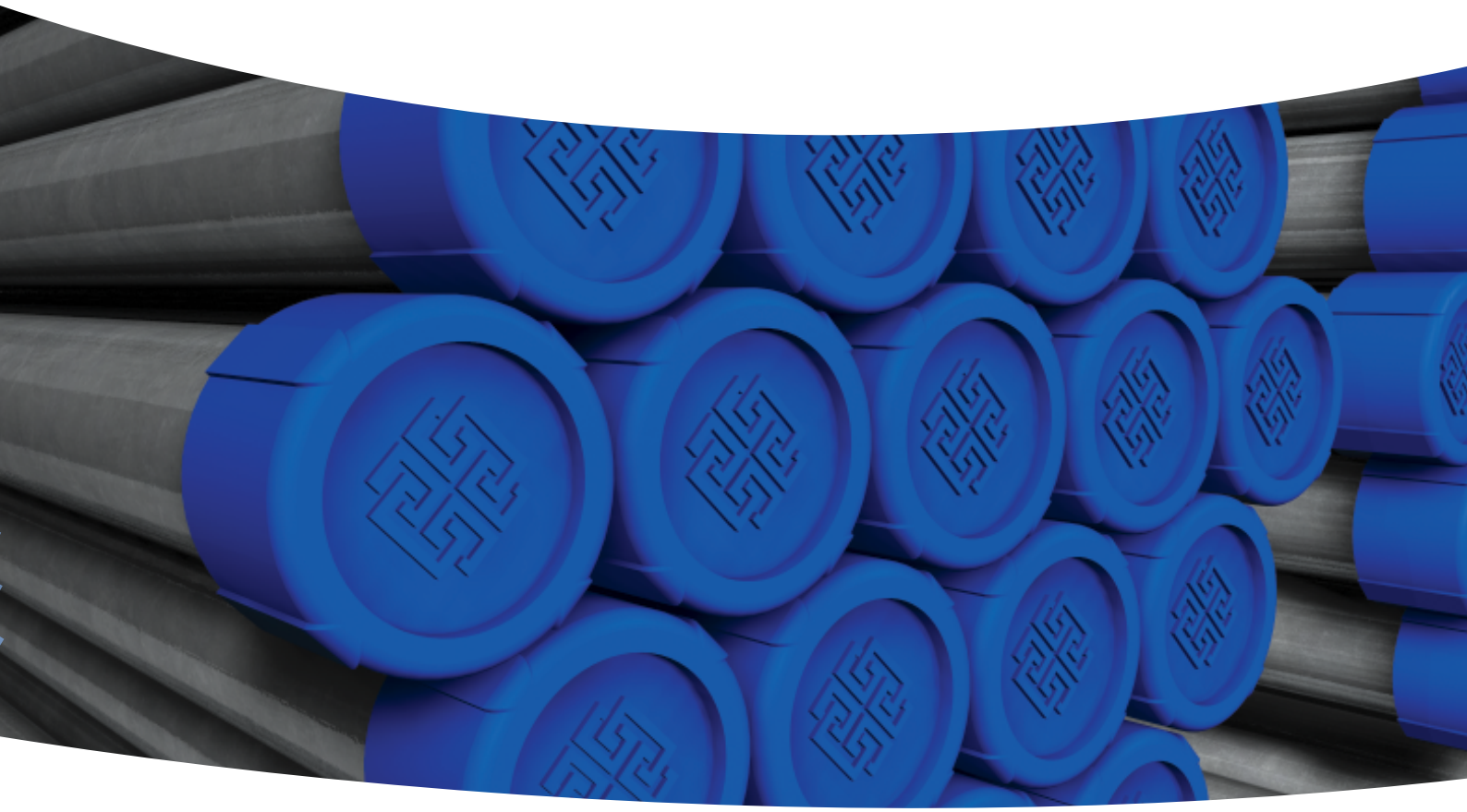
IPAC
DITH Group

# Sustainability Report 2025

*Responsible management, industrial innovation and energy transition*

# Sustainability Report 2025



IPAC

DITH Group

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# LETTER FROM THE **GENERAL MANAGER**

2025 was a year of significant progress for IPAC. Thanks to the commitment, talent and dedication of our team, we continued to strengthen our sustainability performance, consolidate responsible management practices and create value for our stakeholders.

In this fourth Sustainability Report, we transparently present our main achievements, challenges and results, reflecting the organization's enduring commitment to sustainability, innovation and continuous improvement.
Throughout the year, we strengthened our position through certifications, awards and distinctions that attest to the robustness of our sustainability, operational efficiency, information security, and energy and environmental management practices.

These achievements reflect the collective efforts of our employees and the trust placed in us by customers, suppliers, shareholders and other stakeholders, all of whom play a fundamental role in our organization's sustainable development.

In the environmental sphere, we continued to strengthen our energy management through on-site solar power generation, the progressive substitution of fuels and the continuous improvement of our processes. We also reaffirmed our commitment to protecting biodiversity and conserving marine ecosystems through the Blue Horizons program in Salango.

> Sustainability is not an isolated objective; it is how we create value for our customers, employees and society, while ensuring responsible, long-term growth.

## Our Main Achievements in 2025

- ECOVADIS SILVER
- CERTIFIED CARBON NEUTRALITY
- ISO 14001 CLIMATE CHANGE MANAGEMENT
- ISO 50001 ENERGY MANAGEMENT
- ISO 27001 INFORMATION SECURITY
- ISO 37001 ANTI-BRIBERY MANAGEMENT SYSTEM

**We reaffirm our commitment to responsible, innovative and long-term management in order to create sustainable value.**

In the social and governance spheres, we upheld our commitment to the well-being, development and safety of our employees, fostering a culture grounded in training, health and safe working practices. At the same time, we continued to strengthen our integrity and transparency practices through the implementation of our Code of Ethics and Conduct, Anti-Bribery Policy and Whistleblowing Channel, which are fundamental pillars of responsible and sustainable management.

Looking ahead to 2026, we reaffirm our commitment to responsible, innovative and long-term management. We will continue working to create sustainable value for our stakeholders, strengthen our competitiveness and contribute to the development of an increasingly efficient and sustainable industry.

*Robert Pakuts Sahr*
General Manager

# HIGHLIGHTS OF THE YEAR

## Creating Value through **SUSTAINABLE MANAGEMENT**

During the reporting period, **IPAC** consolidated significant sustainability achievements, strengthening its environmental, social and governance performance through the implementation of international standards, the continuous improvement of its processes and management focused on creating value for its stakeholders.

### CLIMATE ACTION AND ENVIRONMENTAL MANAGEMENT

- **Carbon neutrality**
  ISO 14068-1
- **Quantification and reporting of greenhouse gas emissions**
  ISO 14064-1
- **Energy management**
  ISO 50001
- **Use of renewable energy**
  and energy-efficiency projects
- **Biodiversity protection program:**
  Blue Horizons
- **Recertification of the Environmental Management System**
  ISO 14001

### PEOPLE AND COMMUNITY

- **Occupational health and safety**
  ISO 45001
- **Strengthening of training**
  and development programs
- **Promotion of corporate volunteering**
  and community engagement
- **Employee well-being program:**
  mental health, nutrition and promotion of sports
- **Provision of computer centers**
  in the community and maintenance of infrastructure at local educational institutions

### INTERNATIONAL RECOGNITION

- **EcoVadis Silver Medal**
  Environmental, labour and ethical performance
- **Eco20 certification**
  Made with solar energy
- **ESR distinction**
  Socially Responsible Company
- **BASC Exporter**
  Award winner

### GOVERNANCE AND BUSINESS EXCELLENCE

- **Information security**
  ISO 27001
- **Anti-bribery management**
  ISO 37001
- **Strengthening of risk management,**
  ethics and compliance

# EXECUTIVE **SUMMARY**

At IPAC, we integrate sustainability, innovation and operational excellence to **create sustainable value** and contribute to the development of the industry and the communities where we operate.

During 2025, we consolidated a management model based on environmental, social and governance (ESG) criteria. This model guides our decisions and strengthens our competitiveness, resilience and capacity to generate positive long-term impacts.

In the environmental sphere, we advanced our climate-action strategy by optimizing energy consumption, increasing the use of renewable energy and reducing our emissions. We obtained ISO 14064-1 certification for GHG quantification and reporting and ISO 14068-1 certification for carbon neutrality, validating our commitment to climate-change mitigation.

In the social sphere, we reaffirmed our commitment to people's health and safety (ISO 45001), talent development, continuous training and comprehensive well-being. We promoted corporate volunteering and community engagement programs, advancing initiatives in education, health, sports and the provision of technological infrastructure.

In governance, we strengthened our ethics, transparency, compliance and risk-management mechanisms. These efforts were supported by international certifications such as ISO 27001 for information security and ISO 37001 for anti-bribery management, as well as the continuous improvement of our processes and management systems.

These advances received international recognition through an EcoVadis Silver Medal, placing us in the 88th percentile, and other distinctions that reflect the strength of our integrated management and our commitment to global best practices.

