

ENVIRONMENTAL POLICY





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1. Introduction

Respect for the environment is one of the ethical pillars established in Ence's Code of Conduct and is fully integrated into the company's vision. In this regard, Ence aims not only to comply strictly with applicable environmental regulations, but also to act proactively to protect the environment and promote business models based on the sustainable and circular use of natural resources, as well as to secure the social licence to operate in the communities where it carries out its activities.

Ence's commitment to the environment is manifested in the promotion of integrated environmental excellence in all its activities through the prevention and mitigation of the environmental impacts derived from them, the implementation of the best available technologies and efficiency in the use of natural resources and energy, applying a circular economy approach.

In addition, Ence is convinced that respect for the environment and the development of sustainable activities is a clear lever for differentiation and growth, in a world where society's expectations are increasingly higher in this area.

2. Objective

The aim of this Policy is to formalise and develop Ence's commitment to environmental protection in its operations and to changing the production model from linear to circular, ensuring compliance with environmental legislation and other existing commitments, as well as establishing the company's principles of action in this area. The policy also aims to extend its principles of action to its suppliers and partners throughout the Ence value chain.

The Policy also aims to establish the tools and mechanisms to deploy the defined principles of action and apply them in the daily activity of the company, such as the environmental management systems implemented and maintained in the Group's companies. Thus, the Policy provides a common framework of reference for the establishment of objectives and the implementation of plans and actions foreseen in these management systems that ensure continuous improvement in this area.

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Another objective of the Policy is to define the roles and responsibilities of the governing bodies and the different areas of the company in the implementation of the Policy.

3. Scope of application

This Policy applies to all Ence Group companies and employees, as well as to suppliers and contractors providing services at Ence facilities.

4. Principles of action

In order to materialise Ence's commitment to pollution prevention and environmental protection in its operations, this Policy establishes the following principles of action:

- **Comply with applicable environmental legislation and regulations**, as well as with the internal regulations and voluntary commitments acquired by the company in this area, anticipating adaptation to new regulations. Ence will also adopt, in a complementary manner and in accordance with the precautionary principle, international reference norms or standards in the field of environmental management.
- **Protect the environment and reduce the company's environmental impact** on the surroundings and throughout its value chain. To this end, the company will analyse and understand the nature and magnitude of the potential environmental impacts of its activities, products and services and will apply the principle of the mitigation hierarchy (avoid, minimise, restore and, ultimately, compensate impacts).
- **Integrate environmental protection into the company's strategic planning**, risk and opportunity management and decision-making, such as mergers and asset acquisitions through environmental due diligence.
- **Define a robust environmental governance and management model**, including the implementation and maintenance of environmental management systems based on the principles of precaution, pollution prevention and continuous improvement of environmental performance in accordance with international reference standards and aligned with industry best practice. Within the framework of this management model, this will include:
 - Periodic identification and assessment of the environmental risks and impacts of the company's activities, facilities, products and services and the updating of measures designed to prevent or mitigate them.

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- Mechanisms to ensure that all environmental aspects are properly managed, identifying and implementing preventive and corrective actions, including emergency measures, aimed at meeting established objectives and preventing environmental incidents.
- The development of management tools, known by all the people in the organisation, that allow the harmonisation of working methods in the environmental field, in line with the principles of this Policy.
- The definition of improvement plans and objectives for the most relevant environmental vectors for each of the Group's lines of activity, which promote the continuous improvement of environmental processes, as well as the establishment of monitoring, control and auditing mechanisms.
- The search for synergies and the exchange of best practices in environmental management between Group companies.

The various environmental management systems of the Group's companies are based on this common model and operate in a coordinated but decentralised manner, adapting optimally to the specific circumstances of each company. Thus, the companies implement the management systems autonomously and manage their resources as efficiently as possible, but always underpinned by the common principles and objectives defined in this Policy.

- **Ensure the leadership and commitment of the company's senior management** to environmental protection and the environmental management system, assuming responsibility for its effectiveness and the actions planned. In this regard, incentives will be defined, such as the inclusion of environmental criteria in the variable remuneration schemes of the company's management team.
- **Adopt best available technologies (BAT)** in the design and upgrading of its facilities wherever feasible to ensure optimal environmental performance of its operations.
- **To foster the development of sustainable services and products** that contribute to solving the environmental challenges of customers and society in general, such as the transition towards a circular economy based on natural and renewable products, the generation of green energy, and decarbonisation.

