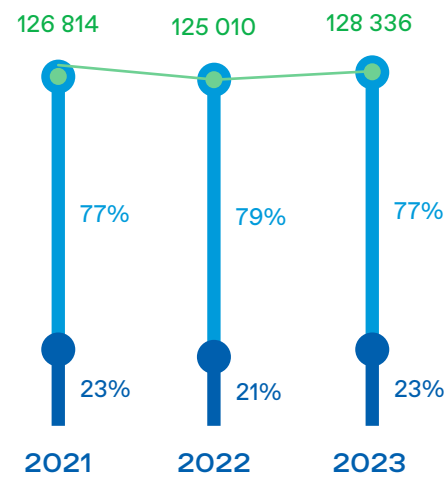
In terms of direct and indirect emissions, given the increase in Bondalti Chemicals' production capacity from 2012 onwards, a 2% reduction was achieved by 2019. In 2020, the year in which production activity began in Torrelavega by Bondalti Cantabria, on 31 December 2023, there was a 14% reduction in its direct and indirect scope 1 and 2 emissions, respectively

### Direct and indirect GHG emissions in Industrial Chemicals

(t CO<sub>2</sub> eq)



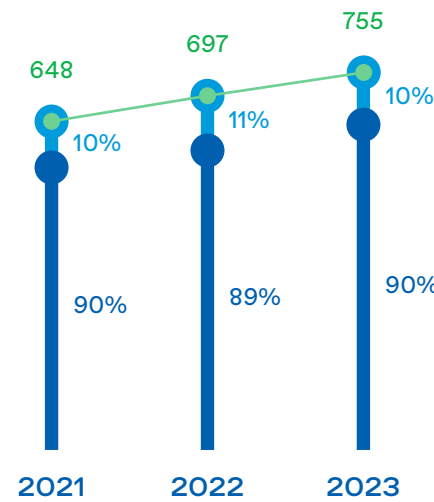
- Total Indirect Emissions (Scope 2) - Market-based
- Total Direct Emissions (Scope 1)
- Total Emissions



- Total Indirect Emissions (Scope 2) - Location-based
- Total Direct Emissions (Scope 1)
- Total Emissions

### Direct and indirect GHG emissions in Water Treatment

(t CO<sub>2</sub> eq)



- Total Indirect Emissions (Scope 2)
- Total Direct Emissions (Scope 1)
- Total Emissions

Bondalti Chemicals achieved an 18% reduction in emissions in its operations (scope 1 and scope 2) compared to the three-year period

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## Membership of SBTi: Emissions reduction aligned with the climate science

Regarding Bondalti's climate objectives, in 2023 high-level training sessions were held on Climate Transition, which included, among others, raising awareness among employees about the urgency of climate action; the importance of joining efforts to decarbonise and involve the entire value chain; and the company's objective to set emissions reduction targets in line with the climate science. In 2024, Bondalti Chemicals SA committed to the Science Based Targets initiative (SBTi) to define science-based GHG emission reduction targets aligned with the Paris Agreement, which will be followed by their respective submission and approval by this international reference entity.

Within the framework of the SBTi, all targets must be defined in line with the most recent science-based criteria and methodologies that are considered necessary to achieve the objectives of the Paris Agreement – limiting global warming to 1.5 °C above pre-industrial levels. Bondalti Chemicals SA will submit these targets over the next 24 months.

Joining the SBTi is a sign of Bondalti's commitment to the latest climate science and global decarbonisation goals for the chemical sector.

## 4.2. Investments in renewable energy

By the end of 2025, with the expected completion of the projects currently underway in Estarreja, it will be possible to increase the amount of electricity produced from solar energy for self-consumption, going from a production capacity of around 2 MWp to 30 MWp, corresponding to a peak supply potential of 70% of the needs of this industrial unit.

These are projects that, in addition to energy efficiency, will represent a reduction of almost 30% in total scope 1 and scope 2 emissions, compared to 2019. Under the ambit of Component 11 of the PRR, the installation of electric batteries is also being studied to allow the accumulation of renewable energy resulting from production peaks, whenever it is not consumed when it is generated.

By 2030, Bondalti intends to obtain 100% of its electrical energy from renewable sources, through a strategy focused on self-consumption and PPA (Power Purchase Agreements with stability and price advantages). Currently, Bondalti has already commissioned 40% of its green energy consumption with guarantees of origin.

After the implementation, in October 2022, of the first two solar parks at the Estarreja plant, 2023 was the first full year of self-consumption production. With this contribution and the acquisition of electricity from renewable sources, in Estarreja and Cantabria, there was a 23.8% reduction in scope 2 emissions (Market-based).

The work developed during 2023 to increase the renewable energy component saw an important development, in January 2024, with the signing of a new agreement for the installation of another 24 720 photovoltaic solar panels on the Estarreja site, with an installed capacity of 14 MWp for self-consumption. The more than 20 thousand MWh generated annually at the facilities, from the end of 2024, will dictate a reduction of around 3800 tons in CO<sub>2</sub> eq emissions, thus allowing an acceleration of the energy transition process.

## BONDALTI HIGHLIGHTED BY THE EUROPEAN COMMISSION

Bondalti is part of the range of pioneering companies in the green and digital transition of the chemical industry, with three projects highlighted by the European Commission (EC).

In June 2024, the EC published the first business initiatives to support the transition strategy in the sector, as part of a challenge launched a year earlier.

Portugal has three projects, originating from Bondalti, focusing on energy efficiency and environmental sustainability, to be implemented at the Estarreja unit:

- New electric boiler for steam production, replacing the current natural gas boiler. Energy production will originate from renewable sources, increasing environmental efficiency. Bondalti aims to achieve a total reduction in GHG emissions of 27.5% (54.2% scope 1 and 20.4% scope 2) compared to 2019 levels. This project should be completed and licensed in the 4th quarter of 2025.
- Photovoltaic park for self-consumption and electrochemical batteries that allow the management of surplus renewable energy.

With the completion of the investments foreseen in this project and assuming 2019 as a baseline scenario, it is expected that it will be possible to stop consuming 46 970 MWh/year of electricity from the grid, which will allow Bondalti to reduce its scope 2 emissions by 12 194 t CO<sub>2</sub> eq in 2025.

- New thermo-compressor that reuses high pressure steam to generate heat in the production of chlor-alkalis. Estimated reduction of around 55 m<sup>3</sup> of de-mineralised water per day and up to 460 kNm<sup>3</sup> of natural gas per year. Expected reduction in CO<sub>2</sub> emissions up to 3130 t CO<sub>2</sub>/year. Project in the final construction phase, scheduled to start in April 2024.

In the first phase of this European action, the EC collected and analysed more than 80 concrete actions “that will help make Europe a more modern, resilient and climate-neutral economy”, as the European body states. Around half of the initiatives focus on safe and sustainable chemicals, alternatives to fossil fuels, green technologies (such as hydrogen and electrification), and digitalisation.



## 4.3. Water management

In order to manage the environmental and social impacts of the use of water resources in an industrial context, Bondalti has been prioritising the reduction of specific water consumption (consumption per ton of product).

The organisation’s strategy for the efficient use of water involves reusing this resource, in an effort that, in 2023, resulted in the reuse of 21% of the water withdrawn.

Representative of this systematic action, effluents originating from the operation of cooling towers are reincorporated into other processes, promoting the circularity of water in the industrial process.

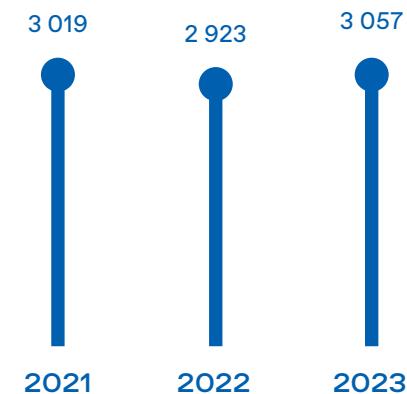
In one of the processes, water is a by-product, which is then purified and used again, for example, to produce steam.

The correct management of wastewater is also of great importance throughout the process.

Around 21% of the water used in Bondalti’s production processes was reused in 2023, compared to 20% in 2017

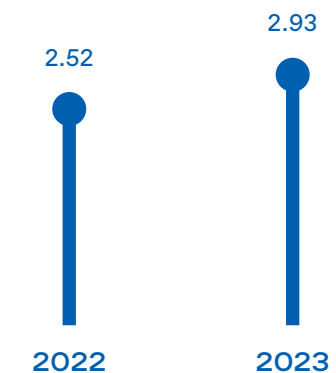
Total water withdrawn in Industrial Chemicals

(ML)



Total water withdrawn in Water Treatment

(ML)



## 4.4. Waste recovery

Bondalti seeks to maximise the full potential of circularity in its industrial processes by continually investing in the optimisation of the resources used. Priority is given not only to reducing waste production, but also to its recycling and recovery.

The company has been using technology and innovation to develop solutions that enable the reincorporation of waste into production processes, or its internal recovery, particularly in energy production.

Currently, the majority of waste classified as hazardous is recovered for energy in the company, through incineration to produce steam, which is integrated into the production process, or by being sent to external cogeneration plants.

In 2023, a recovery rate of 91% of the Bondalti group's non-hazardous waste was achieved, including in the Chemicals and Water areas

#### Industrial Chemicals Waste

Industrial Chemicals (t)	2021	2022	2023	Δ (abs)	Δ (%)
<b>Hazardous waste</b>	<b>18 343</b>	<b>16 592</b>	<b>18 470</b>	<b>668</b>	<b>4%</b>
Recycled	176	365	373	68	22%
Other type of recovery	3	87	80	24	43%
Incinerated	17 520	15 222	16 850	319	2%
Landfill	292	831	1 083	348	47%
Other type of disposal	352	87	84	-91	-52%
<b>Non-hazardous waste</b>	<b>292</b>	<b>470</b>	<b>232</b>	<b>-99</b>	<b>-30%</b>
Recycled	212	425	178	-93	-34%
Other type of recovery	57	45	50	0	-1%
Incinerated	0	0	0	0	0%
Landfill	23	0	4	-5	-58%
Other type of disposal	0	0	0	0	0%
<b>Total waste produced</b>	<b>18 635</b>	<b>17 062</b>	<b>18 702</b>	<b>569</b>	<b>3%</b>

To calculate the variation, the difference between 2023 and the three-year average was determined.

#### Water Treatment Waste

Water Treatment (t)	2021	2022	2023	Δ (abs)	Δ (%)
<b>Hazardous waste</b>	<b>15.5</b>	<b>11.9</b>	<b>11.4</b>	<b>-1.5</b>	<b>-12%</b>
Recycled	14.4	9.5	8.5	-2.3	-21%
Other type of recovery	0.2	1.1	2.6	1.3	99%
Incinerated	0.0	0.0	0.0	0.0	0%
Landfill	1.0	1.2	0.4	-0.5	-55%
Other type of disposal	0.0	0.0	0.0	0.0	0%
<b>Non-hazardous waste</b>	<b>36.6</b>	<b>31.2</b>	<b>46.4</b>	<b>8.3</b>	<b>22%</b>
Recycled	6.8	8.9	25.5	11.8	86%
Other type of recovery	6.6	4.0	0.0	-3.5	-100%
Incinerated	9.7	4.5	3.9	-2.1	-35%
Landfill	13.5	13.9	17.0	2.2	15%
Other type of disposal	0.0	0.0	0.0	0.0	0%
<b>Total waste produced</b>	<b>52.2</b>	<b>43.1</b>	<b>57.8</b>	<b>6.8</b>	<b>13%</b>

To calculate the variation, the difference between 2023 and the three-year average was determined.

## 4.5. Sharing of environmental indicators with the community

Bondalti adopts a recurring practice of sharing environmental indicators from the Estarreja site with the local community. This is a practice that falls under the ambit of the PACOPAR - Estarreja Responsible Practices Programme Community Advisory Panel.

In 2023, on World Water Day, at the conference “Estarreja and water – Transforming and Using”, which was promoted by the City Council, Bondalti, on behalf of PACOPAR, publicised the efforts that have been made by companies in the Estarreja Chemical Complex (CQE) to improve water management, as well as the objectives defined for the coming years.

In 2022, on National Air Day, an action open to the population took place, also in conjunction with Estarreja City Council, in which air quality monitoring data in Estarreja was presented. The session included a presentation from the University of Aveiro on the evolution of this indicator and another from PACOPAR on emissions from the industrial hub and the improvement initiatives of each company in the CQE.

For 2024, the session will have as its central theme the CQE’s action in relation to waste management.

PACOPAR was created in 2001, on the initiative of companies from the Estarreja Chemical Complex, with the aim of applying the principles of the Responsible Care programme, adopting a joint approach in responding to people’s concerns and greater openness and proximity to the community. PACOPAR thus constitutes a broad forum of local agents representing various social areas, based on a relationship of good neighbourliness, cooperation and mutual assistance. This hub of communication with the community is currently made up of CQE companies and various entities in the areas of Education, Science, Health, Civil Protection, Safety, Environment and others, and focuses its activity on these themes.



# Together Matters

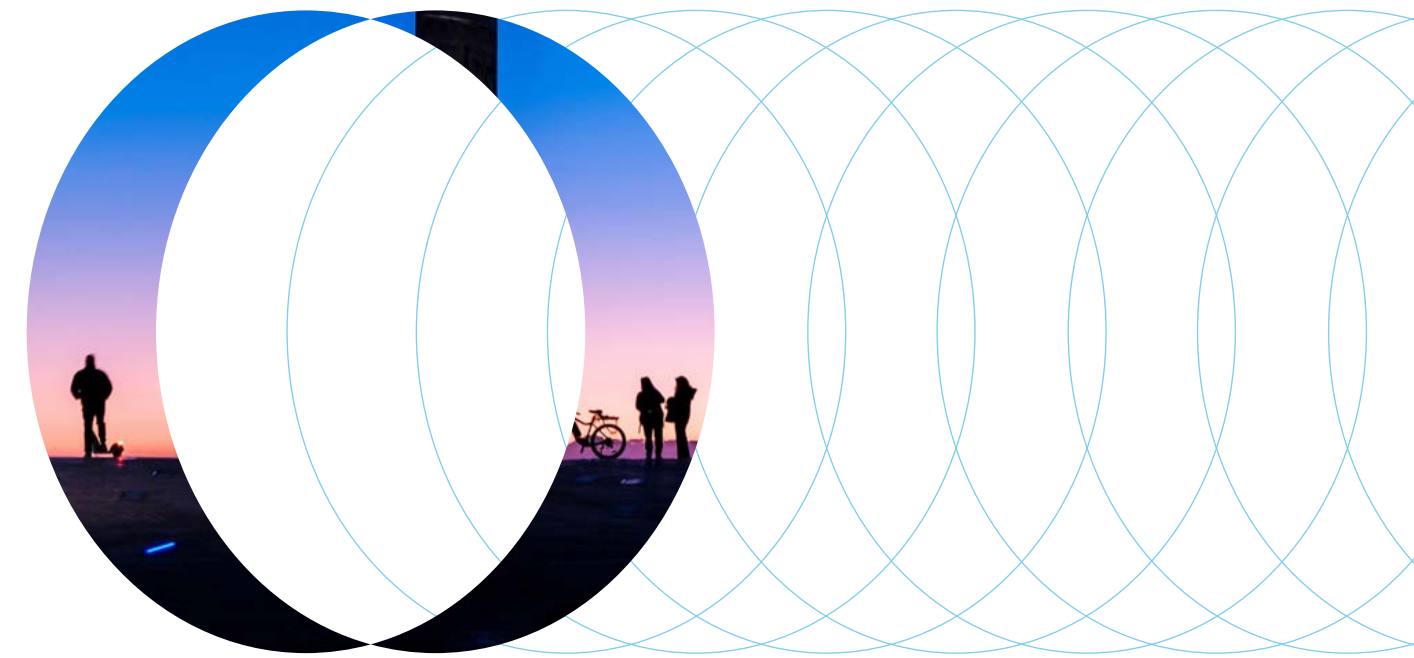
Lasting development as a goal

# 5.

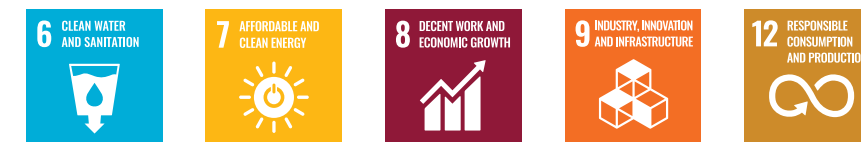
## TOMORROW MATTERS TO SOCIETY

# 5. Society

An industry that is at the centre of so many industries, that touches so many sectors, so many direct and indirect customers, and that depends on and influences so many stakeholders has an added responsibility to seek a prosperous future for everyone around it. Bondalti believes that this success needs to be rethought in the face of traditional models based on mere financial growth. Return is measured not only in terms of the financial component, but also the social and environmental, sometimes intangible, but with a much higher value than we can imagine. Whether through promoting a better quality of life for all, investing in the education and active citizenship of children and young people, or protecting nature and the ecosystem services it provides, Bondalti makes a very clear commitment – to invest consistently, to contribute in the best possible way to the preservation and development of these social and environmental values.



## Strategic SDG



## Impacted SDG



New Corporate Responsibility Strategy 2030: moving from a philanthropy model to a social investment model

## 5.1. Bondalti Corporate Responsibility – The Together Matters Programme

Bondalti's 2030 Corporate Responsibility Strategy, aligned with the Sustainable Development Goals of the United Nations 2030 Agenda, was designed and approved in 2023. It will start to be implemented and detailed in 2024, with medium-term objectives and annual programmes to identify strategic partners, as well as the best opportunities to generate a positive impact on society and the planet.

The main objective is to transform Bondalti's impact on the world around it, progressively moving from a model of philanthropy to a dynamic of social investment. The company seeks to become a partner in defining solutions and identifying opportunities for improvement, participating as a financing structure or as a contributory element in projects that, on the one hand, are long-lasting and, on the other, allow clear measurement of their impact.



# Together Matters

# What the Together Matters programme is

## 5 STRATEGIC FRONTS



**+ Education and Citizenship**



**+ Home and Energy**



**+ Life**



**+ Nature**



**+ Entrepreneurship and Decent work**

The five strategic fronts on which the Together Matters programme is based guide the mission of giving back to society and nature, in greater measure, everything that the organisation benefits from.

A concept that has at its base a vision of a legacy of responsibility towards the next generations, to the exact extent to which concern for the future is a key notion of sustainable development.

Education programmes, from pre-school to vocational education;

Inclusion of ethnic minorities, migrants and refugees (children and young people);

Empowering children and young people for ESG themes;

Support for cultural programmes for children and young people.



Housing support for people in poverty and at risk of social exclusion;

Promotion of smart and sustainable housing;

Promotion of access to green energy;

Promotion of sustainable mobility.



Support for people with physical and mental disabilities;

Support for people with long-term illness;

Victim protection;

Access to drinking water and sanitation;

Investment in long-term care infrastructure.



Protection and promotion of biodiversity;

Decarbonisation and capture of carbon;

Sustainable and accessible tourism;

Circular economy;

Environmental disclosure and awareness;



Sustainable innovation;

Support for young entrepreneurs;

Scholarships and internships for young university students;

Entrepreneurship and sustainable innovation awards;

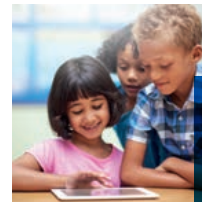
STEAM Programmes (Science, Technology, Engineering, Arts and Mathematics).



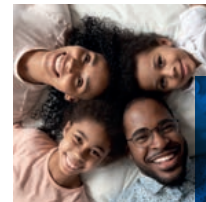


# What the Together Matters programme is

## 5 STRATEGIC FRONTS



**+**  
Education  
and  
Citizenship



**+**  
Home  
and  
Energy



**+**  
Life



**+**  
Nature



**+**  
Entrepreneur-  
ship and  
Decent work

## 2030 OBJECTIVES OF THE TOGETHER MATTERS PROGRAMME

2 thousand children and young people supported in primary, secondary and/or vocational education;

12 new sustainability projects in a school setting;

12 free cultural shows in the local community;

Social integration in the school communities of the communities.

200 families in need or at risk of social exclusion with access to decent housing;

100 homes in a new sustainable neighbourhood, combining social and environmental aspects;

200 families with access to green energy and sustainable mobility.

600 children, young people and/or elderly people with better living conditions and accessibility through the construction/renovation of basic infrastructure;

60 families in Angola with access to drinking water/basic sanitation;

Production of carbon credits equivalent to scope 1 emissions in the baseline year of our commitment to carbon neutrality;

Increasing biodiversity values in 2 regions in Portugal and 2 regions in Spain;

6 new regenerative or circular economy projects in the value chain in Portugal and Spain.

200 young people graduated from higher education;

2 new Sustainable Innovation projects per year;

2 industrial clusters (Portugal and Spain) to improve conditions of access to employment and working conditions, and adaptation of workers to the future of work.

### 5.1.1. How social investment projects are chosen

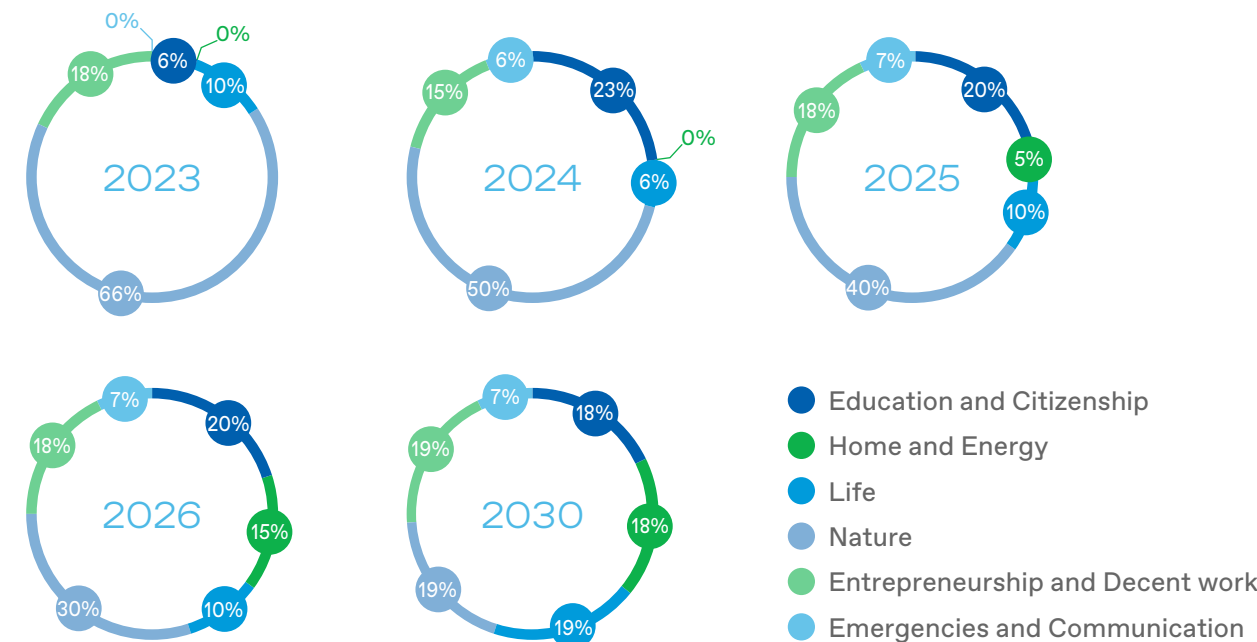
For the selection of social investment projects, the criteria include the impact on the local community, acting on a social or environmental problem; the possibility of creating scale, for another geographic region or another business area; as well as eligibility for community funds or external financing. The involvement of strategic partners is also taken into account, in order to create intervention clusters.



One of the investments already planned consists of a commitment to co-finance the social innovation project called “Um Castelo Pedrinho a Pedrinha”, up to the amount of 10 thousand euros per year, over a period of three years. This is the most ambitious project by Pedrinhas – Social and Cultural Solidarity Cooperative, from Lousã, which aims to analyse and adapt the housing of

children with oncological diseases or, equally serious, families in need, to meet specific accessibility needs and overcome deficiencies of habitability that may conflict with their treatment and improve their comfort. Bondalti was a partner in this project’s application to the Portugal Social Innovation 2030 initiative, created in 2023 with the aim of developing and boosting entrepreneurship, social innovation and impact investing in Portugal, through the mobilisation of financial resources from the continent’s Regional Programmes.

### Investment allocation



As part of its Corporate Responsibility programme, in 2023, Bondalti promoted and supported, in all geographic regions in which it operates, around 30 internal and external initiatives, with a total investment of 2.4 million euros.

### Bondalti’s investment in social and nature programmes



### 5.1.2. Together Matters in 2023



+  
Life

#### Facilitate communication and the independence of disabled children

In 2023, Bondalti Cantabria offered the Torrelavega Residential Establishment Foundation a state-of-the-art TOBII Communicator, equipment that uses eye tracking technology to facilitate and promote communication for children who cannot speak or have difficulties with oral expression.

The Foundation provides ongoing support to dozens of children with different types of disabilities, and the use of this new tool represents another step in the objectives of improving young people's communication skills and autonomy.

[Discover the case of Alba, who improved her communication with a Tobii device donated by Bondalti.](#)



### Avanca handball team sponsored by Bondalti

Bondalti intensified its support and commitment to the community of the municipality of Estarreja by establishing a sponsorship deal with the Associação Artística de Avanca (AAA) handball team.

The support is intended for the senior team, which is currently competing in the sport's national championship, aiming at the same time to contribute to the training of young athletes and promote sporting activity in the region.

Handball is the only sport in the municipality of Estarreja that operates at a first division level.



### Promoting access to clean water in needy communities

Continuing its support for populations lacking access to water, in June 2023, Bondalti Water Solutions financed the construction of a collection well for daily consumption in the town of Djalicunda, Oio province, in Guinea-Bissau.

This was the fourth consecutive year of the company's involvement in this partnership with TADEH-EMAS – Escola Móvel de Água e Saneamento, an organisation that has been promoting, for over 30 years, the transfer of knowledge in this area and providing assistance in the creation of infrastructure in less developed countries. The action also included a training component, with school students building a hand pump and drilling five wells in gardens and houses. In previous years, similar initiatives were carried out in India and Senegal.

[Watch the video of the construction of a well in Djalicunda.](#)



## Solidarity in Torrelavega

Bondalti carried out a charitable initiative in Torrelavega, delivering donations to the local branch of the Red Cross.

This support resulted from an increase in requests for food assistance in the surrounding community, and allowed an increase in the capacity to respond to requests.

Part of the goods were donated by colleagues at the factory and part by the company itself.

## Ser Solidário Project delivers support

Bondalti and the other companies in the José de Mello group delivered donations resulting from the Ser Solidário programme, which again saw strong participation.

In this edition, the charitable employees voted for Associação Padre Amadeu Pinto, Cerciasta and Aajude. Each of these institutions received a grant of 5 000 euros, with Bondalti's donation going to Cerciasta Estarreja.

## Bondalti supports the Novo Futuro Association

In 2023, Bondalti supported the Novo Futuro Association, an IPSS whose mission is to welcome and provide a life project for children and young people in situations of social risk.

This support had an impact on the action carried out by the Association in May 2023, the 1st Novo Futuro Charity Paddle Tennis Tournament, with the aim of adding a charitable aspect to the physical activity and social interaction inherent to this sport, with the total amount raised being fully directed to the Novo Futuro Association.





+  
Nature

## Red Book of Mammals

The paper edition of the new Red Book of Mammals of Continental Portugal, launched in 2023, was sponsored by Bondalti. The result of four years of work involving more than 300 people, this publication made it possible to update data from 2005, the date on which the Red Book of Vertebrates of Portugal was published, revealing that there are 27 species of mammals threatened with extinction domestically, i.e., one third of the 82 species evaluated.

The work is an important contribution to the planning of conservation measures, as it updates the risk of extinction and provides basic information to minimise that risk.



## Cantabria Natura

As part of its presence in Cantabria, where it has had an industrial unit since 2019, in 2023, Bondalti strengthened its partnership with the Wild Fauna Recovery Centre run by the Regional Government of this Spanish autonomous community, an entity with which it maintains a cooperation agreement focusing on the conservation of the brown bear, a symbol of the region's natural heritage.

The support has taken the form of the provision of various items of equipment for the programme for preserving this emblematic species, which has been ongoing for several years. In 2023, the company financed the acquisition of 37 video surveillance cameras that operate autonomously using solar energy and are placed at strategic points in the Cantabrian mountain range to understand the movement patterns and daily activity of brown bears, in addition to an X-ray device and respective developer.

The various protective actions have enabled a sustained increase in the population of the species, which went from around just six dozen specimens in the 1980s – then in real danger of extinction – to the current 370.



## Mar Clinic

In 2023, Bondalti continued its support for the Ecomare Marine Animal Recovery Centre (CRAM), a unique facility in Europe integrated into the University of Aveiro dedicated to the rescue, recovery and return to the wild of marine animals affected by human activities.

As part of this collaboration, known as the Mar Clinic and dating back to 2006, Bondalti donates the sodium hypochlorite necessary to maintain the quality of the water in the tanks where, temporarily, the rescued animals live, as well as for the disinfection of the veterinary facilities.

In 2023, the initiative reached a historic milestone, setting a new record for the admission of marine animals in need of recovery, receiving 555 specimens.





## Habitat Perditos

The renewal, for a further three-year period, of the cooperation agreement with the National Association of Rural Landowners, Game Management and Biodiversity (ANPC) constituted, in 2023, another important step in Bondalti's involvement in the Habitat Perditos project, dedicated to the conservation of the territory of the Iberian lynx and imperial eagle in southern Portugal, which the company has supported since 2017.

The programme has been developed at Herdade de Vale de Perditos, with an area of around three thousand hectares located next to the Guadiana river valley and in an interface area with the Spanish region of Doñana, where there is a historic community of Iberian lynxes.

Fully financed by Bondalti, having already represented an investment of more than 800 thousand euros in the first six years, the project focuses mainly on creating structural conditions in the habitat that promote the reproduction of the species, including the installation of a multiplicity of feeding fields and nesting places and refuge for prey, which has also benefited many other species present in the ecosystem.

The work is carried out by a team of forest rangers and receives support from the CIBIO – Centre for Research into Biodiversity and Genetic Resources, from the University of Porto. In 2023, priority was given to the installation of crops for fauna, which took place from October to November and covered a total of 200 hectares in a mosaic, as well as censuses



to ascertain the partridge population. During the year, among other missions, maintenance of feeders and drinkers was also carried out, with an average monthly consumption of 11 000 kg of wheat, as well as cleaning of the water line and maintenance of natural water points.

According to data released in 2023 by the Spanish Government referring to the previous year, the Iberian lynx recovery programme reached a historic milestone, with a record listing of 1668 specimens on the Iberian Peninsula, of which 261 were found in Portugal, precisely in the Guadiana valley. These numbers reflect an upward and sustained trend in the number of individuals in this region of the globe, which was just 94 in 2002, which bodes well for the future of this emblematic species, which was once considered the most endangered feline on the entire planet.

The results relating to the conservation of the imperial eagle have been positive, with a pair of imperial eagles regularly being seen in the Perdidos Valley, engaged in hunting and courtship rituals, which culminated in the construction and occupation of a nest.



## Wetlands and Waterbirds

In 2023, the provision of eight tags (GPS locators), developed with cutting-edge technology, was the highlight of the support that Bondalti provided to the CESAM – Centre for Environmental and Marine Studies, at the University of Aveiro, with a view to continuing the Wetlands and Waterbirds project.

This initiative aims to study the ecology of waders, which choose coastal wetlands as their habitat, normally estuaries and lagoons, including in the Aveiro region, and which are known for their vast migrations. After staying in Portugal in the months of October and November, these birds undertake a journey of thousands of kilometres to high latitudes, to places as diverse as Holland, Russia and Iceland.

Equipped with solar panels weighing around five grams, the small tags were applied to the backs of some specimens, allowing us to obtain data of great import for the conservation of these species, which depend on various locations to complete their annual and life cycle.

Bondalti has been supporting the Wetlands and Waterbirds project since 2021.



## Mértola Biological Station

Under the ambit of the Habitat Perdidos project, Bondalti is supporting and financing a Guest Chair on Hunting and Biodiversity, with the research team being associated with the Mértola Biological Station. The main objectives will be research into the ecology, demography and health of sedentary small game hunting species, namely the red-legged partridge, the Iberian rabbit and the Iberian hare, which are the preferred prey of the Iberian lynx and the imperial eagle, two protected species, and evaluate the impact of hunting management on biodiversity.





**+**  
**Entrepreneurship  
and Decent work**


### Financing knowledge and scientific research

The Bondalti and Amélia de Mello Foundation (FAM) Scholarships – created in 2018 – were awarded to nine students from Instituto Superior Técnico (IST) in 2023: five students from different courses saw their scholarship renewed and there were four new awards.

In 2023, the support granted to IST involved 18 thousand euros for the 2023/2024 applications, the process of which is still ongoing. Annual support of 20 thousand euros was also approved for the Faculty of Engineering of the University of Porto (FEUP), to reward the seven best undergraduate students and for scholarships at undergraduate level.

Also under the ambit of the partnership, Bondalti and FAM came together again, in 2023, to hand out the academic merit award in the area of General Chemistry to a student from Instituto Superior Técnico (IST).

Organised since 2018, the initiative aims to foster the excellence of future professionals who graduate from IST in this scientific area. The ceremony was attended by representatives of the various entities involved, including the delivery of a donation from Bondalti/FAM to improve the quality of education.

 *Discover the testimony of student Tiago André Ferreira, from IST, one of the students awarded a Scholarship.*



## 5.2 Bondalti and PACOPAR

### Involving local entities in improving quality of life

During 2023, Bondalti Chemicals took on the management of the PACOPAR – Estarreja Responsible Care Programme Community Advisory Panel, a global voluntary performance initiative in the areas of Environment, Health, Safety and Social Support, which involves five companies operating in the Estarreja Chemical Complex (Air Liquide, Bondalti, CIREs, Dow and AQP), along with 17 other local institutions.

This entity has developed various initiatives to promote the well-being of various social sectors, in the context of education, social support for disadvantaged groups and the elderly, and also in support of health promotion. In 2023, Bondalti allocated 4.2 thousand euros to this social responsibility initiative.



## Activities carried out in 2023 by PACOPAR working groups



### ENVIRONMENT GROUP

Student visits to the five companies in the Complex

Lectures in schools, on the themes “Electrolysis: Past and present”; “Production and Application of Thermoplastic Polymers – Advantages and limitations of plastic recycling”; “Fuels of the future”; and “The oceans and the climate”

Celebration of Wetlands Day, open to the population (BioRia)

Celebration of World Water Day

Celebration of World Environment Day, with the presentation of the Municipal Footprint Calculator application

Active participation in the Eco Schools project



### RISK PREVENTION GROUP

Inter-company visits

Chemical Products Dossier

Simulations with the transport company TJA

Visit to the Estarreja Volunteer Firefighters training camp

Standardisation of the siren tone

Joint action World Civil Defence Day, Native Forest Day and International Day of Forests

Celebration of World Day for Safety and Health at Work



### COMMUNICATION GROUP

Updating content on the website, in the newsletter and on social networks

Interaction in the digital environment

Direct contact with the community

Creation of a podcast

Programmes with schools

Participation in the General Council of the Estarreja Schools Group

## 5.3 Our partners



Bondalti became a partner of Negócios Sustentabilidade 20|30, an initiative by Jornal de Negócios that aims to promote the sharing of editorial content in Portugal on Sustainability matters, publicising challenges and good practices in the different ESG areas.

In 2023, three conferences were held, one on each theme and ESG, and also three talks for each area. Bondalti secured the participation of António Motta Veiga, Director of Strategic Development and Management Control, as a speaker in the 3rd environmental talk, which can be found [here](#).

Also under the ambit of this partnership, Bondalti's CEO, João de Mello, participated in an exclusive interview entitled

 [“Europe is losing competitiveness in attracting investment”](#)



In 2023, Bondalti renewed its commitment to the GRACE – Responsible Companies association, carrying out its undertaking to participate in clusters to promote knowledge, sharing and networking.

In this regard, the GRACE association established a new cluster focusing on SDG 6 – Clean Water and Sanitation, of which Bondalti is one of the founding members. Thus, over the course of 2023, the association held several meetings with partners and founding members, with the objective of planning the Dissemination of Good Practices on correct water management, awareness-raising/dissemination of knowledge about trends and challenges and also investment in training.





Bondalti has been a member of BCSD Portugal since 2013, participating in more than 5 multidisciplinary working groups.

Furthermore, Bondalti is a signatory to the Charter of Principles of BCSD (Business Council for Sustainable Development) Portugal. This charter of principles establishes common commitments for sustainable development in Portugal. The Charter is implemented through **Jornada 2030**, which is made up of 20 objectives, 20 targets and



**Carta de Princípios**  
BCSD PORTUGAL  
Empresas pela Sustentabilidade

20 indicators, common to all companies that subscribe to it. 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.

For the second year in a row, Bondalti responded to ESG Maturity, a tool created to support the implementation of the **Jornada 2030**, which aims to analyse and monitor the degree of maturity of companies in sustainability and management of ESG indicators, helping them to evolve on their sustainability journey and monitor their performance.



In 2021, Bondalti joined the Pact for Water Management, an initiative founded by the Catholic University that aims to place the issue of water at the centre of the agenda of companies in Portugal. This initiative involves the participation of several Portuguese industrial companies and involves adherence to a manifesto and a commitment to adopt more sustainable and efficient measures in the management of this fundamental natural resource. For Bondalti, adherence to the Pact was essential, due to its commitment to efficiency and reuse of the water it consumes in industrial processes. Furthermore, the now consolidated Bondalti Water Solutions business area has numerous projects and initiatives aligned with the principles of the manifesto.



HyLAB is a joint initiative of several public and private organisations in Portugal, of which Bondalti is a partner. This initiative aims to bring research activities closer to industrial ecosystems with regard to the implementation of the green hydrogen economy to accelerate the energy transition along the entire hydrogen value chain. Bondalti contributes positively to this initiative due to its know-how regarding the production, transport, storage and distribution of hydrogen.



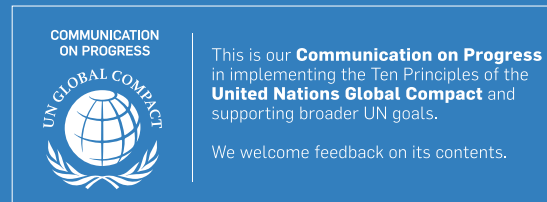
Through the José de Mello Group Volunteer Programme, Bondalti is associated with the JAP – Junior Achievement Portugal – Organisation, under which it promotes education for entrepreneurship in Portugal. Therefore, Bondalti participates in the Braço Direito initiative, which aims to bring secondary school students into contact with the reality of business, accompanying volunteers in the workplace for a day.