## Our Strategic Pillars

### Environmental
Climate action, efficient use of resources and biodiversity protection.

### Social
Health and safety, talent development and community well-being.

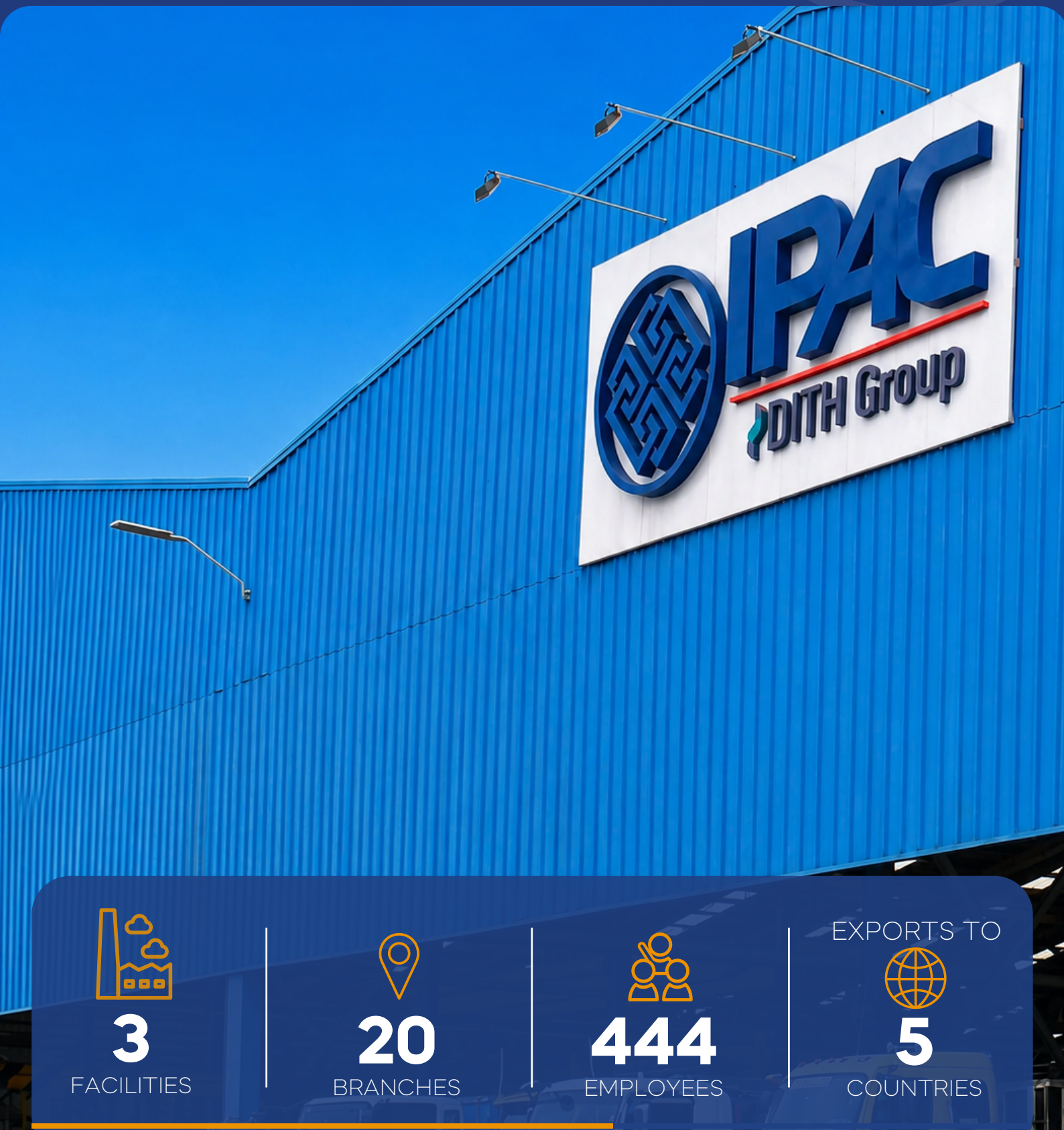
### Governance
Ethics, transparency, compliance and responsible risk management.

### Excellence
Innovation, continuous improvement and long-term sustainable value creation.

Chapter
# 01

# ABOUT US

*We transform steel and advance sustainable development.*




**3**
FACILITIES

**20**
BRANCHES

**444**
EMPLOYEES

EXPORTS TO
**5**
COUNTRIES

# OUR COMPANY

GRI 2-1, 2-2, 2-22

**We transform steel into sustainable solutions that advance industrial and infrastructure development.**

**IPAC S.A.** is an Ecuadorian company with more than five decades of experience in the transformation, production and sale of steel solutions for the construction, industrial and infrastructure sectors.

We are distinguished by our operational excellence, capacity for innovation and close customer relationships. We develop high-performance products and solutions that help strengthen productivity, competitiveness and the development of the value chains in which we participate.

**Sustainability** is embedded throughout our strategy and value-creation model. We promote energy efficiency, emissions reduction, the use of renewable energy, innovation in processes and products, and the continuous automation of our management and governance systems. As part of this vision, we develop pioneering projects such as harnessing solar energy and generating green hydrogen.

Through these actions, we create economic, environmental and social value on a sustainable basis for our customers, employees, shareholders, communities and other stakeholders.

**+50** YEARS of experience

**3** INDUSTRIAL FACILITIES

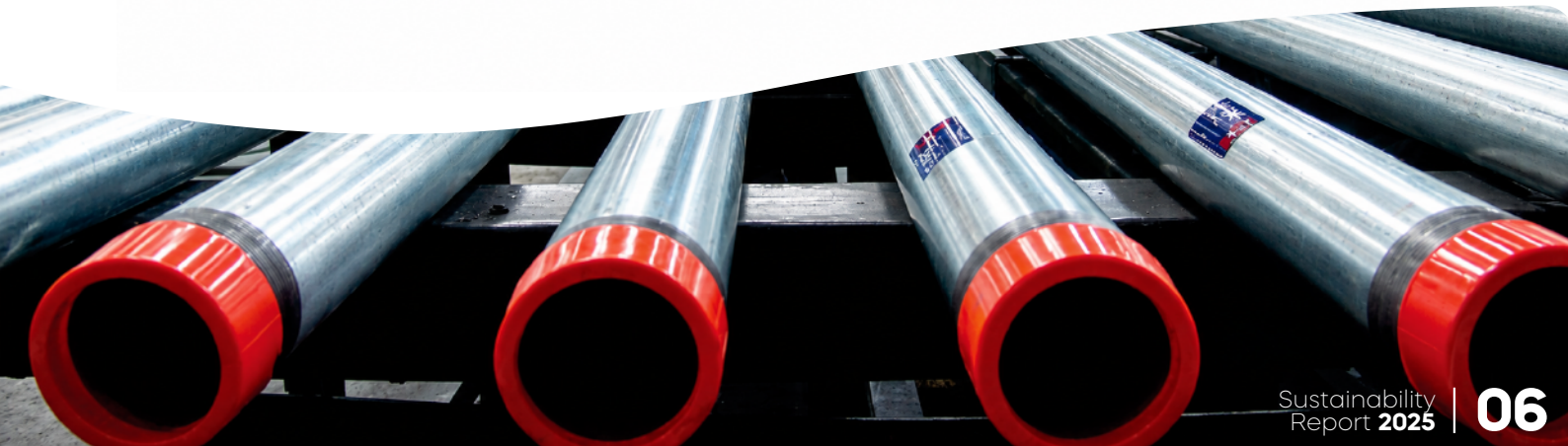
**20** BRANCHES nationwide

**5** EXPORT MARKETS

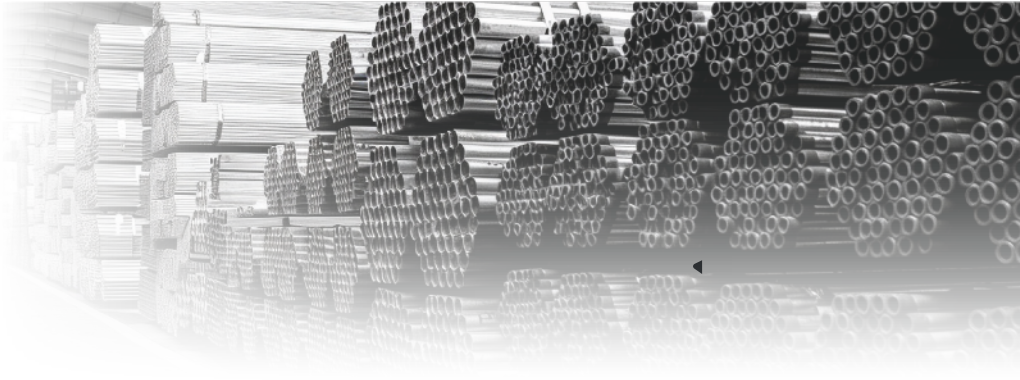
**444** COMMITTED EMPLOYEES

**32%** Renewable energy

$H_2$ **Green hydrogen** Innovation milestone



# OUR HISTORY



## 1972 - 1990

Operations began in Guayaquil, followed by the development of the company's first industrial steel-processing capabilities. This period included the start-up of a galvanizing plant and the consolidation of the profiles, tubes and steel sheets product lines.

## 1991 - 2000

Production capacity expanded through the addition of a second industrial plant, the strengthening of the commercial network and the beginning of exports to regional markets.

## 2001 - 2020

IPAC joined DITH Group, a global leader in steel trading, strengthening our corporate vision, global expertise and technological modernization. During this period, we added a third plant, consolidated 20 distribution centers, expanded our export presence and reached an installed capacity of 264,000 metric tons per year.

## 2021 - Present

We consolidated a strategy focused on innovation, sustainability and the development of higher value-added solutions.

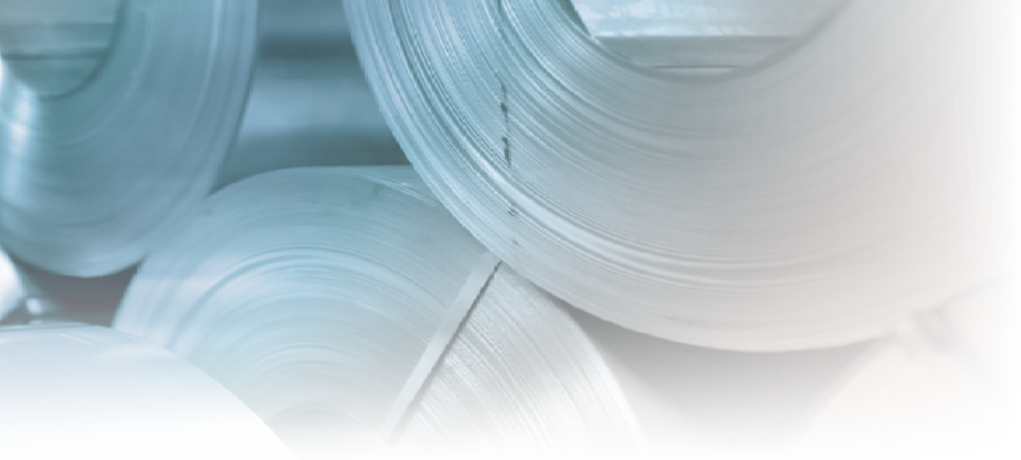
- Commissioning of our first photovoltaic power plant
- Expansion of solar generation capacity
- Production of green hydrogen as part of our decarbonization roadmap

Solar Energy

Green Hydrogen

Decarbonization and sustainability

Innovation and Industry 4.0



# KEY FIGURES

Our integrated industrial platform, nationwide coverage and network of strategic partners enable us to efficiently serve the construction, industrial and infrastructure sectors, both in Ecuador and in international markets.

These figures reflect the scale and capabilities that support our value proposition.

**3**
industrial plants including 1 galvanizing plant

**26**
Production lines

**264.000 t**
Annual installed capacity

**20**
Sales outlets

**23**
Provinces served directly

**1.125**
Partner distributors nationwide

**444**
Employees

**614**
Active approved suppliers

**5**
International markets served

**32%** of the energy consumed comes from on-site solar power generation

# BUSINESS **MODEL**

We operate in the steel-product and steel-solution transformation and sales sector through an **integrated business model** that brings together procurement, transformation, quality control, distribution and after-sales service activities.