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- **Raise awareness, train and involve employees** in Ence's commitment to environmental protection and environmental management, disseminating this Policy and promoting knowledge and training in this area.
- **Extending its commitment to protecting and promoting the environment to Ence's value chain**, analysing and minimising environmental impacts throughout the value chain as far as possible by applying mechanisms such as contractual safeguards, environmental criteria in supplier approval, selection and assessment processes and systems for detecting bad practices in this area. In this regard, Ence will offer training to its suppliers so that they can comply with the possible criteria established by the company. In addition, Ence will take environmental criteria into consideration in business partner selection processes.
- **Make** information on Ence's environmental management model, objectives and performance **available to all the** company's stakeholders through its sustainability reports or specific reports. In this regard, Ence will resolve any possible complaints and take into account their concerns and suggestions for improvement.
- **Raise awareness in society** as a whole of the importance of environmental protection and the responsible use of resources through training, education, dissemination, publications, sponsorship, etc.
- **Provide adequate resources** for the implementation of this Policy in all company activities.

5. Priority areas for action

The priority lines of action in the environmental management of Ence's operations are detailed below:

- **Pollution prevention and control**, including:
 - a. The prevention and mitigation of negative impacts of the Group's activities in terms of air, surface and groundwater and soil pollution.
 - b. The analysis of environmental criteria, aspects and potential impacts prior to the development of a project, and during all stages of the project.
 - c. The detailed analysis and planning of any operation and/or maintenance that may have a potential impact on the environment, prior to its execution.

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- d. The definition of tools for dealing with work involving special environmental risks and the definition of measures for prevention, preparation and action in the event of environmental incidents, so as to eliminate and/or minimise their impact on people and the environment.
 - e. The elimination of the use and substitution of substances of concern (SOC) and substances of very high concern (SOVHC) according to the REACH Regulation, as well as the proper management of the REACH products generated.
 - f. The inclusion of the environmental perspective in the selection of technologies and equipment in industrial projects, giving priority to those that adapt to BATs and reduce the environmental impact of the processes.
 - g. Continuous monitoring by the chain of command of the proper environmental performance of people and the perfect condition of facilities with potential environmental impact.
- **Promotion of the circular economy and responsible use of resources**, including:
 - a. Prioritising the use of renewable natural resources and secondary or recycled raw materials in the company's processes, with a special focus on reducing the consumption of fossil fuels and raw materials.
 - b. The identification and periodic analysis of the environmental impacts of the resources used by the company with a life cycle perspective, so that the raw materials with the best environmental profile can be selected. In particular, the use of raw materials associated with deforestation or forest degradation will be avoided.
 - c. The adaptation of the company's processes to minimise the generation of waste and facilitate its reuse, recycling and recovery, in accordance with the waste management hierarchy and minimising landfill. In this sense, management systems aligned with Zero Waste certification will be implemented and maintained. Likewise, the potential of materials currently considered waste or residuals generated in the company's processes will be studied for use as secondary raw materials and/or by-products in its own processes or in other sectors.

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- d. The incorporation of the environmental perspective in the design of new products, using life cycle analysis to select those alternatives that offer environmental advantages and help Ence's customers to reduce their environmental footprint.
 - e. The application of sustainable forest management practices to ensure the long-term sustainability of forest holdings, the production of timber free of negative environmental impacts and the regeneration of nature.
 - f. Reducing energy consumption, promoting the use of renewable energy and adopting energy efficiency measures in the company's activities.
- **Protection and responsible use of water resources**, including:
 - a. The protection of aquatic ecosystems and groundwater, ensuring adequate treatment of industrial wastewater to maintain the quality of the receiving environment, as well as preventing accidental discharges.
 - b. Reducing water consumption in the company's processes, especially in areas of high water stress, by designing and applying measures to improve efficiency, reuse, etc. to reduce dependence on this resource and reduce the impact on water catchment areas. Likewise, options will be studied to use water recovered from other sources (e.g. municipal WWTPs) for use in Ence's industrial processes and thus reduce water withdrawal from the natural environment.
 - c. The incorporation of the water footprint perspective in the design of new products, prioritising those that require less water consumption in their manufacture.
 - d. The analysis of potential impacts in terms of consumption and pollution during the design of new installations and/or processes, in order to select those with the lowest impact according to technical criteria.
 - **Management of environmental aspects that affect the social licence to operate.** In addition to those vectors that may have the greatest environmental impact (emissions, discharges, waste, etc.), Ence will proactively manage those aspects that may have a negative impact on coexistence and acceptance by the communities where the company operates, such as odour, noise, vibrations or dust. In this regard, Ence:

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- a. It will include the identification and analysis of these aspects in its impact analysis systems and environmental management systems, defining improvement objectives for them, aligned with ISO 14001 criteria.
 - b. It shall put in place the necessary measures to control these aspects in its facilities and ensure that disturbances to neighbouring populations are minimised.
 - c. It will take these aspects into account in the approach and design of new projects, in order to detect and mitigate potential impacts on local communities (e.g. by conducting pre-study odour studies).
 - d. Consider and analyse possible complaints and suggestions for improvement expressed by its stakeholders.
- **The mitigation and adaptation to climate change and the protection of biodiversity** are also considered priority lines of action in environmental matters, although Ence's principles of action in these areas are regulated in specific policies (Climate Change Policy and Biodiversity Policy) and are therefore not detailed in this document.

6. Planning and performance indicators

Within the framework of its management model, Ence will periodically define actions and targets for improvement in the priority lines of action and to ensure compliance with the rest of the principles of action set out in this Policy.

Performance targets and indicators must be aligned with best market practices (e.g. BATs), focus on the aspects with the greatest impact and be quantifiable. When defining indicators and targets, international sectoral references will be taken into account, but also the specific characteristics of Ence's facilities and the environments in which they are located (both from the point of view of environmental protection needs and community impact).

Ence will continuously monitor the indicators and targets set, reporting the results both internally and externally to the company's stakeholders.

7. Compliance

Ence management will ensure compliance with the commitments set out in this Policy, monitoring the company's performance according to the established indicators and investigating and correcting any possible deviations from the defined objectives. The

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responsibilities of the governing bodies and areas involved in compliance with this Policy are defined in the following point.

Ence has an Internal Information Channel through which any employee or third party outside Ence can report actions or behaviours that contravene the law or Ence's internal regulations. All communications received are analysed independently, objectively and confidentially, respecting the rights of the persons involved and without any kind of reprisal for the person reporting alleged breaches in good faith.

8. Governing bodies and duties

The **Board of Directors** is responsible for approving, reviewing and, where necessary, updating this Policy.

The **Sustainability Committee** of the Board of Directors shall review the action plans and proposed objectives. It shall also be responsible for regular monitoring of the progress of these plans and the established indicators.

The **Audit Committee** of the Board of Directors shall oversee the inclusion of environmental risks in the company's risk management system if they are identified and monitor them and the proposed mitigation measures.

The **Management Committee** is responsible for disseminating and enforcing the principles of action assumed in this Policy and ensuring that it is properly disseminated and communicated. It is also the body responsible for defining objectives and supervising the implementation of action plans and measures. It will also be responsible for providing the necessary resources for the maintenance of the environmental management systems in the operations, the execution of the initiatives defined and the achievement of the objectives established.

The **Corporate Sustainability Department** is responsible for proposing updates to this Policy and setting environmental priorities and objectives in accordance with the lines of action set out in the Sustainability Master Plan.

The **Sustainability and Environment Departments of the business lines** will be responsible for establishing and maintaining the environmental management systems, including the audit plan, defining and implementing the environmental management methodologies and tools, monitoring and reporting the established environmental indicators, proposing improvement

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objectives, identifying and guaranteeing the necessary environmental training and awareness and, in general, ensuring the application of the principles of action of this Policy in Ence's industrial activities, both in existing facilities and in the development of new projects.

The Internal Audit Department will be responsible for planning and ensuring the execution of periodic audits to verify adequate environmental performance in all company operations.

The **business lines** will be responsible for guaranteeing the implementation of this Policy, ensuring the correct development of environmental activities and processes, providing the necessary resources, defining actions to comply with environmental objectives and providing the necessary data for reporting indicators to the company's governing bodies, guaranteeing their quality and consistency.

All employees of the Ence Group are responsible for complying with the principles of action set out in this Policy and for reporting any breach of these principles through the established channels, as well as acting proactively to avoid any potential impact on the environment.

In addition to the above, such governing bodies may be created as are deemed necessary to ensure compliance with the principles set out in this Policy.

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