In 2023, Bondalti Capital hosted Leonor, for a day, in conjunction with the Legal Department. On this day, Leonor had the opportunity to meet people from various departments at Bondalti, including (i) Human Resources Management, (ii) Sustainability and Climate Transition, (iii) IT, Digitalisation and Innovation and (iv) Strategic Planning and Management Control, among others, and also interact directly with the specific functions of the Legal Department.

*“It was a very pleasant experience, so much so that I consider this project to be very important and positive for all young people.”*

*“(…) That moment when I was ‘working’ as a lawyer was one of the best, as it gave me knowledge that I didn’t have and that I would never have had if my visit hadn’t been so well organised by Dr Francisca.”*

*– Leonor’s testimony*



Following accession to the UNGC, also in 2023, Bondalti made a commitment to the PPI – Portuguese Platform for Integrity, which calls on the private sector and governments to promote anti-corruption measures and implement policies that establish good governance systems.

The PPI follows the Anti-Corruption Campaign of the Global Compact Network Portugal and the Portuguese Association of Business Ethics. The initiative aims to ensure the strategic development of projects and initiatives with an effective impact on society.

Following the PPI activity plan, Bondalti joined the three defined working groups, with the aim of collaborating in the development of three practical guides to support and increase companies’ literacy on the General Framework for the Prevention of Corruption: (1) A guide for developing a Corruption and Related Offences Risk Prevention Plan; (2) A guide for developing a Code of Ethics and Conduct and (3) A guide for developing a Reporting Channel.



**Responsible Care®**  
OUR COMMITMENT TO SUSTAINABILITY

Bondalti Chemicals subscribes to the CEFIC Responsible Care® initiative, represented in Portugal by APQuímica. This represents a voluntary initiative in which companies make a commitment to continuous improvement of environmental and OSH practices, by sharing with interested parties the characteristics of their products and production processes, providing society with safer, more reliable and more environmentally friendly final products. Like the Estarreja site, Bondalti Cantabria, at the Torrelavega site, also subscribes to the Responsible Care® initiative, represented by the FEIQUÉ.



As a member of CEFIC, Bondalti is represented on the PC Programme Council on Climate Change and Energy and on working groups and discussion panels on Circular Economy, Climate Transition, Carbon, Energy, Financing, Industrial Policy, Sustainable Finance, Innovation, Bioeconomy, Chemical Recycling and Product Supervision. This organisation, which brings together large, medium and small companies from across Europe in the chemical sector, aims to generate and aggregate scientific knowledge in critical areas, offering specialised services and knowledge to its members, in regulatory, scientific and technical matters involving and representing the industry, to generate value as a collective. Likewise, the company is an active member of the FEIQUÉ and APQuímica.

feiQue



APQuímica  
Química para a vida



In promoting innovation and strengthening business competitiveness, Bondalti is a member of COTEC Portugal, the main Portuguese business association for promoting innovation and business technological cooperation, and of the Portuguese Industrial Confederation (CIP), which focuses on the protection and participation of the national business community in Portugal and around the world. The main activities developed with these entities aim at an inter-sectoral analysis on topics of innovation and technological development, as well as strategic topics and market positioning, thus ensuring Bondalti's active participation in collaborative and knowledge-sharing networks.



**CIP**  
CONFEDERAÇÃO EMPRESARIAL  
DE PORTUGAL



Bondalti is also a member of 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 the topics of Circular Economy and Decarbonisation.

Bondalti also maintains several cooperation agreements with academic institutions, with a view to promoting inclusive and meritocratic education, through the awarding of merit scholarships based on student performance and also on the financial situation of their families, in order to foster support for promising young people and reduce inequalities in society. Furthermore, in partnership with the FAM, Bondalti participates in the awarding of the Alfredo da Silva Research Prizes and develops protocols for awarding scholarships and internships to students from several Portuguese universities.



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desde 1964

# Preparing the future

In 2023, Bondalti's investment  
reached 30 million euros

# ANNEXES

## About the Report

In accordance with the provisions of the Law and the Articles of Association, the Board of Directors of Bondalti Capital, SA submits the Integrated Report and other financial statements for the consideration of its *stakeholders*, which fully and transparently share the strategy, management and performance during the financial year from 1 January to 31 December 2023. This Report demonstrates how Bondalti, through its business model, creates value for the various *stakeholders* and contributes 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 Companies Code (CSC)
- Article 130 of the Corporation Tax Code (CIRC) combined with Ordinance 92-A/2011 of 28 February
- International Integrated Reporting Framework from the Value Reporting Foundation
- Global Reporting Initiative (GRI)

- AccountAbility Standard AA1000AP (2018), for subscribing to the principles of Inclusion, Materiality, Response and Impact
- UN Sustainable Development Goals

Bondalti Capital reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023, including its subsidiaries, Bondalti Chemicals and Bondalti Water Solutions.

Taking into account their materiality with regard to Bondalti's activity, the GRI General, Economic, Environmental and Social Standards indicators report information by company.

All financial information that makes up this Report was audited by EY - Ernst & Young, as expressed in the Statutory Auditor's Report and Report and Opinion of the Supervisory Board, which are attached to this document. The non-financial information and GRI Standards indicators were audited by EY - Ernst & Young, as expressed in the Verification Report, which is attached.

Sources of additional information are:

- Individual Annual Reports of Bondalti companies
- <https://www.bondalti.com/>

Any request for further information can be sent via email to [bondalti@bondalti.com](mailto:bondalti@bondalti.com)

# Consolidated accounts

## Consolidated Balance Sheet at 31 December 2023

Amounts stated in euros

CAPTIONS	Notes	31/12/2023	31/12/2022	01/01/2022
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	6	134 153 838	124 495 370	129 673 725
Right-of-use assets	7.1	19 993 721	19 346 358	21 319 491
Investment Properties	8	12 399 077	14 963 006	19 228 188
Goodwill	11.1	4 609 740	4 351 986	4 300 668
Intangible Assets	9.1	9 543 734	7 001 499	4 744 677
Financial Holdings - Equity Method	10.1	1 065 785	816 182	1 023 517
Financial Holdings - Other Methods	10.2	538 032	243 750	71 006
Other Financial Assets	15.1	61 408 300	61 950 858	62 472 073
Deferred Tax Assets	31	5 234 133	7 210 196	7 114 742
		<b>248 946 361</b>	<b>240 379 206</b>	<b>249 948 087</b>
<b>Current Assets</b>				
Inventories	12.1	38 271 869	40 400 508	27 529 690
Trade debtors	15.2	57 656 847	72 780 050	68 984 069
State and Other Public Bodies	13	1 499 290	887 929	-
Other Receivables	15.2	7 576 668	3 675 465	4 202 026
Deferrals	14.1	4 259 915	1 644 747	2 406 500
Financial Assets Held for Trading		-	-	1 507
Cash and Bank Deposits	4	60 640 341	35 626 885	22 945 588
		<b>169 904 929</b>	<b>155 015 584</b>	<b>126 069 380</b>
<b>Total Assets</b>		<b>418 851 290</b>	<b>395 394 790</b>	<b>376 017 468</b>

Amounts stated in euros

CAPTIONS	Notes	31/12/2023	31/12/2022	01/01/2022
<b>Equity, Non-controlling interests and Liabilities</b>				
<b>Equity</b>				
Subscribed Capital	18.1	20 422 000	20 422 000	20 422 000
Legal Reserves	18.2	4 084 400	4 084 400	4 084 400
Other Reserves	18.2	11 265 027	11 265 027	11 265 027
Unappropriated Earnings	18.2	86 438 265	64 735 840	48 361 969
Adjustments and Other Changes in Equity	18.3	(927 715)	1 921 692	2 920 054
Net Earnings for the Period		50 696 004	51 855 503	19 123 872
		<b>171 977 982</b>	<b>154 284 461</b>	<b>106 177 321</b>
Non-controlling interests	18.4	(683 335)	(294 958)	1 981 582
<b>Total Equity</b>		<b>171 294 647</b>	<b>153 989 504</b>	<b>108 158 903</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Provisions	16	6 596 976	6 290 614	5 799 421
Borrowings	15.5	52 456 327	78 375 117	102 650 049
Lease liabilities	7.2	17 380 713	17 025 947	18 898 952
Liabilities for Post-Employment Benefits	17.1	1 892 172	2 122 023	2 645 769
Deferred tax liabilities	31	1 824 935	2 464 373	3 117 170
Other Payables	15.4	1 798 512	2 699 568	3 477 264
		<b>81 949 635</b>	<b>108 977 641</b>	<b>136 588 625</b>
<b>Current Liabilities</b>				
Trade creditors	15.3	61 929 292	63 248 483	67 540 947
Lease liabilities	7.2	3 062 956	2 594 489	2 420 539
Advances from Customers	15	5 346 250	2 913 659	4 311 259
State and Other Public Bodies	13	3 912 282	4 590 518	3 456 629
Borrowings	15.5	33 657 420	25 935 870	31 873 689
Other Payables	15.4	33 871 531	25 023 507	14 033 963
Deferrals	14.2	23 827 278	8 121 119	7 632 915
		<b>165 607 008</b>	<b>132 427 645</b>	<b>131 269 940</b>
<b>Total Liabilities</b>		<b>247 556 643</b>	<b>241 405 286</b>	<b>267 858 565</b>
<b>Total Equity, Non-controlling interests and Liabilities</b>		<b>418 851 290</b>	<b>395 394 790</b>	<b>376 017 468</b>

## Consolidated Income Statement by Nature of Expense

Period ended 31 December 2023

Amounts stated in euros

INCOME AND EXPENSES	Notes	31/12/2023	31/12/2022
Sales and Services	20	503 630 414	596 069 430
Revenue Grants	19	1 959 909	401 486
Gains/Losses of Subsidiaries, Assoc. Enter. and Joint Ventures	21	(57 300)	733 637
Changes in Production Inventories	12.2	(2 109 570)	5 454 116
Own Work Capitalised	22	316 982	315 042
Cost of Goods Sold and Materials Consumed	12.3	(290 886 268)	(357 437 470)
External Charges for Services	23	(87 895 058)	(111 949 822)
Staffing Costs	17.4	(39 828 394)	(35 851 194)
Impairment of Inventories (Losses/Reversals)	12.4	(355 875)	-
Impairment of Receivables (Losses/Reversals)	15.2	95 528	74 134
Provisions (Increases/Decreases)	16	(443 062)	(536 194)
Impairment Non-Depreciable/Amortisable Inv.	9.2	(117 446)	-
Fair Value Increases/Decreases	27	1 358	(38 600)
Other Income	24	18 620 186	13 107 727
Other Expenses	25	(6 719 984)	(4 994 304)
<b>Earnings Before Interest, Taxes, Depreciation and Amortisation</b>		<b>96 211 420</b>	<b>105 347 987</b>
Depreciation and Amortisation Expenses/Reversals	28	(23 158 584)	(22 000 265)
Depreciation and Amortisation Expenses/Reversals - Leases	28	(3 226 266)	(2 773 818)
<b>Earnings Before Interest and Taxes</b>		<b>69 826 570</b>	<b>80 573 904</b>
Interest and Similar Income Earned	29	3 030 140	1 706 492
Interest and Similar Expenses Incurred	30	(2 838 150)	(14 127 660)
Financial expenses - Leases	30	(478 414)	(435 202)
<b>Earnings Before Tax</b>		<b>69 540 146</b>	<b>67 717 534</b>
Income Taxes for the Period	31	(19 004 934)	(15 830 169)
<b>Net Income for the Period</b>		<b>50 535 213</b>	<b>51 887 366</b>
Net Earnings for the Period attributable to:			
- Parent Company Shareholders		50 696 004	51 855 503
- Non-controlling interests	18.5	(160 792)	31 863
		50 535 213	51 887 366

## Consolidated Statement of Comprehensive Income

Period ended 31 December 2023

Amounts stated in euros

	Notes	31/12/2023	31/12/2022
Consolidated net earnings for the year		50 535 213	51 887 366
Total comprehensive consolidated income for the year		50 535 213	51 887 366
Shareholders of the Parent Company			
Continued operations		50 696 004	51 855 503
Discontinued operations		-	-
Non-controlling interests			
Continued operations		(160 792)	31 863
Discontinued operations		-	-
		50 535 213	51 887 366



## Consolidated Statement of Changes in Equity for the period 2023

Period ended 31 December 2023

Amounts stated in euros

DESCRIPTION		Fully Paid-Up Capital (Note 18.1)	Legal Reserves (Note 18.2)	Other Reserves (Note 18.2)	Adjustments / Other changes in equity (Note 18.3)	Unappropriated Earnings (Note 18.2)	Net Income for the Period (Note 18.2)	Total	Non-controlling interests (Note 18.5)	Total Equity
<b>POSITION AT THE BEGINNING OF THE PERIOD 2022</b>	1	20 422 000	4 084 400	11 265 027	2 920 054	48 361 969	19 123 872	106 177 321	1 981 582	108 158 903
<b>CHANGES IN THE PERIOD</b>										
Adjustments for Financial Assets - Subsidiaries		-	-	-	(998 362)	-	-	(998 362)	1 466 880	468 518
	2	-	-	-	(998 362)	-	-	(998 362)	1 466 880	468 518
<b>NET EARNINGS FOR THE PERIOD</b>	3						51 855 503	51 855 503	(23 347)	51 832 156
<b>COMPREHENSIVE INCOME</b>	4=2+3						51 855 503	50 857 141	1 443 533	52 300 674
<b>TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD</b>										
Minority shareholders transferred to subsidiary								-	(3 720 073)	(3 720 073)
Distributions		-	-	-	-	(2 750 000)	-	(2 750 000)	-	(2 750 000)
	5	-	-	-	-	(2 750 000)	-	(2 750 000)	(3 720 073)	(6 470 073)
<b>DISTRIBUTION OF PROFITS</b>										
Transfer of Earnings for the year to Unappropriated Earnings		-	-	-	-	19 123 872	(19 123 872)	-	-	-
	6	-	-	-	-	19 123 872	(19 123 872)	-	-	-
<b>POSITION AT THE END OF THE 2022 PERIOD</b>	7=1+2+3+5+6	20 422 000	4 084 400	11 265 027	1 921 692	64 735 840	51 855 503	154 284 462	(294 957)	153 989 504
<b>POSITION AT THE BEGINNING OF THE PERIOD 2023</b>	7	20 422 000	4 084 400	11 265 027	1 921 692	64 735 840	51 855 503	154 284 462	(294 957)	153 989 504
<b>CHANGES IN THE PERIOD</b>										
First-time adoption of the new accounting framework		-	-	-	-	(153 069)	-	(153 069)	-	(153 069)
Adjustments to Financial Assets - Subsidiaries		-	-	-	(2 849 407)	-	-	(2 849 407)	(227 586)	(3 076 992)
	8	-	-	-	(2 849 407)	(153 069)	-	(3 002 476)	(227 586)	(3 230 062)
<b>NET EARNINGS FOR THE PERIOD</b>	9	-	-	-	-	-	50 696 004	50 696 004	(160 792)	50 535 213
<b>COMPREHENSIVE INCOME</b>	10=8+9						50 696 004	47 693 528	(388 377)	47 305 151
<b>TRANSACTIONS WITH SHAREHOLDERS IN THE PERIOD</b>										
Distributions		-	-	-	-	(30 000 000)	-	(30 000 000)	-	(30 000 000)
	11	-	-	-	-	(30 000 000)	-	(30 000 000)	-	(30 000 000)
<b>DISTRIBUTION OF PROFITS</b>										
Transfer of Earnings for the year to Unappropriated Earnings		-	-	-	-	51 855 503	(51 855 503)	-	-	-
	12	-	-	-	-	51 855 503	(51 855 503)	-	-	-
<b>POSITION AT THE END OF THE 2023 PERIOD</b>	13=8+9+11+12	20 422 000	4 084 400	11 265 027	(927 715)	86 438 274	50 696 004	171 977 990	(683 335)	171 294 655

## Consolidated Statement of Cash Flows

Period ended 31 December 2023

Amounts stated in euros

	Notes	31/12/2023	31/12/2022
<b>Cash flow from operating activities - direct method</b>			
Receipts from Customers		569 171 836	618 229 497
Payments to Suppliers		(402 381 172)	(495 414 350)
Payments to Staff		(34 377 243)	(23 200 595)
<b>Cash generated by operations</b>		<b>132 413 420</b>	<b>99 614 552</b>
Income tax payments/receipts		(16 752 192)	(2 658 279)
Other receipts/payments		(27 202 474)	(41 127 139)
Cash flow from operating activities (1)		<b>88 458 755</b>	<b>55 829 134</b>
<b>Cash flow from investing activities</b>			
<b>Payments with respect to:</b>			
Property, Plant and Equipment		(26 852 847)	(15 349 029)
Financial Investments		(950 846)	(996 083)
Other Assets		(423 000)	(500 000)
		<b>(28 226 694)</b>	<b>(16 845 112)</b>
<b>Receipts from:</b>			
Property, plant and equipment		24 616	163 500
Investment Properties		221 067	9 840 967
Financial Investments		43 685	3 526
Other assets		51 266	46 200
Investment grants		18 225 560	229 545
Interest and similar income		508 802	410 832
Dividends		190 226	397 288
		<b>19 265 222</b>	<b>11 091 858</b>
Cash flow from investing activities (2)		<b>(8 961 472)</b>	<b>(5 753 254)</b>

Amounts stated in euros

	Notes	31/12/2023	31/12/2022
<b>Cash flow from financing activities</b>			
<b>Receipts from:</b>			
Borrowings		8 422 583	46 024 509
Investment grants		-	66 406
Other financing transactions		25 577	4 000 000
		<b>8 448 160</b>	<b>50 090 915</b>
<b>Payments with respect to:</b>			
Borrowings		(26 678 275)	(74 453 439)
Lease liabilities - payments		(3 205 870)	(2 499 741)
Lease liabilities - interest		(2 294 826)	(870 403)
Interest and similar expenses		(542 873)	(2 911 915)
Dividends		(30 000 000)	(2 750 000)
Other financing transactions		-	(4 000 000)
		<b>(62 721 844)</b>	<b>(87 485 497)</b>
Cash flow from financing activities (3)		<b>(54 273 683)</b>	<b>(37 394 583)</b>
Changes in cash and cash equivalents (1+2+3)		<b>25 223 600</b>	<b>12 681 296</b>
Effect of exchange differences		(210 143)	-
Cash and its equivalents at the start of the period	4	35 626 885	22 945 588
Cash and cash equivalents at the end of the period	4	60 640 341	35 626 885

# Notes to the Consolidated Financial Statements

This document contains the disclosures required under the International Financial Reporting Standards (IFRS), in relation to the annual period 2023.

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## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 1. Identification of the Entity

The Bondalti Group (“Group”), designated by the parent company Bondalti Capital, SA, has its headquarters in Lisbon and was incorporated on 19 May 1997. Bondalti Capital’s corporate purpose is consultancy in the economic, financial and human resources areas, company management, provision of services of any nature, as well as carrying out all related operations.

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

- Chemicals area – production and marketing of industrial chemicals;
- Real estate area – purchase and sale of immovable property;
- Water Treatment area – production and marketing of products and technologies for water treatment.

The parent company of the Bondalti Group is José de Mello Capital, SA and has its registered office in Lisbon.

The consolidated financial statements for the year ended 31 December 2023 were approved by the Board of Directors and authorised for publication on 27 February 2024.

They are still subject to the approval of the General Meeting of Shareholders, pursuant to prevailing commercial law in Portugal.

The Board of Directors believes that these consolidated financial statements reflect fairly and appropriately the financial position, income from operations, changes in equity and cash flows of the company in accordance with the International Financial Reporting Standards (IAS/IFRS) (Note 2).

### 2. Significant Accounting Policies

The significant accounting policies applied in the preparation of the financial statements are as follows:

#### 2.1 – Basis of preparation

In accordance with Decree-Law 35/2005, of 17 February, as subsequently amended by Decree-Law 98/2015, of 2 June, which transposes into Portuguese law the provisions of Regulation (EC) 1606/2002 of the European Parliament and of the Council, of 19 July 2002, these consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and

Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC), effective as of 1 January 2023 and adopted by the European Union.

The consolidated financial statements of the Bondalti Capital Group are presented in euros in amounts rounded to the nearest unit, as this is the functional currency of the company’s operations and as such, considered its functional currency.

The attached consolidated financial statements have been prepared from the books and accounting records of the company, its subsidiaries, joint undertakings and associated enterprises and adjusted during the process of consolidation, in accordance with the going concern principle. In preparing the consolidated financial statements, the Group took historical cost as a basis, except in the case of “Financial holdings – Other methods”, which were measured at fair value.

In preparing the financial statements in compliance with the IFRS, the Board of Directors used estimates, assumptions and critical judgments with an impact on the value of assets and liabilities, as well as the revenue and expenses reported for each reporting period. Although these estimates are based on the

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

best information available at the date of preparation of the financial statements, current and future results may differ from these estimates. The areas involving a greater degree of judgment or complexity, or areas in which the assumptions or estimates are important for the financial statements, are presented in Note 2.4.

For all periods up to 31 December 2023, inclusive, the company prepared its financial statements in accordance with accounting principles generally accepted in Portugal (NCRF). The financial statements for the period ended 31 December 2023 are the first financial statements that the company prepared in accordance with the IFRS. The impacts of adopting IFRS for the first time are disclosed in Note 3.

### (1) Property, plant and equipment

Property, plant and equipment refers to goods used in production, the provision of services or for administrative use.

Property, plant and equipment is recorded at acquisition cost less depreciation and accumulated impairment losses. The acquisition cost includes the asset's purchase price, expenses directly attributable to its purchase and amounts paid for the preparation

of the asset for use. Financial costs incurred with financing obtained for the construction of eligible property, plant and equipment are recognised as part of the construction cost of the asset. Subsequent costs incurred with overhauls and major repairs resulting in an increase in the useful life, or the ability to generate economic rewards from the assets, are recognised in the cost of the asset.

With the exception of land that is not depreciable, property, plant and equipment is depreciated over the expected economic life and assessed for impairment whenever there is an indication that the asset may be impaired. Depreciation is calculated proportionally with effect from the time at which the assets are available for use for their intended purpose, using the straight line method. The depreciation rates used are as follows:

	2023	2022
Buildings and Other Structures	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
Office Equipment	5.88 - 50.00	5.88 - 50.00
Other Property, Plant and Equipment	12.5 - 20.00	12.5 - 20.00

The residual values and expected useful lives are periodically reviewed and adjusted, if appropriate, at the reporting date.

The depreciation expense is recognised in the income statement under “Depreciation and amortisation expenses/reversals”.

The costs of dismantling and removing assets from property, plant and equipment and the costs of restoring the site where they are located, the obligation for which is incurred when the assets are acquired or as a consequence of having been used during a certain period for purposes other than production of inventories, form part of the cost of the corresponding item of property, plant and equipment, and are depreciated over the useful life of the assets to which they relate.

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

The costs of replacements and major repairs are capitalised whenever they increase the useful life of the asset to which they relate and are depreciated over the remaining period of the useful life of that asset, or their own useful life period, if lower.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Any gain or loss resulting from the de-recognition of an item of property, plant and equipment (calculated as the difference between the sale value less selling costs and the book value) is included in profit or loss for the year in which the asset is de-recognised.

Property, plant and equipment in progress refers to assets that are still under construction or development, and is measured at acquisition cost, only being depreciated when available for use.

At the end of each year, assets are assessed for any indication of impairment, which, if any, is recognised in profit or loss for the year.

In case of impairment loss, the value of the item of property, plant and equipment is adjusted accordingly, with the respective adjustment being considered a loss for the year. In assessing whether evidence of impairment exists, the following are taken into account:

- During the period, the market value of an asset declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes occurred during the period, or will occur in the near future, having an adverse effect on the entity in relation to the technological, market, economic or legal environment in which the

entity operates or in the market to which the asset is allocated;

- Market interest rates or other investment return market rates increased during the period, and those increases are likely to affect the discount rate used in calculating the current use value of an asset and will materially decrease the recoverable amount of the asset;
- The carrying amount of the net assets of the entity is higher than its market capitalisation;
- Evidence is available of obsolescence or physical damage to an asset;
- Significant changes having an adverse effect on the entity occurred during the period, or are expected to occur in the near future, to the point at which, or in a way in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operating unit to which the asset belongs, and plans to dispose of an asset before the date previously expected;
- There is evidence in internal reporting indicating that the economic performance of an asset is, or will be, worse than expected.

Regardless of whether or not there is evidence of impairment, assets that are not yet available for use

are tested annually for impairment. Reversals of impairment are recognised in the income statement (unless the asset is carried at the revalued amount, in which case it is treated as a revalorisation increase) and shall not exceed the carrying amount of the asset that would have been determined if no impairment loss had been recognised previously.

### (2) Investment Properties

Investment properties comprise the value of land and buildings not used for productive activity. They are originally recorded at historical acquisition cost, plus expenditure attributable to purchase or production, including, where relevant, financial charges attributed to them during the respective construction or installation period. Subsequently, the Group adopted the cost model when measuring Investment Properties.

Depreciation is calculated proportionally with effect from the time at which the assets are available for use for their intended purpose, using the straight line method. The depreciation rates used are as follows:

	2023	2022
Buildings and Other Structures	2.00 - 10.00	2.00 - 10.00

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Properties are de-recognised when sold. When the investment property starts to be used in the Group's activity, it is reclassified as an item of property, plant and equipment. In cases where land and buildings are no longer allocated to the Group's activity, a reclassification from property, plant and equipment to investment property will be recorded.

### (3) Intangible Assets

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

Intangible assets are only recognised if future economic benefits are likely to arise, and if the Group has the power to control them and can reasonably measure their value.

When acquired within the scope of a combination of business activities, separable from goodwill, intangible assets are initially recognised at fair value on the acquisition date (which is considered as a cost), determined under the ambit of applying the purchase method, as provided for by IFRS 3 Business Combinations. After initial recognition, these are recognised on the same basis as intangible assets and acquired separately, except in situations where these

expenses are directly associated with projects for which the generation of future economic benefits for the Group is likely. In these situations, the expenses are capitalised as intangible assets.

The cost of internally generated intangible assets, excluding development costs in certain circumstances, is considered an expense and is reflected in the income statement in the year in which the expense is incurred.

After initial recognition, intangible assets are stated at cost less accumulated amortisation 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. The indefinite life assessment is reviewed annually to determine whether the indefinite life continues to be warranted. Intangible assets with finite useful lives are amortised over the expected economic life and assessed for impairment whenever there is an indication that the asset may be impaired. Amortisation of intangible assets is reflected in the Income Statement by Nature of Expense in the line "Depreciation and Amortisation Expenses/ Reversals".

The impairment of these assets is determined based on the criteria described under subdivision 5) Impairment of non-financial assets.

Amortisation is calculated proportionally with effect from the date of acquisition using the straight line method. The amortisation rates used are as follows:

	2023	2022
Development Projects	20.00 - 33.33	20.00 - 33.33
Computer Programs	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

An intangible asset is de-recognised at the time of disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss resulting from the de-recognition of an intangible asset is included in the profit or loss for the year in which the asset is de-recognised. Below are some specifics regarding each type of intangible asset.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### (3.1) Development Projects

Research costs are considered to be expenses in the period in which they occur.

The costs of developing an individual project are recognised as intangible assets when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that it is available for use or sale;
- Its intention to complete the intangible asset and where the conditions are met to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to reliably measure expenditure during development.

### (3.2) Computer Programs

Computer programs acquired from third parties are recognised under this caption.

Internal costs associated with the maintenance and development of computer programs are recognised as expenses when incurred because it is considered that they cannot be measured reliably and/or do not generate future economic benefits.

### (3.3) Industrial Property

This item reflects the patents registered in the name of the companies included in the consolidation, for which there is an exclusive right of use.

Amortisation is carried out in the period of exclusive use of each patent.

### (3.4) Emission Rights

CO<sub>2</sub> emission permits allocated to the Group under the National Allocation Plan for CO<sub>2</sub> Emission Permits are recognised in accordance under the item Intangible Assets as a contra entry to Deferrals, at the market value on the date of allocation.

The acquired permits are recognised under Intangible Assets as a contra entry to the corresponding account payable or cash and cash equivalents.

For the CO<sub>2</sub> emissions made by the company, and based on the FIFO criterion, a Depreciation and Amortisation expense is recognised as a contra entry to Accumulated Amortisation of Intangible Assets and, simultaneously, an amount equivalent to the reduction of the corresponding share of the subsidy is transferred to Sundry Income, as a contra entry to Grants and Donations.

Whenever the Group makes CO<sub>2</sub> emissions without being the holder of the respective permits, a provision is recognised for the amount corresponding to the best price estimate for their acquisition, plus an estimate of the amount of the penalties incurred for the emission of the CO<sub>2</sub> without a permit.

Sales of emission rights give rise to a gain or loss calculated by the difference between the realisation value and the respective acquisition cost, which is recorded in Sundry Income - Income and Gains on Non-Financial Investments or Sundry Expenses - Expenses and Losses on Non-Financial Investments, respectively.

Since there is an active market for emission rights, these are revalued at the end of each period to their market value, while the account Deferrals or Profit or Loss is adjusted according to whether they are allocated permits or acquired permits, respectively.

### (4) Right-of-use assets and lease liabilities

The Group assesses, at contract inception, whether a contract is, or contains, a lease. Thus, if the contract transfers the right to control the use of an identified asset for a period in exchange for consideration, it should be considered a right-of-use asset.



## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### (4.1) Right-of-use assets

The Group recognises right-of-use assets on the lease start date (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right of use includes the value of recognised lease liabilities, initial direct costs incurred and lease payments made on or before the start date, less any incentives received.

The right-of-use asset is depreciated using the straight-line method based on the lease period. If ownership of the asset is transferred to the Group at the end of the lease term, or the cost includes a purchase option, depreciation is calculated taking into account the estimated useful life of the asset.

Right-of-use assets are also subject to impairment, in accordance with the policy presented in this Note under subdivision 5) Impairment of non-financial assets.

### (4.2) Lease liabilities

On the start date of the lease, the Group recognises

lease liabilities measured at the present value of rent payments to be made during the term of the contract. Lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid in relation to residual value guarantees. Payments also include the exercise price of a purchase option, if it is reasonably certain to be exercised by the Group, and penalty payments for terminating the contract, if the terms of the lease reflect the Group's exercise option.

Variable lease payments that do not depend on an index or rate are recognised as expenses for the year, in the year in which the event or condition that triggers the payment occurs.

When calculating the present value of future lease payments, the Group uses the incremental interest rate at the start date of the lease, as the implicit interest rate of the lease is not readily determinable. After the start date, the value of the lease liabilities is increased to reflect the accrual of interest and reduced by the payments made. Additionally, the value of lease liabilities is remeasured if there is a modification, a change in the term of the lease, a change in lease payments (for example, changes in future payments resulting from a change in an index or rate used to

determine such commercial lease payments) or a change in the assessment regarding the exercise of an option to purchase the underlying asset.

### (4.3) Short-term and low-value leases

The Group applies exemption from recognition to its short-term asset leases (leases with terms of 12 months or less, and that do not feature a purchase option). It also applies exemption from recognition of low-value assets for the lease of equipment considered to be of low value. Payments of rents for short-term and low-value leases are recognised as expenses in the year, over the course of the lease term.

### (4.4) Group as lessee

Leases in which the Group does not transfer substantially all the risks and rewards inherent to ownership of an asset are classified as operating leases. Lease revenue is accounted for using the straight-line method over the lease terms and is included in revenue in the income statement due to its operational nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the term of the lease on the same basis as the revenue. Contingent leases are recognised as revenue in the period in which they occur.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### (5) Impairment of non-financial assets

Impairment testing is conducted whenever an event or change in circumstances is identified indicating that the amount at which the asset is recorded may not be recoverable.

Whenever the amount by which the asset is recorded exceeds its recoverable amount, an impairment loss is recognised.

In order to determine the existence of impairment, assets are allocated at the lowest level for which there are separate identifiable cash flows from the cash-generating units. When measuring impairment, both internal and external sources of information are considered. Testing is carried out if the profitability of the cash-generating units is consistently below a minimum threshold, from which there is a risk of impairment of the assets. Impairment testing is carried out internally. Whenever impairment testing is carried out, future cash flows are discounted at a specific rate for the cash generating unit, which takes into account the risk of the market in which it operates.

Impairment losses are recognised as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the

fair value of the asset, less selling costs, and its current use value. Impairment losses, if any, are allocated specifically to the individual assets that make up the cash-flow-generating unit. Non-financial assets, for which impairment losses have been recognised are reviewed at each reporting date to reverse these losses.

The reversal of impairment losses recognised in previous financial years is recorded where it is concluded that the previously recognised impairment losses no longer exist or have decreased. This reversal of the impairment loss is carried out up to the amount that would be recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in previous financial years.

### (6) Financial interests - equity method

Investments in associated enterprises are valued in accordance with the equity method.

Financial investments in associated enterprises are investments over which the Group exercises significant influence (percentage interest is greater than 20%), but over which it does not have control or joint control. Therefore, the Group has the power to participate in decisions relating to the financial and operating policies

of the entity, without, however, exercising control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associated enterprises and joint ventures are accounted for using the equity method.

Under the equity method, investment in an associated enterprise or joint venture is initially recognised at cost or fair value if the entities are acquired through business concentration processes.

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

- Must be increased or decreased to recognise the share in the profit or loss of the investees after the acquisition date;
- Must be reduced by the distributions of profits received;
- Must be increased or decreased to reflect, as a contra entry to Equity, changes in the Group's proportional interest in the investees resulting from changes in their equity that have not been recognised in the respective profit or loss. Among other situations, such changes include those resulting from

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

the Revaluation of Property, Plant and Equipment and from differences in foreign currency translation.

In measuring these investments, the following provisions regarding the application of this method were also respected:

- The financial statements of the investees had already been prepared, or were adjusted off the books, in order to reflect the Group’s accounting policies before they could be used in determining the effects of the equity method;
- The financial statements of the investees used in determining the effects of the equity method refer to the same date as those of the Group or, if different, do not differ by more than three months from those of the Group;
- The profit or loss from “ascending” and “descending” transactions are recognised only to the extent that they correspond to the interests of other investors in the associated enterprise, unrelated to the investor.
- When the value of the investment is reduced to zero, the additional losses are taken into account through the recognition of a liability whenever the company incurs legal or constructive obligations. When the investees subsequently report profits, the Group resumes its recognition only after its share of the profits equals the share of the unrecognised losses.

Any excess of the acquisition cost of a financial investment over the Group’s share in the fair value of the assets and liabilities at the date of acquisition of the associated enterprises is recognised as goodwill, which is included in the value of the financial stake and its recovery is assessed annually as an integral part of the financial investment. If the acquisition cost is less than the fair value of the net assets of the acquired joint venture and associated enterprise, the difference is recognised directly in the income statement. Unrealised gains on transactions with associated companies are eliminated proportionally to the Group’s interest in the aforementioned entities, as a contra entry to the investment in that same associate. Unrealised losses are similarly eliminated, but only to the extent to which the loss does not confirm that the transferred asset is impaired.

### (7) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (7.1) Financial assets

##### Initial recognition and measurement

Initially, assets are classified and subsequently

measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The initial classification of the financial assets depends on the contractual characteristics of the cash flows and the business model that the Group adopts to manage them. With the exception of accounts receivable from customers that do not contain a significant financial component, and for which the Group adopts the practical expedient, the Group initially measures a financial asset at its fair value, plus, in the case of an asset not classified at fair value through profit or loss, the transaction costs. Accounts receivable from customers that do not contain a significant financial component and for which the Group adopts the practical expedient referred to in section m) are measured at the transaction price determined in accordance with IFRS 15.

For a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it must provide cash flows that represent only capital repayments and interest payments on outstanding capital. This assessment, known as the “cash flows from capital repayments and interest payments only” test, is performed for each financial instrument.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The business model for managing financial assets concerns the way in which the Group manages financial assets with a view to obtaining cash flows. The business model can be designed to obtain contractual cash flows, to dispose of financial assets, or both.

Purchases or sales of financial assets that require the delivery of the assets within a period established by regulation or conventions in the market in question are recognised on the negotiation date, i.e., on the date on which the Group commits to buy or sell the asset.

### Subsequent measurement

For subsequent measurement, financial assets are classified into four categories:

1. Financial assets at amortised cost (debt instruments)
2. Financial assets at fair value through other comprehensive income, with recycling of the accumulated gains and losses (debt instruments)
3. Financial assets at fair value through other comprehensive income, without recycling of the accumulated gains and losses at the time of their de-recognition (equity instruments)
4. Financial assets at fair value through profit and loss

### 1. Financial assets at amortised cost (debt instruments)

The financial assets are measured at amortised cost if both the conditions presented below are met:

- The financial asset is held under the ambit of a business model, the objective of which is to hold the financial asset to obtain the contractually foreseen cash flows; and
- The contractual terms of the financial asset give rise, on defined dates, to cash flows that correspond only to capital repayments and interest payments on the outstanding capital.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recorded in profit or loss when the asset is de-recognised, modified or impaired. The financial assets that the Group measures at amortised cost include essentially “Trade accounts receivable” and “Other receivables”.

### 2. Financial assets at fair value through other comprehensive income (debt instruments)

The Group measures debt instruments at fair value through other comprehensive income if both of the

following conditions are satisfied:

- The financial asset is held under the ambit of a business model, the objective of which is to hold the financial asset to obtain the contractually foreseen cash flows and the cash flows resulting from its sale; and
- The contractual terms of the financial asset give rise, on defined dates, to cash flows that correspond only to capital repayments and interest payments on the outstanding capital.

In the case of debt instruments measured at fair value through other comprehensive income, the interest earned, exchange rate differences and impairment losses and reversals are recorded in profit or loss and calculated in the same way as financial assets measured at amortised cost. The remaining fair value changes are recorded in other comprehensive income. At the time of de-recognition, changes in fair value accumulated in other comprehensive income are transferred (recycled) to profit or loss. At 31 December 2023, the Group does not have any financial assets classified in this category.

### 3. Financial assets at fair value through other comprehensive income (equity instruments)

Upon initial recognition, a decision may be made

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to irrevocably classify equity instruments held as equity instruments designated at fair value through other comprehensive income, when they meet the definition of capital set out in IAS 32 - Financial instruments (disclosure and presentation) and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recorded as a financial gain in profit or loss when the right to receive payment of the dividend is established, except when the Group benefits from these dividends as recovery of part of the cost of the financial asset, in which case the dividends are recorded in other comprehensive income. Equity instruments held as equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment. At 31 December 2023, the Group does not have any financial assets classified in this category.

### 4. Financial assets at fair value through the consolidated income statement

Financial assets at fair value through the income statement are presented in the Consolidated statement of financial position at fair value with the net changes in

fair value presented in profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated at the time of initial recognition as measured at fair value through profit or loss, financial assets that must be measured at fair value and/or equity instruments that the Group has not classified as a financial asset through other comprehensive income, at the time of initial recognition. Financial assets are classified as held for trading if they were acquired with the purpose of being sold or repurchased within a very short period of time. Derivatives, including separate embedded derivatives, are also classified as held for trading unless they have been designated as effective hedging instruments.