### Our Value Proposition

- State-of-the-art industrial capabilities
- Specialized technical expertise
- Solutions tailored to each customer's needs
- Support from specification through delivery and after-sales assistance

### Our Production Infrastructure

**3** Industrial Plants

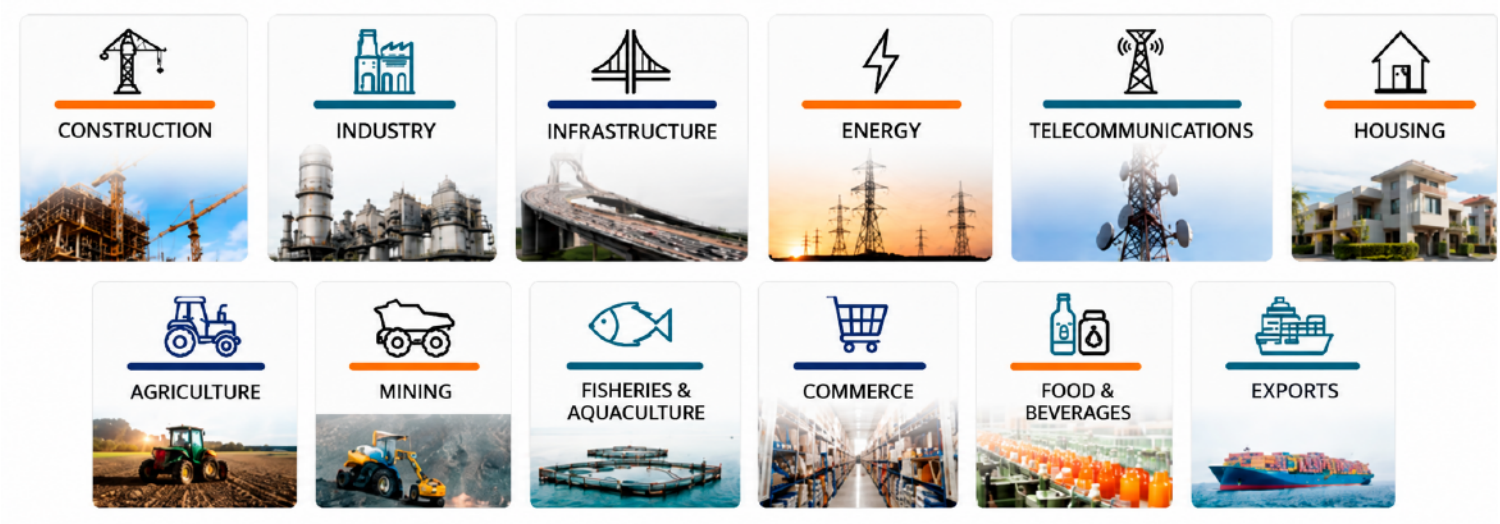
**1** Galvanizing Plant

**26** Production Lines

**264.000 t** Annual Installed Capacity

## Sectors **Served**

The diversity of the sectors we serve is a key factor in our operational resilience and commercial strength. It contributes to balanced demand, reduces exposure to specific market cycles and strengthens the continuity of our operations.




**We remain committed to advancing the development of Ecuador and the region while creating sustainable value for our stakeholders.**

# OUR **VALUE CHAIN**

GRI 2-1, 2-2, 2-6, 2-22

## Procurement and Suppliers

**Steel is at the core of our operations.**
We work with responsible suppliers to ensure quality, continuity and availability, fostering sustainable, long-term relationships.

### CONTINUITY
We ensure the availability of key inputs for our operations.

### RESPONSIBILITY
We promote responsible and ethical procurement from suppliers that share our values.

### RELATIONSHIPS
We build long-term partnerships that foster trust and shared development.

During 2025, we maintained a network of active suppliers comprising companies of different sizes and origins. **614**

### Suppliers

| 33 | 98 | 483 | Foreign 39 |
|---|---|---|---|
| Large | Medium-sized | Small | Domestic 575 |

### Suppliers by category

| Miscellaneous | Services | Transportation | Steel |
|---|---|---|---|
| 287 | 265 | 58 | 4 |

The distribution of suppliers by category reflects the diversity of goods and services required for our operations and the functioning of our value chain.

# Responsible Supplier Management

### Sustainable Procurement and Due Diligence

Our supplier management approach is based on our Sustainable Procurement Policy and Sustainability Policy. We apply due-diligence processes, assessment criteria and reporting mechanisms that promote transparency, ethics and appropriate risk management.

### Assessment and Long-Term Relationships

We characterize and segment our supplier base to strengthen supplier approval and assessment, identify opportunities for improvement and consolidate long-term relationships aligned with our standards for quality, sustainability, compliance and shared value creation.

### Integrity and Control Framework

We have an internal regulatory framework that guides the conduct of employees, suppliers and other stakeholders. It promotes a culture based on integrity, transparency, regulatory compliance and responsible risk management.

# Ethics and Compliance

Our ethics and compliance system is founded on a set of corporate policies and guidelines that establish the principles and standards of conduct expected in all our activities and business relationships.

**01** Code of Ethics

**02** Business Conduct Policy

**03** Anti-Bribery Policy

**04** Due Diligence Policy

**05** Conflict of Interest Policy

**06** Policy on Interaction with Public Officials

**07** Whistleblowing Policy

**08** Whistleblowing Channel

These policies are complemented by training processes, consultation mechanisms and a confidential whistleblowing channel, strengthening risk prevention, ethical decision-making and compliance with the corporate standards applicable throughout our value chain.

# Sustainability and Supply Chain

The sustainable management of our supply chain is grounded in policies and guidelines that promote responsible procurement practices, respect for human rights, ethical management of business relationships and shared value creation throughout our value chain.

- Sustainable Procurement Policy →
- Sustainability Policy →
- Human Rights Policy →
- Donations Policy →

# People and Culture

Our commitment to people is supported by policies and mechanisms designed to promote equal opportunity, respect for labour rights, the prevention of inappropriate conduct and the strengthening of an ethical and inclusive organizational culture.

- Protocol for the Prevention of Sexual and Workplace Harassment
- Gender Equality and Anti-Discrimination Policy
- Progressive Discipline Policy

# Information Security Policy

We have implemented a Security Management System that strengthens the protection of information assets, traceability, risk management and business continuity, contributing to the organization's resilience in the face of threats and disruptive events.

# Main Stages of **Our Value Chain**

1

## PROCUREMENT OF RAW MATERIALS AND STRATEGIC INPUTS

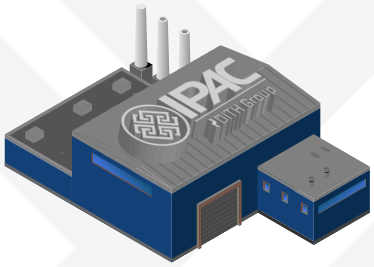
- Procurement of steel and supplies for industrial operations.

2

## INBOUND LOGISTICS AND RECEIPT OF MATERIALS

- Transportation from ports and supply centers.
- Receipt, inspection and storage of materials.

3



## INDUSTRIAL TRANSFORMATION

- Steel processing using specialized technology.
- Manufacture of solutions for construction, industry and infrastructure.

4

## QUALITY ASSURANCE AND REGULATORY COMPLIANCE

- Quality control through laboratories, testing and inspections.
- Traceability, planning and technical-operational support.

5

## DISTRIBUTION AND SALES

- Dispatch to branches, distributors, projects and customers.
- Sales through an integrated service and distribution network.

6

## CUSTOMER SERVICE AND SUPPORT

- Technical and commercial advice.
- After-sales service and technical support.
- Development of solutions tailored to each customer's needs.

# Distribution and Customers

Our finished products reach the market through a multichannel strategy that combines geographic coverage, close customer relationships and responsiveness.

- Our own network of branches and distribution centers
- A nationwide network of partner distributors
- Direct exports to international markets

We serve a diverse range of productive sectors through an extensive commercial network, contributing to the development of activities that are key to the economy.

Our industrial capabilities, coverage and technical support create sustainable value, strengthen long-term relationships and consolidate our market presence.

# Finished Products

# Product-Related **Services**

We complement our steel-solutions portfolio with specialized services that enable us to tailor our products to our customers' technical and operational requirements, bringing flexibility, efficiency and added value to their projects and production processes.

## ENGINEERING & CONSULTING

### 01 Specialized Technical Consulting

Expert guidance on the design and development of steel solutions.

### 02 Custom Solution Development

Product design and manufacturing tailored to the specific needs of each project.

## PRODUCTION & PROCESSING

### 03 Cutting to Specification

Precision cutting using high-capacity technology.

### 04 Steel Product Galvanizing

Corrosion protection for enhanced durability and service life.

### 05 Steel Product Bending & Forming

Controlled processes that ensure dimensional accuracy and quality.

## QUALITY & SUPPORT

### 06 Laboratory Testing & Quality Control

Testing and technical analysis to ensure compliance with the most stringent standards.

### 07 Sales Support & After-Sales Service

Ongoing support to ensure customer satisfaction and success.

## SOLUTIONS THAT DELIVER RESULTS

We combine technology, experience and service to deliver more than products: we deliver solutions that advance our customers' development.

# Laboratory and Technical Assurance

In-house laboratory accredited to ISO/IEC 17025.

The laboratory plays a fundamental role in quality control, validation of technical specifications and the continuous improvement of our operations, contributing to the traceability, performance and reliability of the steel solutions we offer our customers.

## Technical Scope of the **Laboratory**

Our laboratory has the infrastructure and technical competence required to perform mechanical and metallographic tests designed to verify compliance with the standards and technical specifications applicable to our products.

### 1. Mechanical Tests

- Tensile strength
- Yield strength
- Elongation
- Bend testing
- Hardness

### 2. Metallographic Tests

- Microstructural analysis
- Grain-size assessment
- Detection of inclusions and discontinuities

### 3. Dimensional Tests

- Verification of product dimensions, geometries and tolerances

### 4. Chemical Tests

- Analysis of inputs, raw materials and processes associated with industrial operations

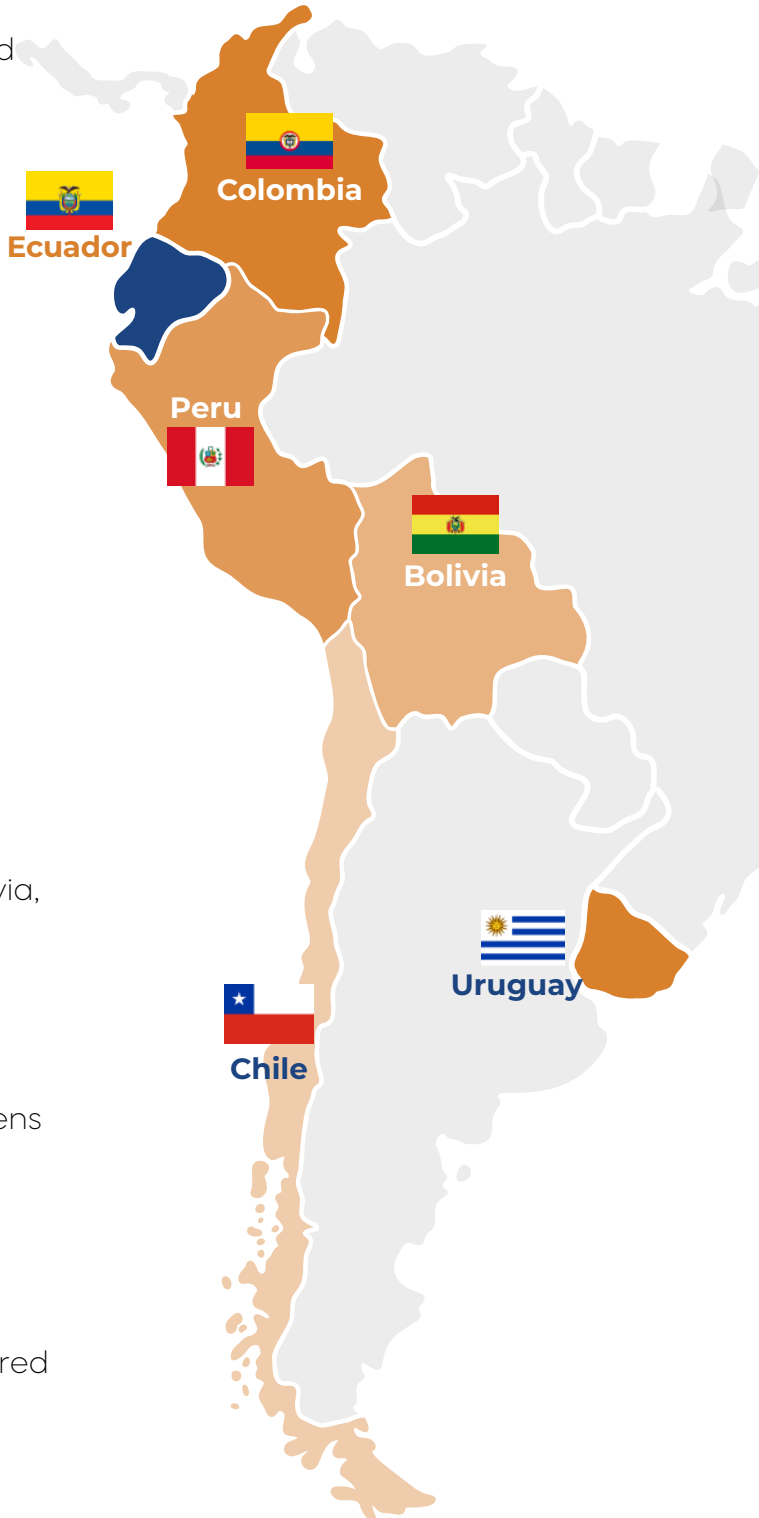
These procedural, operational and assurance capabilities support the technical compliance, traceability and performance of our steel solutions.

# MARKET **PRESENCE**

### Sales Outlets
**20** branches and distribution centers with a direct presence in **23** provinces.

### Distributor Network
**1.125** partners expand our reach and supply capacity.

### Customer Service
Our commercial coverage ensures availability, proximity and an agile response.




# INTERNATIONAL **PRESENCE**

### Export markets
IPAC exports to Colombia, Peru, Bolivia, Chile and Uruguay.

### Regional competitiveness
The quality of our solutions strengthens our positioning in Latin America.

### Long-term relationships
Commercial partnerships foster shared value and strengthen our regional presence.

Chapter
# 02

# SUSTAINABILITY STRATEGY

*Commitment that translates into positive impact.*

**32%**
SELF-GENERATED RENEWABLE ENERGY

**678 tCOe**
REDUCTION IN SCOPE 1 EMISSIONS

**60**
CORAL-RESTORATION STRUCTURES INSTALLED

**1200**
STUDENTS BENEFITED

# Sustainable Management **That Creates Value**

GRI 2-28

**Sustainability is embedded throughout our management approach at IPAC.**

During 2025, we strengthened our performance and long-term relationships with our stakeholders, creating sustainable value for the organization and our surrounding environment.

**Stakeholder dialogue**

**Material topics and priorities**

**Integrated management**

## Membership in Associations

We actively participate in business and trade associations that promote knowledge sharing, analysis of industry trends and the development of initiatives of common interest. These partnerships help strengthen our competitiveness, foster sustainable practices and support adaptation in a constantly evolving regulatory and market environment.

FEDIMETAL
Federación Ecuatoriana de Industrias del Metal

CÁMARA DE COMERCIO DE GUAYAQUIL

CÁMARA DE INDUSTRIAS DE GUAYAQUIL

fedexpor

CEES
CONSEJO ECUATORIANO DE EDIFICACIÓN SUSTENTABLE

CEMDES
Cámara Ecuatoriana para el Desarrollo Sostenible del Ecuador

CERES

wit
INTERNATIONAL

CORDEX

ASOLOG
Asociación Logística del Ecuador

**Partnerships that create impact**

They promote innovation, collaboration and shared value.

**Commitment that goes beyond**

We strengthen responsible management and the country's sustainable development.

# Achievements and Recognition

**Achievements that validate our management and strengthen our commitment to sustainability, innovation and excellence.**

We hold international certifications and apply standards that support continuous improvement and our performance in areas of strategic importance to the business. We have also received external recognition reflecting our performance in sustainability, social responsibility, innovation, competitiveness and business excellence.

**ISO 27001**

Information Security Management System

**ISO 37001**

Anti-Bribery Management System

**ISO 14064-1**

Quantification and reporting of greenhouse gas emissions

**ISO 50001**

Energy Management System

**ISO 14068-1**

Carbon neutrality and climate-action management

**These achievements strengthen our capabilities in information security, ethics and compliance, energy efficiency and climate-change management.**

## 2025 RECOGNITION

1. SILVER MEDAL ECOVADIS
2. ESR distinction - Socially Responsible Company
3. First place in sustainability Quarzo Awards
4. Second place in the Sustainability in Construction Award Research Category
5. Eco20 certification Made with Solar Energy
6. 360 Challenge Winner
7. Excellence Award Corporate category
8. BASC Awards 2025 Winner, Industrial Exporter category
9. Third place in the Commerce Awards Social Responsibility category
10. 1000 Awards Recognition

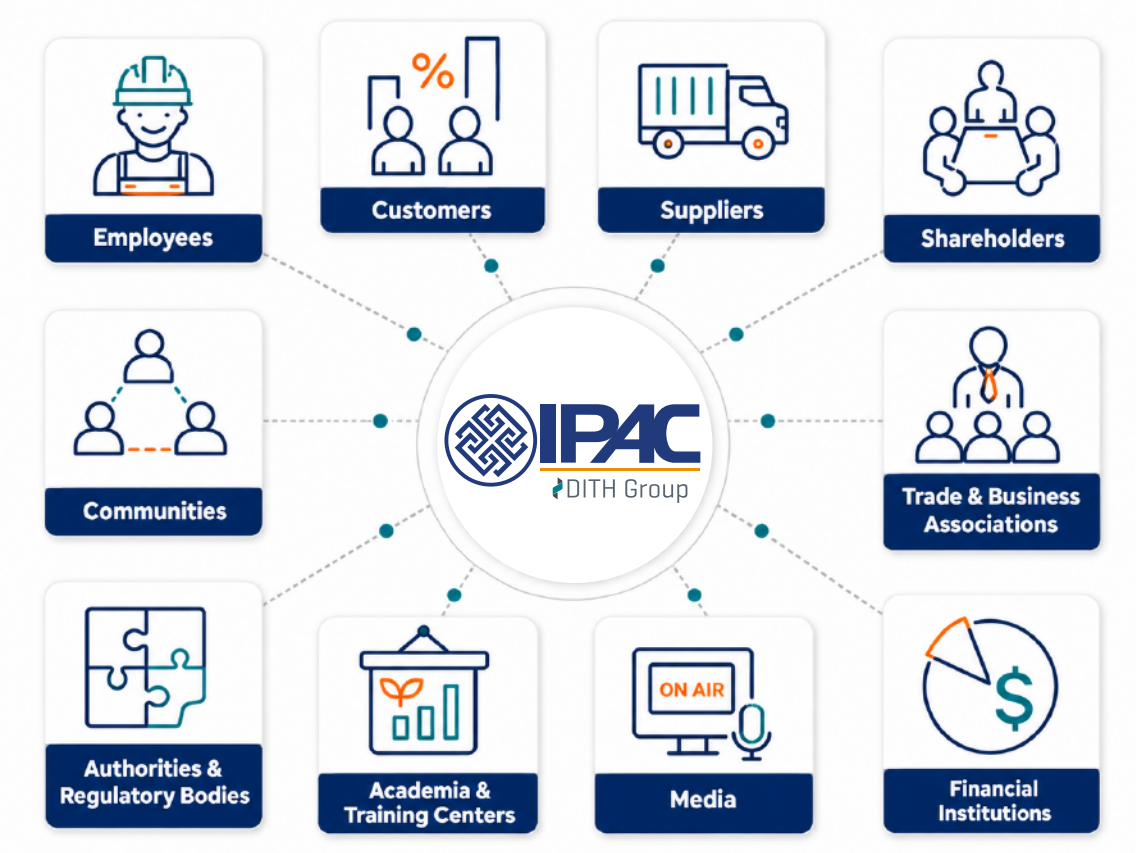
GRI 2-29, ESRS 2

# Stakeholders and **Engagement Approach**

**Stakeholders are a fundamental component of our management approach. They may be affected by our activities, decisions and performance, while also influencing our ability to create sustainable value over the long term.**

We maintain engagement and dialogue mechanisms that include direct communication channels, surveys, meetings, consultation forums and formal feedback processes. These mechanisms enable us to understand stakeholder expectations, identify opportunities for improvement and strengthen decision-making.