Financial assets with cash flows that do not correspond only to capital repayments and interest payments on outstanding capital are measured at fair value, regardless of the underlying business model. Notwithstanding the criteria for classifying debt instruments at amortised cost or fair value through other comprehensive income described above, debt instruments may be designated at fair value through profit or loss at the time of initial recognition if doing so eliminates, or reduces significantly, an inconsistency in measurement or recognition.

This category includes derivatives and, where applicable, investments in listed shares that the Group has not irrevocably decided to measure at fair value through other comprehensive income. If a hybrid contract includes a host contract that is not a financial asset, an embedded derivative must be separated from the host contract and accounted for as a derivative if, and only if:

- The economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the underlying contract;
- A separate instrument with the same terms as the embedded derivative meets the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with the changes in fair value recognised in profit or loss. Reassessment of the classification is only possible when there is either a change in the contractual terms that significantly modify the cash flows or the reclassification of the financial asset so that it is no longer classified under the category fair value through profit or loss. A derivative embedded in a hybrid contract that includes a host contract that contains

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a financial asset is not accounted for separately. The financial asset of the host contract and the embedded derivative are classified jointly in their entirety as financial assets at fair value through profit or loss. The embedded derivatives are measured at fair value with changes recognised in profit or loss. Revaluation only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required, or a reclassification of a financial asset outside of fair value through profit or loss.

At 31 December 2023, the Group has “Financial holdings – Other methods” classified in this category.

### De-recognition

A financial asset (or, where applicable, a portion of the financial asset or portion of a group of active financial assets) is de-recognised (i.e., removed from the Consolidated income statement) when:

- The contractual rights to receive cash flows resulting from the financial asset expire; or
- The Group has transferred its contractual rights to receive cash flows resulting from the financial asset or assumed an obligation to pay the cash flows received in full within a short term under an agreement in which the Group has no obligation to pay amounts to the final recipients unless it receives

equivalent amounts resulting from the original asset; it is prohibited by the terms of the transfer agreement from selling or pledging the original asset other than as collateral to the final recipients for the obligation to pay them cash flows; and the Group has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delay; and

- The Group has transferred substantially all the risks and rewards of the asset, or if it has not substantially transferred or retained such risks and benefits, but has transferred control over the asset.

When the Group transfers its rights to receive cash flows from an asset or is party to an agreement that may enable de-recognition, it assesses whether, and to what extent, the risks and benefits associated with ownership of the asset have been retained. When all risks and benefits arising from ownership of an asset have not been substantially transferred or retained, nor has control of the asset been transferred, the Group continues to recognise the transferred asset to the extent of its continued involvement. In this case, the corresponding liability is also recognised, and the transferred asset and the corresponding liability are measured on a basis that reflects the rights and obligations that the Group retained. Continued involvement that takes the form of a guarantee over

the transferred asset is measured by the lower of the original book value of the asset and the maximum value of the consideration that the Group could be required to reimburse.

### Impairment of financial assets

The Group recognises a provision for expected credit losses (ECL) for all debt instruments not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows that are owed and all the cash flows that are expected to be received, discounted at a rate close to the original effective interest rate. The cash flows expected to be received include cash flows resulting from collateral held or other credit guarantees that form an integral part of the contractual terms.

The expected credit losses are recognised in two stages. For situations where there has not been a significant increase in credit risk since initial recognition, expected credit losses focus on losses that may be incurred from defaults that are likely to occur in the next 12 months. For situations where there has been a significant increase in credit risk since initial recognition, the impairment loss is calculated for all expected credit losses over the life of the asset, regardless of when the default occurs.

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For trade accounts receivable and accounts receivable relating to contracts with customers, a simplified approach should be adopted in determining the expected credit losses. Therefore, the Group does not monitor changes in credit risk, but instead recognises an impairment loss based on the expected credit loss over the life of the asset, at each reporting date. To this end, an impairment matrix is established, based on the non-compliance criteria of the risk management system and on credits that were lost in the past, adjusted by prospective factors specific to the debtors and the economic environment.

For debt instruments at fair value through other comprehensive income, the Group applies the simplification for low credit risks. At each reporting date, the Group assesses whether the debt instrument can be considered as having low credit risk, using all relevant and reasonable information that is available at an acceptable cost/effort. To make this assessment, the credit rating of the debt instrument is taken into account.

The Group considers that a financial asset is in default when there is internal and external information that indicates that it is unlikely that it will receive the full amount of credit without having to activate the guarantees it holds.

Individually significant financial assets were assessed individually for impairment purposes. The remainder were assessed based on similar credit risk characteristics.

A financial asset is de-recognised when there is no reasonable expectation of recovering contractual cash flows.

### (7.2) Financial liabilities

#### Initial recognition and measurement

Financial liabilities classified, at the time of initial recognition, as financial liabilities at fair value through profit or loss, include loans, accounts payable or derivatives designated as a hedging instrument in an effective hedging relationship.

All financial liabilities are initially recognised at fair value and, in the case of loans and accounts payable, net of directly attributable transaction costs.

#### Subsequent measurement

The measurement of financial liabilities depends on their initial classification, as follows:

- Financial assets at fair value through profit and loss
- Financial liabilities at amortised cost (loans)

#### Financial assets at fair value through profit and loss

Financial liabilities at fair value through the income statement include financial liabilities held for trading and financial liabilities that, at the time of initial recognition, were so designated.

Financial liabilities are classified as held for trading if they were incurred for the purpose of being repurchased in the short term. This category includes derivatives that are not designated as hedging instruments in a hedging relationship, as provided for under IFRS 9. Separate embedded derivatives are also classified as held for trading unless they are considered effective hedging instruments. Gains and losses on liabilities held for trading are recorded in the income statement.

Financial liabilities that are classified, at the time of initial recognition, as financial liabilities at fair value are so designated at the time of initial recognition only if the criteria set out in IFRS 9 are met.

#### Financial liabilities at amortised cost (loans)

After initial recognition, loans are subsequently

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measured at amortised cost using the effective interest method. Gains and losses are recorded in the income statement when liabilities are de-recognised and through amortisation resulting from the effective interest method. The amortised cost is calculated taking into account any discount or premium on acquisition and fees and other costs that form an integral part of the effective interest rate. The effect of effective interest is recorded in financial expenses in the income statement. This category is generally applicable to bank loans, but also includes subsidies repayable at zero rates or below market value.

### De-recognition

A financial liability is de-recognised when the underlying obligation is satisfied, cancelled or expires. When an existing financial liability is replaced by another from the same counterparty and with substantially different terms, or the terms of a financial liability are substantially modified, the exchange or modification is treated as a de-recognition of the original financial liability and the recognition of a new liability. The difference between the respective book values is recognised in the consolidated income statement.

### (7.3) Netting off of financial instruments

Financial assets and financial liabilities are netted off and their respective net value is presented in the consolidated statement of financial position if there is a present mandatory right to offset the recognised amounts and if there is an intention to either settle on a net basis or realise the asset and simultaneously settle the liability.

### (8) Income tax

Income tax for the period includes current and deferred taxes for the year.

#### (8.1) Deferred tax assets and liabilities

Deferred tax assets and liabilities result from the determination of temporary differences between the accounting base and the tax base of the Group's assets and liabilities.

Deferred tax assets reflect:

- Deductible temporary differences, to the extent that it is probable that there will be future taxable profits

in relation to which the deductible difference can be used;

- Unused tax losses and unused tax credits, to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities reflect temporary taxable differences.

Deferred tax liabilities are normally recognised for all taxable temporary differences, except in the following situations:

- When the deferred tax liability arises from the initial recognition of goodwill, or an asset or liability from a transaction that is not a combination of business activities and that, at the time of the transaction, does not affect either the accounting or tax profit or loss;
- In relation to temporary differences associated with investments in subsidiaries, associated enterprises and interests in jointly controlled entities, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.



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Deferred tax assets are recognised for all deductible temporary differences and for the future recognition of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the future recognition of tax losses can be used, except in the following situations:

- Where the deferred tax asset is related to a deductible temporary difference that arises from the recognition of an asset or liability from a transaction that is not a business combination and, at the time of the transaction, does not affect either the accounting or the tax profit or loss;
- In relation to temporary differences associated with investments in subsidiaries, associated enterprises and interests in jointly controlled entities, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and there is available taxable income, against which the temporary differences can be used.

The measurement of deferred tax assets and liabilities:

- Is carried out in accordance with the rates that are expected to be applied in the period in which the asset is realised or the liability is settled, based on the tax rates approved at the balance sheet date; and
- Reflects the tax consequences arising from the way

in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

The value of the deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to permit the use of all or part of the deferred tax asset. Unrecognised deferred tax assets are revalued at each reporting date.

The deferred tax related to items recognised outside of profit or loss is recognised outside of profit or loss. Deferred taxes are recognised at each reporting date in correlation with the underlying transaction, in other comprehensive income or directly in equity. Tax benefits acquired as part of a business combination, but which do not meet the criteria for recognition on the date of the combination, are recognised later if new information regarding the facts and circumstances becomes available. The adjustment is treated as a reduction in goodwill (as long as it does not exceed the goodwill), if it was incurred during the goodwill measurement period, or recognised in profit or loss, if later.

The Group nets off deferred tax assets and liabilities if, and only if, it has a right to offset them and if the deferred tax liabilities refer to income taxes levied by the same tax authority on the same taxable entity, or

different taxable entities that intend to settle current tax liabilities and assets on a net basis, or realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are settled or recovered. Provisions for ongoing tax contingencies are classified under deferred taxes. In the case of tax proceedings, these are increased annually by calculating interest and fines, as determined by law.

### (8.2) Income tax for the period

Income tax for the period includes current and deferred taxes for the year.

Current tax is determined based on the accounting result adjusted in accordance with the tax legislation in force, to which each of the companies included in the consolidation is subject.

Current income tax related to items recognised directly in equity is recognised under this caption and not in the income statement. The management periodically evaluates the positions taken in tax returns in relation to situations in which the applicable tax legislation leaves room for interpretation and establishes provisions when appropriate.

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The parent company and the subsidiaries in which at least 75% of the respective capital is held, directly or indirectly, and which, simultaneously, are resident in Portugal and are subject to Income Tax, are taxed under the Special Taxation of Corporate Groups Scheme at the rate of 21%, plus a Surcharge up to a maximum rate of 9% on Taxable Income, resulting in a maximum aggregate rate of 30%.

Income tax on the other companies included in the consolidation is calculated at the rates in force in the respective countries where they have their headquarters:

	Country	Rate 2023	Rate 2022
Income Tax (ID)	Portugal	21.0%	21.0%
Surcharge	Portugal	1.5%	1.5%
State Surcharge	Portugal	3% - 9%	3% - 9%
Income Tax (ID)	Spain	25.0%	25.0%
Income Tax (ID)	Angola	25.0%	25.0%

Under the terms of prevailing law, in the various jurisdictions in which the companies included in the consolidation carry out their activity, the corresponding

tax returns are subject to review by the tax authorities for a period ranging between four and five years, which can be extended in certain circumstances, namely when there are tax losses, or inspections, complaints or claims are in progress.

The Board of Directors, supported by the positions of its tax consultants and taking into account the liabilities recognised, believes that any revisions of these tax returns will not result in material corrections to the consolidated financial statements.

### (9) Inventories

The valuation of inventories and the respective costing methods are as follows:

	Valuation	Costing Methods
Goods	Acquisition cost*	Average cost
Raw materials, subsidiary material and consumables	Acquisition cost*	Average cost
Intermediate and finished products	Cost of production	Average cost
Products and work in progress	Cost of production	Average cost

\* Or Net Realisable Value, whichever is lower.

The cost of inventories includes:

- Purchase costs (purchase price, import duties, non-recoverable taxes, transport, handling and other costs directly attributable to the purchase, less commercial discounts, rebates and other similar items);
- Conversion costs (labour and general production expenses);
- Other costs incurred to place inventories in their intended location and condition.

Whenever the net realisable value is lower than the purchase or conversion cost, the inventories are reduced by recognising an impairment loss, which is reversed when the circumstances that gave rise to it cease to exist.

For this purpose, the net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of finishing and the costs necessary to make the sale. The estimates take into account changes related to events that occurred after the end of the period.

### (10) - Cash and bank deposits

The amounts included under this caption correspond

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to cash and other deposits, maturing in less than three months, and which are immediately drawable with an insignificant risk of change in value.

For the purposes of the statement of cash flows, in addition to cash and bank deposits, the caption “Cash and cash equivalents” comprises the bank overdrafts included under the caption “Borrowings”.

### (11) State or other public bodies

The asset and liability balances of this caption are calculated based on prevailing law.

With regard to assets, no impairment was recognised as it is considered that this is not applicable, given the specific nature of the relationship.

### (12) Accruals

The remaining income and expenses are recorded in accordance with the principle of accrual accounting, under which these are recognised as they are generated, regardless of when they are received or paid. The differences between the amounts received and paid and the related income and expenses generated

are recorded under “Deferrals”, “Other receivables” and “Other payables”.

### (13) Equity captions

#### (13.1) Legal reserves

In accordance with Article 295 of the Companies Code, at least 5% of income must be used to increase the legal reserve until such time as it represents at least 20% of the share capital.

This reserve cannot be distributed, except in the event of liquidation, and may only be used to absorb losses, after all the other reserves have been exhausted or to increase share capital (Article 296 of the Companies Code).

#### (13.2) Other reserves

This caption includes revaluation reserves established under the terms of the previous GAAP, and those established on the transition date, net of the corresponding deferred taxes, and which are not presented under the caption Revaluation Surpluses due to the fact that the entity had adopted the deemed cost method at the date of conversion to the SNC.

The revaluation reserves set up under legislation, in accordance with that legislation, are only available to increase capital or cover losses incurred up to the date to which the revaluation refers, and only after they have been realised (by use or by sale).

The caption also includes the reserves that result from the revaluation carried out at the transition date, which are only available for distribution after they have been realised (by use or by sale).

#### (13.3) Unappropriated earnings

This caption includes realised profits available for distribution to shareholders and gains from increases in the fair value of derivative financial instruments, financial investments and investment properties which, according to Article 32(2) of the Companies Code, will only be available for distribution when the elements or rights that gave rise to them are sold, exercised, cancelled or liquidated.

#### (13.4) Adjustments/Other changes in equity

This account includes adjustments to the fair value of financial assets such as changes in the fair value of derivatives to hedge the risk of interest rate

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variability, exchange risk, commodity price risk under a commitment or high probability of a future transaction, which, according to Article 32(2) of the Companies Code, will only be available for distribution when the elements or rights that gave rise to them are sold, exercised, cancelled or liquidated.

This caption also includes adjustments related to the application of the equity method, namely the appropriation of changes in equity of investees and unallocated profits.

### (14) Investment grants

These are non-repayable grants related to property, plant and equipment and intangible assets. They are recorded in the consolidated statement of financial position as “Deferrals”, net of deferred taxes.

Grants are only recognised where there is reasonable assurance that the Group has complied/will comply with the conditions attached to them and that the grants will be received.

Subsequent to initial recognition, this account is reduced:

- With regard to grants related to depreciable property,

plant and equipment and intangible assets with a defined useful life, through the charging, on a systematic basis, to income during the periods necessary to balance the grants, with the related expenses that they are intended to offset;

- With respect to non-depreciable property, plant and equipment and intangible assets with an indefinite useful life, through the charging to income, in the years in which it is necessary to offset any impairment loss that is recognised in relation to those assets.

These grants are not available for distribution until they are charged to income during the periods necessary to: (i) balance the grants with the related expenses that they are intended to offset i.e., amortisation and depreciation and/or (ii) offset any impairment loss that is recognised in relation to those assets.

### (15) Emission rights

These deferrals, corresponding to the emission rights allocated and recognised under the terms referred to in subdivision 3.4 of this Note, are transferred to Sundry Income as the corresponding CO<sub>2</sub> emissions are made by the companies of the Group.

### (16) Provisions

This account reflects the present obligations (both legal and constructive) of the Group arising from past events, the settlement of which is expected to result in an outflow of resources from the entity that incorporate economic benefits and the timing and amount of which are uncertain, but the value of which can be reliably estimated.

This caption includes, among others, the following provisions:

- Provisions for the costs of dismantling and removing assets from property, plant and equipment and the costs of restoring the site where they are located, the obligation for which is incurred when the assets are acquired or as a consequence of their having been used during a certain period for purposes other than production of inventories.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Whenever the effect of the time value of money is material, the amount of a provision is the present value of the expenditures that are expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments

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of the value of the money and the specific risks of the liability, and that does not reflect risks for which the estimates of future cash flows have been adjusted.

Provisions are reviewed at the date of each consolidated statement of financial position and adjusted to reflect best estimates at that date.

When there is a present obligation resulting from a past event, but which is not likely to result in an outflow of resources, or which cannot be estimated reliably, this situation is treated as a contingent liability, which is disclosed in the financial statements unless the possibility of outflow of resources is considered remote. Contingent assets are not recognised in the financial statements, but are disclosed where a future economic inflow is likely.

### (17) Liabilities for post-employment benefits and staffing costs

Staffing costs are recognised when the service is provided by employees, regardless of the date of payment.

Some specifics regarding each of the benefits are described below.

### (17.1) Post-employment benefits

The Group has the post-employment benefit plans as indicated in the following table:

Company	Plan Name	Type	Beneficiaries	Location
Bondalti CHEMICALS	Retirement Pension Plan	Defined Benefit - Old age disability or survivor's pension supplement	Some of the former and current staff members	Portugal
Bondalti CHEMICALS	Medical Procedures Plan	Defined Benefit - Medical Procedures with no fund established	Some of the former and current staff members	Portugal

Under the terms of the Social Benefits Regulation in force in the Group, certain employees on its permanent staff are entitled, after moving to retirement, to a share in health care expenses and to a supplement to their old age, invalidity or survivor's pension. In the calculation of these supplements and contributions, years of service and the perks prevailing within the company that originally employed them are taken into account.

In Defined Benefit Plans, the liabilities are recognised and measured in accordance with IAS 19 - Employee Benefits.

Accordingly, the cost of providing the benefits is determined:

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

The past Service Cost of employees in active service is recognised: (i) immediately, in the part already past due and (ii) on a linear basis during the remaining period of years of service, with respect to the component not yet past due.

### (17.2) Holiday and holiday allowance

In accordance with the labour legislation in force, employees are entitled to holidays and holiday

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allowances in the year following the year in which the service is provided. Thus, an increase in the amount payable in the following year was recognised in the results for the year, which is reflected in the item “Other Payables”.

### (18) Shareholders

Shareholder loans do not bear interest and do not include any type of interest, as a result of which they are presented at their respective nominal value, under the caption Other payables.

### (19) Effect of changes in exchange rates

Foreign currency transactions are translated to euro at the rates prevailing at the transaction dates. Balances that remain outstanding at the end of the year are converted at the closing rate and the difference is recognised in profit or loss.

### (20) Revenue from contracts with customers

Revenue from contracts with customers is recorded when control of goods and services is transferred to customers for an amount corresponding to the

consideration that the Group expects to receive in exchange for such goods or services. Revenue from the sale of products is recognised when control over the good is transferred to the customer, which generally happens when the product is delivered. Sales and provisions of services are measured at the fair value of the consideration received or receivable less the amounts relating to trade or volume discounts granted.

Revenue is measured at the fair value of the remuneration received or receivable for goods and services sold in line with the Group’s business types identified above, net of bonuses, discounts (e.g. commercial discounts and volume discounts) and taxes. Revenue is recognised at the amount of the performance obligation satisfied.

The Group’s contracts with customers do not include variable remuneration. If the remuneration provided for in a contract includes a variable component, the Group estimates the amount it considers it will be entitled to receive in exchange for the transfer of the goods to the customer. The variable component is estimated at the beginning of the contract and is restricted in case of uncertainty until it is highly probable that a significant reversal of the recognised revenue will not occur when the uncertainty associated with the variable remuneration component is finally dissipated.

The transfer of control occurs to the same extent that the associated risks and benefits are transferred, in accordance with the established contractual conditions. The transfer of control of goods occurs when the goods are delivered to the customer or to the extent that services are provided. The Group considers the facts and circumstances when analysing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonised way, in the case of contracts with similar characteristics and circumstances. Revenue related to the provision of services is recognised in accordance with IFRS 15, taking into account that the customer simultaneously receives and consumes the benefits generated by the Group.

When uncertainty arises regarding the collectability of an amount already included in revenue, the uncollectable amount, or the amount with respect to which recovery has ceased to be probable, is recognised as an impairment, and not as an adjustment to the amount of revenue originally recognised.

### (21) Operating subsidies

Non-repayable subsidies that are not related to assets are recognised under this caption, and only where there is reasonable assurance that the Group has complied/

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will comply with the conditions attached to them and that the subsidies will be received.

### (22) Interest and similar expenses

Borrowing expenses are recognised in the income statement for the period to which they relate and include:

- Interest incurred, determined based on the effective interest rate method;
- Interest on financial instruments hedging interest rate risk and raw materials (SWAP).

The financial costs of borrowings related to the acquisition, construction or production of property, plant and equipment are capitalised, forming part of the cost of the asset. The capitalisation of these costs starts after the start of preparation of the activities to construct or develop the asset and is interrupted with the end of the production or construction of the asset, or when the project concerned is suspended.

### (23) Contingent assets and liabilities

A contingent asset is a potential asset arising from past

events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the control of the entity. Therefore, they are not recognised. However, they are disclosed when there is likely to be a future inflow.

A contingent liability is:

- A potential obligation that arises from past events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events not entirely under the control of the entity, or
- A present obligation that arises from past events but that is not recognised because:
  - An outflow of resources is not likely to be required to settle the obligation, or
  - The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised. However, they are disclosed, unless the likelihood of future outflows is remote.

### (24) Fair value

The fair value of an asset and liability is the price that

would be agreed between parties who are free to contract and operate under market conditions. The Group applies IFRS 13 “Fair value measurement” to distinguish items between three levels of fair value:

- Level 1: for items with prices quoted in an active market;
- Level 2: for items with prices quoted in an active market for a similar instrument, or another valuation technique based on observable parameters;
- Level 3: for the item evaluation method that incorporates unobservable parameters.

### (25) Classification as current and non-current

The Group presents assets and liabilities in its balance sheet as current or non-current. An asset is classified as current when:

- It is expected to be realised, sold or consumed in a normal operating cycle;
- It is held for trading;
- It is expected to be carried out within the twelve months following the reporting date;
- It is cash or cash equivalent, unless there are restrictions on its exchange or it is used to settle a liability at least twelve months after the reporting date.

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All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in a normal operating cycle;
- It is held for trading;
- It is expected to be settled within the twelve months following the reporting date;
- There is no unconditional right to postpone settlement beyond twelve months from the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

### (26) Translating financial statements in foreign currencies

The results and financial position of the entity whose functional currency is different from the euro were translated into the presentation currency, using the following procedures:

- a. Non-monetary items were translated using the exchange rate prevailing on the date of the transaction.

- b. Monetary items were translated at the closing rate on the balance sheet date;

- c. The income and expenses in each financial statement were translated at the exchange rates prevailing at the dates of the transactions; and

- d. All resulting exchange differences are recognised as a separate component of equity.

### (27) Subsequent events

Events after the balance sheet date that provide additional information regarding the conditions that existed at the balance sheet date are reflected in the consolidated financial statements.

Other events are described in Note 36.

### 2.2 – Basis for consolidation

The Group's business environment consists of the subsidiaries described in Note 5.

An entity is classified as a subsidiary when it is controlled by the Group. Control is only achieved if the Group has, cumulatively:

- a. power over the investee company;

- b. exposure or rights to variable results through its relationship with the investee; and

- c. the ability to use its power over the investee company to affect the value of the results for investors.

Control is generally assumed to exist when the Group holds the majority of the voting rights. To support this presumption and in cases where the Group does not hold the majority of the investee company's voting rights, all relevant facts and circumstances are taken into account in assessments of the existence of power and control, such as:

- Contractual agreements with other holders of voting rights;
- Rights arising from other contractual agreements; and
- Existing and potential voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not there is control.

The existence of control by the Group is reassessed whenever there is a change in facts and circumstances



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that lead to a change in one of the three elements characterising control mentioned above.

The subsidiaries are consolidated using the full consolidation method from the date of acquisition, this being the date on which the Group gains control, and continue to be consolidated until the date when that control ceases.

Therefore, the assets, liabilities, income and expenses of a subsidiary acquired or sold during the year are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the Group ceases to control the subsidiary.

A change in ownership interest in a subsidiary that does not involve a loss of control is accounted for as a transaction between shareholders. If the Group loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other components of equity are de-recognised and any gains and losses are recognised in the income statement. The investment maintained is recognised at fair value at the time of the loss of control.

In situations where the Group holds, in substance, control over other entities created for a specific

purpose, even though it has no direct equity investments in those entities, they are consolidated using the full consolidation method.

The accounting policies used by the investees and joint ventures in the preparation of their individual financial statements have been changed, whenever necessary, in order to ensure consistency with the policies adopted by the Group.

The purchase method is used to account for business combinations. The cost of an acquisition is measured as the sum of the consideration transferred, which is measured at fair value on the acquisition date, and the value of the non-controlling interests in the acquiree. For each concentration of business activities, the Group chooses to measure the non-controlling interests in the acquiree at fair value or the proportional portion of the acquiree's identifiable net assets. The costs of the acquisition are recognised as they are incurred and included in administrative expenses.

In a business combination achieved in stages, the acquirer must remeasure its equity interest previously held in the acquiree at its fair value at the date of acquisition and must recognise the resulting gain or loss, if applicable, in profit or loss or in other

comprehensive income, as appropriate. In prior reporting periods, the acquirer may have recognised changes in the value of its equity interest in the acquiree in other comprehensive income. If this is the case, the amount that was recognised in other comprehensive income must be recognised on the same basis as it would have been recognised if the acquirer had directly disposed of the previously held equity interest.

For each acquisition, the Group may choose to measure "non-controlling interests" at their respective fair value or at their respective share in the fair value of the assets and liabilities transferred from the acquiree. The choice of one method or another influences the determination of the amount of goodwill to be recognised. When the business combination is carried out in phases, the fair value on the previous acquisition date of the interests held is remeasured to the fair value on the date on which control is obtained, as a contra entry to the results of the period in which control is achieved, affecting the determination of goodwill.

Goodwill is initially measured at cost (being the excess of the aggregate consideration transferred and the value recognised for non-controlling interests and any previous interest held in identifiable net assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated

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impairment losses. To test for impairment, the goodwill must be allocated to each of the cash-generating units.

A cash-generating unit should represent the lowest level in the entity at which goodwill is monitored for internal management purposes. Under IAS 36, goodwill is not amortised but is tested for impairment at least once a year, and more frequently if there is an indication that it may be impaired due to a reduction in its recoverable amount. For impairment testing purposes, goodwill is allocated to cash-generating units (CGU). A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or group of assets.

The annual impairment test for a cash-generating unit to which goodwill has been allocated can be carried out at any time during an annual period, provided that the test is carried out at the same time each year. Different cash-generating units may be tested for impairment at different times. However, if some or all of the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit must be tested for impairment before the end of the current annual period. Impairment losses relating to goodwill cannot be reversed in a subsequent period.

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

In the consolidation process, transactions, balances and unrealised gains on intra-group transactions and dividends distributed between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the existence of impairment in the assets transferred and not yet sold.

Equity and net earnings of the subsidiaries that are held by third parties outside the Group are presented under the captions Non-Controlling Interests items in the consolidated Balance Sheet (independently within equity) and in the Consolidated income statement, respectively. At the date of each concentration of business activities, the amounts attributable to the minority interests are determined by applying the percentage interest held by them at the fair value of identifiable net assets and contingent liabilities acquired.

When losses attributable to shareholders of minority interests exceed their interest in the subsidiary's equity, the Group absorbs this excess and any additional losses, except where the minority shareholders have

an obligation and are able to cover those losses. If and when the subsidiary subsequently reports profits, the Group appropriates all profits, until the minority share of the losses absorbed by the Group has been recovered.

### 2.3 – Key judgments and estimates used in the preparation of the Financial Statements

In preparing the consolidated financial statements in accordance with the IFRS, the Group's Board of Directors uses judgments, estimates and assumptions that affect the application of reported policies and amounts.

Estimates and judgments are continually evaluated and are based on the experience of past events and other factors, including expectations regarding future events deemed probable given the circumstances on which the estimates are based, or as a result of information or experience acquired. The actual effects may differ from the judgments and estimates made, particularly with regard to the impact of costs and income that may actually occur.

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

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### (a) Useful life of tangible and intangible fixed assets

The useful life of an asset is the period during which an entity expects that asset to be available for use and must be reviewed at least at the end of each financial year.

The amortisation/depreciation method to be applied and the estimated losses resulting from the replacement of equipment before the end of its useful life, due to technological obsolescence, are essential to determining the effective useful life of an asset.

These parameters are defined according to the best management estimate for the assets and businesses in question, with the practices adopted by companies in the sectors in which the Group operates also being considered.

### (b) Deferred tax assets

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

Taking into account the impact it may have on future results, judgment by the Board of Directors is required to determine the amount of deferred tax assets that

may be recognised taking into account:

- The probable date and amount of taxable future profits; and
- Future tax planning strategies.

### (c) Provisions for taxes

The Group, supported by the positions of its tax consultants and taking into account recognised liabilities, believes that any revisions to these tax returns will not result in material corrections in the consolidated financial statements requiring the recognition of any provision for taxes.

### (d) Fair value of financial instruments

When the fair value of financial assets and liabilities at the consolidated balance sheet date is not determinable based on active markets, it is determined based on valuation techniques that include the discounted cash flow model, or other models appropriate in the circumstances. The inputs for these models are taken, whenever possible, from variables observable in the market, but where this is not possible, a certain degree of judgment is required to determine the fair value, which includes considerations regarding liquidity risk, credit risk and volatility.

### (e) Post-employment benefits

The assessment of liabilities for Retirement and Health Benefits attributed to the company's employees is carried out annually by recourse to actuarial studies prepared by independent experts, based on actuarial assumptions associated with economic and demographic indicators. All indicators used are specific to the countries where the employee benefits are granted and include, among others:

- Salary Growth Rate, Fund Yield Rate and Technical Interest Rate;
- Mortality tables publicly available in Portugal;
- Future increases in wages and pensions based on expected inflation rates for the future, specific to Portugal.

Changes in the assumptions may have a material impact on liabilities.

### (f) Development costs

Development costs are capitalised in accordance with the accounting policy described in Note 2.1. The initial capitalisation of the cost is based on the Board of Directors' judgment that technical and economic feasibility is confirmed, usually when a product

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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development project has reached a milestone according to the project model established by the Board of Directors. In determining the amounts to be capitalised, the Board of Directors makes assumptions regarding the expected cash flows that will be generated in the future by the project, discount rates to be applied and the expected period of benefits.

### (g) Impairment of accounts receivable

The credit risk of accounts receivable balances is assessed at each reporting date, taking into account the debtor's historical information and risk profile, as referred to under subdivision 7.1 of Note 2.1.

Receivables are adjusted by assessing the estimated risks of non-recovery at the balance sheet date, which may differ from the actual risk to be incurred in the future.

### (h) Provisions

The recognition of provisions is inherent to determining the likelihood of future outflows and measuring them reliably.

These factors are often dependent on future events that are not always under the control of the Group,

which may lead to significant future adjustments, either due to changes in the assumptions used, or due to the future recognition of provisions previously disclosed as contingent liabilities.

### (i) Provisions for dismantling and restoration

The provisions for the costs of dismantling and removing assets from property, plant and equipment and the costs of restoring the site where they are located are dependent on assumptions and estimates that make them sensitive to:

- The expected cost to be incurred;
- The foreseeable date of occurrence of the costs;
- The discount rate used to discount expected cash outflows.

## 2.4 – Changes in accounting policies

### 1) Adoption of new, amended or revised standards and interpretations

As of the date of approval of these financial statements, the following accounting standards, interpretations, amendments and revisions, for mandatory application

to the year beginning 1 January 2023, were endorsed by the European Union:

- Amendments to IAS 1 – Disclosure of accounting policies

(effective in financial years beginning on or after 1 January 2023)

Change to accounting policy disclosure requirements based on the definition of “material”, to the detriment of “significant”. Information relating to an accounting policy is considered material if, in its absence, users of the financial statements do not have the ability to understand other financial information included in those same financial statements. Immaterial information relating to accounting policies does not need to be disclosed. The IFRS Practice Statement was also amended to clarify how the concept of “material” applies to the disclosure of accounting policies.

- Amendments to IAS 8 – Definition of accounting estimates

(effective in financial years beginning on or after 1 January 2023)

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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Introduction of the definition of an accounting estimate and how it differs from changes in accounting policies. Accounting estimates are now defined as monetary values subject to measurement uncertainty, used to achieve the objective(s) of an accounting policy.

- IFRS 17 - Insurance Contracts - includes amendments to IFRS 17 insurance

(effective in financial years beginning on or after 1 January 2023)

This new standard replaces IFRS 4 and is applicable to all entities that issue insurance contracts, reinsurance contracts and investment contracts with discretionary participation features in profit or loss if they are also issuers of insurance contracts. Under IFRS 17, entities issuing insurance contracts need to assess whether the policyholder can benefit from a certain service as part of a claim, or whether that service is independent of the claim/risk event, and separate the uninsured component.

According to IFRS 17, entities must identify portfolios of insurance contracts at initial recognition and divide them into, at a minimum, the following groups: i) contracts that are onerous at initial recognition; ii) contracts that do not present a significant possibility

of later becoming onerous; and iii) remaining contracts in the portfolio. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty related to the insurance contracts. IFRS 17 requires an entity to recognise income as it provides insurance services (and not when it receives premiums) and to provide information about the gains from the insurance contract that it expects to recognise in the future. IFRS 17 provides for three measurement methods for accounting for different types of insurance contracts: i) General measurement model; ii) Premium allocation approach; and iii) Variable fee approach. IFRS 17 is for retrospective application with some exemptions at the transition date.

- Amendments to IFRS 17 – Insurance contracts – Initial application of IFRS 17 and IFRS 9 – Comparative information

(effective in financial years beginning on or after 1 January 2023)

This change only applies to insurers in the transition to IFRS 17 and allows the adoption of an overlay in the classification of a financial asset for which the entity does not apply retrospectively, under the ambit of IFRS 9. This change aims to avoid temporary accounting

gaps between financial assets and insurance contract liabilities in the comparative information presented in the initial application of IFRS 17, providing for: (i) the application of financial asset to financial assets; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date to determine how the entity expects that financial asset to be classified in accordance with IFRS 9.

- Amendments to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction

(effective in financial years beginning on or after 1 January 2023)

IAS 12 now requires entities to recognise deferred tax on certain specific transactions, when their initial recognition gives rise to equal amounts of taxable temporary differences and deductible temporary differences. The subject transactions refer to the registration of: i) right-of-use assets and lease liabilities; and ii) provisions for dismantling, restoration or similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when on the

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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date of initial recognition they are not relevant for tax purposes. These temporary differences do not fall within the scope of the exemption from initial recognition of deferred taxes. This amendment is for retrospective application.

- Amendments to IAS 12 – Income taxes: International Tax Reform

(effective in financial years beginning on or after 1 January 2023)

IAS 12 now requires entities to recognise deferred tax on certain specific transactions, Pillar Two Model Rules that clarify the treatment to be given to income taxes arising from the application of the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional application of the Pillar Two Model Rules; and disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which must be disclosed – may be applied. The remaining disclosure requirements apply to annual reporting

periods beginning on or after 1 January 2023, but not to any interim periods ending on or before 31 December 2023.

No material impacts are estimated on the Group's consolidated financial statements resulting from the application of these standards and amendments.

### 2) Standards, interpretations, amendments and revisions that will come into effect in future periods

The following standards, interpretations, amendments and revisions, with mandatory application in future financial years, were, until the date of approval of these financial statements, endorsed by the European Union:

- Amendments to IFRS 16: Responsibility for the Lease in a Sale and Leaseback

(effective in financial years beginning on or after 1 January 2024)

The IASB has issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses to measure the lease liability arising from a sale and leaseback transaction, to ensure that the seller-lessee does not recognise any amount of gain or loss related to the

right of use that it retains. The changes are effective for annual reporting periods beginning on or after 1 January 2024, and are intended to be applied retroactively to sale and leaseback transactions entered into after the initial date of application of IFRS 16. Early application is permitted and this fact must be disclosed.

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current

(effective in financial years beginning on or after 1 January 2024)

Changes were made to IAS 1 in order to specify the requirements necessary to classify liabilities as current or non-current. The changes clarify:

- What is meant by the right to defer settlement;
- That the right to deferral must exist at the end of the reporting period;
- The classification is not affected by the probability of an entity exercising its right to deferral;
- Only if a derivative embedded in a convertible liability is itself an equity instrument will the terms of a liability not affect its classification;

Furthermore, a requirement has been introduced to require disclosure when a liability arising under a loan

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agreement is classified as non-current and the entity's right to postpone settlement depends on compliance with future agreements within twelve months. The changes take effect for annual reference periods starting on or after 1 January 2024 and should be applied retroactively.

These amendments, although endorsed by the European Union, were not adopted by the Group in 2023, as their application is not yet mandatory. It is not estimated that the future adoption of the aforementioned amendments will have a significant impact on the financial statements.

Up to the date of approval of these financial statements, the following standards, interpretations, amendments and revisions, with mandatory application in the financial year and in future financial years, had not been endorsed by the European Union:

- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

(effective in financial years beginning on or after 1 January 2024)

The IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments:

Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements resulting from the changes are intended to help the users of financial statements understand the effects of supplier finance arrangements on an entity's liabilities, cash flows and liquidity risk exposure. The changes will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but must be disclosed.

- Amendments to IAS 21 – Effect of changes in exchange rates

(effective in financial years beginning on or after 1 January 2025)

The changes clarify how an entity should assess whether a currency is exchangeable and how the exchange rate should be determined when there is a lack of exchangeability, as well as requiring the disclosure of information that allows users of the financial statements to understand the impacts of a non-exchangeable currency. The expected changes do not specify how an entity estimates the exchange rate, but indicate that an entity may use an unadjusted exchange rate or other estimation technique.

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Group in the twelve-month period ending 31 December 2023. No significant impacts on the financial statements resulting from its adoption are estimated.

### 3. First-time adoption of the IFRS

The financial statements for the year ended 31 December 2023 are the first prepared by the Group in accordance with the IFRS. For the period up to and including the financial year ended 31 December 2022, the Group prepared its financial statements in accordance with the accounting principles laid down in the Accounting and Financial Reporting Standards (NCRF), which form an integral part of the SNC.

Consequently, the Group has prepared financial statements that comply with the applicable IFRS as of 31 December 2023, together with comparative period data for the year ended 31 December 2022, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared on 1 January 2022, the date of the Group's transition to the IFRS. This note explains the main adjustments made by the Group in the restatement of

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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its financial statements under the SNC, including the statement of financial position as of 1 January 2022 and the financial statements for the year ended 31 December 2022.