## MAIN STAKEHOLDER GROUPS




## ENGAGEMENT MECHANISMS

Direct communication

Surveys

Meetings

Feedback

# Materiality

## GRI 3-1, 3-2, 3-3, ESRS 2

**The identification of our material topics is based on a double-materiality approach, which enables us to determine the impacts, risks and opportunities most relevant to the organization and its stakeholders.**

This approach considers both the effects of our operations on the economy, the environment and people, including human rights, and the factors that may influence the organization's performance, resilience and ability to create value over the long term.

### Our Approach

**International standards**
We apply frameworks such as the CSRD, GRI and SASB.

**Consultation**
We gather the views of our stakeholders.

**Sector analysis**
We assess trends and key business information.

**Perspectives**
We integrate the views of internal and external stakeholders.

### How Do We Do It?

**Identification**
We identify relevant environmental, social and governance (ESG) topics.

**Consultation**
We consult stakeholders to understand their expectations and priorities.

**Analysis**
We assess impacts, risks and opportunities, as well as their financial and impact significance.

**Prioritization**
We prioritize material topics based on their importance to the organization and its stakeholders.

**Ongoing Review**
We periodically review and update our materiality assessment to ensure that it remains current and strategically aligned.

The assessment was conducted across **two complementary dimensions** that enable us to develop a comprehensive understanding of the most relevant topics.

**Financial materiality**

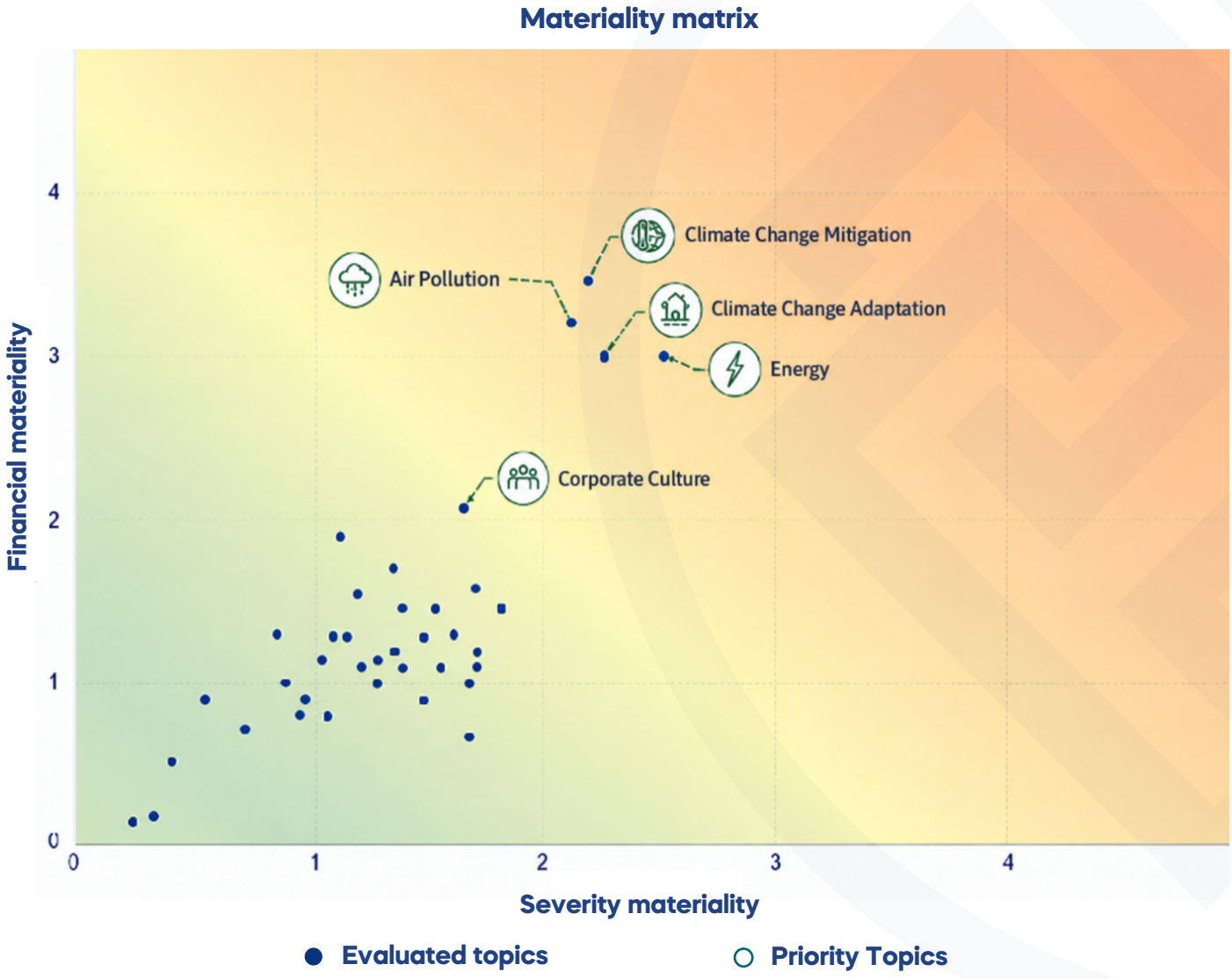
Analyzes how ESG factors may influence the organization's financial performance, resilience, competitiveness and ability to create value.

**Impact materiality**

Assesses the actual or potential positive and negative effects of our operations, products and business relationships on the economic, social and environmental context.

# Double
# **Materiality Matrix**

The material topics identified are incorporated into our sustainability strategy and the organization's management processes, guiding the definition of objectives, indicators and action plans for sustainable value creation.




The priority topics encompass environmental, social and governance (ESG) dimensions and strengthen the management of risks and opportunities while supporting sustainable value creation.

# Risks, Opportunities **and Future Outlook**

**During 2025, we strengthened our management approach to identify and address risks,** mitigate adverse impacts and capitalize on value-creation opportunities across the environmental, social and governance (ESG) dimensions. We also assessed the actual or potential impacts of our operations and value chain on the economy, the environment and people, from raw-material procurement through transformation, logistics, distribution, sales and the management of business relationships.

**Environmental** → **Social** → **Governance**

## ENVIRONMENTAL

Our environmental management is focused on preventing, mitigating and managing impacts associated with resource consumption, efficiency, waste generation and the protection of production processes.

- Strengthening and continuous improvement of the ISO 14001-certified Environmental Management
- Implementation and strengthening of the Energy Management System in accordance with ISO 50001
- Energy-efficiency and resource-use optimization programs
- Management, quantification and reduction of greenhouse gas (GHG) emissions, including carbon-footprint measurement
- Expansion of solar photovoltaic generation capacity and promotion of renewable-energy use
- Implementation of circular-economy practices through the reduction, reuse, recycling and recovery of materials and waste
- Integrated waste management and programs for recovering organic waste through composting
- Development of environmental conservation and restoration initiatives, including marine-ecosystem and coral-restoration programs
- Environmental awareness and education programs for employees and communities
- Environmental volunteer events and community participation
- Internal campaigns promoting the responsible use of resources and reduced paper and plastic consumption

These actions strengthen the organization's resilience and its ability to adapt to a dynamic and constantly evolving environment.

# Social **Management**

**We promote people's well-being, talent development**, inclusion and stronger communities in the areas where we operate, creating shared value and opportunities for all.

## OUR MAIN INITIATIVES

### SAFETY, HEALTH AND WELL-BEING

- Occupational health and safety programs aligned with ISO 45001
- Comprehensive well-being: nutrition, preventive health, mental health and physical activity
- Promotion of safe and inclusive workplaces

### TALENT, CULTURE AND INCLUSION

- Professional education, training and development
- Integration, organizational-culture development and teamwork
- Diversity, equity and inclusion programs
- Strengthening of the customer experience and customer service

### COMMUNITY AND DEVELOPMENT

- Community engagement to strengthen capabilities, education and entrepreneurship
- Infrastructure projects and educational resources
- Environmental education, sustainable agriculture and organic gardens
- Support for the economic development of employees and their families

## VOLUNTEERS OF STEEL

**Corporate participation and engagement with our communities.**

# Governance, Ethics and **Transparency**

**We promote ethical, principled and transparent management,** supported by control and compliance systems that strengthen stakeholder trust.

## ETHICS AND INTEGRITY

- Ethics, integrity and transparency policies
- External, confidential and anonymous whistleblowing channel

## COMPLIANCE

- Compliance with laws and regulations
- Prevention of corruption, bribery, money laundering and conflicts of interest

## ANTI-BRIBERY

- Risk management, internal control and auditing
- Specialized risk-management and control systems

## INFORMATION AND CYBERSECURITY

- We protect information and manage related risks, strengthening its confidentiality, integrity and availability, as well as operational continuity and resilience

## RISK MANAGEMENT ACROSS OUR VALUE CHAIN

### PROCUREMENT

Supplier selection and assessment based on ESG criteria.

### TRANSFORMATION

Management of environmental, social, operational and compliance risks.

### DISTRIBUTION

Safety and efficiency in logistics and distribution.

### CUSTOMERS

Responsible service and transparent business relationships.

## OUR STAKEHOLDERS

EMPLOYEES | CUSTOMERS | SUPPLIERS | COMMUNITIES | ACADEMIA AND THE PUBLIC SECTOR

**Ongoing dialogue and active listening enable us to make responsible decisions and create sustainable value over the long term.**

# Key ESG
# **Performance Indicators**

## ENVIRONMENTAL PERFORMANCE

**32%**
renewable energy self-generated by the photovoltaic power plant

**30,03 Kwh/MT**
Energy intensity

**0,03645 tCO2e**
emissions intensity per metric ton sold

**678 tCO2e**
reduction in Scope 1 emissions compared with the base year

**15%**
reduction in energy consumption through energy-efficiency programs

**0,05 $m^3$**
average water consumption per metric ton processed

## SOCIAL IMPACT

**60**
coral-restoration structures installed in Salango, supplemented by nurseries and restoration tables

**+250**
children benefited through support initiatives led by the Steel Volunteers program

**1.200**
students benefited through the donation of computer centers in communities within our area of influence

**+1.100**
university students participated in academic visits to learn about our business model, sustainability practices and industrial innovation

## MONITORING, TARGETS AND INDICATORS

MEASURE → ANALYZE → ASSESS → IMPROVE

Chapter
# 03

# ENVIRONMENTAL MANAGEMENT

*We transform steel and advance sustainable development.*

**2,26 GWh**
SELF-GENERATED SOLAR ENERGY

**15%**
REDUCTION IN ENERGY CONSUMPTION

**0,72 GWh**
ENERGY FED INTO THE GRID

**82 $tCO_2e$**
REDUCTION IN SCOPE 2 EMISSIONS COMPARED WITH THE BASE YEAR

# 2025 Approach and Priorities

**At IPAC, we integrate environmental management into our operations to improve efficiency, reduce impacts and create sustainable long-term value.**

During 2025, we strengthened this approach through initiatives focused on the responsible use of resources, process decarbonization and the continuous improvement of environmental performance.

- Energy and Climate Change
- Efficient Water Use and Responsible Management
- Circular Economy and Material Use Optimization
- Integrated Waste Management
- Emissions and Carbon Footprint Management
- Biodiversity and Environmental Conservation

In line with our sustainability priorities, we focused our efforts on key areas that contribute to more efficient, responsible and resilient operations. These topics guide the organization's environmental management and reinforce our commitment to continuous improvement.

## OUR STRATEGIC FOCUS AREAS

These lines of action bring together our main efforts to promote operational efficiency, responsible resource management and the reduction of environmental impacts.

**Energy Efficiency and Decarbonization**

We optimize processes to reduce energy consumption and emissions.

**Water Treatment and Reuse**

We protect and reuse water to ensure its availability.

**Waste Recovery and Circular Economy**

We promote material reuse and responsible resource use.

**Biodiversity Conservation and Blue Horizons**

We conserve ecosystems and promote biodiversity.

# Emissions Management

## GRI 2-27, 305, EM-IS-110a.1, EM-IS-120a.1, E2

Our emissions management is based on operational control, technological innovation and continuous monitoring as we progress toward a cleaner energy mix and more efficient operations.

During 2025, we advanced process optimization, the adoption of more efficient technologies, the transition from diesel to LPG, the use of self-generated solar energy and systematic monitoring of energy performance.

We reaffirmed our carbon-neutral status in accordance with ISO 14068-1, reflecting our commitment to climate action and responsible emissions management. We use ISO 14064-1 as a reference standard.

**Carbon neutral**
We reaffirmed our status in accordance with ISO 14068-1.

**Six key guidelines**
They guide our actions to reduce emissions and improve energy performance.

### Emissions-Management Guidelines

1. **Transition to lower-carbon fuels**
Gradual replacement of diesel with LPG and Green Hydrogen

2. **Continuous process optimization**
To reduce the emissions intensity of our operations.

3. **Adoption of technologies**
Designed to improve energy and operational efficiency.

4. **Increased generation and use**
of solar photovoltaic energy.

5. **Systematic monitoring**
Of energy performance.

6. **Training programs**
On efficient energy use and emissions reduction.

Emissions were quantified and reported using an operational-control approach, with 2023 as the base year, in alignment with ISO 14064-1 and ISO 14068-1. The emissions baseline established for monitoring purposes is **6,540.61 tCO2e.**

# 2025 GHG Inventory[1]

Following the quantification and verification of emissions in accordance with applicable methodologies and standards, the greenhouse gas inventory for the 2025 reporting period is distributed by scope as follows:

| | |
|---|---|
| Scope 1 | 911,28 $tCO_2e$ |
| Scope 2 | 586,73 $tCO_2e$ |
| Scope 3 | 5.163,53 $tCO_2e$ |

## Key Performance Indicators

**0,03645** $tCO_2e$
emissions intensity per metric ton sold

**678** $tCO_2e$
reduction in Scope 1 emissions

**82** $tCO_2e$
reduction in Scope 2 emissions

**+907** $tCO_2e$
increase in Scope 3 emissions*

*The increase in Scope 3 emissions is primarily associated with value-chain activities and the growth of operations during the reporting period.

In 2025, we made progress in climate management, with reductions in Scope 1 and Scope 2 emissions driven by energy efficiency, the progressive transition to alternative fuels and the use of self-generated solar energy.

1 1. Scope 1: direct emissions from sources under the organization's control.
2. Scope 2: indirect emissions associated with purchased energy consumption.
3. Scope 3: other indirect emissions generated throughout the value chain.

## Environmental Legal Compliance

During 2025, we recorded no environmental penalties, fines or instances of non-compliance. We maintained assessment, periodic monitoring and verification of compliance with applicable environmental requirements.

# Natural Resource Management

Our management of natural resources is based on operational efficiency, impact prevention and continuous improvement. In 2025, we prioritized five key areas: energy, water, circular economy, waste management and biodiversity protection.

## Energy

GRI 302, EM-IS-130a.1, EM-IS-130a.2, E1

Energy is a strategic resource for our industrial operations.

In 2025, we consolidated initiatives to improve operational efficiency, optimize processes and reduce energy consumption, while also promoting self-generation from renewable sources and the use of continuous improvement tools.

Our energy management is aligned with the requirements of ISO 50001.

### Operational efficiency

We reduce consumption and improve energy performance.

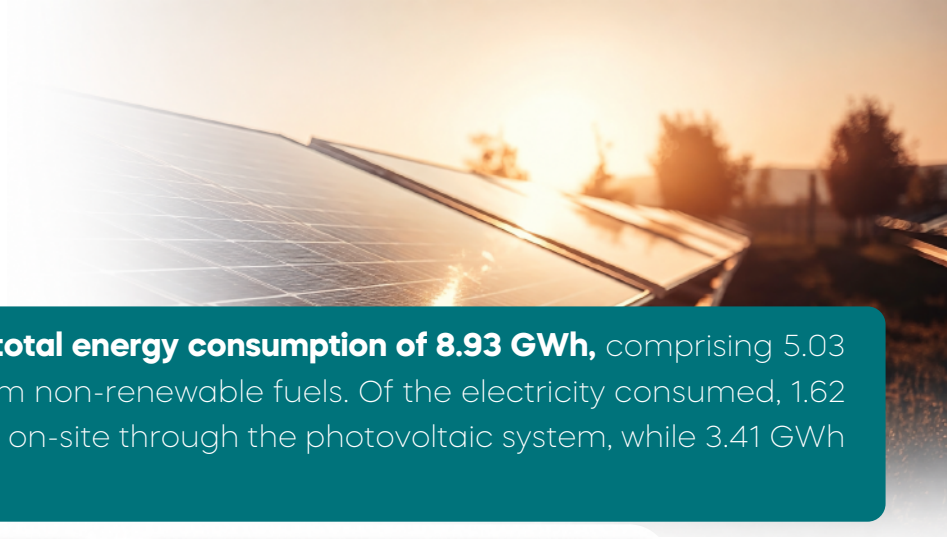
### Renewable self-generation

We promote the use of renewable sources.

### Continuous improvement

We continuously strengthen energy efficiency.

# 2025 Energy Consumption



**In 2025, the organization recorded total energy consumption of 8.93 GWh,** comprising 5.03 GWh of electricity and 3.90 GWh from non-renewable fuels. Of the electricity consumed, 1.62 GWh was generated and consumed on-site through the photovoltaic system, while 3.41 GWh was supplied by the power grid.

**Energy intensity**
**30,03 kWh**
per metric ton processed

**Reduction in energy consumption**
**15%**

**Self-generated solar energy:**
**2,26 GWh**

**Energy fed into the grid:**
**0,72 GWh**

**Heating:**
No energy consumption recorded.

**Result:**
Progress in energy efficiency and the transition toward more sustainable sources.

# Water

## GRI 303, EM-IS-140a.1, E3

**Water is an important resource for our industrial operations.** In 2025, our management focused on the efficient use of this resource, impact prevention and responsible consumption at our facilities.

### Efficient use

We optimize consumption and promote responsible practices throughout our operations.

### Responsible supply

Water is sourced primarily from the public network and from authorized drinking-water suppliers.

### Monitoring and control

We monitor the main consumption points to identify opportunities for improvement.

## Efficient Resource Management

We implement actions to optimize water use, reduce losses and strengthen responsible long-term management.

### Consumption optimization

We monitor consumption and implement operational improvements.

### Treatment and reuse

We reuse treated effluent to irrigate green areas.

### Prevention and control

We manage impacts and monitor effluent quality.

We manage water responsibly to create environmental value and strengthen the sustainability of our operations.

**Water Intensity**

**0,05 m³**

per metric ton processed

Water intensity assesses the efficiency of water use in our operations. The 2025 result reflects our efforts to optimize water use and strengthen operational efficiency.

GRI 306, EM-IS-150a.1, E5

# Circular **Economy**

**The circular economy is part of our management model** and seeks to maximise resource recovery, reduce waste generation and improve operational efficiency.

Our actions focus on optimizing processes, reducing losses, reusing materials and returning them to the production cycle, thereby contributing to more sustainable and competitive operations.

### Efficient use

Maximise resource use and optimize our processes.

### Recovery and reuse

Reuse materials and production scrap, returning them to the production cycle.

### Efficiency and circularity

Reduce waste and improve operational efficiency.

## Pillars of the Circular Economy at IPAC

- Resource optimization in production processes
- Reuse and recovery of metal scrap
- Recycling and recovery of materials and waste
- Extension of the useful life of equipment and infrastructure
- Integration of efficiency and energy-transition principles

**Strengthen resource circularity to reduce waste and create environmental and economic value throughout the value chain.**

## Operational Management

# Waste Management and Circular Economy

We prioritize waste prevention, reuse, recycling and recovery, advancing toward more efficient and circular operations.

# 94,2 %

of the waste managed was recovered, recycled or reused

**5,142.99 t** recovered out of **5,460.69 t** managed in 2025

### Waste destination

**Recovery**
**5.142,99 t** | **94,2%**

**Hazardous Waste Treatment**
**212,93 t** | **3,9%**

**Landfill**
**86,98 t** | **1,6%**

**Incineration**
**17,79 t** | **0,3%**

**Steel Scrap** 4.899 t

**Zinc** 215 t

**Cardboard** 23,76 t

**Plastic** 5,22 t

**Paper** 0,01 t

**Note:** Percentages are calculated based on the total weight of waste managed in 2025.

# Waste Management

## GRI 306, EM-IS-150a.1, E5

Our waste is managed using an approach based on prevention, traceability and the responsible recovery of materials.

### Management Structure

1. **Prevention and minimization at source**
2. **Segregation, classification and traceability**
3. **Recovery and final disposal by category**

### External Waste Management

Waste managed externally is delivered to authorized environmental waste-management service providers and documented to ensure the traceability of each waste stream.

### Waste Generated in 2025

**Hazardous waste**
**230,72 t**

**Recyclable waste**
**28,99 t**

**Non-hazardous, non-recoverable waste**
**86,98 t**

With regard to recovery, the organization managed **28.99 t** of recyclable waste, supplemented by the recovery of **4,899 t** of steel scrap and **215 t** of zinc scrap generated in production processes. This contributed to returning materials to the production cycle and strengthening circular-economy principles.