IFRS 1 requires an entity to use the same accounting policies in its first opening statement of financial position in accordance with the IFRS and in subsequent periods. Such accounting policies must comply with each IFRS in effect at the end of its first reporting period under the IFRS, except as specified in IFRS 1 (e.g., when IFRS 1 exceptions prohibit retrospective application or when an entity benefits from one of the voluntary exceptions to IFRS 1). An entity should not apply different versions of the IFRS that have been in effect at previous dates. An entity may apply a new IFRS that is not yet mandatory if that IFRS allows for application prior to the date of its entry into force.

### Exceptions to retrospective application

IFRS 1 allows certain exceptions to apply to the retrospective application of the IFRS when a Group first adopts the IFRS. The Group applied the following exceptions:

- Leases

On the transition date, with regard to the implementation of IFRS 16, the Group applied the following options to all its leases (subject to the practical expedients described in the option):

- It measured a lease liability at the date of transition to the IFRS. The Group measured this lease liability at the present value of the remaining lease payments, discounted according to the lessee's incremental borrowing rate at the date of transition to the IFRS.
- It measured a right-of-use asset at the date of transition to the IFRS. The Group, on a lease-by-lease basis, measured this right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prior or accrued lease payments relating to that lease, recognised in the statement of financial position immediately prior to the date of transition to the IFRS.



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## Reconciliation of the Consolidated Statement of Financial Position at 01.01.2022:

CAPTIONS	Notes	SNC		IFRS
		01/01/2022	Translation adjustments IFRS	01/01/2022
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	6	129 673 725		129 673 725
Right-of-use assets	7.1	-	21 319 491	21 319 491
Investment Properties	8	19 228 188		19 228 188
Goodwill	11.1	4 298 347	2 321	4 300 668
Intangible Assets	9.1	4 744 677		4 744 677
Financial Holdings - Equity Method	10.1	1 023 517		1 023 517
Financial Holdings - Other Methods	10.2	71 006		71 006
Other Financial Assets	15.1	62 472 073		62 472 073
Deferred Tax Assets	31	7 114 742		7 114 742
		<b>228 626 276</b>	<b>21 321 812</b>	<b>249 948 087</b>
<b>Current Assets</b>				
Inventories	12.1	28 167 653	(637 963)	27 529 690
Trade debtors	15.2	68 984 069		68 984 069
Other Receivables	15.2	4 202 026		4 202 026
Deferrals	14.1	2 406 500		2 406 500
Financial Assets Held for Trading		1 507		1 507
Cash and Bank Deposits	4	22 945 588		22 945 588
		<b>126 707 343</b>	<b>(637 963)</b>	<b>126 069 380</b>
<b>Total Assets</b>		<b>355 333 619</b>	<b>20 683 849</b>	<b>376 017 468</b>

CAPTIONS	Notes	SNC		IFRS
		01/01/2022	Translation adjustments IFRS	01/01/2022
<b>Equity, Non-controlling interests and Liabilities</b>				
<b>Equity</b>				
Subscribed Capital	18.1	20 422 000		20 422 000
Legal Reserves	18.2	4 084 400		4 084 400
Other Reserves	18.2	11 265 027		11 265 027
Unappropriated Earnings	18.2	48 359 648	2 321	48 361 969
Adjustments and Other Changes in Equity	18.3	8 129 749	(5 209 695)	2 920 054
Net Earnings for the Period		19 104 459	19 413	19 123 872
		<b>111 365 282</b>	<b>(5 187 961)</b>	<b>106 177 321</b>
Non-controlling interests	18.4	1 981 582		1 981 582
<b>Total Equity</b>		<b>113 346 865</b>	<b>(5 187 961)</b>	<b>108 158 903</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Provisions	16	5 799 421		5 799 421
Borrowings	15.5	102 650 049		102 650 049
Lease liabilities	7.2	-	18 898 952	18 898 952
Liabilities for Post-Employment Benefits	17.1	2 645 769		2 645 769
Deferred tax liabilities	31	3 943 816	(826 646)	3 117 170
Other Payables	15.4	3 477 264		3 477 264
		<b>118 516 319</b>	<b>18 072 306</b>	<b>136 588 625</b>
<b>Current Liabilities</b>				
Trade creditors	15.3	67 540 947		67 540 947
Lease liabilities	7.2	-	2 420 539	2 420 539
Advances from Customers	15	4 789 508	(478 249)	4 311 259
State and Other Public Bodies	13	3 456 629		3 456 629
Borrowings	15.5	31 873 689		31 873 689
Other Payables	15.4	14 905 700	(871 737)	14 033 963
Deferrals	14.2	903 963	6 728 951	7 632 915
		<b>123 470 436</b>	<b>7 799 504</b>	<b>131 269 940</b>
<b>Total Liabilities</b>		<b>241 986 754</b>	<b>25 871 810</b>	<b>267 858 565</b>
<b>Total Equity, Non-controlling interests and Liabilities</b>		<b>355 333 619</b>	<b>20 683 849</b>	<b>376 017 468</b>

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## Reconciliation of the Consolidated Statement of Financial Position at 31.12.2022:

CAPTIONS	Notes	SNC		IFRS
		31/12/2022	Translation adjustments IFRS	31/12/2022
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, Plant and Equipment	6	124 495 370		124 495 370
Right-of-use assets	7.1	-	19 346 358	19 346 358
Investment Properties	8	14 963 006		14 963 006
Goodwill	11.1	3 892 618	459 368	4 351 986
Intangible Assets	9.1	7 001 499		7 001 499
Financial Holdings - Equity Method	10.1	816 182		816 182
Financial Holdings - Other Methods	10.2	243 750		243 750
Other Financial Assets	15.1	61 950 858		61 950 858
Deferred Tax Assets	31	7 210 196		7 210 196
		<b>220 573 479</b>	<b>19 805 727</b>	<b>240 379 206</b>
<b>Current assets</b>				
Inventories	12.1	42 039 757	(1 639 248)	40 400 508
Trade debtors	15.2	72 780 050		72 780 050
State and Other Public Bodies	13	887 929		887 929
Other Receivables	15.2	3 675 465		3 675 465
Deferrals	14.1	1 790 245	(145 497)	1 644 747
Cash and Bank Deposits	4	35 626 885		35 626 885
		<b>156 800 330</b>	<b>(1 784 745)</b>	<b>155 015 584</b>
<b>Total Assets</b>		<b>377 373 808</b>	<b>18 020 982</b>	<b>395 394 790</b>

CAPTIONS	Notes	SNC		IFRS
		31/12/2022	Translation adjustments IFRS	31/12/2022
<b>Equity, Non-controlling interests and Liabilities</b>				
<b>Equity</b>				
Subscribed Capital	18.1	20 422 000		20 422 000
Legal Reserves	18.2	4 084 400		4 084 400
Other Reserves	18.2	11 265 027		11 265 027
Unappropriated Earnings	18.2	64 714 107	21 733	64 735 840
Adjustments and Other Changes in Equity	18.3	7 900 074	(5 978 382)	1 921 692
Net Earnings for the Period		51 822 711	32 791	51 855 503
		<b>160 208 319</b>	<b>(5 923 858)</b>	<b>154 284 461</b>
Non-controlling interests	18.4	(294 958)		(294 958)
<b>Total Equity</b>		<b>159 913 362</b>	<b>(5 923 858)</b>	<b>153 989 504</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Provisions	16	6 290 614		6 290 614
Borrowings	15.5	78 375 117		78 375 117
Lease liabilities	7.2	-	17 025 947	17 025 947
Liabilities for Post-Employment Benefits	17.1	2 122 023		2 122 023
Deferred tax liabilities	31	3 518 776	(1 054 403)	2 464 373
Other Payables	15.4	2 699 568		2 699 568
		<b>93 006 097</b>	<b>15 971 544</b>	<b>108 977 641</b>
<b>Current Liabilities</b>				
Trade creditors	15.3	63 248 483		63 248 483
Lease liabilities	7.2	-	2 594 489	2 594 489
Advances from Customers	15	4 431 664	(1 518 004)	2 913 659
State and Other Public Bodies	13	4 590 518		4 590 518
Borrowings	15.5	25 935 870		25 935 870
Other Payables	15.4	25 701 780	(678 273)	25 023 507
Deferrals	14.2	546 035	7 575 084	8 121 119
		<b>124 454 350</b>	<b>7 973 295</b>	<b>132 427 645</b>
<b>Total Liabilities</b>		<b>217 460 447</b>	<b>23 944 840</b>	<b>241 405 286</b>
<b>Total Equity, Non-controlling interests and Liabilities</b>		<b>377 373 808</b>	<b>18 020 982</b>	<b>395 394 790</b>

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

## Reconciliation of the Consolidated Income Statement at 31.12.2022:

INCOME AND EXPENSES	Notes	SNC	Translation adjustments IFRS	IFRS
		31/12/2022		31/12/2022
Sales and Services	20	595 072 827	996 603	596 069 430
Revenue Grants	19	401 486		401 486
Gains/Losses of Subsidiaries, Assoc. Enter. and Joint Ventures	21	733 637		733 637
Changes in Production Inventories	12.2	5 786 910	(332 794)	5 454 116
Own Work Capitalised	22	315 042		315 042
Cost of Goods Sold and Materials Consumed	12.3	(356 768 979)	(668 491)	(357 437 470)
External Charges for Services	23	(114 739 267)	2 789 445	(111 949 822)
Staffing Costs	17.4	(35 851 194)		(35 851 194)
Impairment of Receivables (Losses/Reversals)	15.2	74 134		74 134
Provisions (Increases/Decreases)	16	(536 194)		(536 194)
Fair Value Increases/Decreases	27	(38 600)		(38 600)
Other Income	24	13 107 727		13 107 727
Other Expenses	25	(4 994 304)		(4 994 304)
<b>Earnings Before Interest, Taxes, Depreciation and Amortisation</b>		<b>102 563 224</b>	<b>2 784 763</b>	<b>105 347 987</b>
Depreciation and Amortisation Expenses/Reversals	28	(22 457 313)	457 048	(22 000 265)
Depreciation and Amortisation Expenses/Reversals - Leases	28		(2 773 818)	(2 773 818)
<b>Earnings Before Interest and Taxes</b>		<b>80 105 911</b>	<b>467 993</b>	<b>80 573 904</b>
Interest and Similar Income Earned	29	1 706 492		1 706 492
Interest and Similar Expenses Incurred	30	(14 127 660)		(14 127 660)
Financial expenses - Leases	30		(435 202)	(435 202)
<b>Earnings before tax</b>		<b>67 684 743</b>	<b>32 791</b>	<b>67 717 534</b>
Income Taxes for the Period	31	(15 830 169)		(15 830 169)
<b>Net Income for the Period</b>		<b>51 854 574</b>	<b>32 791</b>	<b>51 887 366</b>
Net Earnings for the Period attributable to:				
- Parent Company Shareholders		51 822 711	32 791	51 855 503
- Non-controlling interests	18.5	31 863		31 863
		<b>51 854 574</b>	<b>32 791</b>	<b>51 887 366</b>

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### NOTES TO THE RECONCILIATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT FOR THE YEAR

#### A. Rights of Use

The adoption of the IFRS implies the recognition of leases that meet the requirements established by IFRS 16. In this context, the Group recognised an asset under right of use and a lease liability in the amount of 21.319 million euros on the date of transition to the IFRS. This transition adjustment also impacts the recognition of amortisation and interest and deduction of rents/leases relating to the subsequent treatment of balance sheet items.

#### B. Goodwill

According to the SNC, goodwill must be amortised over a maximum period of 10 years. According to the IFRS, goodwill is not amortisable and must first be tested periodically for signs of impairment. On the transition date, the Group reversed the amortisations related to goodwill and did not identify impairment in its measurement.

#### C. Investment grants and other free State subsidies

According to the SNC, investment grants and other free State subsidies are recognised as an increase

in Equity and are recognised in profit or loss as the expenditure related to the assets that the grant was intended to finance occurs. Under the IFRS, grants and other free subsidies from the State are recognised as a deferral, and are recognised in profit or loss as the expenditure related to the assets that the grant was intended to finance occurs, or are deducted from the value of the corresponding asset. With the transition to the IFRS, the Group reclassified investment subsidies and CO<sub>2</sub> emission rights and their effect on Deferred Tax Liabilities from Equity to Deferrals, the latter due to the lack of equity variations under the new method.

#### D. Revenue from contracts with customers

IFRS 15 establishes the principles to be applied in recognising revenue and costs associated with contracts with customers, based on a five-step model, which will allow revenue to be allocated to performance obligations. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group adopted IFRS 15 in accordance with the modified retrospective approach, according to which the impacts of the initial application of IFRS 15 were recognised on the date of initial application, i.e., 1 January 2018, and the values for the comparative period presented were not restated.

Under the SNC, revenue from the provision of construction and equipment development services was recognised upon delivery of the work or equipment to the customer. With the implementation of IFRS 15, the Group begins to recognise revenue from these items over time based on the percentage-of-completion method, taking into account the evolution of projected costs for the project.

### 4. Cash Flows

The balance of Cash and Cash Equivalents in the Statement of Cash Flows is broken down as follows:

	31/12/2023	31/12/2022
Cash	27 664	30 336
Demand Deposits	42 023 658	35 590 967
Other Cash at Bank	18 589 020	5 582
	60 640 341	35 626 885

A term deposit was made in the amount of 12.6 million euros, at Bondalti H2, due to temporary cash surpluses and another, at Bondalti Chemicals, worth 5.9 million euros, also for the same reason.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 5. Related Parties

#### 5.1 – Group Entities

The Group is 100% directly owned by the entity José de Mello Capital SA, where it presents its consolidated Financial Statements.

The subsidiaries included in the consolidation, their registered offices and proportion of capital held as of 31 December 2023 and 2022 are as follows:

These subsidiary companies were included in the consolidation using the full consolidation method, using the criteria indicated in Note 3.

GROUP	Location	% Interest	Effective Control 2023	Effective Control 2022
Bondalti Capital ("B. Capital")	Lisbon	Parent company	Parent company	Parent company
Bondalti Chemicals, SA ("B. Chemicals")	Estarreja	100%	100%	100%
Renoeste - Valorização de Recursos Naturais, SA ("Renoeste")	Pombal	-	100%	100%
Elnosa - Electroquímica del Noroeste, SA ("Elnosa")	Pontevedra	-	100%	100%
Nutriquim - Produtos Químicos, SA ("Nutriquim")	Barreiro	-	100%	100%
Bondalti Cantabria, SA ("B. Cantabria")	Torrelavega	-	100%	100%
Miralcalis - Activos de Produção de Cloro, SA ("Miralcalis")	Porto Salvo	-	100%	100%
Bondalti H2, SA ("Bondalti H2")	Estarreja	-	100%	-
Innovnano - Materiais Avançados, SA ("Innovnano")	Coimbra	100%	100%	100%
Dolopand - Investimentos Imobiliários e Turísticos, SA ("Dolopand")	Porto Salvo	100%	100%	100%
Bondalti Water Solutions, SA	Porto Salvo	100%	100%	100%
Enkrott - Gestão e Tratamento de Águas, SA ("ENKROTT SA")	Sintra	-	100%	100%
Enkrott Madeira - Gestão e Tratamento de Águas, Lda ("ENKROTT Madeira")	Funchal	-	100%	100%
Enkrott África - Gestão e Tratamento de Águas, Lda ("ENKROTT Africa")	Luanda	-	80%	80%
Enkrott España, SLU ("ENKROTT Spain")	Barcelona	-	100%	100%
Grupo Aguas Alfaro, SL ("AGUAS ALFARO")	Alfaro	-	100%	100%
Agua, Energia y Medioambiente, Servicios Integrales, SLU ("AEMA")	Alfaro	-	100%	100%
Laboratorios Alfaro, SLU ("LABORATORIO ALFARO")	Alfaro	-	100%	100%
Aguas Rioja Medioambiente, SLU ("AGUAS RIOJA")	Alfaro	-	100%	100%
Agua, Gestion y Tratamientos, Servicios Integrales, SL ("AGESMA")	Alfaro	-	100%	100%

In September 2023, two companies were incorporated, Bondalti H2, SA and Lifthium Energy, SA. In December, 85% of Lifthium Energy's shares were sold to the parent company, José de Mello Capital, SA.

On 19 May 2021, Bondalti Chemicals entered into a framework agreement for the sale of assets, transfer of the concession, sale of properties and transfer of workers from its wholly owned subsidiary, Renoeste.

In 2023, it was agreed with the buyer to change the contract, which now focuses on the total sale of Renoeste shares.

As of 31 December 2023, Renoeste was classified as a divestiture group held for sale and as a discontinued operation. However, in consolidated terms it continues to be fully considered, as we maintain control of it.

The share purchase and sale contract was signed after the end of the year, on 10 January 2024.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Renoeste's results for the year are presented below:

	<b>2023</b>
External Charges for Services	(108 572)
Staffing costs	(65 419)
Other income	56 630
Other expenses	(3 313)
Depreciation and Amortisation Expenses/Reversals	(96)
Income tax for the period	31 645
<b>Net earnings related to assets held for sale</b>	<b>(89 125)</b>

Renoeste's main classes of assets and liabilities, classified as held for sale as of 31 December are as follows:

	<b>2023</b>
<b>Assets</b>	
Property, plant and equipment	715 993
Deferred tax assets	324 298
Trade debtors	13
State and other public bodies	109 679
Other receivables	86 686
Deferrals	1 736
Cash and Bank Deposits	75 343
<b>Liabilities</b>	
Provisions	55 964
Trade creditors	13 115
State and other public bodies	2 689
Other payables	7 725
<b>Net earnings related to assets held for sale</b>	<b>1 234 255</b>

The associated enterprises included in the consolidation, by means of the equity method, their registered offices and proportion of capital held as of 31 December 2023 and 2022 are as follows:

ASSOCIATED ENTERPRISES	Location	Effective Control 2023	Effective Control 2022
AQP - Aliada Quimica Portugal, Lda ("AQP")	Estarreja	49.9%	49.9%
Enkrott Quimica Cape Verde	Cidade da Praia	50%	50%

The Enkrott Química company in Cape Verde has been practically without activity in recent years.

The Bondalti Group's Other Holdings:

OTHER HOLDINGS	Location	% Interest
Hytlantic, SA	Sines	13.50%
Ynvisible Interactive Inc.	Canada	1.79%
Lifthium Energy, SA	Porto Salvo	15%

### 5.2 — Transactions and balances between related parties

The Group's subsidiaries have relationships with each other that qualify as related party transactions, which were carried out at market prices. Under consolidation procedures, transactions between companies included in the consolidation using the full consolidation method are eliminated, since the consolidated financial

statements present information about the holder and its subsidiaries as if they were a single company, and are therefore not disclosed in this note.

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

RELATED PARTY	Nature of the Relationship (Services provided / Transactions carried out)	Nature of the Relationship (Services received / Transactions received)
José de Mello Capital, SA	Bond issue/Loan	
ATM - Assistência Total em Manutenção, SA	Computing services	Equipment Maintenance
EFACEC Energia, Maquinas e Equipamentos, SA		Transformer sales
EFACEC Engenharia e Sistemas SA		Engineering serv.
GUIMARÃES DE MELLO, LDA		Consultancy services
CUF TEJO, SA		Medical Procedures
M DADOS - Sistema de Informação, SA		Office supplies and fixed asset sales
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA		Occupational Health Services
Ravasqueira Vinhos, SA		Internal Events

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

As of 31 December 2023 and 2022, the following transactions with related parties were as follows:

COMPANY	2023	
	Sales / Provisions of Services	Purchases Goods / Services
José de Mello Capital, SA	-	408
EFACEC Energia, Maquinas e Equipamentos, SA	-	12 874
EFACEC Engenharia e Sistemas SA	-	16 125
GUIMARÃES DE MELLO, LDA	-	970 725
CUF TEJO, SA	-	15 961
M DADOS - Sistema de Informação, SA	-	231 345
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	11 085
Ravasqueira Vinhos, SA	-	19 777
	-	1 278 301

COMPANY	2022	
	Sales / Provisions of Services	Purchases Goods / Services
José de Mello Capital, SA	-	10 885
ATM - Assistência Total em Manutenção, SA	224 402	255 324
EFACEC Energia, Maquinas e Equipamentos, SA	-	110 479
EFACEC Engenharia e Sistemas SA	-	33 770
GUIMARÃES DE MELLO, LDA	-	952 020
CUF-ISU HOSPITAL	-	9 054
M DADOS - Sistema de Informação, SA	-	199 439
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	11 087
Ravasqueira Vinhos, SA	-	8 407
	224 402	1 590 464

As of 31 December 2023 and 2022, balances with related parties were as follows:

COMPANY	31/12/2023				
	ASSETS			LIABILITIES	
	Trade Debtors	Other Receivables	Loan	Trade Creditors	Other Payables
José de Mello Capital, SA	-	-	61 180 000	502	10 612 195
EFACEC Energia, Maquinas e Equipamentos, SA	-	-	-	15 835	-
GUIMARÃES DE MELLO, LDA	-	-	-	202 833	-
CUF TEJO, SA	-	-	-	1 122	-
M DADOS - Sistema de Informação, SA	3 729	-	-	11 783	-
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	-	-	1 554	-
Ravasqueira Vinhos, SA	-	-	-	14 751	-
	3 729	-	61 180 000	248 380	10 612 195

COMPANY	31/12/2022				
	ASSETS			LIABILITIES	
	Trade Debtors	Other Receivables	Loan	Trade Creditors	Other Payables
José de Mello Capital, SA	1 168	-	61 180 000	473	13 693 885
ATM - Assistência Total em Manutenção, SA	22 731	-	-	-	-
EFACEC Energia, Maquinas e Equipamentos, SA	-	-	-	4 182	-
GUIMARÃES DE MELLO, LDA	-	-	-	202 833	-
CUF TEJO, SA	-	1 729	-	-	-
M DADOS - Sistema de Informação, SA	3 729	-	-	22 186	-
SAGIES-Segurança, Higiene e Saúde no Trabalho, SA	-	-	-	1 160	-
Ravasqueira Vinhos, SA	-	-	-	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.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

**6. Property, Plant and Equipment**

The gross carrying amount, accumulated depreciation, impairment losses and the reconciliation of the carrying amount at the beginning and end of the period reflecting additions, revaluations, disposals, assets classified as held for sale, amortisation, impairment losses and their reversals and other changes are detailed in the following table:

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Fixed Assets	Subtotal	Investments in progress	Total Tangible Assets
Cost:									
<b>1 January 2022</b>	<b>3 038 701</b>	<b>50 967 009</b>	<b>359 433 647</b>	<b>4 522 512</b>	<b>5 177 495</b>	<b>2 813 707</b>	<b>425 953 071</b>	<b>5 129 558</b>	<b>431 082 628</b>
Increases	14 738	285 998	10 822 633	77 824	476 012	79 712	11 756 918	4 724 583	16 481 501
Other reclassifications	(338 636)	(2 438 944)	(199 112)	(925 209)	(282 006)	(272)	(4 184 180)	-	(4 184 180)
Transfers	-	32 802	825 751	59 094	116 099	21 350	1 055 096	(1 055 096)	-
Disposals	(7 981)	-	(3 387)	(219 371)	(19 415)	(265)	(250 420)	-	(250 420)
Write-offs	(881)	-	-	-	(750)	-	(1 631)	-	(1 631)
<b>31 December 2022</b>	<b>2 705 941</b>	<b>48 846 865</b>	<b>370 879 532</b>	<b>3 514 849</b>	<b>5 467 435</b>	<b>2 914 232</b>	<b>434 328 854</b>	<b>8 799 045</b>	<b>443 127 898</b>
Increases	71 620	569 423	6 445 993	173 420	476 418	523 803	8 260 676	22 543 692	30 804 369
Currency Conversion	(44 438)	(339 777)	(44 856)	(245 862)	(72 132)	(35)	(747 100)	-	(747 100)
Transfers	-	6 690	4 480 501	-	213 197	5 736	4 706 124	(4 706 124)	-
Disposals	(2 993)	(66 190)	(93 154)	-	(16 450)	(462)	(179 249)	-	(179 249)
Write-offs	(1 468)	(1 506 001)	-	-	-	-	(1 507 469)	-	(1 507 469)
<b>31 December 2023</b>	<b>2 728 661</b>	<b>47 511 010</b>	<b>381 668 016</b>	<b>3 442 408</b>	<b>6 068 468</b>	<b>3 443 274</b>	<b>444 861 837</b>	<b>26 636 613</b>	<b>471 498 450</b>



## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

	Land and natural resources	Buildings and other structures	Basic Equipment	Transport Equipment	Office Equipment	Other Fixed Assets	Subtotal	Investments in progress	Total Tangible Assets
Depreciation and Impairment:									
<b>1 January 2022</b>	<b>219 308</b>	<b>31 764 334</b>	<b>259 256 890</b>	<b>3 525 558</b>	<b>4 354 573</b>	<b>2 288 241</b>	<b>301 408 903</b>	-	<b>301 408 903</b>
Depreciation (Note 28)	-	983 656	18 026 446	285 007	255 508	182 986	19 733 603	-	19 733 603
Other Reclassifications	-	(1 093 900)	(160 773)	(996 547)	(204 849)	(1 623)	(2 457 691)	-	(2 457 691)
Disposals	-	-	(3 387)	(31 424)	(16 460)	(265)	(51 536)	-	(51 536)
Write-offs	-	-	-	-	(750)	-	(750)	-	(750)
<b>31 December 2022</b>	<b>219 308</b>	<b>31 654 089</b>	<b>277 119 176</b>	<b>2 782 593</b>	<b>4 388 022</b>	<b>2 469 339</b>	<b>318 632 528</b>	-	<b>318 632 528</b>
Depreciation (Note 28)	-	949 244	19 205 623	197 858	359 880	190 607	20 903 211	-	20 903 211
Revaluations	(3 509)	-	-	-	-	-	(3 509)	-	(3 509)
Currency Conversion	-	(199 068)	(35 969)	(296 232)	(67 630)	(35)	(598 933)	-	(598 933)
Disposals	-	(66 190)	(93 154)	-	(16 450)	(462)	(176 256)	-	(176 256)
Write-offs	-	(1 491 722)	-	-	-	-	(1 491 722)	-	(1 491 722)
Impairment	-	79 294	-	-	-	-	79 294	-	79 294
<b>31 December 2023</b>	<b>215 799</b>	<b>30 925 647</b>	<b>296 195 676</b>	<b>2 684 219</b>	<b>4 663 822</b>	<b>2 659 449</b>	<b>337 344 612</b>	-	<b>337 344 612</b>
Net book value:									
<b>At 31 December 2023</b>	<b>2 512 862</b>	<b>16 585 363</b>	<b>85 472 340</b>	<b>758 189</b>	<b>1 404 646</b>	<b>783 824</b>	<b>107 517 224</b>	<b>26 636 613</b>	<b>134 153 838</b>
<b>At 31 December 2022</b>	<b>2 486 632</b>	<b>17 192 775</b>	<b>93 760 356</b>	<b>732 256</b>	<b>1 079 413</b>	<b>444 893</b>	<b>115 696 326</b>	<b>8 799 045</b>	<b>124 495 370</b>
<b>At 1 January 2022</b>	<b>2 819 393</b>	<b>19 202 675</b>	<b>100 176 758</b>	<b>996 954</b>	<b>822 923</b>	<b>525 466</b>	<b>124 544 168</b>	<b>5 129 558</b>	<b>129 673 725</b>

As shown in the table above, depreciation for the period amounted to 20.903 million euros (2022: 19.734 million euros) and accumulated depreciation and impairment at the end of the period amounted to 337.345 million euros (2022: 318.633 million euros).

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

**7. Right of use****7.1 – Right-of-use assets**

During the years ended 31 December 2023 and 2022, the movement in the value of right-of-use assets, as well as in the respective amortisation, was as follows:

	Land and natural resources	Buildings and other structures	Transport Equipment	Right-of-Use Assets Total
<b>Cost:</b>				
1 January 2022	1 910 147	18 628 178	781 167	21 319 491
Increases	-	405 383	395 302	800 685
31 December 2022	1 910 147	19 033 561	1 176 468	22 120 176
Increases	114 616	2 917 527	841 486	3 873 629
31 December 2023	2 024 763	21 951 088	2 017 955	25 993 806
<b>Depreciation and Impairment:</b>				
1 January 2022	-	-	-	-
Depreciation (Note 28)	44 220	2 316 799	412 799	2 773 818
31 December 2022	44 220	2 316 799	412 799	2 773 818
Depreciation (Note 28)	46 772	2 667 844	511 650	3 226 266
31 December 2023	90 992	4 984 643	924 449	6 000 084
<b>Net book value:</b>				
At 31 December 2023	1 933 771	16 966 445	1 093 506	19 993 721
At 31 December 2022	1 865 927	16 716 762	763 670	19 346 358
At 1 January 2022	1 910 147	18 628 178	781 167	21 319 491

As shown in the table above, amortisation for the period amounted to 3.226 million euros (2022: 2.774 million euros) and accumulated depreciation and impairment at the end of the period amounted to 6 million euros (2022: 2.774 million euros).

**7.2 – Lease liabilities**

During the years ended 31 December 2023 and 2022, the movement in the value of lease liabilities was as follows:

	31/12/2023	31/12/2022
Opening balance	19 620 436	21 319 491
Increases	2 027 685	661 460
Write-offs and decreases	1 106 945	139 225
Accrued interest	478 414	435 202
Payments	(3 528 810)	(2 934 942)
Other effects	739 000	-
Closing balance	20 443 669	19 620 436
Current	3 062 956	2 594 489
Non-current	17 380 713	17 025 947

Additionally, the following amounts of expenses relating to right-of-use assets were recognised in 2023 and 2022:

	31/12/2023	31/12/2022
Depreciation of right-of-use assets (Note 28)	3 226 266	2 773 818
Interest expenses related to lease liabilities (Note 30)	478 414	435 202
Total amount recognised in the income statement	3 704 680	3 209 019

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The repayment period for lease liabilities is as follows:

	31/12/2023					
	2024	2025	2026	2027	>2027	Total
Lease liabilities	3 062 956	3 014 920	2 994 417	2 705 250	8 666 127	20 443 669

	31/12/2022					
	2023	2024	2025	2026	>2026	Total
Lease liabilities	2 595 365	2 444 764	2 375 433	2 333 301	9 872 448	19 621 312

## 8. Investment properties

Investment properties are held to earn income, or for capital appreciation or for both purposes. Therefore, an investment property generates cash flows highly independent of the other assets held by the entity, which are either occupied by Group companies, or are profitable through their use in the production of goods and services, or are intended for sale in the short term in the ordinary course of business.

As described in subdivision 2) of Note 2.1., the Company adopts the cost model in the valuation of its investment properties.

The gross carrying amount, accumulated depreciation, impairment losses and the reconciliation of the carrying amount at the beginning and end of the period reflecting additions, revaluations, disposals, assets classified as held for sale, amortisation, impairment losses and their reversals and other changes are detailed in the following table:

	Land and natural resources	Buildings and other structures	Total Investment Properties
<b>Cost:</b>			
1 January 2022	18 441 590	2 877 090	21 318 680
Revaluations	66 443	565 847	632 290
Disposals	(4 796 637)	(1 017 497)	(5 814 134)
Write-offs	(49 486)	(3 879)	(53 366)
31 December 2022	13 661 910	2 421 560	16 083 470
Increases	11 340	-	11 340
Disposals	(1 958 378)	(565 847)	(2 524 225)
31 December 2023	11 714 872	1 855 714	13 570 585
<b>Depreciation and Impairment:</b>			
1 January 2022	-	2 090 492	2 090 492
Depreciation (Note 28)	-	48 009	48 009
Disposals	-	(1 014 158)	(1 014 158)
Write-offs	-	(3 879)	(3 879)
31 December 2022	-	1 120 464	1 120 464
Depreciation (Note 28)	-	48 001	48 001
Write-offs	-	3 044	3 044
31 December 2023	-	1 171 508	1 171 508
<b>Net book value:</b>			
At 31 December 2023	11 714 872	684 205	12 399 077
At 31 December 2022	13 661 910	1 301 097	14 963 006
At 1 January 2022	18 441 590	786 598	19 228 188

As shown in the Table above, depreciation for the period amounted to 48 thousand euros (2022: 48 thousand euros) and accumulated depreciation at the end of the period amounted to 1.172 million euros (2022: 1.12 million euros).

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

**9. Intangible Assets**

The gross carrying amount and any accumulated amortisation and the reconciliation of the carrying amount at the beginning and end of the period that separately shows additions, disposals, assets classified as held for sale, amortisations, impairment losses and other changes are found in the following table:

	Development Projects	Computer Programs	Industrial Property	Emission Rights	Other	Investments in progress	Total Intangible Assets
Cost:							
<b>1 January 2022</b>	<b>3 269 972</b>	<b>2 060 725</b>	<b>195 842</b>	<b>5 400 179</b>	<b>47 985</b>	<b>-</b>	<b>10 974 703</b>
Emission rights allocated	-	-	-	4 043 034	-	-	4 043 034
Acquisitions	-	100 260	-	-	-	218 469	318 728
Uses of emission rights	-	-	-	(2 268 545)	-	-	(2 268 545)
Change in Fair Value	-	-	-	247 347	-	-	247 347
Transfers	-	-	-	(688 019)	-	-	(688 019)
Write-offs	(118 004)	(40 518)	(61 864)	-	-	-	(220 386)
<b>31 December 2022</b>	<b>3 151 967</b>	<b>2 120 467</b>	<b>133 978</b>	<b>6 733 995</b>	<b>47 985</b>	<b>218 469</b>	<b>12 406 862</b>
Emission rights allocated	-	-	-	4 031 137	-	-	4 031 137
Acquisitions	45 963	198 013	-	-	-	610 693	854 669
Uses of emission rights	-	-	-	(2 056 603)	-	-	(2 056 603)
Change in Fair Value	-	-	-	1 785 883	-	-	1 785 883
Write-offs	(829 230)	(9 675)	(13 486)	-	-	-	(852 390)
<b>31 December 2023</b>	<b>2 368 701</b>	<b>2 308 805</b>	<b>120 493</b>	<b>10 494 413</b>	<b>47 985</b>	<b>829 162</b>	<b>16 169 558</b>

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

(Amounts stated in euros)	Development Projects	Computer Programs	Industrial Property	Emission Rights	Other	Investments in progress	Total Intangible Assets
<b>Amortisation and Impairment:</b>							
<b>1 January 2022</b>	<b>2 331 795</b>	<b>1 893 405</b>	<b>97 532</b>	<b>1 859 309</b>	<b>47 985</b>	<b>-</b>	<b>6 230 026</b>
Amortisation (Note 28)	-	159 978	10 915	2 047 761	-	-	2 218 653
Transfers	-	-	-	(688 019)	-	-	(688 019)
Write-offs	(8 070)	(8 095)	(70 587)	(2 268 545)	-	-	(2 355 297)
<b>31 December 2022</b>	<b>2 323 725</b>	<b>2 045 289</b>	<b>37 859</b>	<b>950 506</b>	<b>47 985</b>	<b>-</b>	<b>5 405 363</b>
Amortisation (Note 28)	1 277	73 305	9 188	2 123 603	-	-	2 207 372
Disposals	-	-	-	(2 047 761)	-	-	(2 047 761)
Write-offs	(987)	(12 961)	(22 458)	-	-	-	(36 406)
Adjustments	-	-	-	1 097 255	-	-	1 097 255
<b>31 December 2023</b>	<b>2 324 015</b>	<b>2 105 632</b>	<b>24 590</b>	<b>2 123 603</b>	<b>47 985</b>	<b>-</b>	<b>6 625 823</b>
<b>Net book value:</b>							
<b>At 31 December 2023</b>	<b>44 686</b>	<b>203 173</b>	<b>95 903</b>	<b>8 370 810</b>	<b>-</b>	<b>829 162</b>	<b>9 543 734</b>
<b>At 31 December 2022</b>	<b>828 243</b>	<b>75 179</b>	<b>96 119</b>	<b>5 783 489</b>	<b>-</b>	<b>218 469</b>	<b>7 001 499</b>
<b>At 1 January 2022</b>	<b>938 177</b>	<b>167 320</b>	<b>98 311</b>	<b>3 540 869</b>	<b>-</b>	<b>-</b>	<b>4 744 677</b>

As shown in the table above, depreciation for the period amounted to 2.207 million euros (2022: 2.218 million euros) and accumulated depreciation at the end of the period amounted to 6.626 million euros (2022: 5.405 million euros).

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 10. Financial Holdings

As of 31 December 2023 and 2022, Financial Holdings were as follows:

	31/12/2023	31/12/2022
<b>Equity Method</b>		
Investments in Associated Enterprises (Note 10.1)	1 065 785	816 207
	1 065 785	816 207
<b>Other Methods</b>		
Investments in other companies	-	233 969
Unlisted shares (Note 10.2)	538 032	9 782
	538 032	243 750

### 10.1 – Investments in associated enterprises

Associated enterprises, consolidated using the equity method, their respective results and the proportion of capital held, are as follows:

	Financial information				
	Equity	Net Income	%	31/12/2022	31/12/2023
<b>Equity Method</b>					
AQP	1 617 288	439 830	49.9	807 027	1 056 630
Other	-	(25)	-	9 180	9 155
	1 617 288	439 805		816 207	1 065 785

The movements that occurred during the year in associated enterprises measured using the equity method were those shown in the following table:

	Balance at 1 January 2023	Acquisition of a subsidiary	Net Earnings (Note 21)	Dividend Distribution	Changes in Equity	Capital Gain (Note 21)	Balance at 31 December 2023
AQP - Aliada Quimica Portugal, Lda	807 027	-	439 830	(190 226)	-	-	1 056 630
Other	9 180	-	(25)	-	-	-	9 155
	816 207	-	439 805	(190 226)	-	-	1 065 785
	Balance at 1 January 2022	Acquisition of a subsidiary	Net Earnings (Note 21)	Dividend Distribution	Changes in Equity	Capital Gain (Note 21)	Balance at 31 December 2022
AQP - Aliada Quimica Portugal, Lda	1 014 088	-	190 226	(397 288)	-	-	807 027
Other	9 429	-	-	-	(249)	-	9 180
	1 023 517	-	190 226	(397 288)	-	-	816 207

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

At 31 December 2023 and 2022, summary financial information relating to the associated enterprises can be analysed as follows:

	31/12/2023 AQP	31/12/2022 AQP
Non-current assets	1 103 169	1 044 487
Current assets	2 692 703	1 872 936
Non-current liabilities	-	-
Current liabilities	1 678 376	1 300 136
Equity	2 117 496	1 617 288
Turnover	5 399 248	4 240 360
Net profit for the year	881 423	381 215

The accounting policies of the associated enterprises do not differ significantly from the Group's policies, which is why there was no need for any harmonisation of accounting policies.