**Hazardous waste incinerated without energy recovery**

**17,79 t**

**Hazardous waste treated using other disposal methods**

**212,93 t**

**Miscellaneous waste sent to landfill**

**86,98 t**

We promote responsible waste management that contributes to operational efficiency, minimizes environmental impacts and creates sustainable value.

# Biodiversity **Protection**

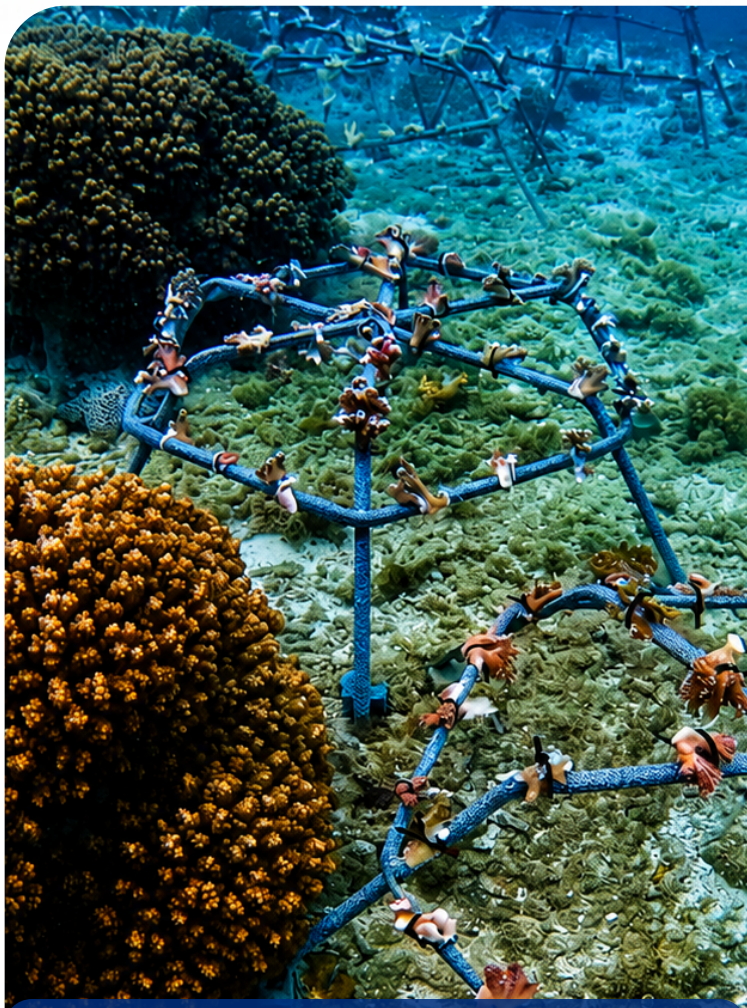
GRI 304, E4

**Biodiversity:**
We integrate ecosystem conservation into our sustainability strategy.

**2025 actions:**
We promote ecosystem restoration and habitat protection in collaboration with specialized partners.

**Blue Horizons:**
Together with the NGO CONMAR, we promote the restoration of marine ecosystems along the Ecuadorian coast.

**Impact:**
We help restore coral habitats and communities while also strengthening ties with local communities.



We strengthen our contribution to biodiversity conservation and sustainable development by promoting ecosystem protection and restoration, collaborative work, and the creation of long-term environmental and social value.

## Biodiversity Lines of Action

- Restoration of marine ecosystems in partnership with the NGO CONMAR
- Protection and recovery of natural habitats
- Participation in environmental-conservation initiatives and networks
- Ecological restoration in fire-affected areas
- Awareness-building and collaboration with communities and stakeholders

Chapter
# 04

# SOCIAL DIMENSION

*We empower people and create opportunities*

The social dimension is a key pillar of our sustainability strategy. We focus on ensuring the safety, well-being and development of the people who make our operations possible, promoting safe, inclusive and growth-oriented workplaces.

During 2025, we strengthened this commitment through initiatives in occupational health and safety, comprehensive well-being, talent management, diversity, equity and inclusion, consolidating a responsible and future-ready organizational culture.

# OCCUPATIONAL HEALTH AND SAFETY

GRI 403, EM-IS-430a.1, EM-IS-320a.1, S1, S2

Occupational health and safety are integral to our management approach and are embedded in every process, operation and continuous improvement activity.

## System Scope and Coverage

**100 %**
of employees and contractors are covered by the Occupational Health and Safety Management System.

**Aligned management**
with applicable legal and regulatory occupational health and safety requirements.

**Full coverage**
of company operations, with no exclusions during the reporting period.

We promote a preventive and participatory culture that strengthens well-being, reduces risks and ensures safe working conditions for all.

# Occupational Health, Safety Management and Performance Indicators

**At IPAC, promoting people's health and well-being is an integral part of our management approach.**

Through benefits, preventive campaigns and rigorous risk management, we foster a strong safety culture focused on continuous improvement.

### Frequency Rate (FR)

**2,39**

Lost-time accidents per 200,000 hours worked

### Severity Rate (SR)

**29,01**

Days lost per 200,000 hours worked

### Risk Rate

**12,11**

Days lost per accident

**0** work-related fatalities

**0** serious injuries among non-employee workers

**0** recordable injuries among non-employee workers

**0** recordable occupational illnesses among employees and non-employee workers

## Management Approach

**Well-being and prevention**
We promote health and preventive habits.

**Expanded coverage**
We extend our management practices to suppliers and contractors.

**Risk management**
We prevent risks through controls and training.

# Employee Well-Being

GRI 401, S1

Employee well-being is part of our people-management approach. We promote benefits and initiatives that support health, work-life balance and people's comprehensive development.

2025

During 2025, these benefits helped consolidate a healthier working environment conducive to employee engagement and retention.

**Life insurance**

**Private medical insurance**

**Parental leave**

**Supplemental well-being benefits**

## Parental leave

**15** employees used parental leave

Gender breakdown
**5 women - 10 men**

**15** employees returned to work after parental leave

**15** employees remained with the organization for 12 months after returning

**Return-to-work rate**
100%

**Retention rate**
100%

The results reflect the effectiveness of the measures designed to promote work-family balance, as well as the organization's commitment to employee well-being, retention and development.

# Human Talent **Management**

GRI 2-7, 2-8, 401, 404, S1

**Talent management:**
We promote talent attraction, retention and development to strengthen the organization's continuity and growth.

**Development and growth:**
We promote continuous training and opportunities that strengthen employee engagement, performance and retention.

**107**
Women

**337**
Men

**24.1%**
female representation

**381**
employees in the Coastal Region

**63**
employees in the Highlands Region

The geographic distribution of our workforce reflects the location of our main operations in the Coastal Region, where our principal production, logistics and commercial centers are located.

## Management Approach

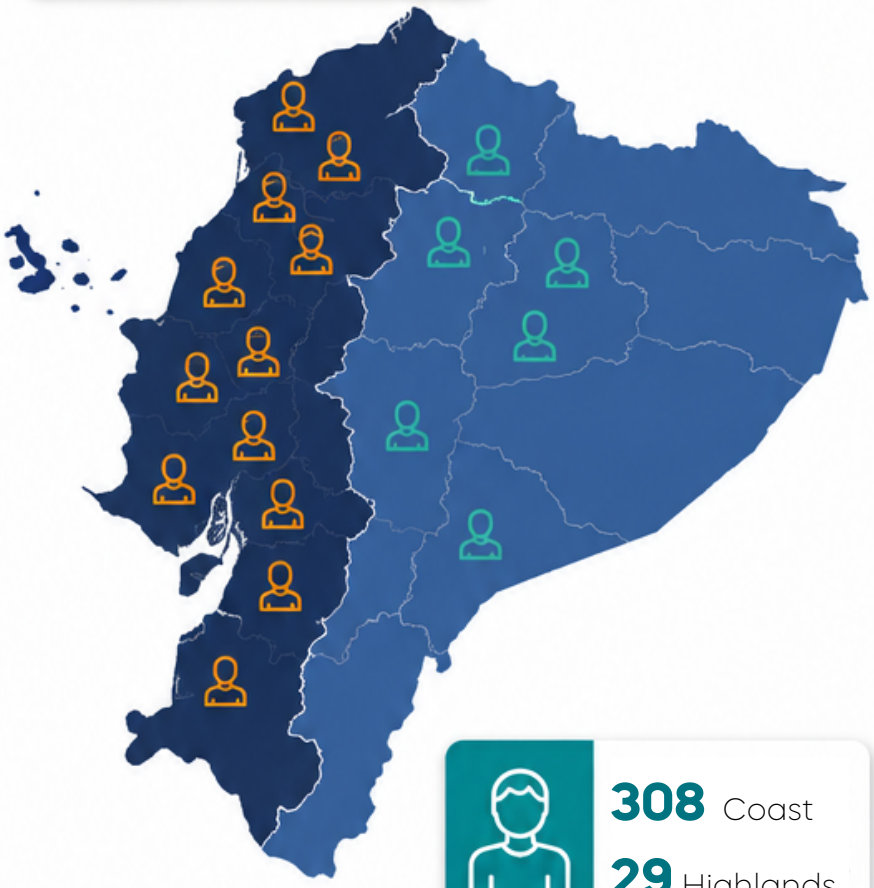
**436**
employees with permanent contracts

**8**
employees with temporary contracts

We maintain an employment structure characterized by a high degree of stability, as reflected in the large proportion of employees with permanent contracts. This composition contributes to business continuity, talent retention and stronger organizational capabilities.

## Distribution by Gender and Geographic Location

**72** Coast
**35** Highlands



**308** Coast
**29** Highlands

The predominance of permanent contracts demonstrates our commitment to job stability and to building long-term relationships with our employees.

## Working Hours

Our operations are supported primarily by full-time employment. At the end of the reporting period, all 444 employees worked full-time schedules, in line with the organization's needs.

## Practical Training and Developing Talent

IPAC promotes practical training and young talent through university internship programs that strengthen learning and provide early professional experience.

**34**
University interns

## Hiring and Turnover Dynamics

Hiring and turnover remained at moderate levels, reflecting operational stability.

| 32 | 29 | 7.2% | 6.5% |
|---|---|---|---|
| new hires | separations | hiring rate | turnover rate |

New hires were concentrated among younger profiles and in the Coastal Region.

Participation: **18 women** | **14 men**

## Labour Relations

During the reporting period, we had no collective bargaining agreements in force.

## Training and Development

We promote the continuous development of our employees to strengthen technical, operational and management capabilities.

**1253**
training hours

We strengthen the capabilities of our team through continuous training, operational excellence and innovation.