### 10.2 — Financial Holdings - Other methods

	01/01/2022	Impairments		Creation, acquisition and sale	Impairments		31/12/2023
		Balance Sheet	31/12/2022		IS	Balance Sheet	
Erase - Emp. Regeneração de Águas e Solos de Estarreja, ACE	22 628	(13 400)	9 228	-	-	(13 400)	9 228
Ynvisible Interactive Inc.	61 224	(37 006)	24 219	-	-	1 358	25 576
Other	554	-	554	-	-	-	554
Hytlantic, SA	209 750	-	209 750	-	(117 446)	(117 446)	92 304
Lifthium Energy, SA	-	-	-	410 370	-	-	410 370
	294 156	(50 406)	243 750	410 370	(117 446)	(129 488)	538 032

The company Lifthium Energy, SA was incorporated, a company dedicated to the development of a lithium refining project. In December, 85% of the company's shares were sold to the parent company, José de Mello Capital, SA.

## 11. Goodwill

### 11.1 — Reconciliation of the carrying amount of goodwill

Positive consolidation differences recorded in assets, the acquisition cost and the proportional value of the equity of the affiliated companies, reported on the acquisition date, are shown in the table below:

	Acquisition year	Acquisition cost	% of Equity acquired	Initial purchase difference	Final purchase difference
MIRALCALIS	2021	5 139 230	20	139 230	139 230
DOLOPAND	2016	1 000	100	560	560
ENKROTT Madeira	2022	-	33.5	51 318	51 318
GRUPO AGUAS ALFARO	2021	10 291 577	100	4 418 631	4 418 631
				4 609 740	4 609 740

## 12. Inventories

### 12.1 - Inventories

The total carrying amount of inventories and the carrying amount in appropriate classifications are shown in the following table:

	31/12/2023	31/12/2022
Goods	4 930 192	5 321 255
Raw materials, Subs. Materials and Consumables	24 557 076	24 513 948
Intermediate and Finished Products	8 263 105	10 383 595
Products and Work in Progress	521 496	181 709
	38 271 869	40 400 508

The amounts of inventories recognised as an expense during the period are shown in the following tables.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 12.2 - Change in Production

	Intermediate and Finished Products	Products and Work in Progress	Total
Balance at 1 January 2022	4 699 256	811 121	5 510 378
Adjustments	(399 188)	-	(399 188)
Increase/Decrease for the year	6 083 528	(629 412)	5 454 116
Balance at 31 December 2022	10 383 595	181 709	10 565 305
Balance at 1 January 2023	10 383 595	181 709	10 565 305
Adjustments	328 866	-	328 866
Increase/Decrease for the year	(2 449 357)	339 787	(2 109 570)
Balance at 31 December 2023	8 263 105	521 496	8 784 601

### 12.3 - Cost of goods sold and materials consumed

	Goods	Raw Material, Subsidiary Material and Consumables	Total
Inventories at 1 January 2022	4 608 110	17 411 203	22 019 313
Purchases	25 444 308	339 033 246	364 477 554
Adjustment of inventories	-	775 807	775 807
Inventories at 31 December 2022	5 321 255	24 513 948	29 835 204
Cost of goods sold and materials consumed	24 731 163	332 706 307	357 437 470
Inventories at 1 January 2023	5 321 255	24 513 948	29 835 204
Purchases	30 680 885	259 519 387	290 200 272
Adjustment of inventories	-	338 061	338 061
Inventories at 31 December 2023	4 930 192	24 557 076	29 487 268
Cost of goods sold and materials consumed	31 071 948	259 814 320	290 886 268

### 12.4 – Impairment losses on inventories

	2023	2022
Impairment Losses:		
Raw materials, Subs. Materials and Consumables	(355 875)	-
	(355 875)	-

### 13. State and other public bodies

As of 31 December 2023 and 2022, this caption is broken down as follows:

	31/12/2023	31/12/2022
<b>Balance Receivable</b>		
Income tax	1 499 290	887 929
	1 499 290	887 929
<b>Balance Payable</b>		
Income Tax Withholdings	383 845	351 467
VAT	2 828 895	3 612 277
Social Security Contribution	699 541	626 774
	3 912 282	4 590 518

### 14. Deferrals

#### 14.1 - Reportable expenses

As of 31 December 2023 and 2022, reportable expenses are broken down as follows:

	31/12/2023	31/12/2022
<b>Reportable expenses</b>		
Insurance	2 744 847	361 695
Financial charges	1 132 865	1 169 341
Other	382 202	113 712
	4 259 915	1 644 747



## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The Financial charges item refers to the accounting of the amortised cost, referring to the financing contracted at Bondalti Chemicals in 2019.

### 14.2 – Reportable income

Reportable income is broken down as follows:

	31/12/2023	31/12/2022
<b>Reportable income</b>		
Development rights	419 650	446 600
Advance sales	31 002	99 435
Grants	15 342 471	2 888 850
Emission right subsidies	8 034 155	4 686 234
	<b>23 827 278</b>	<b>8 121 119</b>

The movement in subsidies was as indicated in the following table:

	31/12/2023	31/12/2022
<b>Opening balance</b>	<b>2 888 850</b>	<b>3 475 289</b>
Received during the year	13 064 581	220 608
Transferred to Profit or Loss (Note 24)	(610 959)	(807 047)
<b>Closing balance</b>	<b>15 342 471</b>	<b>2 888 850</b>

The amounts received during the year relate to incentives for the H2Enable project, at Bondalti H2, relating to the Recovery and Resilience Plan.

### 15. Financial instruments

The measurement bases used for financial instruments and other accounting policies used for the accounting of financial instruments relevant to the understanding of the financial statements are described under subdivision 7) of Note 2.1.

The following table summarises the financial instruments:

ASSET CAPTIONS	31/12/2023	31/12/2022
<b>Non-current</b>		
Other financial assets (Note 15.1)	61 408 300	61 950 858
Other receivables (Note 13.1)	-	-
Financial Holdings - Other Methods (Note 10.2)	538 032	243 750
	<b>61 946 333</b>	<b>62 194 608</b>
<b>Current</b>		
Trade debtors (Note 15.2)	57 656 847	72 780 050
Other receivables (Note 15.2)	7 576 668	3 675 465
Cash and Bank Deposits (Note 4)	60 640 341	35 626 885
	<b>125 873 856</b>	<b>112 082 400</b>
<b>LIABILITIES CAPTIONS</b>	<b>31/12/2023</b>	<b>31/12/2022</b>
<b>Non-current</b>		
Borrowings (Note 15.5)	52 456 327	78 375 117
Lease liabilities (Note 7.2)	17 380 713	17 025 947
Other payables (Note 15.4)	1 798 512	2 699 568
	<b>71 635 552</b>	<b>98 100 632</b>
<b>Current</b>		
Trade creditors (Note 15.3)	61 929 292	63 248 483
Lease liabilities (Note 7.2)	3 062 956	2 594 489
Advances from customers	5 346 250	2 913 659
Borrowings (Note 15.5)	33 657 420	25 935 870
Other payables (Note 15.4)	33 871 531	25 023 507
	<b>137 867 448</b>	<b>119 716 008</b>

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

All financial assets and liabilities are subsequently measured at amortised cost, with the exception of “Financial Holdings – Other Methods” subsequently measured at fair value through profit or loss.

The fair value of financial assets and liabilities, measured at amortised cost, is not materially different from the carrying amount.

### 15.1 – Other Financial Assets

The financial assets for which impairment was recognised, indicating, for each class, separately, i) the book value that results from measurement at amortised cost and ii) accumulated impairment are those indicated in the following tables:

	31/12/2023			31/12/2022		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
<b>Assets - Non-current</b>						
Other financial assets						
Loans to Other Related parties	61 180 000	-	61 180 000	61 180 000	-	61 180 000
Other	228 300	-	228 300	110 032	-	110 032
Advances on investments	-	-	-	660 825	-	660 825
	<b>61 408 300</b>	<b>-</b>	<b>61 408 300</b>	<b>61 950 858</b>	<b>-</b>	<b>61 950 858</b>

The loans to Group companies relate to the subscription of bonds issued by José de Mello Capital, SA, in an amount of 61 180 000 euros. The bonds bear interest at normal market rates.

### 15.2 – Trade accounts receivable and Other receivables

The financial assets for which impairment was recognised, indicating, for each class, separately, i) the book value that results from measurement at amortised cost and ii) accumulated impairment are those indicated in the following tables:

	31/12/2023			31/12/2022		
	Gross Amount	Accumulated impairment	Net Amount	Gross Amount	Accumulated impairment	Net Amount
<b>Trade Debtors</b>						
Customers c/a	57 383 412	-	57 383 412	71 865 060	-	71 865 060
Trade bills receivable	273 435	-	273 435	914 990	-	914 990
Doubtful receivables	3 762 247	(3 762 247)	-	4 181 952	(4 181 952)	-
	<b>61 419 093</b>	<b>(3 762 247)</b>	<b>57 656 847</b>	<b>76 962 002</b>	<b>(4 181 952)</b>	<b>72 780 050</b>
<b>Sundry receivables</b>						
Staff	71 565	-	71 565	45 612	-	45 612
Accrued debtors and creditors	4 027 512	-	4 027 512	511 676	-	511 676
Other debtors	2 697 932	-	2 697 932	2 265 903	-	2 265 903
Other Group Debtors (Note 5)	-	-	-	1 729	-	1 729
Other doubtful debtors	269 316	(269 316)	-	269 316	(269 316)	-
Advances to Suppliers	779 659	-	779 659	850 545	-	850 545
	<b>7 845 984</b>	<b>(269 316)</b>	<b>7 576 668</b>	<b>3 944 781</b>	<b>(269 316)</b>	<b>3 675 465</b>

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The amount of impairment losses recognised for each of the financial asset classes is shown in the following tables:

YEAR 2023	Opening balance	Impairment (IS)	Use and Correction	Reversal (IS)	Closing balance
<b>Financial assets measured at cost less impairment</b>					
Trade debtors					-
Doubtful receivables	(4 181 952)	(8 000)	324 177	103 528	(3 762 247)
Other Receivables					
Other Doubtful debtors	(269 316)		-	-	(269 316)
	(4 451 267)	(8 000)	324 177	103 528	(4 031 563)

YEAR 2022	Opening balance	Impairment (IS)	Use and Correction	Reversal (IS)	Closing balance
<b>Financial assets measured at cost less impairment</b>					
Trade debtors					-
Doubtful receivables	(4 017 709)	(74 217)	(238 376)	148 351	(4 181 952)
Other Receivables					
Other Doubtful debtors	(269 316)	-	-	-	(269 316)
	(4 287 025)	(74 217)	(238 376)	148 351	(4 451 267)

The Group's exposure to credit risk is attributable to accounts receivable from its normal business activities. The amounts presented in the statement of financial position are net of accumulated impairment losses that were estimated by the Group. The Management believes that the book value of the accounts receivable is close to its fair value, given that they do not bear interest and the discount effect is deemed immaterial.

## 15.3 – Trade creditors

The caption Trade creditors as of 31 December 2023 and 2022 shows the following detail:

	31/12/2023	31/12/2022
<b>Trade Creditors</b>		
Trade creditors c/a	52 153 692	54 308 250
Trade creditors c/a Group (Note 5)	248 380	231 000
Trade Bills Payable	3 042	4 009
Invoices Pending	9 524 178	8 705 224
	<b>61 929 292</b>	<b>63 248 483</b>

On 31 December 2023 and 2022, the ageing of the balance of trade creditors can be broken down as follows:

	31/12/2023	0-90 days	90-180 days	> 180 days
Trade creditors c/a	52 153 692	52 085 750	67 942	-
Trade Bills Payable	3 042	3 042	-	-
Trade creditors - Related parties (Note 5.2)	248 380	248 380	-	-
Invoices pending approval	9 524 178	8 935 272	215 169	373 737
	<b>61 929 292</b>	<b>61 272 444</b>	<b>283 111</b>	<b>373 737</b>
	31/12/2022	0-90 days	90-180 days	> 180 days
Trade creditors c/a	54 308 250	54 265 911	30 915	11 424
Trade Bills Payable	4 009	4 009	-	-
Trade creditors - Related parties (Note 5.2)	231 000	231 000	-	-
Invoices pending approval	8 705 224	6 141 491	1 857 540	706 193
	<b>63 248 483</b>	<b>60 642 411</b>	<b>1 888 455</b>	<b>717 617</b>

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 15.4 — Other payables

As of 31 December 2023 and 2022, the caption Other payables took the following form:

	31/12/2023	31/12/2022
<b>Non-current</b>		
Investment providers	1 221 512	1 699 568
Other payables	577 000	1 000 000
	1 798 512	2 699 568
<b>Current</b>		
<b>Sundry payables</b>		
Staff	32 866	127 302
Investment providers	10 176 041	5 303 180
Creditors by accrued expenses		
Holiday and holiday allowance	3 910 313	3 374 081
Financial charges	18 416	18 915
Insurance	-	1 847
Other accruals	1 792 016	1 737 248
Other payables	7 329 683	767 050
Other payables (Note 5)	10 612 195	13 693 885
	33 871 531	25 023 507
	35 670 043	27 723 075

Under the caption Investment providers (non-current), a debt of Bondalti Cantabria was considered, which will only be settled within a period of more than one year.

The current Investment providers balance refers, in large part, to the balance of 3 suppliers worth 4.025 million euros, referring to the technological renovation of the electrolysis process in Estarreja.

Other non-current debts payable relate to a payment to be made to the previous

shareholders of the Grupo Aguas Alfaro, within a period of two years.

The balance of the Other accruals item includes the anticipation of water resources and effluent treatment fees amounting to 416 thousand euros, IMI amounting to 41 thousand euros and 143 thousand euros relating to *volume discounts* to be issued in 2024.

The caption Sundry payables includes:

- 5.989 million euros referring to the IAPMEI advance under the NGS (New Generation Storage) agenda of the Recovery and Resilience Plan, a project that is still in an initial investment phase;
- 337 thousand euros relating to the value of CO<sub>2</sub> Licences to be delivered to our partner.
- 280 thousand euros from a contribution agreement with ANPC to be paid in 2024 and 2025.

The balance of the Sundry payables item (Note 5) refers to the tax payable by the Group to José de Mello Capital, as we are included in the RETGS.

### 15.5 - Borrowings

Borrowings as of 31 December 2023 and 2022 are detailed as follows:

FINANCING ENTITIES	2023		2022	
	Current	Non-current	Current	Non-current
Bank loans at amortised cost (Note 15.5.1)	25 000 000	51 621 185	24 000 000	76 621 185
Bank loans at cost	7 627 705	337 941	1 208 941	865 532
Financial Leasing	526 758	410 134	106 895	283 518
Factoring	-	-	620 034	-
Other lenders	502 957	87 067	-	604 881
	33 657 420	52 456 327	25 935 870	78 375 117

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The amounts of Bank loans at amortised cost relate to Bondalti Chemicals' financing operations.

The amount of Bank loans at cost includes 5 million euros from Bondalti Capital which were paid off at the beginning of January.

Financial Leases refer to the Enkrott Group and the Grupo Aguas Alfaro.

### 15.5.1. – Financial liabilities at amortised cost

Financial liabilities measured at current and non-current amortised cost and respective conditions are shown in the following table:

	Maturity	2023	Maturity	2022
<b>Financing payable</b>				
<b>Non-current</b>				
Bank Loans				
Commercial Banks	30/06/2027	51 621 185	30/06/2027	76 621 185
		51 621 185		76 621 185
<b>Current</b>				
Bank Loans				
Commercial Banks	30/06/2027	25 000 000	30/06/2027	24 000 000
		25 000 000		24 000 000
		76 621 185		100 621 185

In 2019, Bondalti Chemicals restructured its financial debt, concluding a syndicated long-term loan with 8 banks, which allowed it to refinance its entire debt and create conditions for further investments in the following years.

This refinancing presupposes compliance with financial autonomy ratios of a minimum of 25% and a maximum net debt to EBITDA of 4.0X. At the end of the year, the ratios were being met.

The repayment period for bank loans, other loans and repayable incentives is as follows:

	31/12/2023				
	2024	2025	2026	2027	>2027
Bank loans	51 621 185	25 621 185	121 185	-	-

	31/12/2022				
	2023	2024	2025	2026	>2026
Bank loans	76 621 185	51 621 185	25 621 185	121 185	-

## 16. Provisions, Contingent liabilities and Contingent assets

The accounting policies adopted for the recognition of Provisions, Contingent liabilities and Contingent assets are described in subdivision 16) of Note 2.1.

### 16.1 - Provisions

The movement in provisions, for each provision, is reflected in the following table:

	Other provisions	TOTAL
At 1 January 2022	5 799 421	5 799 421
Uses in the year	(76 434)	(76 434)
Reversals for the year	(31 093)	(31 093)
Increases in the year	567 287	567 287
Increase in Acquired Entities	31 433	31 433
At 31 December 2022	6 290 614	6 290 614
At 1 January 2023	6 290 614	6 290 614
Uses in the year	(136 700)	(136 700)
Increases in the year	443 062	443 062
At 31 December 2023	6 596 976	6 596 976

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Movements in the year can be broken down as follows:

2023							
DESCRIPTION	Opening balance	Uses in the year	Reversals in the year (IS)	Increases in the year (IS)	TOTAL IS	Increase in Acquired Entities	Closing Balance
Discontinuation provision	5 500 000	-	-	275 000	275 000	-	5 775 000
Customer Guarantees Provision	67 287		-	75 699	75 699	-	142 986
Restructuring provision	531 943	(60 759)	-	-	-	-	471 184
Other Legal Proceedings Provision	13 469		-	-	-	-	13 469
Other Provisions	177 914	(75 941)	-	92 363	92 363		194 336
	6 290 614	(136 700)	-	443 062	443 062	-	6 596 976

2022							
DESCRIPTION	Opening balance	Uses in the year	Reversals in the year (IS)	Increases in the year (IS)	TOTAL IS	Increase in Acquired Entities	Closing Balance
Discontinuation provision	5 000 000	-	-	500 000	500 000	-	5 500 000
Customer Guarantees Provision	23 213	(23 213)	-	67 287	67 287	-	67 287
Restructuring provision	587 126	(55 183)	-	-	-	-	531 943
Other Legal Proceedings Provision	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

In February 2009, it was decided to definitively discontinue urea and ammonia production at the former AP — Amoníacos de Portugal, SA. To cover the liabilities arising from the decision to discontinue those productive activities at AP — Amoníacos de Portugal, SA, a provision was set up in the amount of 57 million euros. In recent years, this was reduced by an amount of 51.5 million euros, as liabilities relating to workers' compensation, contract terminations with suppliers, operations to dismantle the deactivated facilities and land cleaning had already been settled. This provision was increased by 275 thousand euros as it was considered that, due to the increase in prices seen in recent years, it would no longer be an adequate market value. As of 31 December 2023, the amount of 5.775 million euros will be used to cover any liabilities that may yet arise from the process of discontinuing production.

Within Nutriquim, and in order to take account of the company's decommissioning plan, a provision was also set up in an overall amount of 1.15 million euros in 2013. However, over the course of the last few years, part of the provision was used to cover costs within the same scope. The remainder of the provision, at 31 December 2023, is 471 thousand euros.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 17. Employee benefits

#### 17.1 – Employee Benefits

The reconciliation between the opening and closing balances of the present value of the benefit obligation is shown in the following table:

	Defined Benefit Retirement Pension Plan (with no Fund established)	Medical Procedures Plan (with no Fund established)	TOTAL
Obligation related to defined benefits, as of 1 January 2022	2 379 373	266 397	2 645 770
Interest cost	16 844	-	16 843.71
Benefits paid	(267 091)	-	(267 090.92)
Actuarial gains and losses	(277 788)	4 288	(273 499.38)
Obligation relating to defined benefits, as of 31 December 2022	1 851 338	270 685	2 122 023
Interest cost	51 745	-	51 745
Benefits paid	(339 610)	-	(339 610)
Actuarial gains and losses	93 475	(35 461)	58 015
Obligation relating to defined benefits, as of 31 December 2023	1 656 949	235 224	1 892 172

#### 17.2 – Post-employment benefits (Defined Benefit Retirement Pension Plan)

The Group's accounting policy for recognising actuarial gains and losses related to post-employment benefits with defined benefit plans is described in subdivision 17.1) of Note 2.1.

Company	Plan Name	Type	Beneficiaries	Location
Bondalti CHEMICALS	Retirement Pension Plan	Defined Benefit – Old age disability or survivor's pension supplement	Some of the former and current staff members	Portugal
Bondalti CHEMICALS	Medical Procedures Plan	Defined Benefit – Medical Procedures with no fund established	Some of the former and current staff members	Portugal

The Group has commitments to some of its former and current employees, with whom this liability was assumed, for the payment of supplements for old age, invalidity and survivor's pensions.

The Group uses the method called "Project Unit Credit", which uses the following assumptions and technical and actuarial bases, in 2022 and 2023:

	2022	2023
Salary Growth Rate for the purposes of Social Security	2%	2%
Salary Growth Rate	2%	2%
Discount Rate	3%	3%
Pension Growth Rate	0%	0%
Discount Rate (Life Income)	0.75%	0.75%
Revaluation of Social Security Salaries	1%	1%
Mortality table	TV 88/90	TV 88/90
Disability table	EKV80	EKV80

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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Although it has not set up any fund or insurance to cover these liabilities, the Group has set up a provision for this purpose, which is updated in accordance with an actuarial study carried out by a specialised and independent body.

The companies included in the consolidation perimeter on 31 December 2023 obtained, with reference to this date, an actuarial valuation report, presented by Actuariado - Estudos Actuariais, Económicos e Financeiros. The current value of the company's liabilities with past retirement pension services, at the balance sheet date, is estimated at 1.657 million euros in 2023, and 1.851 million euros in 2022, respectively, the Liability for Post-Employment Benefits being adjusted to this amount.

### 17.3 — Medical Procedures Benefits

The Group is also responsible for bearing the costs of hospitalisation, consultations and surgical interventions according to the company's regulations and the agreement in force with the Hospital of the CUF Tejo, as well as the part of the medicines not reimbursed by the National Health Service (and only for medicines reimbursed by the National Health Service) in relation to some of its former and current employees with whom this liability was assumed.

Although it did not set up any fund or insurance to cover this liability, this subsidiary (Bondalti Chemicals) set up a liability to pay for the purpose, which is updated according to an actuarial study carried out by Actuariado - Estudos Actuariais, Económicos e Financeiros. According to the evaluation report presented, the current value of Bondalti Chemicals' past service liabilities with Medical Procedures, as of 31 December 2023, is estimated at 235 thousand euros (271 thousand euros at 31 December 2022), which is included under the caption "Liabilities for Post-Employment Benefits".

### 17.4 — Staffing Costs

The details of Staffing Costs are shown in the following table:

	2023	2022
Remuneration of Directors	4 345 518	4 223 666
Compensation of Staff	25 312 712	22 739 651
Retirement Benefits		
Retirement Pension Plan	51 896	46 340
Other Post-employment benefits		
Medical Procedures Plan	63 154	-
Compensation Payments	1 185 127	778 207
Charges on Compensation	6 119 876	5 615 648
Insurance against accidents at work and occupational diseases	335 804	341 227
Social expenses	1 538 831	1 306 777
Other staffing costs	875 476	799 677
	<b>39 828 394</b>	<b>35 851 194</b>

During the years 2023 and 2022, the average number of staff employed by the Group was 741 and 702, respectively, as follows:

COMPANY NAME	2023	2022	Variation
Grupo Bondalti CHEMICALS	337	312	25
Bondalti CAPITAL	69	61	8
Enkrott Group	175	174	1
Grupo Aguas Alfaro	160	155	5
	<b>741</b>	<b>702</b>	<b>39</b>

(In 2023, 9 remunerated directors are included, and 7 directors in 2022)



## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

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### 18. Equity instruments

#### 18.1 – Capital

As of 31 December 2023 and 2022, the Company's capital, fully subscribed and paid-up, consisted of 4 084 400 Shares with a nominal value of 5 euros each.

#### 18.2 – Reserves and earnings

The amounts of unappropriated earnings are available for distribution.

The positive Net Earnings generated in the 2022 financial year, as approved by the General Meeting - minutes no. 44, amounting to 51 822 711.48 euros, were applied as follows:

To Unappropriated Earnings      51 822 711.48 euros

As a result of the change in the accounting framework to the IFRS, the 2022 Net Earnings, as per Note 3, saw a positive variation in the amount of 32 791.33 euros, which is found in the Unappropriated Earnings account.

#### 18.3 – Adjustments and Other changes in equity

The amounts resulting from the change in fair value were recognised in equity during the period, to cover the interest rate risk of the loans contracted for the Capacity Expansion Plan. Other risks are shown in the following table:

	31/12/2021	Change in fair value	31/12/2022	Change in fair value	31/12/2023
<b>Change in Assets</b>					
Other	2 920 054	(998 362)	1 921 692	(2 849 407)	(927 715)
	2 920 054	(998 362)	1 921 692	(2 849 407)	(927 715)

#### 18.4 – Non-controlling interests

As of 31 December 2023 and 2022, the details of non-controlling interests refer to the following subsidiaries:

	31/12/2023		31/12/2022	
	Proportion in net earnings	Proportion in equity	Proportion in net earnings	Proportion in equity
Enkrott Group	(160 792)	(683 335)	31 863	(294 958)
	(160 792)	(683 335)	31 863	(294 958)

During the periods ended 31 December 2023 and 2022, the change in the caption non-controlling interests was as follows:

	31/12/2023	31/12/2022
Opening balance	(294 958)	1 981 582
Appropriation of earnings for the year	(160 792)	31 863
Change in the Consolidation Perimeter	-	(2 308 403)
Adjustment	(227 585)	-
Closing balance	(683 335)	(294 958)

As already mentioned, on 31 December 2023, all the companies are 100% owned, with the exception of the subsidiary Enkrott Africa, SA, which is 80% owned.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 19. Grants and Other Support from Public Bodies

The nature and extent of Government grants recognised in the financial statements are shown in the following table.

RECOGNISED IN PROFIT OR LOSS FOR THE YEAR	2023	2022
Investment Grants (Note 24)	610 959	807 047
Revenue Grants	1 959 909	401 486
	2 570 868	1 208 534

### 20. Revenue

As of 31 December 2023 and 2022, the caption Sales and Services breaks down as shown in the following table:

	2023	2022
<b>Sales of Goods</b>		
Goods	48 840 261	52 492 116
Intermediate and Finished Products	469 643 749	542 783 627
By-products, Waste and Scrap	222 988	264 492
Sales Returns	(3 542 536)	4 013 697
Sales discounts and rebates	(25 795 068)	(18 597 320)
	489 369 393	580 956 613
<b>Services Provided</b>		
Services	14 507 451	20 144 776
Discounts and rebates	(246 431)	(5 031 959)
	14 261 020	15 112 817
	503 630 414	596 069 430

Sales and services by significant geographic market are as shown in the following table:

	2023					
	Portugal	Rest of Europe	Africa	Asia	America	Total
Sales of Goods	232 168 928	212 531 831	659 415	704 541	43 304 678	489 369 393
Services Provided	13 676 301	474 319	110 400	-	-	14 261 020
	245 845 229	213 006 150	769 815	704 541	43 304 678	503 630 414
	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
Services Provided	13 339 764	1 757 336	15 717	-	-	15 112 817
	299 112 863	231 854 563	931 642	49 414	64 120 947	596 069 430

The gross margin is as shown in the following table:

	2023	2022
Sale	489 369 393	580 956 613
Variation in production (Note 11.2)	(2 109 570)	5 454 116
Cost of goods sold and materials consumed (Note 11.3)	(290 886 268)	(357 437 470)
	196 373 555	228 973 259

As described in the management report, the value of sales in the 2022 financial year was due not only to an increase in quantities sold, but also to an increase in prices, the formation mechanism of which is indexed to the price of various raw materials, which in 2022 reached all-time highs.

In 2023, despite an increase in quantities produced, raw material prices reduced considerably compared to the previous year, which resulted in lower sales values.

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 21. Gains/Losses charged to subsidiaries, associate enterprises and joint ventures

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Income and Gains, Subs., Assoc. Ent. and Joint Vent.</b>		
Application of the equity method (Note 10.1)	439 830	190 226
Other	-	622 918
	439 830	813 144
<b>Expenses and Losses on Subs., Assoc. Ent. and Joint Ventures</b>		
Application of the equity method	-	25
Other	497 130	79 482
	497 130	79 507
	(57 300)	733 637

### 22. Own work capitalised

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Own work capitalised for:</b>		
Investment Properties	60 787	147 071
Tangible Fixed Assets	256 195	167 971
	316 982	315 042

### 23. External charges for services

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Subcontracts</b>	3 772 927	4 864 344
<b>Specialised Services</b>		
Specialised work	6 534 995	5 989 309
Advertising and publicity	611 160	293 188
Surveillance and security	673 906	672 329
Fees	203 895	218 125
Commissions	10 896	17 719
Maintenance and repair	8 711 735	8 356 849
Other Services	2 564 439	2 609 136
<b>Materials</b>		
Tools and fixtures	85 595	58 705
Books and technical documentation	54 128	49 089
Office supplies	724 796	454 079
Samples	12 002	49 468
Other	164 027	275 520
<b>Energy and Fluids</b>		
Electricity	17 752 448	45 575 983
Fuels	4 680 220	5 864 737
Water	1 999 073	1 610 044
Gases		
Other fluids	3 195 872	2 093 230
<b>Travel, lodging and transport</b>		
Travel and accommodation	1 487 317	1 128 435
Transport of Staff	2 996	2 341
Transport of goods	29 019 822	27 088 338
Other transport	111 063	47 595
<b>Miscellaneous services</b>		
Leases and rents	1 415 603	957 995
Communication	312 599	295 813
Insurance	2 938 946	2 775 836
Litigation and notaries	17 244	20 636
Representation expenses	244 015	126 321
Cleaning, hygiene and comfort	459 344	389 961
Other	133 996	64 697
	87 895 058	111 949 822

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The caption Specialised works includes around 2 million euros relating to specialised consultancy work for new projects.

The decrease in the amounts under electricity results from the reclassification, in 2023, of the amounts received relating to the interruptibility mechanism, which began to be considered under Other Income, as per Note 23, and the provision of the regulation reserve band service, which was considered as a subsidy, as per Note 18.

With the increase in production and quantities sold, transport costs increased by around 2.2 million euros, an increase that did not follow the value of sales for the reasons explained in Note 19.

## 24. Other income

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Additional Income</b>		
Assignment of staff and premises	44 154	89 719
Equipment hire	408 767	379 190
Other	13 007 497	1 649 600
<b>Cash discounts received</b>	2 324	1 430
<b>Recovery of receivables</b>	-	19
<b>Gains on Inventories</b>	61	1 433
<b>Income and Gains on Non-Financial Investments</b>		
Disposals	34 921	5 060 909
Income and other Income from Investment Prop.	3 778	10 023
Gains on emission rights		
Use of rights allocated (Note 35)	2 123 603	2 047 761
Gains on the sale of emission rights	-	688 019
Other	46 293	51 827
<b>Other</b>		
Corrections relating to previous periods	172 818	383 801
Contractual benefit penalties	-	2 816
Compensation payments for Insurable Events	36 049	367 826
Overestimation of Taxes	343 071	-
Apportionment of Investment Grants	610 959	807 047
Tax Refund	-	3 402
Operating exchange differences (Note 26)	886 327	1 144 351
Other unspecified	899 564	418 553
	18 620 186	13 107 727

Under the caption Other additional income, support for the provision of the regulation reserve band service was considered, in the amount of 11.543 million euros. In previous years, this support had different characteristics, being called an interruptibility mechanism and was considered under the SS caption. In 2022, the amount was around 4.9 million euros.

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The gains from emission rights refer to the apportionment of the grant from the Portuguese Carbon Fund relating to the reduction of CO<sub>2</sub> Emissions, in an amount of 2.124 million euros.

Under the caption Other unspecified, 337 thousand euros were considered relating to the delivery of CO<sub>2</sub> licences to a partner of ours and 317 thousand euros relating to the return of amounts paid in excess in previous years, by a CCG in which we participate.

### 25. Other Expenses

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
Taxes	551 827	502 504
Prompt payment discounts	11 506	14 749
Irrecoverable debts	20 139	-
Losses on Inventories	11 243	-
<b>Expenses and Losses on Non-Financial Investments</b>		
Disposals	1 294 885	568
Write-offs	94 524	7 756
<b>Other</b>		
Corrections relating to previous periods	28 957	48 047
Donations	1 885 263	1 679 257
Contributions	672 683	595 880
Inventory gifts and samples	345	506
Underestimation of taxes	-	119 886
Operating exchange differences (Note 26)	1 513 292	1 831 213
Fines and penalties		
Non-tax fines	12 178	1 208
Industrial Property Expenditure	11 740	17 550
Banking Services	88 711	79 525
Confidential expenditure	29 347	27 702
Other	493 344	67 954
Consolidation Adjustments	-	-
	<b>6 719 984</b>	<b>4 994 304</b>

The taxes largely reflect the water rates and wastewater treatment rates, amounting to 410 thousand euros, as well as the values of IMI and AIMI, amounting to 59 thousand euros.

Expenses and Losses on Non-Financial Investments refer to charges assumed with the sale of a plot of land in Loulé.

The amount of 1.885 million euros under donations includes, among others, a donation of 1 million euros to the Portuguese Catholic University and a donation of 500 thousand euros to the World Youth Days.

### 26. Effects of changes in exchange rates

The amount of exchange differences recognised in profit or loss is as shown in the following table:

	2023	2022
<b>Exchange gains included in:</b>		
Sundry income		
Other operating exchange differences (Note 24)	886 327	1 144 351
	<b>886 327</b>	<b>1 144 351</b>
<b>Exchange losses included in:</b>		
Sundry expenses		
Other operating exchange differences (Note 25)	1 513 292	1 831 213
	<b>1 513 292</b>	<b>1 831 213</b>

There were no changes in the functional currency either in relation to the parent company or in relation to each of the significant foreign operating units.

Favourable and unfavourable exchange rate differences result exclusively from the exchange variance of the dollar against the euro resulting from the acquisition of raw materials.

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### 27. Increases/Decreases in fair value

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023		2022	
	Balance Sheet	IS	Balance Sheet	IS
<b>Financial Assets</b>				
Other Financial Assets	-	1 358	-	(38 600)
	-	1 358	-	(38 600)

This variation arises from the adjustment to the fair value of Invisible Interactive.

### 28. Depreciation and amortisation expenses/reversals

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Depreciation and amortisation expenses</b>		
Investment Properties (Note 8)	48 001	48 009
Property, Plant and Equipment (Note 6)	20 903 211	19 733 603
Intangible Assets (Note 9)	2 207 372	2 218 653
Right-of-use assets (Note 7.1)	3 226 266	2 773 818
	26 384 850	24 774 083

### 29. Interest and similar income

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Interest Received</b>		
From Deposits	3 008 484	377 661
<b>Other Similar Income</b>		
SWAP Raw Material hedge	-	1 293 847
Other	21 656	34 984
	3 030 140	1 706 492

### 30. Interest and similar expenses incurred

As of 31 December 2023 and 2022, this caption is broken down as shown in the following table:

	2023	2022
<b>Interest Paid</b>		
On Borrowings	2 568 084	3 253 295
On Leases	478 414	435 202
Other	23 867	26 648
<b>Other Sundry Financing Expenses</b>		
Commissions on bank credit	131 897	108 009
Stamp Duty on Borrowings	6 691	25 517
Expenses with Opening Credit Bank Guarantees	4 566	1 726
SWAP Raw Material hedge	-	10 612 574
Other	103 045	99 890
	3 316 564	14 562 862

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**31. Income tax**

Expenditure (income) for current taxes is as shown in the following table:

	2023	2022
<b>Current Tax</b>		
Corporation Tax for the year	20 270 594	18 132 406
	<b>20 270 594</b>	<b>18 132 406</b>
<b>Deferred Tax</b>		
Originated and reversed due to temporary differences	(1 265 660)	(2 302 237)
	<b>(1 265 660)</b>	<b>(2 302 237)</b>
	<b>19 004 934</b>	<b>15 830 169</b>

The aggregate Deferred and current tax related to items debited or credited to equity is shown in the following table:

	2023	2022
<b>Deferred tax</b>		
Net gains on the revaluation of property, plant and equipment		
Recognised in Revaluation Reserves	<b>1 594 458</b>	<b>1 477 393</b>
	<b>1 594 458</b>	<b>1 477 393</b>

The amounts of deferred tax assets and liabilities recognised in the balance sheet for each period presented by each type of temporary difference and with respect to each type of unused tax losses and unused tax credits are shown in the following tables:

	Balance Sheet		Income Statement Accounts		Other Equity Captions	
	2023	2022	2023	2022	2023	2022
<b>Deferred Tax Assets</b>						
<b>Temporary differences:</b>						
<b>Other</b>						
Post-employment benefits - Medical procedures	52 925	60 904	(7 979)	965	-	-
Post-employment benefits - Pensions	372 813	416 551	(43 738)	(118 808)	-	-
Provisions not accepted for tax purposes	1 417 983	1 975 035	62 139	(290 715)	-	-
Impairment of depreciable assets	468 712	522 574	(53 862)	(18 974)	-	-
Tax Losses	2 596 985	3 559 018	(398 260)	1 825 933	-	-
Other	324 714	676 113	-	(163 118)	-	-
	<b>5 234 133</b>	<b>7 210 196</b>	<b>(441 699)</b>	<b>1 235 283</b>	<b>-</b>	<b>-</b>
Tax Exemptions or Reductions	-	-	1 131 814	283 973	-	-
	<b>5 234 133</b>	<b>7 210 196</b>	<b>690 115</b>	<b>1 519 256</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax Liabilities</b>						
<b>Temporary differences:</b>						
Adjustments for transition to the SNC						
Revaluation of investment properties	1 594 458	2 170 003	(575 546)	(763 622)	-	-
CO <sub>2</sub> Permit Grant	-	-	-	-	-	349 785
Other						
Revaluation of property, plant and equipment	230 478	294 370	-	(19 359)	-	-
	<b>1 824 935</b>	<b>2 464 374</b>	<b>(575 546)</b>	<b>(782 981)</b>	<b>-</b>	<b>349 785</b>

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(Amounts stated in euros)

### 32. Financial risk management

The Group's activity is exposed to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and property risk), credit risk and liquidity risk.

Financial risk is the risk that the fair value or future cash flows of a financial instrument will vary and that results, whether positive or negative, will be different from those expected, altering the Group's asset value.

In carrying out its current activities, the Group is exposed to a variety of financial risks that may alter its asset value, which, according on their nature, can be grouped into the following categories:

- Market risk
  - Interest rate risk
  - Exchange rate risk
- Credit risk
- Liquidity risk

The management of the risks mentioned above – risks that result, to a large extent, from the unpredictability of financial markets – requires the careful application of a series of rules and methodologies approved by Management, the ultimate objective of which is to minimise their potential negative impact on the company's asset value and performance.

Risk management is evaluated centrally and any measure applies across all companies in the group.

With this objective, all management is guided by two essential concerns:

- To reduce, whenever possible, fluctuations in earnings and cash flows subject to risk situations;
- To limit deviations from the forecast results, through rigorous financial planning, based on multi-annual budgets.

#### 32.1 - Market Risk

The volatility of international markets requires scrupulous compliance with the procedures that have already been established, in order to avoid the possible impact of adverse events.

Management is monitoring the impacts of the current macroeconomic environment on the Group's chain of operations, ensuring that mitigating measures are applied to minimise, whenever possible, the negative effects and uncertainty that threatens global economic stability.

##### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will vary, due to

changes in market interest rates, altering the Group's asset value.

Bondalti, under the medium and long-term financing contracted in 2019, fixed the interest rate for the main tranche of financing, fully mitigating the risk of interest rate volatility. Exposure to interest rate changes was limited only to the tranche contracted for investments in CapEx, the value of which used at the time amounts to 10 121 185 euros.

In the years ended 31 December 2023 and 2022, the sensitivity of the Group to changes of around one percentage point in the indexing of the interest rate, measured as the variation in financial profit/loss, may be analysed as follows:

RATE	31/12/2023	31/12/2022
Decrease of 1% in the interest rate applied to the entire debt	(101 212)	(101 212)
Increase of 1% in the interest rate applied to the entire debt	101 212	101 212

The above sensitivity analysis was calculated based on the exposure to interest rates existing at the end date of each financial year.



## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### (b) Exchange rate risk

Exchange rate risk is the risk that the fair value or future cash flows of a financial instrument will vary as a result of changes in exchange rates. The Group is exposed to exchange rate variations.

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates of 10% and -10%, with all other variables remaining constant. The impact on the company's pre-tax profit is due to changes in the fair value of monetary assets and liabilities, including undesignated foreign currency derivatives and embedded derivatives. The impact on the company's pre-tax equity is due to changes in the fair value of forward foreign exchange contracts designated as cash flow hedges and net investment hedges. The company's exposure to exchange rate variations for all other currencies is not significant.

	Changes in the exchange rate	Effect on earnings before tax
	USD	
2023	10%	1 318 403
	-10%	(1 611 381)
2022	10%	343 570
	-10%	(419 919)

### 32.2 - Credit Risk

Credit risk is the risk that a counterparty will not comply with its obligations under a financial instrument, leading to a loss. The Group's most significant credit is associated with its customers, related to its operational activity. The company pursues a policy for granting credit to customers that analyses the customer's history, activates means that guarantee the collectability of the debt or requires payment conditions that allow the total elimination of risk.

### 32.3 – Liquidity risk

Liquidity risk is the risk of not having funds available to meet agreed payments, or the risk of non-renewal of loans that mature. The main objective of the liquidity risk management policy is to ensure that the company has available, at all times, the necessary financial resources to meet its liabilities and to pursue its outlined strategies, honouring all commitments made to third parties when they become due through adequate management of the maturity of the financing. In this way, risk management is evaluated centrally and in this specific case, the following aspects are safeguarded:

- Short and medium-term financial planning, taking into account the forecast cash-flow, in order to guarantee sources of financing in a timely manner;

- Diversification strategy for financial partners, in order to minimise the risk of dependence and take the best options;
- Temporal spacing of the maturity of financing, in order to balance the cash position, when debts are repaid.

## 33. Fair value

The following table presents the measurement hierarchy of the fair value of the Group's assets and liabilities:

	Measurement of fair value used		
	Prices quoted in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>2023</b>			
<b>Assets measured at fair value</b>			
Emission rights (Note 9)	8 370 810		
<b>2022</b>			
<b>Assets measured at fair value</b>			
Emission rights (Note 9)	5 783 489		

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

The fair value of accounts payable and receivable corresponds to the carrying amount indicated in the balance sheet, since the effect of discounting future cash flows is immaterial.

### 34. Other Information

#### 34.1 – Environmental matters - Greenhouse gas emissions

The European Emissions Trading System (ETS) is a mechanism for regulating greenhouse gas (GHG) emissions in activities that are responsible for around 45% of GHG emissions in the European Union, such as the burning of fuels, the refining of mineral oils, metallurgy, the production of clinker, lime and glass, ceramics, pulp and paper, chemicals and aviation.

The global GHG emissions limit set at EU level has been reduced over time. In the fourth ETS implementation period (2021-2030), a linear reduction factor of 2.2% was introduced in the total quantity of available emission allowances (instead of 1.74% in the 2013-2020 period).

An emissions licence allows the emission of one ton of carbon dioxide (CO<sub>2</sub>) equivalent during a given period. Emission licences are usually acquired by means of an auction. The revenue generated by the auctions of emission licences allocated to Portugal forms part of the Environmental Fund.

A portion of the emission licences are allocated free of charge, as a transitional rule of this system, namely to avoid “carbon leakage” - the transfer of production to countries where 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 licences. The allocation of free emission licences has been reduced and, with the exception of urban heating, will be abolished by 2030.

A total of 52 183 licences were granted to Bondalti Chemicals for the 2023 financial year.

At the moment, the APA has not yet published the number of licences that will be granted in the remaining years (2023-2030) under the ambit of the fourth period of ETS implementation.

	2021	2022	2023	TOTAL
Assigned permits	50 411	50 299	52 183	152 893

The movement in tons of carbon dioxide, related to greenhouse gas emission licenses, had the following movement during the year:

	Opening balance	Allocation and purchase	Transfers	Used (Note 24)	Adjustments	Fair Value	Closing Balance
Balance 1 January 2023							
Tons	83 777	52 183	(110)	(27 490)	-	-	108 360
Amount	5 783 489	4 031 137	(8 842)	(2 123 603)	(1 097 255)	1 785 883	8 370 810
Balance 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

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

Emissions during the year 2023 were 27 490 t, and it can be seen that, in relation to the allocated emissions, we have a positive difference in relation to the years elapsed of 108 360 t, which are available for future use.

Movements occurring in Adjustments and Fair value are considered under the caption Unappropriated earnings and Reportable income, respectively.

### 34.2 — Bank guarantees and suretyship insurance

As of 31 December 2023, the Group had assumed the following responsibilities for guarantees provided:

ENTITIES	2023 Amount	2022 Amount
Portuguese Environment Agency	21 122	21 122
Loulé City Council	74 282	74 282
REN Rede Eléctrica Nacional, SA	260 213	
Directorate-General of Energy and Geology	14 964	14 964
EDP Clientes SAU	700 000	-
Merlin Properties, Socimi, SA	28 948	-
Autoridad Portuaria de Vigo	24 500	24 500
Xunta de Galicia	6 500	6 500
	1 130 529	141 368
Bureau of Indian Standards	\$10 000	-

Suretyship insurance taken out this year is as follows:

ENTITIES	2023 Amount	2022 Amount
Tax and Customs Authority - Aveiro Customs	200 000	200 000
Tax and Customs Authority - Aveiro Customs	75 000	75 000
Tax and Customs Authority - Aveiro Customs	75 000	75 000
AdP - Águas de Portugal Serv Ambientais	76 628	16 875
	426 628	366 875

chlorine factory in Estarreja, Bondalti Chemicals took out a letter of credit worth 10.2 million euros, which will mature in 2025.

### 34.3 — Other guarantees, attachments and mortgages

Under the financing contract concluded by Bondalti Chemicals in June 2019 and in order to guarantee the proper fulfilment of the obligations arising from it, the company arranged a mortgage on land, pledge of equipment, pledge of bank account balances, pledge on the shares representing the share capital of Elnosa and Bondalti Cantabria, the shares and supplies of Miralcalis and some credits and supplies were pledged in guarantees.

### 34.4 – Other Credits

As part of a project to replace the electrolyzers at the

## Notes to the Consolidated Financial Statements – Bondalti Capital, SA

(Amounts stated in euros)

### 35. Events after the Balance Sheet date

As of 31 December 2023, Renoeste was classified as a company held for sale and as a discontinued operation. However, in consolidated terms, it continues to be fully considered, as we maintain control of it.

The share purchase and sale contract was signed after the end of the year, on 10 January 2024.

On 5 March 2024, Bondalti announced the launch of a public takeover bid (OPA) for 100% of the shares of the Spanish company Ercros, SA through its subsidiary Bondalti Ibérica, SLU, established for this purpose in February 2024, based in Barcelona.

The offer was made at a price of 3.60 euros per Ercros, SA share, which represents a premium of 40.6% over the shares' closing price on the previous day, of 2.56 euros. Thus, the offer could amount to 329 170 316.40 euros.

The offer is conditional on the acceptance of more than 75% of the capital and the obtaining of all relevant regulatory and governmental approvals, which will be described in the prospectus accompanying the offer.

Bondalti's objective, after the operation is completed, is to delist the shares of Ercros, SA from the Spanish stock exchange.

These financial statements were authorised for issue by the Board of Directors.

#### 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 Certified Accountant

Sónia Cristina José Camacho

# Statutory Audit



Ernst & Young  
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1349-066 Lisboa  
Portugal

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## 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 a Demonstração Consolidada da Posição Financeira em 31 de dezembro de 2023 (que evidencia um total de 418.851.290 euros e um total de capital próprio de 171.294.647 euros, incluindo um resultado líquido de 50.696.004 euros), a Demonstração Consolidada dos Resultados por Naturezas, a Demonstração Consolidada do Rendimento Integral, a Demonstração Consolidada das Alterações no Capital Próprio e a Demonstração Consolidada dos Fluxos de Caixa relativos ao ano findo naquela data, e as notas às demonstrações financeiras, incluindo informações materiais sobre a política contabilística.

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 2023 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data, de acordo com as Normas Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia.

#### 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 Internacionais de Relato Financeiro (IFRS) tal como adotadas na União Europeia;
- 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.

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. H. Comercial de Lisboa sob o mesmo número  
A member firm of Ernst & Young Global Limited

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Bondalti Capital, S.A.  
Certificação Legal das Contas Consolidadas  
31 de dezembro de 2023

#### 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.

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;
- concluimos 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 2023

#### 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 identificamos incorreções materiais.

Lisboa, 8 de maio de 2024

Ernst & Young Audit & Associados - SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Representada por:

Assinado por: PAULO JORGE LUIS DA SILVA  
Num. de identificação: 09457396  
Data: 20240508 14:07:52+0100'

Paulo Jorge Luis da Silva (ROC n.º 1334)  
Registado na CMVM com o n.º 20160944

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# Report and Opinion of the Supervisory Board

## Bondalti Capital, SA

2023 Financial Year

### To the shareholders of Bondalti Capital, SA

1. Pursuant to the law, the company by-laws and under the mandate given to us, we hereby present our Report on the supervisory activities carried out in 2023 and offer our opinion regarding the Management Report, the individual and consolidated financial statements and the proposed distribution of profits presented by the Board of Directors of Bondalti Capital, SA in relation to the financial year ended 31 December 2023.
2. We regularly monitored the company's activity with the frequency and to the extent deemed appropriate, namely through meetings with the Company's Management and Directors that took place specifically on 27 February 2024 (meeting at the invitation of the Board of Directors), 7 May and 15 May 2024. We monitored, as deemed appropriate, the verification of accounting records and respective supporting documentation, as well as the effectiveness of risk management and internal control systems. We have ensured compliance with the law and the articles of association, to the best of our knowledge. In carrying out our activity we have not encountered any constraints or obstacles of any kind.
3. We met with the Statutory Auditor and External Auditor, E & Y Ernst & Young Audit & Asociados – SROC, SA, namely at the meeting held on 7 May 2024, monitoring the audit work carried out and verifying its independence. We reviewed the individual and consolidated Statutory Auditor's Report, without reservations or emphasis of matter paragraphs, with which we agree.
4. In the performance of our duties, we noted that:
  - a. The individual and consolidated Balance Sheet, Income Statement by Nature of Expense, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and corresponding Accompanying Notes allow an adequate understanding of the financial position of the company, its results, its comprehensive income, changes in equity and cash flows;
  - b. The accounting policies and valuation criteria adopted are in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union, and are adequate to ensure that they lead to a correct assessment of assets and results, and the analyses and recommendations issued by the external auditor have been followed up;
  - c. The Individual and Consolidated Management Reports sufficiently clarify the development and situation of the company's business, providing clear evidence in relation to the most significant aspects of its activity.
5. We are of the opinion that the proposal for the distribution of profits presented by the Board of Directors does not contravene the applicable legal and statutory provisions.
6. Therefore, taking into account the information received from the Board of Directors and Company

## Report and Opinion of the Supervisory Board

### Bondalti Capital, SA

2023 Financial Year

Departments and the conclusions contained in the Statutory Auditor's Report, we are of the opinion that:

- a. The Individual and Consolidated Management Report should be approved;
- b. The individual and consolidated Financial Statements should be approved;
- c. The proposal for the distribution of profits, in the amount of 50,721,033.38 euros (fifty million seven hundred and twenty-one thousand and thirty-three euros and thirty-eight cents), as presented by the Board of Directors, should be approved.

7. Finally, the members of the Supervisory Board express their acknowledgement and gratitude for the collaboration provided to the Board of Directors, key managers and other employees of the Company, as well as the Statutory Auditor and External Auditor.

Lisbon, 15 May 2024.

Chair of the Supervisory Board

Dr Maria do Rosário Mayoral Robles Machado Simões Ventura

Voting Member

Dr José Miguel Tavares Mora do Vale

Voting Member

Professor Romualdo Luís Ribera Salcedo

## GRI Standard Indicators

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**Statement of use:** Bondalti reported in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023.

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**Report according to:** GRI 1: Fundamentals 2021

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**Applicable GRI sector standard(s):** Not Applicable

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## GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION
2-1	Organisation details	Page 134 Lagoas Park, Porto Salvo
2-2	List of all entities included in the organisation's sustainability report	Pages 13, 134 Lagoas Park, Porto Salvo
2-3	Period covered by the report, frequency and contact	Page 134 Activity in 2023, which began on 1 January 2023 and ended on 31 December 2023.
2-4	Information reformulations	<p><b>Changes to indicators</b></p> <p>GRI 2-8: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 2-21: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 202-1: For the Industrial Chemicals business area, the ratio was reformulated taking into account the different geographical regions of the business operation in Spain. In general, from 2023 onwards, this indicator will include the Bondalti Water Solutions business area.</p> <p>GRI 302-1: In the 2023 report, a clarification was made regarding the scope of this indicator, since for the Industrial Chemicals business, only the production process was being considered and not the entire energy consumption of the organisation.</p> <p>GRI 302-3: The calculation of energy intensity was revised to include accounting for the Turnover of each business.</p> <p>GRI 303-2: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 303-3: For the Industrial Chemicals business area, in 2023, this indicator was presented in a consolidated manner.</p> <p>GRI 303-5: The calculation of water intensity was revised to include accounting for the Turnover of each business.</p> <p>GRI 305-3: The reporting scope of this indicator has been expanded to include all categories of scope 3 emissions.</p> <p>GRI 305-4: The calculation of carbon intensity was revised for both reported business areas, to include the accounting of Industrial Chemicals Turnover.</p> <p>GRI 305-7: The reporting scope of this indicator was expanded to include heavy metal emissions for the Industrial Chemicals business area.</p> <p>GRI 401-1: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 401-3: This indicator was expanded in scope to include, with effect from 2023, the Bondalti Water Solutions business area.</p> <p>GRI 403-1 to 403-7: From 2023 onwards, Bondalti started to report these indicators in a consolidated manner by business unit.</p> <p>GRI 405-2: In 2023, this indicator was revised in order to fully respond to the GRI Standard requirement, i.e., to create the ratio considering salary and remuneration. In addition to this change, from 2023 onwards, the scope of this indicator was expanded to include the Bondalti Water Solutions business area.</p> <p>GRI 417-1: In 2023, this indicator was revised to meet the GRI Standard requirement.</p> <p><b>Structural changes</b></p> <p>In the 2023 report, the GRI table was revised in accordance with the GRI Standard requirement to include material topics.</p>

## GRI Standard Indicators

## GENERAL INDICATORS

## RESPONSE / LOCATION / OMISSION

2-5 External verification

Page 249

2-6 Activities, value chain and other business relationships

Pages 12, 14-27, 39-46, 61-64

EMPLOYEES AT 31 DECEMBER	2021	2022	2023
Bondalti Capital	59	70	67
Industrial Chemicals	300	317	334
Water Treatment	332	357	351
<b>Total employees</b>	<b>691</b>	<b>744</b>	<b>752</b>

2-7 Employees

INDUSTRIAL CHEMICALS	2021	2022	2023
<b>Employees with fixed-term contracts</b>	<b>15</b>	<b>22</b>	<b>36</b>
<b>% Employees with fixed-term contracts</b>	<b>4%</b>	<b>6%</b>	<b>9%</b>
Men	14	15	30
Women	1	7	6
<b>Employees with contracts of indeterminate duration</b>	<b>344</b>	<b>350</b>	<b>361</b>
<b>% Employees with contracts of indeterminate duration</b>	<b>96%</b>	<b>90%</b>	<b>90%</b>
Men	268	274	276
Women	76	76	85

WATER TREATMENT	2021	2022	2023
<b>Employees with fixed-term contracts</b>	<b>36</b>	<b>24</b>	<b>11</b>
<b>% Employees with fixed-term contracts</b>	<b>11%</b>	<b>7%</b>	<b>3%</b>
Men	26	13	8
Women	10	11	3
<b>Employees with contracts of indeterminate duration</b>	<b>296</b>	<b>333</b>	<b>340</b>
<b>% Employees with contracts of indeterminate duration</b>	<b>89%</b>	<b>93%</b>	<b>97%</b>
Men	209	239	237
Women	87	94	103

Pages 77, 80-81, 83-85, 87-89

Members of management were excluded from the headcount.

Bondalti Capital employees are being included in the calculation of Industrial Chemicals employees.

## GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION					
		INDUSTRIAL CHEMICALS			WATER TREATMENT		
		2022	2023	2022	2023	2022	2023
2-8	Staff members who are not employees	<b>Staff members who are not employees</b>			<b>Staff members who are not employees</b>		
		Men	2	2	Men	-	11
		Women	0	2	Women	-	2
		This indicator considers staff members who do not have a direct contractual relationship with the organisation, but whose work is controlled by the organisation.					
2-9	Organisation governance structure and composition	Pages 28-36					
2-10	Appointment and selection of the highest governing body	Page 30					
2-11	Chair of the highest governing body	Pages 30-31					
2-12	Role of the Chair of the Board of Directors in impact management	Pages 30, 34					
2-13	Delegation of responsibility for impact management	Pages 28-36					
2-14	Role of the highest governing body in sustainability reporting	Pages 30-31					
2-15	Conflicts of interest	Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> )					
2-16	Communicating about crucial concerns	Pages 28-30, 34-36					
2-17	Collective knowledge of the highest governing body	Message from the Chairman Pages 4-7, 28-36					

## GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION											
2-18	Assessment of the performance of the highest governance body	Page 34											
2-19	Remuneration policies	<p>Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the General Meeting of shareholders.</p> <p>The remuneration of directors and other employees of Bondalti is the responsibility of the Executive Board. For the other categories, remuneration is determined based on the applicable collective labour regulation instrument.</p> <p>The remuneration must include a fixed component that aims, within the framework of the respective competencies and responsibilities, to adequately remunerate the effort and work carried out throughout the exercise of each respective mandate, applicable to the executive and non-executive members of the Board of Directors, and a variable component to be awarded to executive members with the aim of rewarding them for the Company's performance.</p>											
2-20	Process for determining remuneration	<p>Determining the remuneration of the members of the Board of Directors is the responsibility of the Remuneration Committee, appointed by the General Meeting of shareholders.</p> <p>The definition and application of the criteria underlying the setting of Directors' remuneration entrusted to the Remuneration Committee must be coherent and homogeneous, taking into account, on the one hand, the level of remuneration paid in similar European companies and, on the other, the degree of strategic objectives defined by Bondalti, the creation of value for shareholders and the economic cycle.</p> <p>The remuneration of directors and other employees of Bondalti is the responsibility of the Executive Board. For the other categories, remuneration is determined based on the applicable collective labour regulation instrument.</p>											
		<table border="1"> <thead> <tr> <th>INDUSTRIAL CHEMICALS</th> <th>2023</th> <th>BWS   AEMA</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Proportion of total annual remuneration</td> <td>6.99</td> <td>Proportion of total annual remuneration</td> <td>3.68</td> </tr> </tbody> </table>		INDUSTRIAL CHEMICALS	2023	BWS   AEMA	2023	Proportion of total annual remuneration	6.99	Proportion of total annual remuneration	3.68		
INDUSTRIAL CHEMICALS	2023	BWS   AEMA	2023										
Proportion of total annual remuneration	6.99	Proportion of total annual remuneration	3.68										
2-21	Proportion of total annual remuneration	<p><b>Note:</b> The values presented exclude the corporate bodies</p> <p>For the calculation of this indicator, the contractual values of fixed remuneration for the total number of active employees on 31/12/2023 and variable remuneration effective in 2023 were considered.</p> <p>Proportion of total annual remuneration = Total annual remuneration of the highest paid individual / Median annual remuneration of employees, excluding the highest paid.</p> <p><b>Reason for omission:</b> Information not available/incomplete</p> <p>To calculate Bondalti Water's remuneration proportion, only the subsidiary AEMA was considered since Enkrott does not currently have a system that allows the extraction of data in order to determine the proportion, in accordance with requirement 2-21 of the GRI. Bondalti is currently working on a methodology to respond to this type of indicator.</p>											
2-22	Statement on the sustainable development strategy	Pages 4-7											

## GRI Standard Indicators

GENERAL INDICATORS		RESPONSE / LOCATION / OMISSION
		Pages 52-55, 96-102, 126-132
2-23	Policy commitments	Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> ); Code of Conduct for Suppliers ( <a href="http://www.bondalti.com">www.bondalti.com</a> ). Bondalti takes an active approach to managing financial, operational, property, environmental and hygiene and safety risks based on the precautionary principle. Through this principle, the company seeks to minimise the potential adverse effects associated with these risks.
2-24	Implementation of the commitments assumed	Pages 52-55, 96-102, 126-132, 208-248
2-25	Processes to remedy negative impacts	Pages 34, 42-43, 96-107
2-26	Mechanisms for seeking advice and raising concerns	Pages 34-36, 47-48 Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> ); Code of Conduct for Suppliers ( <a href="http://www.bondalti.com">www.bondalti.com</a> ).
2-27	Compliance with laws and regulations	In 2023, in the Water Treatment area, there were no non-conformities in this regard at Bondalti. In the area of Industrial Chemicals, a fine of €12 000 was imposed for negligent non-compliance with the REACH Regulation, due to inconsistency between the classification indicated in the safety data sheet and in the chemical safety report, which resulted from a simple oversight in the administrative updating of the documentation. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
2-28	Main memberships of sectoral organisations	<a href="http://www.bondalti.com">www.bondalti.com</a>
2-29	List of organisation stakeholder groups	Pages 42-43
2-30	Collective bargaining agreements	All employees of the Bondalti Chemicals Group and 47% of the Bondalti Water Solutions Group are covered by Collective Labour Contracts or Agreements. Members of management were excluded from the headcount.

## GRI Standard Indicators

## MANAGEMENT APPROACH

## RESPONSE / LOCATION / OMISSION

3-1	Process of determining material topics	Pages 39-42
3-2	List of material topics	Pages 41-42

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

## Material Topics: Innovation

3-3	Management of material topics	Innovation - Continuous promotion of innovation, particularly investment in cutting-edge technology. Pages 65-75
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## Material Topics: Financial performance

3-3	Management of material topics	How economic, social and environmental issues support investment decisions, acquisitions and business relationships, as well as ensuring the best possible return for shareholders in the long term. Pages 57-60, 135-205
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	(M€)	2021	2022	2023	Δ (abs)	Δ (%)
<b>Economic value generated</b>						
	Revenues	453	610	525	-4	-1%
<b>Distributed economic value</b>						
	Operating costs	-365	-468	-385	21	-5%
	Salaries and benefits	-28	-36	-40	-5	16%
	Payments to capital providers	-16	-14	-3	8	-74%
	Payments to the State	-0.50	-0.54	-0.55	0	3%
	Investments in the community	-1.60	-2.29	-2.37	0	14%
	<b>Accumulated economic value</b>	<b>42</b>	<b>89</b>	<b>95</b>	<b>19</b>	<b>26%</b>

201-1 Direct economic value generated and distributed

To calculate the variation, the difference between 2023 and the three-year average was determined.

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

201-4	Financial assistance received from government	In 2023, Bondalti received € 2 570 868 in State subsidies.
203-1	Infrastructure investments and services supported	Pages 109-127 Within the scope of the RSC, in 2023, 2.367 million euros were invested in the community, of which 1 million euros were invested in the Portuguese Catholic University to support the construction of a new building for the installation of the Católica Lisbon School of Business and Economics and an administrative building, and 450 thousand euros in the Mafalda de Mello Association.
203-2	Significant indirect economic impacts	Pages 109-127

## Material Topics: Ethics, Transparency and Anti-corruption

3-3	Management of material topics	Management of the business with the highest levels of integrity and compliance with the law, preventing the practice of wrongful acts. Page 90
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	INDUSTRIAL CHEMICALS	2021	2022	2023
204-1	<b>Proportion of spending on local suppliers</b>			
	<b>Operations in Portugal</b>			
	Local suppliers	629	673	705
	% Local suppliers	76%	75%	74%
	Purchases from local suppliers (€)	123 886 788	149 021 610	99 522 766
	% Purchases from local suppliers	37%	34%	31%
	<b>Operations in Spain</b>			
	Local suppliers	251	277	284
	% Local suppliers	73%	76%	77%
	Purchases from local suppliers (€)	21 821 836	33 015 313	23 565 232
% Purchases from local suppliers	83%	64%	55%	

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

WATER TREATMENT	2021	2022	2023
<b>Operations in Portugal</b>			
Local suppliers	415	439	475
% Local suppliers	82%	80%	80%
Purchases from local suppliers (€)	3 881 536	4 571 654	5 910 471
% Purchases from local suppliers	51%	48%	50%
<b>Operations in Spain</b>			
Local suppliers	916	828	740
% Local suppliers	97%	97%	96%
Purchases from local suppliers (€)	9 667 304	14 364 689	12 147 414
% Purchases from local suppliers	96%	90%	98%
<b>Operations in Angola</b>			
Local suppliers	92	101	123
% Local suppliers	99%	100%	100%
Purchases from local suppliers (€)	534 564	677 106	456 745
% Purchases from local suppliers	99%	100%	100%

Pages 62-64

Bondalti's main operations are located in Portugal, Spain and Angola, considering local suppliers to be those located in these geographies.

205-1

Operations assessed for risks related to corruption

There were no reports regarding risks related to corruption in 2023.

In accordance with current legislation, Bondalti began the process of developing and formally adopting its reporting channel during 2023, and it became available in the first quarter of 2024. In this way, it became possible to make confidential reports in the field of corruption, in addition to the topics provided for under Article 2 of Law 93/2021, of 20 December.

During 2023, we worked on Bondalti's Corruption and Related Offences Risk Prevention Plan for the 2023-2026 time frame, which was published in February 2024.



## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

		EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING	2022	2023
205-2	Communication and training in anti-corruption policies and procedures	Director	0	1
		Deputy Director	2	0
		Coordinator	4	1
		Technical Staff	37	23
		Administrative Technicians	0	4
		Officer	0	0
		Supervisor	1	1
		Coordinating functional technician	0	0
		Functional technician	5	1
		Operational technician	21	13
		<b>Total</b>	<b>70</b>	<b>44</b>

The values reported for this indicator relate only to Bondalti Chemicals, including Bondalti Capital. After the new Code of Ethics and Conduct was made available, it was shared with all Bondalti employees. [www.bondalti.com](http://www.bondalti.com)

205-3 Confirmed incidents of corruption and actions taken

In 2023, there were no incidents of corruption and there was no need to identify actions. Bondalti has a Code of Ethics, which includes the Ombudsman Regulation. These documents are available on the Bondalti intranet and website. The “Code of Ethics” training is made available to all employees, in an e-learning format, on the 4Learn platform, with attendance being mandatory. This training is also mandatory for all new employees and is carried out at the admission and induction stage. The Bondalti Code of Ethics demonstrates the company’s commitment to acting in all circumstances with high ethical standards and integrity, at all times respecting the rights of its stakeholders. In order to guarantee prompt compliance with the Code of Ethics, Bondalti, represented by its Ombudsman, undertakes to diligently investigate all reports of improper conduct, such as breaches of the law, regulations or company policies and procedures. The investigations shall be conducted in a respectful, confidential and fair manner, following the procedure of the Ombudsman, as described in the respective Regulation. Whenever deemed necessary to fully comply with its functions and pursue its objectives, the Ombudsman shall take action in conjunction with Bondalti’s corporate bodies, committees and structures, specifically the Executive Board of the company and with its departments, to the extent of the powers delegated to them. All staff members, shareholders, customers, suppliers and service providers may request clarifications from the Bondalti Ombudsman via the email address [etica@bondalti.com](mailto:etica@bondalti.com) or through the reporting channels provided for the purpose (intranet form).

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

In 2023, Bondalti began the process of reviewing its Code of Ethics, published in the first quarter of 2024, in order to include the changes necessary to comply with the obligations set out in the General Framework for the Prevention of Corruption (RGPC) and the Protection of Whistleblowers Reporting Violations of European Union Law (LPD).  
After this review, the Code of Ethics began to include all Bondalti group companies in Portugal and Spain.

417-2	Incidents of non-compliance concerning product and service information and labelling	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
417-3	Incidents of non-compliance concerning marketing communications	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.

### Material Topics: Circularity and resource efficiency

3-3	Management of material topics	Prioritising and promoting the circularity of resources used. Page 99
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#### Consumption of raw materials in Industrial Chemicals (t)



301-1	Materials used by weight or volume
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To calculate the variation, the difference between 2023 and the three-year average was determined.

In Industrial Chemicals, various raw materials are consumed, including: Benzene, Hydrogen, Ammonia, Salt, Sulphuric Acid, Brine, Sodium Hydrogen Sulphite and Cellulose.

At the moment, it is not possible to carry out this type of calculation for Bondalti Water Solutions, due to the current information collection system. Bondalti Water Solutions is currently, together with the Supply Chain, working on a way to improve this control.

301-2	Recycled input materials used	Not applicable, due to the type of materials that are consumed. At Bondalti, only materials of virgin origin are used, in order to avoid product non-conformities, thus guaranteeing product quality and safe delivery.
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## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

301-3 Reuse of products and packaging materials

**Industrial Chemicals:** The only product reused in the Industrial Chemicals business area was Sulphanilic Acid, with an amount of 3.7%.  
**Water Treatment:** At BWS, there is no reuse of products and packaging.

### Material Topics: Energy management

3-3 Management of material topics

Reducing consumption and improving energy efficiency.  
 Pages 103-104

INDUSTRIAL CHEMICALS (GJ)	2021	2022	2023	WATER TREATMENT (GJ)	2021	2022	2023
<b>Energy purchased</b>				<b>Energy purchased</b>			
Diesel oil	831	5 401	4 865	Fuel from non-renewable sources	7 935	8 470	9 279
Natural gas	422 434	403 005	420 541	Fuel from renewable sources	0	0	0
Electrical energy	1 573 812	1 610 861	1 653 217	Electrical energy	1 002	1 008	941
<b>Energy produced</b>				Renewable electrical energy			
Consumed	654 015	610 810	677 384		0	0	0
Sold	5 161	4 028	4 275	<b>Total energy consumed</b>	<b>8 938</b>	<b>9 478</b>	<b>10 220</b>
<b>Self-consumption</b>	0	1 475	10 770				
<b>Total energy consumed*</b>	<b>2 651 092</b>	<b>2 631 552</b>	<b>2 766 777</b>				
<b>Total consumption from renewable sources</b>	<b>0</b>	<b>477 827</b>	<b>659 940</b>				

\* Total energy consumption does not include energy from renewable sources.

302-1 Energy consumption within the organisation

Page 103

Bondalti Chemicals produces energy in the form of steam, through the use of exothermic reactions in its chemical production processes, with part of the energy produced being consumed internally and the other part being sold.

The energy consumed from diesel oil does not include the consumption of this fuel in the dedicated transport of some raw materials, as it is not yet possible to collect this information in an exact and verifiable way. It is planned to include this information in the next reporting period.

BWS | AEMA produces renewable energy from solar sources, which is sold in full.

At BWS | Enkrott, only the consumption of Enkrott - Gestão de Tratamiento de Águas, SA was considered.

Gasoline (GJ) = (Litres of Petrol x LHV<sup>(1)</sup> x Density) / 10<sup>3</sup>

Diesel (GJ) = (Litres of Diesel Oil x LHV<sup>(1)</sup> x Density) / 10<sup>3</sup>

Natural gas (GJ) = m<sup>3</sup>N x LHV<sup>(1)</sup> / 1 000

Electrical energy (GJ) = KWh x 3.6 x 10<sup>-3</sup>

<sup>(1)</sup> LHV (Lower Heating Value) - Portugal: APA National Inventory | Spain: Ministry for ecological and demographic transition.

## GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
302-2 Energy consumption outside the organisation	<p>Reason for omission: Information not available 302-2 a), 302-2 b) and 302-2 c)</p> <p>It is not yet possible to account for energy consumption outside the organisation. However, Bondalti considers this energy consumption to be relevant, as it represents a large part of its scope 3 emissions.</p>
302-3 Energy intensity	<p><b>Industrial Chemicals:</b> To calculate energy intensity, purchased electricity, natural gas and steam are considered as material. Energy intensity = Purchased energy (GJ) / Turnover (M€) In Industrial Chemicals, in 2023, energy intensity stood at 4 449.76 GJ/M€.</p> <p><b>Water Treatment:</b> To calculate energy intensity, the vehicles' diesel consumption and purchased electricity are considered. Energy intensity = Purchased energy (GJ) / Turnover (M€) In Water Treatment, in 2023, energy intensity stood at 292.03 GJ/M€.</p>
302-4 Reduction of energy consumption	<p><b>Industrial Chemicals:</b> In 2023, in Industrial Chemicals, more specifically at the Estarreja site, a total of 92 549 GJ of energy was saved, associated with a process to reactivate the 9 electrolysers, starting in 2019 and ending in 2023. The new type of cathodes made it possible to reduce overvoltage by around 100mV, which corresponds to approximately 3% of electrochemical energy consumption. This reduction was also due to the optimisation of the rich effluent treatment load according to the MNB unit regime. At the Cantabria site, there was a reduction of 930 GJ resulting from the installation of an inverter in the Chlorine compressor and the replacement of exchangers with more efficient ones.</p> <p><b>Water Treatment:</b> In the Water Treatment area, at BWS   Enkrott, there was a reduction of 66 GJ compared to the previous year, resulting from better use of HVAC systems in offices and the use of hot equipment in the production unit, as well as milder temperatures during winter. At BWS   AEMA, it is considered that there was no energy reduction since total fuel consumption increased. The fact that the customer portfolio increased and, consequently, production also increased, should be taken into account.</p>
302-5 Reductions in energy requirements of products and services	<p>Not applicable, due to the type of products and services that Bondalti sells. Energy is a raw material in one of the main products sold by Bondalti.</p>
<b>Material Topics: Water resources and waste management</b>	
3-3 Management of material topics	<p>Responsible management of resources, particularly water. Page 105</p>

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
303-1 Interactions with water as a shared resource	<p>Page 105</p> <p>Bondalti Chemicals collects the water it uses in its operations on the Antuã River, in boreholes and wells, in accordance with the usage licences stipulated by the competent entity. Consumption at each collection point is controlled using flow measurement devices/meters, with the information completed monthly on the APA's SILIAMB platform and reported annually on the ARH Portal. The water withdrawn is consumed in industrial activity after being treated at the Water Treatment Plant, where it goes through a filtration process, followed by flocculation / decantation treatment, with the removal of the sludge resulting from clarification of the water. For some uses, demineralised water is required, which is produced at a demineralisation plant in ion exchange columns. Industrial effluents resulting from industrial activity are discharged into a multi-municipal receiving stream managed by the AdRA. Rainwater effluents are discharged directly into the water environment.</p> <p>Bondalti Cantabria collects the water it uses in its production processes from Solvay, mainly clarified and demineralised water. Monitoring of water consumed (clarified and demineralised) is carried out monthly using a flow measurement device. Effluent monitoring is also carried out monthly using a flow measurement device. The effluent (brine) is treated by a physical and chemical dechlorination process before being sent to Solvay, which then sends it for final treatment.</p>
303-2 Management of water discharge-related impacts	<p><b>Industrial Chemicals</b></p> <p>At Bondalti Chemicals, water discharge-related- impacts are considered as follows:</p> <p><b>PAD</b></p> <p>pH: 5.5 - 9.5 with continuous monitoring</p> <p>TOC: ≤400 mg/L with continuous monitoring</p> <p>Total Suspended Solids (TSS): ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Nitrates: ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Sulphates: ≤2000 mg/L weekly analysis in an external laboratory</p> <p>Total nickel: ≤2 mg/L quarterly analysis in an external laboratory</p> <p>Nitrites: ≤30 mg/L quarterly analysis in an external laboratory</p> <p>Note: parameters and exposure limit values (ELV) defined in the authorisation licence for the discharge of industrial wastewater from the AdRA, dated 24 November 2015. Continuous flow monitoring at the ED1 discharge point, in accordance with Environmental Licence 52/1.0/2017, of 14 July 2017.</p> <p><b>PCA</b></p> <p>pH: 5.5 - 9.5 with continuous monitoring</p> <p>Biochemical Oxygen Demand (BOD5): ≤500 mg/L fortnightly analysis in an external laboratory</p> <p>Chemical Oxygen Demand (COD): ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Total Suspended Solids (TSS): ≤1000 mg/L weekly analysis in an external laboratory</p> <p>Sulphates: ≤2000 mg/L weekly analysis in an external laboratory</p> <p>Chlorides: No ELV. Monthly analysis in an external laboratory</p> <p>Chlorates: No ELV. Monthly analysis in an external laboratory</p> <p>Note: parameters and ELV defined in the authorisation licence for the discharge of industrial wastewater from the AdRA, dated 24 November 2015.</p>

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

Continuous flow monitoring at discharge point ED2.

Note: parameters defined under Environmental Licence 52/1.0/2017, of 14 July 2017. Free Chlorine: ≤0.2 mg/L, according to the BREF-CAK document - MTD Conclusions, dated 9 December 2013.

At Bondalti Cantabria, the requirements for AAI discharge are: 0.2 mg/L Cl<sub>2</sub> in spot samples, once a month. Bondalti Cantabria is committed to guaranteeing the characteristics of the wastewater it sends to Solvay:

Mean flow: 58 m<sup>3</sup>/h

Peak annual flow: 485 000 m<sup>3</sup>/h/a

Peak image flow: 100 m<sup>3</sup>/h

Complying with the limits of the seller's IPPC licence, except for the pH in the discharge of effluents to the WWTP, which will be greater than 4 and less than 10. Installation of an effluent pre-treatment unit on its premises, with outlet to the WWTP, this point being defined for quality and quantity measurement and control.

#### Water Treatment

The water is discharged into a municipal discharge system. It is sanitary water. In the case of water resulting from tests, it is clean water, but these discharges are small and not systematic.

INDUSTRIAL CHEMICALS (ML)	2021	2022	2023	WATER TREATMENT (ML)	2022	2023
<b>Water withdrawn</b>				<b>Water withdrawn from the public supply network</b>	2.52	2.93
Surface water – River	2 737	2 603	2 724			
Groundwater – Boreholes	29	52	71			
Groundwater – Wells	0	0	0			
Third-party water	253	268	262			
<b>Total water withdrawn</b>	<b>3 019</b>	<b>2 923</b>	<b>3 057</b>			

303-3 Water withdrawal

Although no analysis is carried out on the water withdrawn, it is considered fresh.

Water from the public supply network is being counted as third-party water.

Fresh water ≤1000 mg/L Total Dissolved Solids

Non-fresh water >1000 mg/L Total Dissolved Solids

**Reason for omission:** Information not available/incomplete

303-3 b) Water withdrawn in areas of water stress

Bondalti carried out a superficial analysis of the areas of water stress but is still working on producing more comprehensive information. At this moment, Bondalti does not have a response for implementing adaptation and mitigation measures.

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

INDUSTRIAL CHEMICALS (ML)	2021	2022	2023	WATER TREATMENT (ML)	2022	2023
Water discharged	1 026	1 080	1 161	Water discharged	2.52	2.93

#### 303-4 Discharges of water

Information defined in indicator 303-5.  
 All of the water discharged by Bondalti is considered fresh.  
 Fresh water ≤1000 mg/L Total Dissolved Solids  
 Non-fresh water >1000 mg/L Total Dissolved Solids

Reason for omission: Information not available/incomplete  
 303-4 c) Water discharged in areas of water stress  
 Bondalti carried out a superficial analysis of the areas of water stress but is still working on producing more comprehensive information. At this moment, Bondalti does not have a response for implementing adaptation and mitigation measures.

INDUSTRIAL CHEMICALS (ML)	2021	2022	2023
<b>Water</b>			
Consumed	2 086	1 988	2 287
Sold	918	917	752
Water Intensity (ML/t)	0.00115	0.00112	0.00124
Water Intensity (ML/M€)	4.95	3.56	4.89

#### 303-5 Water consumption

In Water Treatment there is no water consumption, since all water withdrawn (GRI 303-3) is discharged (GRI 303-4).

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To calculate water intensity, only water consumed in industrial activity is considered as material.  
 Water Intensity = Total Water Consumed (ML) / Total Production (t)

Reason for omission: Information not available/incomplete  
 303-5 b) Water consumed in areas of water stress  
 Bondalti carried out a superficial analysis of the areas of water stress but is still working on producing more comprehensive information. At this moment, Bondalti does not have a response for implementing adaptation and mitigation measures.

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

## Material Topics: Climate change and emissions management

3-3 Management of material topics	Management of emissions associated with the entire business and operations, ensuring their minimisation. Pages 99-102
305-1 Direct Greenhouse Gas Emissions (Scope 1)	<p>Pages 100-101</p> <p>There are no biogenic emissions at Bondalti. Bondalti Chemicals has CO<sub>2</sub> and N<sub>2</sub>O emissions managed by operational control.</p> <ul style="list-style-type: none"> <li>. CO<sub>2</sub> from natural gas and diesel consumption - calculation-based methodology</li> <li>. Incinerator CO<sub>2</sub> - measurement-based methodology</li> <li>. N<sub>2</sub>O from nitric acid production - measurement-based methodology</li> </ul> <p>Scope 1 emissions are calculated according to the methodology established by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard and emission factors from the IPCC and DEFRA are used. In the case of reporting scope 1 emissions, namely diesel consumption, emissions relating to diesel consumed in the dedicated transport of raw materials are considered, as it is estimated based on the kilometres travelled during the year and the respective emission factor is applied.</p> <p>BWS   Enkrott recorded a total of 324 t CO<sub>2</sub> eq and the BWS   AEMA a total of 358 t CO<sub>2</sub> eq. Emission Factors - Portugal: APA National Inventory and European Commission Regulation R601/2012   Spain: Ministry for ecological and demographic transition</p>
305-2 Direct Emissions of Greenhouse Gases GHG (Scope 2)	<p>Pages 100-101</p> <p>Bondalti has indirect CO<sub>2</sub> emissions, managed by operational control. To calculate these emissions, purchased electrical energy is considered as material. The Industrial Chemicals area recorded a total of 63 256 t CO<sub>2</sub> eq for the Market-based category, and 99 089 in the Location-based category. Scope 2 emissions are calculated according to the methodology established by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard. The quantification of scope 2 emissions is carried out according to two different calculation methods: i) <i>market-based</i>: calculation based on the emission factors associated with the energy mix of the suppliers from whom Bondalti purchases electricity; ii) <i>location-based</i>: calculation based on emission factors associated with Portugal's energy mix.</p> <p>For the AEMA Group, the emission factor corresponding to the mix of suppliers in Spain was considered. BWS   Enkrott recorded a total of 40 t CO<sub>2</sub> eq and BWS   AEMA a total of 33 t CO<sub>2</sub> eq.</p>



## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

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Bondalti monitored its scope 3 emissions for the first time in all categories in the Industrial Chemicals area. Scope 3 emissions are calculated according to the methodology established by the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard, in particular the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

	SCOPE 3 EMISSIONS IN INDUSTRIAL CHEMICALS (t CO <sub>2</sub> eq)	2021	2022	2023	Δ (%)
305-3 Other Indirect (Scope 3) GHG Emissions	Category 1: Goods and Services	572 895	525 306	526 181	1%
	Category 2: Capital Goods	4 644	4 644	3 728	50%
	Category 3: Activities related to fuel and energy (not included in Scopes 1 and 2)	28 553	25 819	26 228	30%
	Category 4: Transport and distribution	23 100	22 719	19 252	-32%
	Category 5: Waste generated	364	430	751	-1%
	Category 6: Business travel	27	164	359	0%
	Category 7: Mobility (employee travel)	710	708	380	0%
	Category 8: Leased assets	n/a	n/a	n/a	n/a
	Category 9: Transport and distribution	1 878	2 564	2 953	20%
	Category 10: Processing of goods sold	444 551	403 554	387 336	94%
	Category 11: Use of goods sold	n/a	n/a	n/a	n/a
	Category 12: Treatment and end of life of products sold	n/a	n/a	n/a	n/a
	Category 13: Leased assets	n/a	n/a	n/a	n/a
	Category 14: Franchising	n/a	n/a	n/a	n/a
	Category 15: Investments	n/a	n/a	n/a	n/a

To calculate the variation, the difference between 2023 and the three-year average was determined.

Pages 100-101

To calculate carbon intensity, all categories of direct and indirect emissions are considered for Industrial Chemicals, and direct (scope 1) and indirect (scope 2) emissions for Water Treatment.

305-4 Carbon intensity

**Industrial Chemicals:** Carbon intensity = Total direct and indirect GHG emissions (t CO<sub>2</sub> eq) / Turnover (M€)

In Industrial Chemicals, there was a carbon intensity value of 197.66 t CO<sub>2</sub> eq/M€.

The carbon intensity for the three areas of emissions was also determined, obtaining a value of 2 264.26 t CO<sub>2</sub> eq/M€.

**Water Treatment:** Carbon intensity = Total direct (scope 1) and indirect (scope 2) GHG emissions (t CO<sub>2</sub> eq) / Turnover (M€)

In Water Treatment there was a carbon intensity value of 21.56 t CO<sub>2</sub> eq/M€.

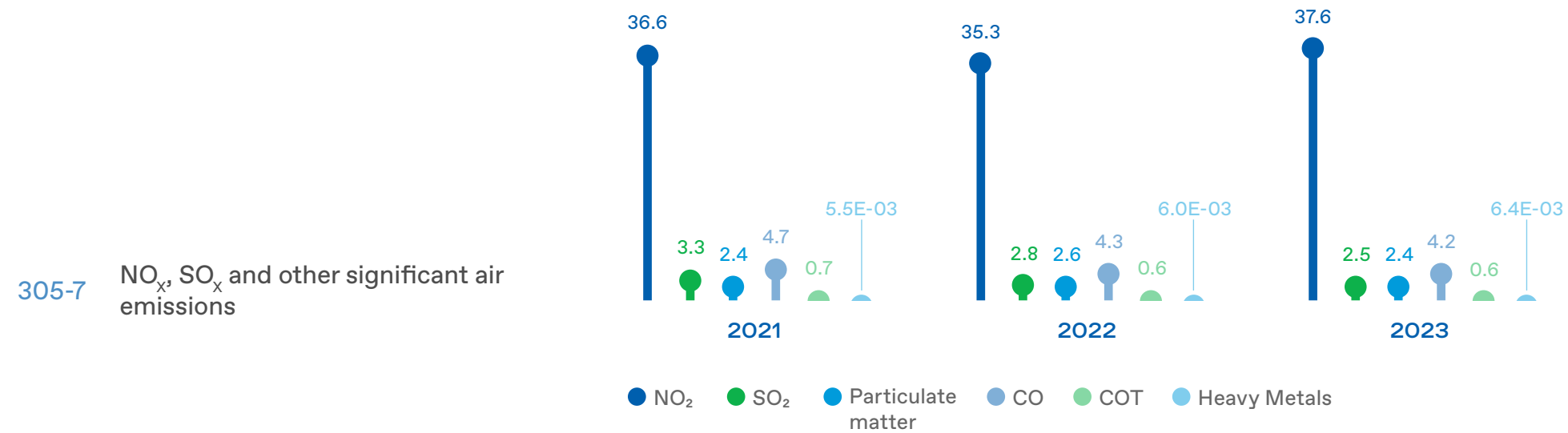
## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

305-5	Reduction of Greenhouse Gas emissions	In 2023, Bondalti Chemicals saved 307 GJ of natural gas and electricity due to the implementation of energy efficiency measures. By allocating the emission factor, an overall reduction in CO <sub>2</sub> emissions of 3 309 t CO <sub>2</sub> eq is calculated. In the area of Water Treatment, there was no overall reduction in greenhouse gas emissions.
305-6	Emissions of ozone-depleting substances	Not applicable, due to the type of atmospheric emissions caused by Bondalti. GRI Indicator 305-7

### Other Air Emissions in Industrial Chemicals (t)



305-7 NO<sub>x</sub>, SO<sub>x</sub> and other significant air emissions

Bondalti Chemicals monitors other air emissions using different methodologies, according to their emission source:

- . Incinerator - continuous monitoring; with the exception of Heavy Metals - specific monitoring
- . Boilers - measurement of natural gas consumption and allocation of the emission factors used are those defined by the APA
- . Other sources - specific monitoring that depends on the parameter defined by the APA

At Bondalti Cantabria, BWS | Enkrott and BWS | AEMA, there are no other air emissions.

At Bondalti there are no POP (Persistent Organic Pollutants) emissions and no specific analyses are carried out on PAH (Polycyclic Aromatic Hydrocarbons) emissions.

### Material Topics: Waste materials and hazardous materials management

3-3	Management of material topics	Management and adequate routing of waste from its origin to final destination, including collection, transport and treatment, by recovery or disposal, particularly hazardous waste. Pages 106-107
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## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

306-1

Waste generation and significant waste-related impacts

**Industrial Chemicals**

**Hazardous waste:** At Bondalti Chemicals, hazardous waste is mainly generated by the production of aniline and nitrobenzene and is mostly incinerated by the production of activated carbon resulting from the activity of sulphanilic acid, and by filtration of the process brine, although there are also other hazardous wastes, which are generated in smaller quantities, as a result of the maintenance and cleaning of equipment, such as oils, contaminated containers, absorbents, etc.

At Bondalti Cantabria, these are mainly generated by the filtration of 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 the maintenance and cleaning of equipment, such as such as oils, contaminated packaging, absorbents, etc.

**Non-hazardous waste:** At Bondalti Chemicals, non-hazardous waste is generated mainly from maintenance activities (scrap, plastic, etc.) and when receiving materials (cardboard boxes, wooden pallets, etc.). At Bondalti Cantabria, like at Bondalti Chemicals, non-hazardous waste is mainly produced from maintenance (scrap, plastic, etc.) and when receiving materials (cardboard boxes, wooden pallets, etc.).

**Water Treatment**

BWS | Enkrott does not have waste input for its organisation's production/services.

Therefore, there are waste outputs that come from:

- i. Contaminated chemical packaging, in which only IBC are reused, after proper disinfection;
- ii. Non-compliant chemical products (due to contamination or having exceeded their expiry date);
- iii. Leftover plastics resulting from manufacturing processes and the production of non-conforming plastics, in which part of the leftovers are recyclable;
- iv. Filter loads, namely resins that cannot be regenerated or charcoal;
- v. Plastic and paper resulting from the company's activity (cardboard boxes, packaging plastics);
- vi. Toners resulting from the company's activities;
- vii. Lamps resulting from contracts and maintenance of the company's facilities;
- viii. USW resulting from the company's normal activity.

All treatment of this waste is carried out by licensed WMO (waste management operators), depending on the type of waste and associated EWC.

At BWS | AEMA, within the production and management process (EY M) of both AEMA and Aguas Rioja, the waste generated at the facilities is managed by the customer appropriately, with authorised waste managers, coincidentally in the companies in which we have integrated contracts, which we manage from our facilities. Laboratorios Alfaro produces waste from its analyses and this is managed appropriately. None of the waste is considered potentially hazardous, so its useful life is not considered relevant. E.g.: contaminated plastics, aerosols, chemical reagents, sludge mixtures, etc.

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

306-2

Management of significant waste-related impacts

#### Industrial Chemicals

At Bondalti Chemicals, waste is sent to a licensed operator with which the company has signed a waste management contract. Waste is classified in accordance with current legislation: each type of waste is assigned an EWC Code, with the disposal operation being agreed between Bondalti and the waste management operator. Internally, at Bondalti Chemicals' facilities, only hazardous waste to be disposed of by incineration (without energy recovery) is treated. A portion of the non-conforming sulphanilic acid product is reincorporated into the process again.

The waste monitoring process includes activities such as entering data into the SILIAMB (online) Platform, maintaining an internal global database, weighing each load of waste at Bondalti's facilities and at the waste management operator, and the annual validation of internal data compared with the operators' data.

In Bondalti Cantabria operations, waste is sent to an agent who negotiates with the manager in charge of waste management. Waste is classified in accordance with current legislation.

#### Water Treatment

Due to the nature of its activity, BWS | Enkrott does not produce large amounts of waste. However, whenever possible, all resulting waste is separated according to type, so that some can be recycled, such as, for example, plastic (packaging, PVC, PE, among others), paper/cardboard and contaminated packaging, among others. Enkrott does not generate biological waste.

In order to avoid generating more waste (originating, for example, from materials/orders from suppliers), some packaging is reused (but in non-critical quantities).

All waste is collected and treated by licensed waste management operators.

Waste is classified in accordance with current legislation. Each type of waste is assigned an EWC Code, and the disposal operation is carried out by the waste management operator. The process of monitoring the waste generated is carried out on the SILIAMB platform and the waste is weighed at the waste management operators' facilities.

At BWS | AEMA, waste is sent to an authorised operator with which the company has signed a waste management contract. Waste is classified in accordance with current legislation: each type of waste is assigned an EWC code and the disposal operation is agreed between the AEMA Group and the waste manager.

The process of monitoring the waste generated includes activities such as entering data into the management system in agreement with the waste manager, maintaining a global internal database, weighing each load of waste at AEMA facilities and at the waste manager's facilities, and the annual validation of internal data against the waste management operator's data.

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

	INDUSTRIAL CHEMICALS (t)	2021	2022	2023	Δ (abs)	Δ (%)		WATER TREATMENT (t)	2021	2022	2023	Δ (abs)	Δ (%)
306-3 Waste generated	<b>Hazardous waste</b>	<b>18 343</b>	<b>16 592</b>	<b>18 470</b>	<b>668</b>	<b>4%</b>		<b>Hazardous waste</b>	<b>15.5</b>	<b>11.9</b>	<b>11.4</b>	<b>-1.5</b>	<b>-12%</b>
	Recycled	179	365	373	68	22%		Recycled	14.4	9.5	8.5	-2.3	-21%
	Other type of recovery	0	87	80	24	43%		Other type of recovery	0.2	1.1	2.6	1.3	99%
	Incinerated	17 520	15 222	16 850	319	2%		Incinerated	0.0	0.0	0.0	0.0	0%
	Landfill	292	831	1 083	348	47%		Landfill	1.0	1.2	0.4	-0.5	-55%
	Other type of disposal	352	87	84	-91	-52%		Other type of disposal	0.0	0.0	0.0	0.0	0%
	<b>Non-hazardous waste</b>	<b>292</b>	<b>470</b>	<b>232</b>	<b>-99</b>	<b>-30%</b>		<b>Non-hazardous waste</b>	<b>36.6</b>	<b>31.2</b>	<b>46.4</b>	<b>8.3</b>	<b>22%</b>
	Recycled	212	425	178	-93	-34%		Recycled	6.8	8.9	25.5	11.8	86%
	Other type of recovery	57	45	50	0	-1%		Other type of recovery	6.6	4.0	0.0	-3.5	-100%
	Incinerated	0	0	0	0	0%		Incinerated	9.7	4.5	3.9	-2.1	-35%
	Landfill	23	0	4	-5	-58%		Landfill	13.5	13.9	17.0	2.2	15%
	Other type of disposal	0	0	0	0	0%		Other type of disposal	0.0	0.0	0.0	0.0	0%
	<b>Total waste produced</b>	<b>18 635</b>	<b>17 062</b>	<b>18 702</b>	<b>569</b>	<b>3%</b>		<b>Total waste produced</b>	<b>52.2</b>	<b>43.1</b>	<b>57.8</b>	<b>6.8</b>	<b>13%</b>

Pages 106-107

Enkrott África - Gestão e Tratamento de Águas, Lda is excluded from the scope of BWS | Enkrott.  
To calculate the variation, the difference between 2023 and the three-year average was determined.

306-4 Waste diverted from disposal

GRI Index - Indicator 306-3

306-5 Waste directed to disposal

GRI Index - Indicator 306-3

### Material Topics: Employee development and good labour practices

3-3 Management of material topics

Employee development, ensuring the attraction and training of talent and alignment with the organisation's mission and values.  
Pages 80-89

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

		In the Bondalti Universe, all employees of the Bondalti Chemicals Group and 47% of the Bondalti Water Solutions Group are covered by Collective Labour Agreements (CCT) or Arrangements.				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage, at locations with the most significant activity	INDUSTRIAL CHEMICALS		WATER TREATMENT		
		2022	2023	2023		
		Portugal	1.01	1.05	Portugal	1.00
		Spain (Galicia)	1.28	1.24	Spain (Catalonia)	2.96
		Spain (Cantabria)	1.48	1.44	Spain (La Rioja)	1.19
					Angola	2.18

202-2		Proportion of senior management hired from the local community at significant locations of operation	
		Pages 30-34	
		Although Bondalti has its activity located, on a larger scale, in the Iberian Peninsula, all members of its Executive Management are Portuguese nationals. Thus, "local community" is understood as the country of the holding company, in this case, Portugal.	

401-1	Total number and rates of new employee hires and employee turnover	INDUSTRIAL CHEMICALS			WATER TREATMENT		
		2021	2022	2023	2023		
		<b>Global at 31/12</b>			<b>Global at 31/12</b>		
		New hires	30	40	56	New hires	51
		Leavers	21	25	30	Leavers	36
		Employees at 31/12	359	387	401	Employees at 31/12	351
		<b>New hires rate</b>	<b>8.4%</b>	<b>10.3%</b>	<b>14.0%</b>	<b>New hires rate</b>	<b>14.5%</b>
		<b>Leaving rate</b>	<b>5.8%</b>	<b>6.5%</b>	<b>7.5%</b>	<b>Leaving rate</b>	<b>10.3%</b>
		<b>Turnover rate</b>	<b>7.1%</b>	<b>8.4%</b>	<b>10.7%</b>	<b>Turnover rate</b>	<b>12.4%</b>
		<b>Turnover rate</b>			<b>Turnover rate</b>		
		Female	1.7%	3.2%	2.7%	Female	3.1%
		Male	5.4%	5.2%	8.0%	Male	11.4%
		South Portugal region	1.3%	1.6%	2.4%	South Portugal region	3.1%
		North Portugal region	5.8%	6.6%	7.6%	North Portugal region	0.9%
		Spain	0.0%	0.3%	0.7%	Spain	10.5%
		Female Gender: < 30 years	1.1%	1.0%	0.9%	Female Gender: < 30 years	1.7%
		Male Gender: < 30 years	0.6%	1.3%	3.2%	Male Gender: < 30 years	2.8%
		Female Gender: 30 - 50 years	1.3%	1.4%	1.5%	Female Gender: 30 - 50 years	1.4%
		Male Gender: 30 - 50 years	2.4%	2.5%	2.7%	Male Gender: 30 - 50 years	7.7%
		Female Gender: > 50 years	0.0%	0.8%	0.4%	Female Gender: > 50 years	0.3%
		Male Gender: > 50 years	1.8%	1.4%	2.0%	Male Gender: > 50 years	0.6%

Turnover Rate calculation formula:  $[(\text{New hires year } x + \text{Leavers year } x)/2] / \text{Total Employees year } x$

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

In Industrial Chemicals, there are several benefits available to employees, such as health insurance, life insurance, Curative Medicine, Nutrition and Psychology consultations, gym allowances, holiday camp, school expenses and transport, among others, which accounted, in 2023, for €1 072 294 of expenses. According to the company in the Water Treatment business area, employees can benefit from health insurance, with a total of €152 251 in benefits for employees in 2023.

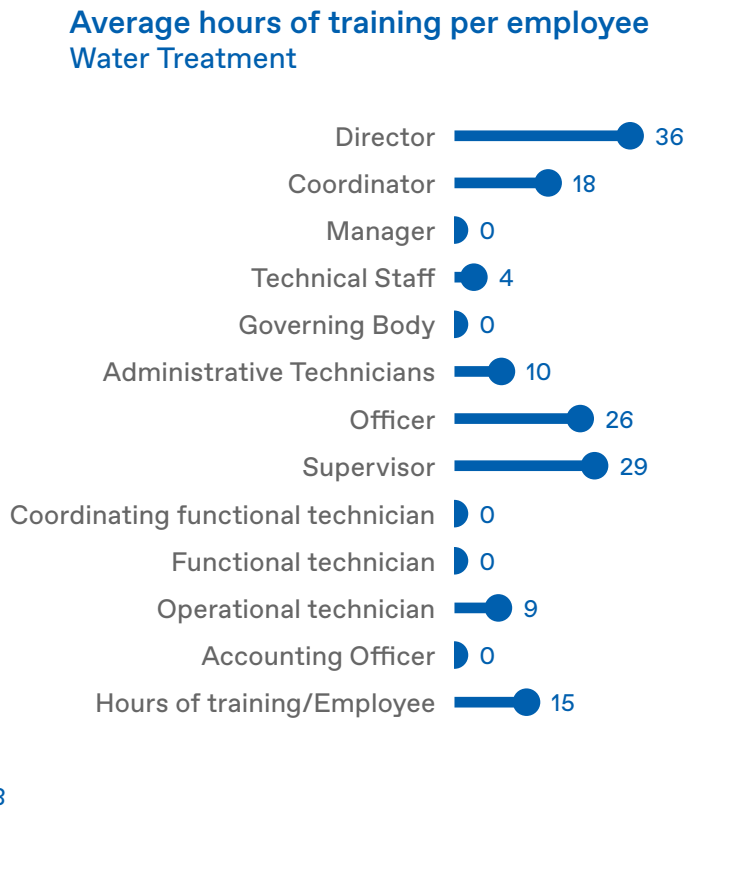
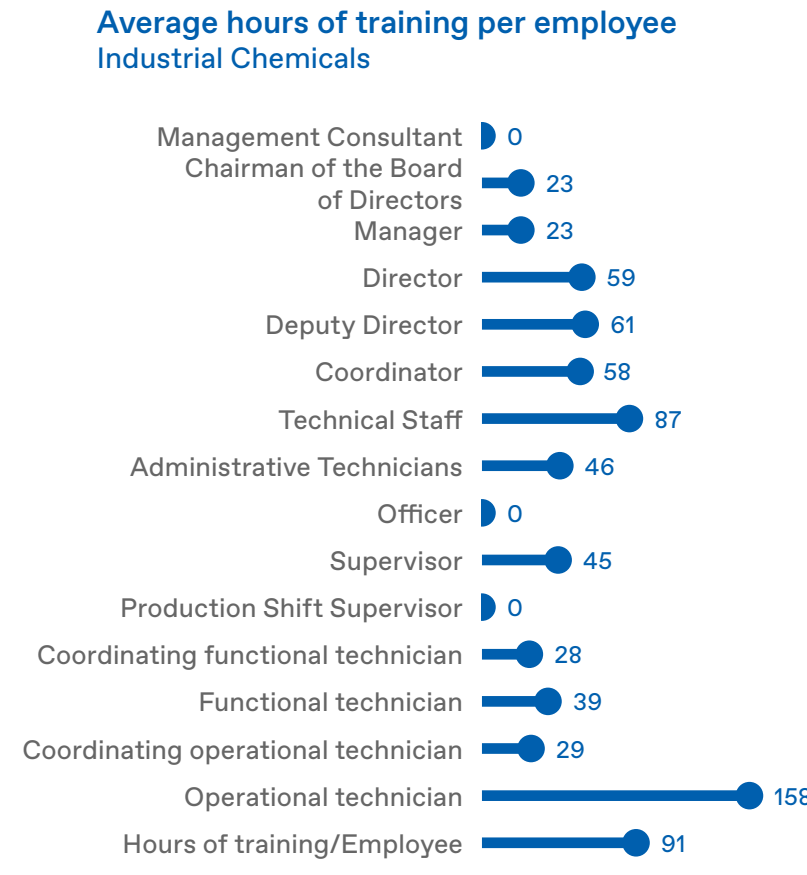
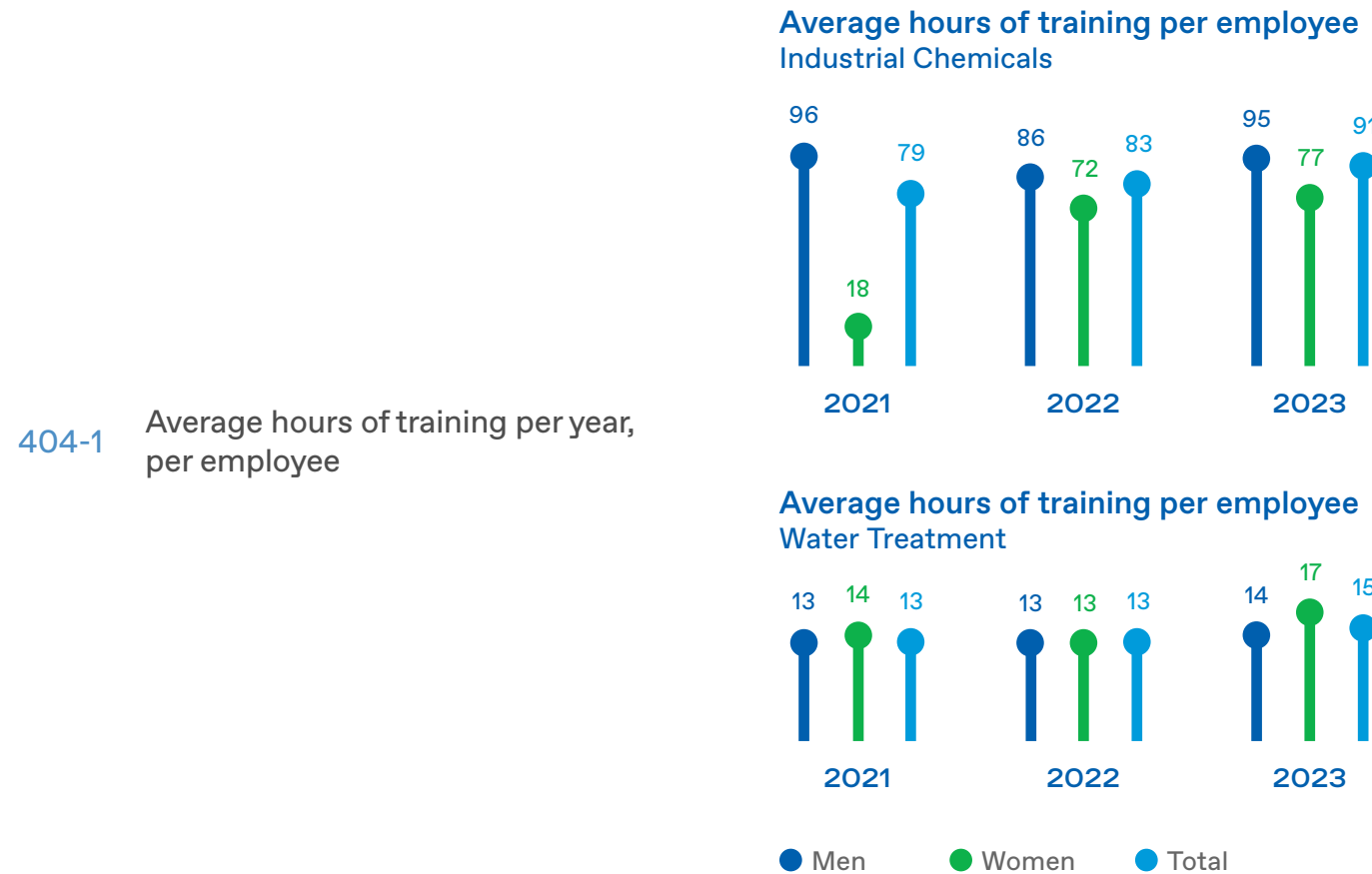
	INDUSTRIAL CHEMICALS			WATER TREATMENT		
	2021	2022	2023	2023		
	<b>Return to work rate</b>			<b>Return to work rate</b>		
	Female Gender	100%	-	100%	Female Gender	
	Male Gender	100%	100%	100%	Male Gender	
	<b>Retention rate</b>			<b>Employees who took parental leave</b>		
	Female Gender	44%	0%	100%	Female Gender	
	Male Gender	61%	29%	80%	Male Gender	
	<b>Employees who took parental leave</b>			<b>Employees who returned to work after ending parental leave</b>		
	Female Gender	4	2	7	Female Gender	
	Male Gender	16	20	27	Male Gender	
	<b>Employees who returned to work after ending parental leave</b>			<b>Employees who returned to work after ending parental leave and continue to be employed for at least 12 months</b>		
	Female Gender	4	0	6	Female Gender	
	Male Gender	15	6	24	Male Gender	
	<b>Employees who returned to work after ending parental leave and continue to be employed for at least 12 months</b>			<b>Employees entitled to take parental leave</b>		
	Female Gender	4	0	6	Female Gender	
	Male Gender	15	6	24	Male Gender	
	<b>Employees entitled to take parental leave</b>			<b>Employees entitled to take parental leave and continue to be employed for at least 12 months</b>		
	Female Gender	77	86	91	Female Gender	
	Male Gender	282	301	310	Male Gender	

401-3 Parental leave

# GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION



**404-2** Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

Pages 82-83, 94

**Bondalti Capital, Chemicals and Cantabria**

In the Bondalti Group (except the companies Enkrott and AEMA), the following measures are implemented:

- Annual Training Plan
- Provision of training content through the 4Learn knowledge management platform
- Performance Management System focused on skills development
- Talent management programme
- Rejuvenation plan – ensuring the transfer of knowledge between younger and older people through:
  - 4x4 programme (for operational technicians), with the duration directed and depending on the production units to allocate the trainees, which guarantees the timely transfer of knowledge, through the training of new employees in the field and in the classroom;
- Internal mobility, through the allocation of 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 take on new industrial positions (this functional flexibility is still very much aimed at operations).



## GRI Standard Indicators

### SPECIFIC INDICATORS

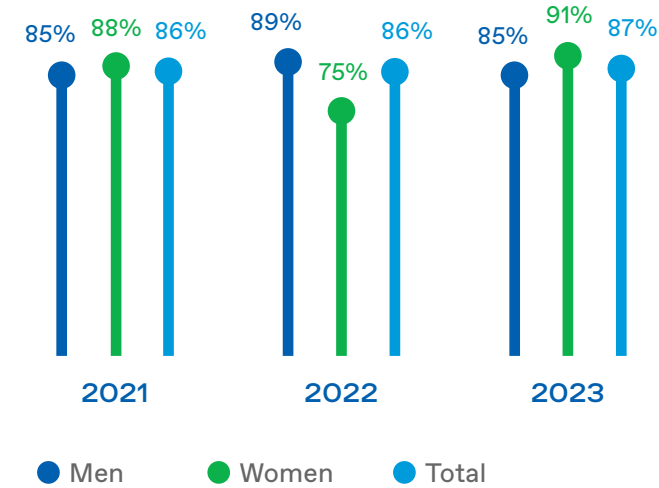
### RESPONSE / LOCATION / OMISSION

#### Water Treatment

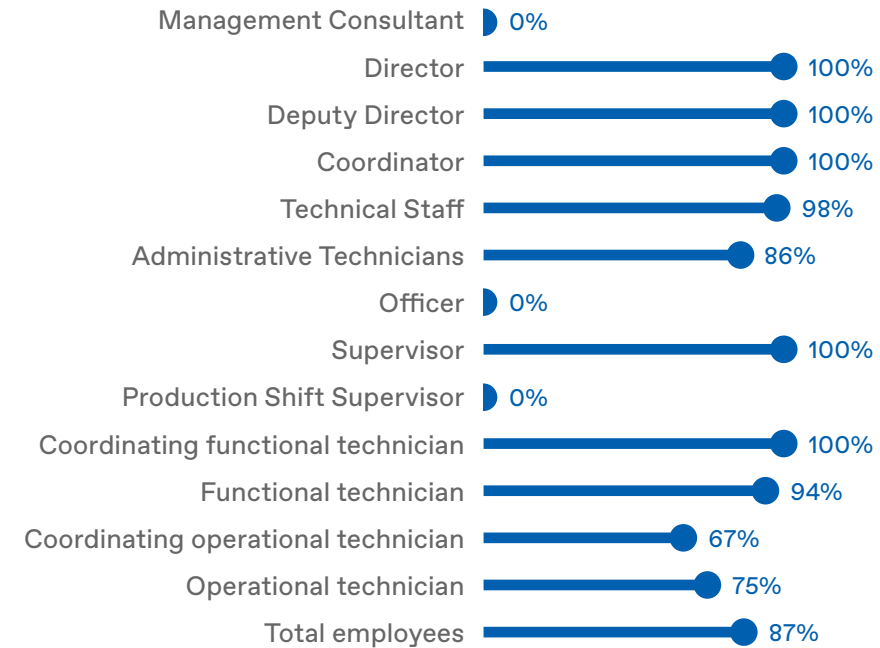
In the companies BWS | Enkrott PT Continental and Spain, there is an annual training plan (Skills Development Plan). For the entire AEMA Group, there is a training plan (in Quality, Environment, PRL and various needs, according to each department), agreed with Management and Human Resources and the heads of each department.

404-3 Percentage of employees receiving regular performance and career development reviews

#### Employees assessed Industrial Chemicals



#### Employees assessed Industrial Chemicals



Members of management were excluded from the headcount. In the Bondalti Group (except the companies Enkrott and AEMA), the values presented refer only to performance assessment. A Performance Management System is not implemented at BWS.

### Material Topics: Employees' health and safety

3-3 Management of material topics

Promoting the well-being of employees, providing them with working conditions that preserve their physical and mental health and safety.  
Pages 91-94

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

**Industrial Chemicals**

Bondalti Chemicals has implemented and certified its Occupational Safety and Health Management System (OSHMS) under the ISO 45001:2018 Standard, in Estarreja (PAD, PCA) and in Parque de Aveiro, covering all its employees and activities.

Bondalti Cantabria has implemented and certified its OSHMS under the ISO 45001:2018 Standard since May 2021.

**Water Treatment**

BWS | Enkrott has been certified by ISO 45001:2019 since March 2023, by APCER, having received a follow-up audit in December.

Due to regulatory requirements, Enkrott, SA has implemented compliance and legal monitoring processes. In audits carried out externally by the certifying entity, Enkrott is able to demonstrate its legal compliance. This process was improved through the acquisition of a support platform (Siawase) for identifying applicable legal requirements, as well as indicating compliance through evidence. All OSH legislation applicable to Enkrott, SA's activities is evaluated on an ongoing basis.

403-1 Occupational Safety and Health Management System

The formal scope of Enkrott, SA's OSHMS includes: "design, installation, maintenance and technical assistance for water treatment systems; commercialisation of chemical products, assembly of specific equipment for water treatment systems". The OSHMS covers the Abrunheira, Campo Raso, Perafita and Quarteira sites.

It is planned to incorporate the Funchal site into the 2024 integrated monitoring audit, but all actions/procedures already cover Funchal employees.

The companies AEMA and Aguas Rioja have an Integrated Management System in accordance with the following standards:

- International Standard UNE-EN ISO 9001 Quality management systems - requirements;
- International Standard UNE-EN ISO 14001 Environmental management systems - Requirements;
- International Standard UNE-EN ISO 45001 Occupational health and safety management systems - Requirements.

Laboratorios Alfaro SL is a testing laboratory accredited by ENAC, in accordance with the UNE-EN ISO/IEC 17025 Standard (Accreditation no. 524/LE1135) and approved by the Ministry of the Environment as a Collaborating Entity for Hydraulic Administration (ECAH) (Exp. no. EC 072/ 1 y 2).

Laboratorios Alfaro SL is also an Inspection Body in the Environmental Area in the field of wastewater, accredited by the ENAC in accordance with the UNE-EN ISO/IEC 17020 Standard (Accreditation no. 177/EI321) and approved as a Collaborating Entity for Hydraulic Administration (ECAH) (Exp. no. EC 072/ 1 y 2).

**Bondalti Capital, Chemicals and Cantabria**

At Bondalti Capital, when an accident occurs at work, the employee informs the Human Resources department and completes an accident report form. At Bondalti Chemicals, accident reports fall within the scope of the Occupational Safety and Health Management System. Under the SIAP programme, the results of risk assessments for jobs are recorded, after distribution by email to employees and management. On SIAP Events, work accidents are recorded. The Human Resources area collaborates with the Safety area in filling out the work accident report form and incident report.

403-2 Hazard identification, risk assessment, and incident investigation

Bondalti Cantabria has a contract with an External Prevention Service which, in collaboration with the Security Manager at Bondalti Cantabria, carries out risk assessments at work stations. In the event of an accident, there is an established action protocol, under which, depending on the severity and time of the accident, assistance is provided by the Mutual Doctor Service or through emergency medical assistance. The Safety Officer is informed and conducts the accident investigation with the participation of the Prevention representative and other parties involved.

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

#### Water Treatment

BWS | Enkrott identifies hazards and its respective risk assessment at various times: through the professional function/category and respective tasks, by site, by customer contract, by job, and for specific tasks (due to the type of risk and/or by customer request).

At all times, assessments are carried out by senior OSH technicians (accredited by the ACT).

Furthermore, all employees are instructed to carry out a risk assessment themselves before starting their tasks.

At the AEMA Group, there are forms detailing the skills required for each job, and the effectiveness of the processes is verified through indicators, which are evaluated on an ongoing basis. There is an internal communication procedure which details the communication channels through which workers can report accidents and incidents detected. There are also procedures for risk assessment and accident investigation. All accidents are subject to investigation, with the findings monitored in an Excel document for regular tracking.

#### Bondalti Capital, Chemicals and Cantabria

At Bondalti Capital, Occupational Medicine services are guaranteed, in accordance with legal requirements. At Bondalti Chemicals, Occupational Medicine (OM) doctors participate in meetings of the Hygiene and Safety Committee (HSC). As part of these meetings, a plan is drawn up for OM doctors and safety technicians to conduct joint visits to work stations. The actions to be taken, such as corrective actions from these visits, are registered in SIAP Events.

At Bondalti Cantabria, surveillance of health issues is carried out by the contracted External Prevention Service, which, based on the risk assessment carried out together with the person in charge of Safety, plans activities relating to health issues. Every year, all employees are subject to a voluntary medical check-up.

#### Water Treatment

403-3 Occupational health services

BWS | Enkrott uses external occupational safety and health services. The company that provides external services is approved by the ACT; all Occupational Safety and Health Technicians have an OSHT professional certificate issued by the ACT and the occupational physician has an Occupational Medicine Certificate. Furthermore, every year, the company is evaluated internally, when evaluating suppliers.

For the occupational safety services provided, the OSH manager requests the services and monitors the work (both during visits carried out by the OSHT and when checking the reports/risk assessments drawn up).

For health services, the external company manages the FAT (fitness-for-work forms). However, Enkrott, internally, also periodically checks the need for examinations to be scheduled.

At the AEMA Group, occupational safety and health management is carried out through the contracted External Prevention Service. Among other functions, the External Prevention Service carries out risk assessments of work stations and the planning of preventive activities. Likewise, it also monitors the health of workers annually. The EPS (external prevention service) is in constant contact and coordination with those in charge of prevention in the group's companies.

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
403-4 Worker participation, consultation, and communication on occupational health and safety	<p><b>Industrial Chemicals</b> At Bondalti Chemicals, consultation with employees on health and safety issues is carried out through their elected representatives – worker representatives for Occupational Safety and Health. They are members of the CHS, which is a consultative body in the area of Safety that raises topics and issues put forward by employees for analysis and discussion. These representatives are also consulted via email to comment on changes to Safety Standards and other OSHMS and Serious Accident Prevention documentation. There are also display cases to publicise safety topics throughout the buildings and other areas, with information controlled by the Safety area. At Bondalti Chemicals, 100% of its employees are overseen by formal health and safety committees. At Bondalti Cantabria, workers’ participation takes place through their representatives, i.e., staff representatives and Prevention representatives, elected by them. The factory manager, as a representative of the company, and the person in charge of Safety, Environment, Quality and Logistics, as a consultant, meet at least three times a year with the Prevention representative. In 2023, 4 meetings were held with the Prevention representative, elected that same year.</p> <p><b>Water Treatment</b> BWS   Enkrott has and has implemented a Communication, Consultation and Participation Plan. This Plan describes the normative, legal or informational requirements that require communication and/or a request for consultation and how these will be carried out. To this end, BWS   Enkrott organises safety forums, OSH training, worker consultation surveys, selection of PPE, participation in audits and hazard identification. At BWS   AEMA, there is an internal procedure for worker participation and consultation that details the channels of communication with workers. At Aguas Rioja, there are two legal worker representatives (Luis Manuel Martin and Eva Soler) and at AEMA one representative (Carlos Gonzalez), quarterly meetings between management, personnel representatives; Prevention representatives and the Prevention Manager.</p>
403-5 Worker training on occupational health and safety	<p><b>Bondalti Capital, Chemicals and Cantabria</b> The Bondalti Training Plan, resulting from a training needs survey, includes the promotion of continuous training on topics such as safety, mitigation of risk behaviour or occupational health. In 2023, an across-the-board project entitled Rules Save Lives was launched. As part of this project, training was provided on various topics, namely “Opening Pipes and Equipment”, “Working in Confined Spaces” and “Bypassing critical safety elements”. In parallel, training was provided on emergency response topics such as “Fire Fighting and Accident Control with Hazardous Materials Course for 2nd response teams”, “Practical Training for Response Teams”, “Internal Emergency Plan” and “Emergency Planning, Organisation, Management and Coordination”. Other topics covered were “Ex-ATEX Motors Awareness Initiative”, “ADR 2023”, “Contracting Entities - Requirements for subcontractors” and “Work in confined spaces”. Safety induction training was also provided. Bondalti Cantabria planned training for all employees in various skills, which also include health and safety issues. Bondalti Cantabria’s Annual Training Plan includes a series of training courses on Occupational Safety and Health and Emergencies. During 2023, training was provided in “OSH Management System. UNE 45001. Hazardous substances, FDS. Emergencies”, “Solvay emergency practices”, “Know the ISO 45001 standard. Occupational Safety and Health Management Systems”, “Basic Life Support AED”, “Confined Spaces”, “Exposure to chemical agents (carcinogenic, toxic, corrosive, etc.)”, “ATEX Course”.</p>

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

#### Water Treatment

Enkrott - Gestão e Tratamento de Águas, SA prepares a training plan every year, which identifies training needs, including in the context of Occupational Safety and Health (OSH). These needs are identified by the OSH manager (or department heads/managers). This training plan always includes training to be carried out internally by the OSH manager, as well as training through external entities.

In 2023, training was carried out in specific areas, such as: first aid (at all *sites*), fire fighting (at all *sites*), forklift operator, bridge crane operator, among others. In addition to this more specific training, in all inductions of new employees, training is carried out under the ambit of the Management System (an integral part of the onboarding process), in which the risks of the role and the respective safety measures to be adopted are also conveyed, as well as the rules established by Enkrott.

Health Promotion:

Enkrott - Gestão e Tratamento de Águas, SA establishes two health promotion initiatives every year, mainly at the end of the Management Review.

For the year 2023, the following were established:

1. Driving and use of vehicles, more specifically, defensive driving and driving time;
2. Smoking prevention and control, providing concrete information on the consequences of tobacco consumption and exposure to tobacco smoke for workers.

The first health promotion initiative has been carried out. The second initiative is scheduled for 2024.

All dangerous situations identified and/or reported are analysed (in a similar way to incidents).

At BWS | AEMA, there is an annual training plan, detailing the planned training in occupational safety and health. There is excellent control over training in preventive issues for each worker. Initially, internal OSH 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. Training topics are coordinated between the Human Resources manager and the group's prevention managers.

#### Bondalti Capital, Chemicals and Cantabria

Bondalti, under the ambit of primary health care, provides a Curative Medicine doctor for regular monitoring of its employees, in harmony with the SNS.

Additionally, whenever possible, Bondalti provides specialist consultations at its facilities – Psychology, Nutrition, Physiotherapy and Podiatry, either on the recommendation of the Occupational Medicine doctors or on the initiative of the employee themselves.

Additionally, Bondalti Chemicals provides its employees with a nurse, on working days, for preventive or curative Nursing activities.

At Bondalti Cantabria, the External Prevention Service also provides a report that indicates the health areas that should be promoted among employees.

We continue to observe that health insurance, life insurance, the cooperation agreement with gyms, urgent family assistance for up to 15 days/year and the specialist areas existing in our Medical Centre are the efr measures with the greatest impact in terms of employee satisfaction.

403-6 Promotion of worker health

#### Water Treatment

In the BWS | Enkrott companies, besides legal compliance with Occupational Medicine, there are no other initiatives in this area.

In the BWS | AEMA companies, workers' health and safety is managed by the External Prevention Service, through which workers undergo annual medical checks.

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

<p><b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</p>	<p><b>Bondalti Capital, Chemicals and Cantabria</b>                  The promotion of continuous training aimed at employees on topics such as safety, mitigation of risk behaviour or occupational health is a constant. At Bondalti Chemicals, the area of prevention is particularly important. Accordingly, there are rules and procedures in the field of OSH that, despite already existing in the past, have been improved in accordance with current best practices, and have given rise to a recently implemented project (Rules Save Lives). This project represents one of Bondalti’s investments in supporting a strong and positive safety culture, built on trust, credibility and the behaviour of leaders and employees, just as our service providers are strategic cornerstones. Alongside these initiatives, it is important to highlight periodic monitoring of occupational risks, such as chemical and physical agents (vibrations, noise, illumination, thermal comfort, ionising radiation, indoor air quality). Risk assessments are carried out periodically on work stations, from which mitigation plans are drawn up. With a view to continuous improvement, Bondalti Chemicals is constantly searching for existing solutions in terms of Personal Protective Equipment (PPE), adapting them to the needs of its workers. During 2023, at Bondalti Cantabria, Preventive Safety Observations were carried out monthly. Campaigns were carried out to promote the use of sealed safety goggles by workers and improvement initiatives were carried out at the facilities.</p> <p><b>Water Treatment</b>                  As described in Indicator 403-2, BWS   Enkrott carries out hazard identification and the corresponding risk assessment. Furthermore, it has and has implemented a Measurement and Monitoring Programme, with the aim of measuring some agents that may be harmful to workers’ health, as well as preparing employees in the event of an emergency. In addition, in Occupational Medicine, all employees undergo ophthalmological examinations and employees who are exposed to the physical agent noise more frequently undergo audiograms. In AEMA Group companies, risk assessments are carried out on work stations, which are reviewed annually and whenever there are changes in working conditions. Annual controls of lighting, noise and temperature and humidity are also carried out, as well as any specific assessment that may be necessary, such as biological risks.</p>
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		INDUSTRIAL CHEMICALS			WATER TREATMENT				
		2021	2022	2023	2021	2022	2023		
403-8	Workers covered by an Occupational Health and Safety Management System	Employees	100% 359	100% 387	100% 401	Employees	100% 332	100% 357	100% 351
		Employees covered by the OSHMS	81% 292	80% 310	80% 327	Employees covered by the OSHMS	45% 150	48% 172	75% 263
		Employees covered by the internally audited OSHMS	81% 292	80% 310	80% 327	Employees covered by the internally audited OSHMS	36% 118	37% 132	44% 154
		Employees covered by the externally audited OSHMS	81% 292	80% 310	80% 327	Employees covered by the externally audited OSHMS	36% 118	37% 132	44% 154

Members of management were excluded from the headcount.

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

INDUSTRIAL CHEMICALS	2021	2022	2023	WATER TREATMENT	2021	2022	2023
Deaths	0	0	0	Deaths	0	0	0
Lost-time work accidents	5	3	3	Lost-time work accidents	9	11	9
Serious lost-time work accidents	0	0	0	Serious lost-time work accidents	0	0	1
Number of hours worked	652 021	699 735	706 906	Number of hours worked	568 477	671 153	664 443
Unworked hours rate	7%	4%	4%	Unworked hours rate	1%	1%	1%
Absenteeism rate	7%	3%	4%	Absenteeism rate	1%	1%	1%
Accident frequency rate	7.668	4.287	4.244	Accident frequency rate	15.832	16.390	13.545
Serious accident frequency rate	0.000	0.000	0.000	Serious accident frequency rate	0.000	0.000	1.505
Accident severity rate	0.135	0.220	0.180	Accident severity rate	0.375	0.346	0.385
Incidence rate	0.014	0.008	0.008	Incidence rate	0.027	0.031	0.026

## 403-9 Work-related injuries

## Page 94

In Industrial Chemicals, there were 3 lost-time work accidents:

- 1) Accident identified as “en route”; the employee was returning home from work and had a road accident;
- 2) The employee was using a lever to try to position a stay for the hopper, when it came loose and injured his arm;
- 3) The employee was in the changing room putting on his equipment, and, when he put his foot on a bench to tighten his laces, he felt a pop in his left knee, resulting in very severe pain in the knee and difficulty walking.

All work accidents at Bondalti are subject to investigation and identification of causes and implementation of the necessary corrective actions. Bondalti promotes various measures to mitigate risks related to the professional activities analysed under indicator 403-7.

In the Water Treatment area, there were 9 lost-time work accidents:

- 1) The employee was opening a shut-off valve on the WWTP thickener (work that is carried out daily), when, due to the frost, one of the pipes burst and all the mud sprayed over the worker, causing irritation to his eyes;
- 2) The employee, when picking up a polyelectrolyte bag to throw into the preparer, suffered a strain in his back;
- 3) The employee was carrying out normal maintenance work at the San Cebriñ WWTP when, while descending a small step, his leg gave way and he fell to the floor, injuring his left knee;
- 4) The employee was manually transferring a chemical product (flocculant) from one drum to another when he felt a strain in his back;
- 5) The employee was assembling a blower at the La Zaragozana facility (he was bolting the structure of the blower) and had to enter a narrow hole; as he was getting out, he got stuck and suffered a blow to his ribs;

## GRI Standard Indicators

### SPECIFIC INDICATORS

### RESPONSE / LOCATION / OMISSION

- 6) The employee was dosing (25kg) bags of polyelectrolyte into the hopper of the preparer when he suffered a strain;  
 7) The employee was at the La Zaragozana facility automatically igniting the lantern, which did not work; he used a pole to light the torch and, as he was unable to do so due to the strong wind, he climbed a ladder and, when lighting it, suffered burns to his face and arms;  
 8) Accident caused by excessive physical effort on the musculoskeletal system (low back pain);  
 9) Professional road accident "en route".

Members of management were excluded from the headcount.

Accidents en route are only considered if they occur on company transport.

A serious accident is considered to be one that results in the worker's incapacitation (time off or change of work station) for a period of more than 6 months.

Calculations based on 1 000 000 hours worked.

Unworked hours rate = No. of unworked hours<sup>(1)</sup> / No. of workable hours

<sup>(1)</sup> Absenteeism due to parental leave, marriage leave, bereavement leave or study leaves is excluded from this count

Absenteeism rate = No. of hours absent from work / No. of workable hours

Rate of deaths resulting from accidents at work = No. of deaths resulting from accidents at work / No. of hours worked x 1 000 000

Lost-time work accident frequency rate = No. of lost-time accidents / No. of hours worked x 1 000 000

Serious lost-time work accident frequency rate = No. of serious lost-time accidents / No. of hours worked x 1 000 000

Accident severity rate = No. of days lost due to work accidents / No. of hours worked x 1 000

Incidence rate = No. of lost-time accidents / Employees as of 31/12

#### 403-10 Work-related ill health

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.

To date, in the Industrial Chemicals and Water Treatment companies, there has been no record of any employee requesting eligibility for occupational disease status.



## GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
<b>Material Topics: Local communities</b>		
3-3	Management of material topics	Promotion of initiatives, activities, products and/or services that guarantee the development and integration of communities Pages 108, 115-127
413-1	Operations with local community engagement, impact assessments, and development programmes	Pages 108-132 All Bondalti companies carry out engagement programmes with the local communities where they are located. In 2023, the total amount of donations made by Bondalti was 1.89 million euros. <b>Note:</b> The calculation formula was revised compared to previous years.
413-2	Operations with significant actual and potential negative impacts on local communities	Pages 108-132 In all Bondalti projects, environmental and social impacts are analysed. As a result of these environmental impact assessment processes, monitoring, mitigation and compensation measures associated with each project are defined.
<b>Material Topics: Product quality and customer satisfaction</b>		
3-3	Management of material topics	Guaranteeing product quality and promoting customer satisfaction with the service provided from the first moment of contact. Pages 42-43, 62-64
416-1	Assessment of the health and safety impacts of product and service categories	All Bondalti products have Safety Data Sheets, included in a continuous management and update cycle, distributed to all customers in their local language, in accordance with the REACH Regulation.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
417-1	Products and services with associated Safety Data Sheet and Technical Data Sheet	All Bondalti products have Safety Data Sheets, included in a continuous management and update cycle, distributed to all customers in their local language, in accordance with the REACH Regulation. Labelling for packaged products must also comply with the CLP and BPR regulations, in line with the Safety Data Sheet review strategy.

## GRI Standard Indicators

SPECIFIC INDICATORS		RESPONSE / LOCATION / OMISSION
<b>Indicators that do not relate to material topics</b>		
<b>Economic Performance</b>		
201-2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	In 2023, Bondalti consumed 27 490 ETS licences, and it was allocated 52 183 licences, corresponding to an amount of 4 031 137 at market price.
201-3	Defined benefit plan obligations and other retirement plans	Only employees of the Bondalti Group, Industrial Chemicals, who joined the company before 31/12/1977 benefit from a retirement pension.
206-1	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their results	In 2023, there were no legal actions or convictions related to this indicator.
207-2	Tax governance, control and risk management	Bondalti's Financial Department is the internal body responsible for identifying and managing financial risks for all group companies. The Financial Department monitors exposure to financial risk on an ongoing basis, carrying out a specific analysis whenever any of the following situations occur: legislative and/or regulatory amendment/revision; significant change in activities, processes or customer portfolio; merger/acquisition of new business units; other changes arising from a specific geographic or geopolitical context. For these specific analyses, Bondalti uses specialised consultancy, in Portugal and Spain, to support the identification and management of financial risks, particularly in the tax and transactional areas in the different business areas. This support takes the form of regular meetings to monitor Bondalti's activity and legislative developments, and specific meetings when support on specific issues is warranted.
<b>Environmental Performance</b>		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Bondalti plans to begin a more in-depth study of all the natural capital impacted by 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 plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our stakeholders, namely local communities.
304-2	Significant impacts of activities, products and services on biodiversity in protected areas and areas with a high level of biodiversity located outside protected areas	Pages 118-124 Bondalti plans to begin a more in-depth study of all the natural capital impacted by 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 plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our <i>stakeholders</i> , namely local communities.

## GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
304-3 Habitats protected or restored	Bondalti plans to begin a more in-depth study of all the natural capital impacted by 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 plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our stakeholders, namely local communities.
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Bondalti plans to begin a more in-depth study of all the natural capital impacted by 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 plan to study the feasibility of ecosystem service exploration models that can serve not only internal needs, but also those of our stakeholders, namely local communities.
308-1 Environmental screening of new suppliers	For the Industrial Chemicals sector, Bondalti is developing an internal tool for selecting new suppliers.
308-2 Negative environmental impacts in the supply chain and actions taken	For the Industrial Chemicals sector, Bondalti is developing a tool to determine negative environmental impacts in the supply chain. There is an annual audit plan, where various criteria are evaluated, including environmental management.
<b>Social Performance</b>	
402-1 Minimum notice periods regarding operational changes	According to the Labour Code, the minimum period defined to notify a worker about a definitive workplace transfer is 30 days in advance. This notice must always be made in writing and duly substantiated.

## Industrial Chemicals

405-1 Diversity of governance bodies and employees

GOVERNING BODIES	2021	2022	2023
Total	12	15	4
<b>By gender</b>			
Men	10	12	4
Women	2	3	0
<b>By age group</b>			
Up to 30 years	0	0	0
Between 30 and 50 years	2	1	1
Up to 50 years	10	14	3

DIRECTORS	2021	2022	2023
Total	20	21	18
<b>By gender</b>			
Men	16	18	15
Women	4	3	3
<b>By age group</b>			
Up to 30 years	0	0	0
Between 30 and 50 years	6	11	10
Up to 50 years	14	10	8

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

COORDINATORS	2021	2022	2023
<b>Total</b>	<b>26</b>	<b>31</b>	<b>37</b>
<b>By gender</b>			
Men	18	19	22
Women	8	12	15
<b>By age group</b>			
Up to 30 years	0	0	0
Between 30 and 50 years	15	20	25
Up to 50 years	11	11	12

## Water Treatment

GOVERNING BODIES	2021	2022	2023
<b>Total</b>	<b>6</b>	<b>7</b>	<b>3</b>
<b>By gender</b>			
Men	5	5	3
Women	1	2	0
<b>By age group</b>			
Up to 30 years	0	0	0
Between 30 and 50 years	1	0	0
Up to 50 years	5	7	3

COORDINATORS	2021	2022	2023
<b>Total</b>	<b>54</b>	<b>67</b>	<b>30</b>
<b>By gender</b>			
Men	30	43	17
Women	24	24	13
<b>By age group</b>			
Up to 30 years	0	2	1
Between 30 and 50 years	48	56	25
Up to 50 years	6	9	4

EMPLOYEES	2021	2022	2023
<b>Total</b>	<b>359</b>	<b>320</b>	<b>397</b>
<b>By gender</b>			
Men	282	252	306
Women	77	68	91
<b>By age group</b>			
Up to 30 years	53	53	62
Between 30 and 50 years	171	159	219
Up to 50 years	135	108	116

DIRECTORS	2021	2022	2023
<b>Total</b>	<b>8</b>	<b>7</b>	<b>8</b>
<b>By gender</b>			
Men	7	7	7
Women	1	0	1
<b>By age group</b>			
Up to 30 years	0	0	0
Between 30 and 50 years	4	2	4
Up to 50 years	4	5	4

EMPLOYEES	2021	2022	2023
<b>Total</b>	<b>332</b>	<b>276</b>	<b>348</b>
<b>By gender</b>			
Men	235	197	242
Women	97	79	106
<b>By age group</b>			
Up to 30 years	30	28	33
Between 30 and 50 years	255	201	247
Up to 50 years	47	47	68

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

## Ratio of total remuneration (basic salary + variables) between women and men, by employee category

## Industrial Chemicals

BONDALTI CHEMICALS AND BONDALTI CAPITAL	< 30 years	30-50 years	> 50 years	BONDALTI CANTABRIA	< 30 years	30-50 years	> 50 years
Director	-	0.95	-	Director	-	-	-
Deputy Director	-	0.93	-	Coordinator	-	-	-
Coordinator	-	0.92	0.90	Technical Staff	-	1.41	0.93
Supervisor	-	0.94	-	Administrative Technicians	-	-	-
Technical Staff	0.75	0.73	1.01	Functional technician	-	-	-
Administrative Technicians	-	1.19	1.27	Coordinating operational technician	-	-	-
Coordinating functional technician	-	-	-	Operational technician	-	1.06	-
Functional technician	0.93	0.96	1.01				
Coordinating operational technician	-	-	-				
Operational technician	-	0.67	-				

## Water Treatment

BWS – AEMA	< 30 years	30-50 years	> 50 years
Director	-	1.14	-
Coordinator	-	0.85	-
Technical Staff	-	0.76	-
Administrative Technicians	-	0.52	0.50
Functional technician	1.24	0.92	-
Operational technician	1.17	0.72	-

**Note:** The values presented exclude the corporate bodies.

To calculate this indicator, the contractual values of fixed remuneration for the total number of active employees as of 31/12/2023 and variable remuneration effective in 2023 were considered.

Calculation formula: Female gender / Male gender

**Reason for omission:** Information not available/incomplete

BWS | Enkrott does not have a system that allows the total variable remuneration to be counted effectively, making it impossible to collect data for the year 2023.

405-2 Ratio of basic salary and remuneration of women to men, for each employee category and relevant operational units (Remuneration)

## GRI Standard Indicators

## SPECIFIC INDICATORS

## RESPONSE / LOCATION / OMISSION

## Ratio of basic salary between women and men, by employee category

## Industrial Chemicals

BONDALTI CHEMICALS AND BONDALTI CAPITAL	< 30 years	30-50 years	> 50 years
Director	-	0.89	-
Deputy Director	-	0.91	-
Coordinator	-	0.97	0.91
Supervisor	-	0.96	-
Technical Staff	0.77	0.70	1.00
Administrative Technicians	-	1.15	1.26
Coordinating functional technician	-	-	-
Functional technician	0.98	0.98	0.99
Coordinating operational technician	-	-	-
Operational technician	-	0.76	-

BONDALTI CANTABRIA	< 30 years	30-50 years	> 50 years
Director	-	-	-
Coordinator	-	-	-
Technical Staff	-	1.26	0.77
Administrative Technicians	-	-	-
Functional technician	-	-	-
Coordinating operational technician	-	-	-
Operational technician	-	1.05	-

405-2

Ratio of basic salary and remuneration of women and men, by employee category and relevant operational units (Basic salary)

## Water Treatment

BWS – AEMA	< 30 years	30-50 years	> 50 years
Director	-	1.25	-
Coordinator	-	0.83	-
Technical Staff	-	0.79	-
Administrative Technicians	-	0.52	0.50
Functional technician	1.25	0.92	-
Operational technician	1.38	0.83	-

BWS – ENKROTT PORTUGAL	< 30 years	30-50 years	> 50 years
Director	-	-	-
Coordinator	-	1.41	1.75
Technical Staff	-	1.49	-
Administrative Technicians	-	0.99	-
Operational technician	1.03	0.89	0.44
Officer	-	0.76	-

At BWS | Enkrott Spain, the two employees occupy different positions in the company, making comparison impossible.

**Note:** The values presented exclude the corporate bodies.

To calculate this indicator, the contractual values of fixed remuneration for the total number of active employees as of 31/12/2023 were considered.

Calculation formula: Female gender / Male gender

**Reason for omission:** Information not available/incomplete

BWS | Enkrott Angola does not have a system that allows effective accounting, making it impossible to collect data for the year 2023.

## GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
406-1 Incidents of discrimination and corrective actions taken	In 2023, there were no cases of discrimination in the Bondalti Universe. Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> )
407-1 Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	In 2023, the number of occurrences was 0, with no cases of attacks on the right to freedom of association and collective bargaining being identified. Bondalti shares the Code of Conduct for Suppliers with all its suppliers. Code of Conduct for Suppliers ( <a href="http://www.bondalti.com">www.bondalti.com</a> )
408-1 Operations and suppliers at significant risk for incidents of child labour	Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> ); Code of Conduct for Suppliers ( <a href="http://www.bondalti.com">www.bondalti.com</a> ). In 2023, the number of occurrences was 0, with no cases of risk for incidents of child labour being identified. Bondalti shares the Code of Conduct for Suppliers with all its suppliers. Bondalti subscribes to the United Nations Global Compact, under which it commits to complying with the 10 global principles.
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> ); Code of Conduct for Suppliers ( <a href="http://www.bondalti.com">www.bondalti.com</a> ). In 2023, the number of occurrences was 0, with no cases of significant risk for incidents of forced or compulsory labour being identified. Bondalti shares the Code of Conduct for Suppliers with all its suppliers. Bondalti subscribes to the United Nations Global Compact, under which it commits to complying with the 10 global principles.
410-1 Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	All Bondalti employees, upon admission, are obliged to receive training regarding the Code of Ethics. Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> )
411-1 Total number of incidents of violations involving rights of indigenous peoples and measures taken	Code of Ethics ( <a href="http://www.bondalti.com">www.bondalti.com</a> ); Code of Conduct for Suppliers ( <a href="http://www.bondalti.com">www.bondalti.com</a> ) In 2023, the number of occurrences was 0. Bondalti subscribes to the United Nations Global Compact, under which it commits to complying with the 10 global principles. Due to the location of its operations, Bondalti's activity does not involve any relationships with indigenous peoples.
414-1 New suppliers that were screened using social criteria	Bondalti shares its Code of Conduct for Suppliers, which includes Human and Labour Rights. Currently, Bondalti is working in an integrated manner on a supplier selection process that takes into account various factors, including social criteria.
414-2 Negative social impacts in the supply chain and actions taken	Bondalti shares its Code of Conduct for Suppliers, which includes Human and Labour Rights. Currently, Bondalti is working in an integrated manner on a supplier selection process that takes into account various factors, including social criteria.

## GRI Standard Indicators

SPECIFIC INDICATORS	RESPONSE / LOCATION / OMISSION
415-1 Political contributions	Bondalti does not provide any political contributions, either directly or indirectly.
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023, there were no non-compliances of this kind at Bondalti. Fines or warnings are only considered when the processes are completed or have become final. Only those above €10 000 are considered significant fines.
Logistics Compliant shipments	<p>Pages 61-62</p> <p>In 2023, in Industrial Chemicals, 99.87% of shipments were compliant. In Water Treatment, compliance was verified for 99.95% of BWS   Enkrott shipments, and for 100% of BWS   AEMA shipments.</p> <p>% Compliant Shipments = Total Logistics Complaints / Total Shipments</p>
Colombo Financial return	<p>Pages 68-69</p> <p>The NPV is only calculated for ideas that have been approved and considers the update until the period under analysis (2022) of the amounts paid for approval and implementation of the ideas (if this has already occurred). The NPV also considers the recognition of one-off income as occurring in the year following the year of implementation, as well as annual income as occurring over 5 years beginning after the year following the year of implementation, both updated/capitalised up to the period under analysis (5 years).</p> <p>NPV = Approval + Implementation + One-off Revenue + Annual Revenue</p> <p>Approval – Includes approval cost (excludes premium cost if applicable) updatable until 2022 at the WACC rate: Approval cost x (1 + WACC)<sup>(2022 - year of approval)</sup></p> <p>Implementation – If the idea has been implemented: Implementation cost x (1 + WACC)<sup>(2022 - year of implementation)</sup></p> <p>One-off Revenue – If the idea has been implemented: One-off revenue x (1 + WACC)<sup>(2022 - year following the year of implementation)</sup></p> <p>Annual Income – If the idea has been implemented: Annual income x 1 / WACC x (1 - (1 / (1 + WACC)<sup>5</sup>)) x (1 + WACC)<sup>(2022 - year following the year of implementation)</sup></p>



# Sustainability Verification Report



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*(Translation from the original Portuguese language. In case of doubt, the Portuguese version prevails.)*

## Independent Limited Assurance Report

To the Board of Directors of  
Bondalti Capital, S.A.

### Scope

We have been engaged by Bondalti Capital, S.A. ("Bondalti") to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, to report on the sustainability disclosures identified in the subchapter "GRI Standard Indicators" of the chapter "Annexes", which include the sustainability information included in the Integrated Report 2023 (the "Sustainability Information"), for the year ended 31 December 2023.

### Criteria applied

Bondalti prepared the Sustainability Information in accordance with the sustainability reporting standards of the Global Reporting Initiative - GRI Standards and with the principles of inclusivity, materiality, responsiveness, and impact set by AA1000AP Standard (2018) (together the "Criteria").

### Responsibilities of the Management

Bondalti's management is responsible for selecting the Criteria, and for preparing the Sustainability Information in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining an appropriate internal control system, maintaining adequate records and making estimates that are relevant to the preparation of the Sustainability Information, such that it is free from material misstatement, whether due to fraud or error.

### Responsibilities of the Auditor

Our responsibility is to examine the Sustainability Information prepared by Bondalti and to issue a limited assurance report based on the evidence obtained.

Our engagement was conducted in accordance with the International Standards for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information - ISAE 3000 (Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and other technical standards and recommendations issued by the Portuguese Institute of Statutory Auditors (*Ordem dos Revisores Oficiais de Contas*). These standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Sustainability Information is prepared in accordance with the Criteria.

Our work also considered the AA1000 Assurance Standard (AA1000AS v3) issued by AccountAbility for a type 2 process, with the aim of obtaining a moderate level of assurance on the alignment of Bondalti with Standard AA1000AP (2018).

Procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. In these circumstances, our independent review procedures comprised the following:

- ▶ Inquiries to management with the objective to understand the business context and the sustainability reporting process;
- ▶ Conducting interviews with personnel responsible for preparing the information in order to understand the processes for collecting, collating, reporting and validating of the Sustainability Information for the reporting period;

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- ▶ Conducting analytical review procedures to support the reasonableness of the data;
- ▶ Execution, on a sample basis, of tests to the calculations carried out, as well as tests to prove the quantitative and qualitative information included in the report;
- ▶ Verification of the level of adherence to the principles of inclusivity, materiality, responsiveness and impact defined in AA1000AP Standard (2018), through the analysis of contents contained in the Sustainability Information and in the internal documentation of Bondalti;
- ▶ Verification of the conformity of the Sustainability Information with the results of our work and with the Criteria applied.

We consider that the evidence obtained is sufficient and appropriate to provide the basis for our conclusion.

### Quality and Independence

EY applies the International Standard on Quality Management ISQM 1, 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 comply with the independence and other ethical requirements of the *Ordem dos Revisores Oficiais de Contas'* Code of ethics and of the International Code of Ethics for Professional Accountants (including international independence standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behavior.

### Conclusion

Based on our work and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information, for the year ended 31 December 2023, has not been prepared, in all material respects, in accordance with the Criteria.

### Other Matters

Without affecting the conclusion above, we also present the following aspects regarding Bondalti's adherence to the principles of AA1000AP Standard (2018):

- ▶ Principle of inclusivity: Bondalti's internal and external stakeholders' engagement is directly linked to the strategic objectives defined by the organization, both at Group level and in its business areas. There is an internal procedure for stakeholders' management and involvement, including the selection of stakeholders by the sustainability team and validation by the responsible areas, as well as the adaptation of involvement mechanisms to each stakeholder.
- ▶ Principle of materiality: Bondalti engages with its stakeholders every two years and revises its material topics when there is a significant change, as in 2023, with an average of every 4 years.

In 2023, Bondalti carried out a materiality analysis, based on an engagement process with its stakeholders, both external and internal. This process considered an initial list of topics identified through a benchmark main trends analysis, with stakeholders from Bondalti's two main business areas - Bondalti Chemicals and Bondalti Water Solutions - being consulted in order to assess their perceptions on the impact of Bondalti's activities on each topic, as well as their relevance to the business and impact on the company's potential to create value. The consolidation of this consultation results allowed Bondalti to revise its materiality matrix, identifying the material topics of the Bondalti Group as a whole, as well as those of its two business areas.



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- ▶ Principle of responsiveness: Through the stakeholders' engagement process, Bondalti takes stakeholders expectations into account in order to define material topics, issues that need to be addressed by Bondalti and which are therefore the focus areas of Bondalti's strategy. This consultation process is in itself continuous, carried out every two years, integrated and applied throughout the organization.
- ▶ Principle of impact: Bondalti has selected a set of quantitative and qualitative indicators, by material topic, to monitor the main direct and indirect economic, environmental, social, and governance impacts of its activities.

Lisbon, July 3<sup>rd</sup> 2024

Ernst & Young Audit & Associados - SROC, S.A.  
*Sociedade de Revisores Oficiais de Contas*  
Represented by:

*(signed)*

Manuel Ladeiro de Carvalho Coelho da Mota - ROC nº 1410  
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# Glossary

## A

**AAA** Avanca Artistic Association

**ACEGE** Christian Association of Businessmen and Managers

**ADENE** Portuguese Energy Agency

**AICO** Ibero-American Association of Chambers of Commerce

**AIP** Portuguese Industrial Association

**ALP** Advanced Leadership Programme

**ANPC** National Association of Rural Landowners, Game Management and Biodiversity

**APCADEC** Portuguese Purchasing and Procurement Association

**APQuímica** Portuguese Association of Chemistry, Petrochemistry and Refining

**AQP** Aliada Química de Portugal

## B

**BCSD Portugal** Business Council for Sustainable Development Portugal

**BD** Board of Directors

**BTT** Bondalti TechTalks

**BWS** Bondalti Water Solutions

## C

**CDP** Carbon Disclosure Project

**CEFIC** European Chemical Industry Council

**CESAM** Centre for Environmental and Marine Studies

**Chempor** International Conference on Chemical and Biological Engineering

**CIBIO** Centre for Biodiversity and Genetic Resources Research

**CIP** Portuguese Business Confederation

**CIRC** Corporation Tax Code

**CO<sub>2</sub>** Carbon Dioxide

**COP** Communication on Progress

**COTEC** Business Association for Innovation

**CRAM** Marine Animal Recovery Centre

**CSC** Commercial Companies Code

**CSRD** Corporate Sustainability Reporting Directive

## D

**DAIGR** Directorate for Internal Audit and Risk Management

**DECO** Portuguese Consumer Protection Association

## E

**EB** Executive Board

**EBIT** Trading income

**EBITDA** Operating cash-flow

**efr** Family Responsible Company

**EIPM** European Institute of Purchasing Management

**ERM** Enterprise risk management

**ESG** Environmental, Social and Governance

**EU** European Union

**EuBatIn** European Battery Innovation

**EVP** Employee value proposition

**EY** Ernst & Young

## F

**FAM** Amélia de Mello Foundation

**FEIQUE** Spanish Chemical Industry Business Federation

**FEUP** Faculty of Engineering of the University of Porto

**FID** First Industrial Deployment

**FJN** José Neves Foundation

<b>G</b>	<b>GHG</b> Greenhouse Gases
	<b>GRI</b> Global Reporting Initiative
<b>H</b>	<b>H<sub>2</sub></b> Hydrogen
	<b>HyLAB</b> Green Hydrogen Collaborative Laboratory
<b>I</b>	<b>IAPMEI</b> Agency for Competitiveness and Innovation
	<b>ICEP</b> Portuguese Foreign Trade Institute
	<b>ICF</b> Inclusive Community Forum
	<b>IIA</b> Institute of Internal Auditors
	<b>iLAB</b> Microscopy and Biological Imaging Laboratory
	<b>INSEAD</b> Institut Européen d'Administration des Affaires
	<b>IoT</b> Internet of Things
	<b>IPCEI</b> Important Project of Common European Interest
	<b>ISCC Plus</b> International Sustainability & Carbon Certification
	<b>IST</b> Instituto Superior Técnico
	<b>IT</b> Information Technology

<b>J</b>	<b>JAP</b> Junior Achievement Portugal
<b>M</b>	<b>MBA</b> Master of Business Administration
	<b>MBR</b> Membrane Bioreactors
<b>N</b>	<b>NaCl</b> Sodium Chloride
	<b>NFRD</b> Non-Financial Reporting Directive
	<b>NGS</b> New Generation Storage
<b>O</b>	<b>OECD</b> Organisation for Economic Cooperation and Development
	<b>OPS</b> Preventive Safety Observations
	<b>OSH</b> Occupational Safety and Health
<b>P</b>	<b>PACOPAR</b> Estarreja Responsible Practices Programme Community Advisory Panel
	<b>PPI</b> Portuguese Platform for Integrity
	<b>PPR</b> Corruption and Related Offences Risk Prevention Plan
	<b>PRODEC</b> Doctoral Programme in Civil Engineering
	<b>PRR</b> Recovery and Resilience Plan
<b>R</b>	<b>R&amp;D</b> Research and Development

	<b>RDI</b> Research, Development and Innovation
	<b>RGPC</b> General Framework for the Prevention of Corruption
<b>S</b>	<b>SBTi</b> Science Based Targets initiative
	<b>SDG</b> Sustainable Development Goals
	<b>SME</b> Small and Medium-Sized Enterprises
	<b>SOC</b> Security Operation Centre
<b>U</b>	<b>UNGC</b> United Nations Global Compact
<b>V</b>	<b>VN</b> Turnover
<b>W</b>	<b>WWTP</b> Waste Water Treatment Plant



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A wide-angle photograph of a sunset over the ocean. The sky is filled with soft, horizontal bands of color, transitioning from a pale yellow at the top to a deep orange and then a soft purple near the horizon. The ocean below is a deep, dark blue, with gentle waves rolling in from the distance. In the lower-left foreground, a small wave is breaking, creating a splash of white foam. The overall mood is serene and contemplative.

**BONDALTI**

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