**1253** total training hours

**520** training hours completed by women

**733** training hours completed by men

GRI 405, S1

# DIVERSITY AND **EQUITY STRATEGIES**

We promote a diverse, equitable and inclusive workplace, bringing together employees with different profiles, experiences and age groups under the principles of equal opportunity.

## Workforce Diversity

**444**

The composition of our workforce reflects gender and age diversity at the end of the reporting period.

### Gender Composition

Women
**24.1%**
107 Women

Men
**75.9%**
337 Men

### Age Distribution

Under age 30
**92**
employees

Ages 30 to 50
**307**
employees

Over age 50
**45**
employees

This composition promotes the exchange of experiences, continuous learning and the organization's ability to adapt.

# Distribution by Employment Category

**The composition of our workforce reflects the participation of women and men** in different employment categories, contributing to a diversity of perspectives and experiences within the organization.

## Diversity by Category and Age

Our workforce is diverse across employment categories and age groups, with a higher concentration of employees between the ages of 30 and 50, particularly in administrative, operational and supervisory areas.

**Highest concentration between ages 30 and 50**

**Solid base of talent in its most productive career stage**

A combination of young talent and employees with extensive experience at every level.

**22 employees with disabilities and substitute workers**

Integrated into different areas of the organization in accordance with their roles and competencies.

We maintain guidelines, reporting mechanisms and policies to prevent all forms of discrimination and promote a workplace based on respect, inclusion and equal opportunity.

- No complaints or confirmed cases of discrimination were recorded through the organization's formal channels during the reporting period.
- We continuously strengthen our diversity, equity and inclusion practices, recognizing respect, collaboration and the value of people as key elements in IPAC's sustainable development.

**Clear policies and robust guidelines**

**Confidential reporting mechanisms**

**An inclusive and respectful environment**

**Equal opportunity for all**

# Community **Engagement**

We strengthen sustainable relationships with our communities through education, capacity-building and responsible practices.

**Environmental education and promotion of sustainable practices**

**Infrastructure improvements and access to educational resources**

**Training and capacity building for women**

**Partnerships with institutions and social organizations**

# **Corporate** Volunteering

The volunteer program, led by the Sustainability Committee, promotes the participation of employees and their families in initiatives with a positive social impact.

Activities are carried out together with civil-society organizations and benefit vulnerable groups, reinforcing a culture of collaboration, solidarity and community commitment.

**Participation of employees and their families**

**Support for vulnerable groups and communities**

**Solidarity fund for voluntary contributions**

**Positive social impact and shared value**

> **Our social management integrates safety, well-being, inclusion and community engagement to create sustainable long-term value.**

Chapter
# 05

# GOVERNANCE

*We govern with integrity and grow through trust.*

**4**
MAIN GOVERNANCE LEVELS

**35%**
FEMALE REPRESENTATION

**7**
INTERNAL OPERATIONAL COMMITTEES

**9**
RISK-MANAGEMENT AND COMPLIANCE AREAS

# Corporate **Governance**

GRI 2-9, 2-11, G1

Governance guides our decisions, strengthens integrity and ensures responsible management of economic, environmental and social impacts.

This approach supports business continuity, transparency, regulatory compliance and long-term sustainable value creation.

## OUR GOVERNANCE STRUCTURE

IPAC DITH Group

1. **Board of Directors**
Highest governance and strategic oversight body.

2. **General Management**
Responsible for executive leadership and implementation of the corporate strategy.

3. **Compliance Officer and Personal Data Protection Officer**

4. **Functional managers and department heads**
Operational management and achievement of organizational objectives.

### Specialized Internal Committees

We have specialized internal committees that strengthen oversight, promote business ethics and ensure management aligned with our values and strategic objectives.

# Internal Committees and Diversity in Governance

**7** Internal Operational Committees

- **Ethics Committee**
- **Joint Occupational Health and Safety Committee**
- **Gender Equality Committee**
- **Sustainability Committee**
- **Energy Efficiency Committee**
- **Information Security Committee**
- **Credit Committee**

We promote the participation of women and men at different levels of management, oversight and control. This diversity strengthens the inclusion of different perspectives, improves decision-making and contributes to more robust and responsible governance.

| | Women | Men |
|---|---|---|
| Board of Directors | 1 | 4 |
| Compliance Officer and Personal Data Protection Officer | 0 | 2 |
| General Management | 0 | 1 |
| Functional managers and department heads | 4 | 5 |

# Nomination and Selection of the Highest Governance Body

GRI 2-10, G1

**The highest governance body is appointed in accordance with the corporate structure. Members of the Board of Directors are appointed by the General Shareholders' Meeting in accordance with applicable legal and statutory provisions.**

### 1. Nomination and Selection Criteria

- Relevant experience in industrial and transformation sectors
- Technical and management competencies and expertise
- Diversity of perspectives and contribution to analysis

### 2. Supporting Bodies

Internal operational committees with the experience, competencies and knowledge to support the management and monitoring of strategic, operational and sustainability matters. Independence of judgment supports objective decision-making.

## AREAS OF EXPERIENCE AND EXPERTISE

1. Finance and business management
2. Integrated risk management
3. Industrial processes and operations
4. Information security and cybersecurity
5. Sustainability and ESG impact management
6. Energy efficiency and environmental performance
7. Regulatory compliance and corporate ethics
8. Commercial strategy and business development

### 8 key areas

of expertise support strategic and comprehensive oversight. This combination of knowledge strengthens business oversight and responsible decision-making focused on sustainable value creation.

# Oversight of Impacts and **Sustainability Reporting**

GRI 2-12, 2-13, 2-14, ESRS 2

**The Board of Directors establishes general guidelines, guides strategic decisions and oversees matters relevant to sustainability and value creation.**

### 1 Strategic Definition and Oversight

The Board of Directors establishes sustainability related guidelines, priorities and objectives.

### 2 Integration into Management

Sustainability is integrated into decision making, risk management, compliance, operational efficiency, emissions reduction and stakeholder relations.

### 3 Information Flow and Validation

General Management, functional managers and department heads collect, consolidate and validate relevant information.

### 4 Review and Approval

The highest governance body reviews and approves relevant information, strengthening transparency and accountability.

## Information Flow to the Highest Governance Body

**1 Operational management**

Data and information are generated across all areas.

**2 Consolidation**

Managers and department heads consolidate and validate the information.

**3 Management review**

General Management reviews and validates the relevant information.

**4 Review and approval**

The Board of Directors reviews and approves relevant corporate information.

# Conflicts of Interest and Critical Concerns

GRI 2-16, G1

We manage conflicts of interest and critical concerns through a preventive, ethical and transparent approach, strengthening trust and integrity in all our decisions.

### 1. Prevention and Annual Declaration of Conflicts of Interest

We promote a culture of integrity and responsible business conduct. We maintain an annual declaration form as a preventive mechanism for identifying, assessing, managing and monitoring conflicts of interest.

### 2. Assessment and Escalation of Critical Concerns

Critical concerns are assessed through management, control and compliance mechanisms. When appropriate, they are escalated to the highest governance body for analysis and follow-up.

### 3. Results for the Reporting Period

**0** material conflicts of interest identified and critical situations requiring escalation to the Board of Directors

## Knowledge, Evaluation and Remuneration of the Highest Governance Body

GRI 2-16, G1

We have a framework that ensures appropriate capabilities, effective oversight and rigorous assessment to support robust governance focused on business sustainability.

### 1. Knowledge and experience

We ensure that members have knowledge and experience in sustainability, risk management, regulatory compliance and business ethics.

### 2. Periodic review

We periodically review strategic matters and relevant topics to strengthen the Board of Directors' oversight and decision-making.

### 3. Performance evaluation

We evaluate the performance of the highest governance body through established governance mechanisms, verifying the fulfillment of responsibilities and alignment with strategic objectives.

# Commitments and Policies for Responsible Business Conduct

GRI 2-23, ESRS 2

We have commitments, policies, procedures and management mechanisms that guide responsible business conduct based on integrity, transparency, compliance and sustainability.

These instruments promote an ethical culture and help prevent risks, strengthen responsible relationships and create sustainable value throughout our value chain.

1. **Ethics, business conduct and compliance**
2. **Prevention of bribery, corruption and conflicts of interest**
3. **Due diligence and engagement with public institutions and officials**
4. **Whistleblowing channel and management of reports and irregularities**
5. **Sustainable procurement and respect for human rights**
6. **Prevention of harassment, discrimination and other inappropriate conduct**
7. **Information security and cybersecurity**
8. **Responsible management of suppliers and contractors**
9. **Gender equality, non-discrimination and progressive discipline**

# Committed to Sustainability **and Human Rights**

**At IPAC, we align our management with the 2030 Agenda and the Sustainable Development Goals (SDGs),** as well as with an environmental and climate strategy designed to contribute to the principles of the Paris Agreement.

### Due diligence and business ethics
We act ethically and manage risks responsibly.

### Human rights and equality
We respect human rights and promote equality.

### Stakeholders
We listen to and collaborate with our stakeholders.

### Communication and transparency
We communicate clearly and promote transparency.

## Embedding Commitments and Policies

GRI 2-24, ESRS 2

**01 Assignment of Responsibilities**
We define who does what.

**02 Internal Communication**
We communicate clearly and promptly.

**03 Training and Development**
We strengthen knowledge and skills.

**04 Control Mechanisms**
We maintain effective controls and procedures.

**05 Monitoring and Continuous Improvement**
We evaluate and improve our performance.

**06 Scope and Implementation**
We implement these measures across all areas and operations.

**We prevent and manage risks to ensure ethical,** responsible conduct aligned with our values.

**We create sustainable value** through inclusion, accountability and collaboration with our stake-holders.

## Implementation of Commitments and Policies

Every area advances our commitments throughout the organization.

**General Management**
Leads by example and defines the corporate direction.

**Human Resources**
Promotes talent development and well-being.

**Social Work**
Supports people and connected communities.

**Sustainability**
Promotes responsible practices and creates long-term value.

**Employees**
They live our values and contribute day by day.

**Strengthening an ethical culture**
We foster integrity and respect.

**Responsible management**
We protect information and act with due diligence.

**Responsible relationships**
We build ethical, trust-based relationships.

**We integrate environmental, occupational health and safety, legal compliance, ethics and sustainability criteria into supplier selection, assessment and management.**

## Mechanisms for Advice, Reporting Concerns and Remediation

GRI 2-25, 2-26, EM-IS-110a.2, G1

1. **Advice and concerns**
2. **Whistleblowing channel**
3. **Receipt and investigation**
4. **Remediation and closure**

Available reporting channels:

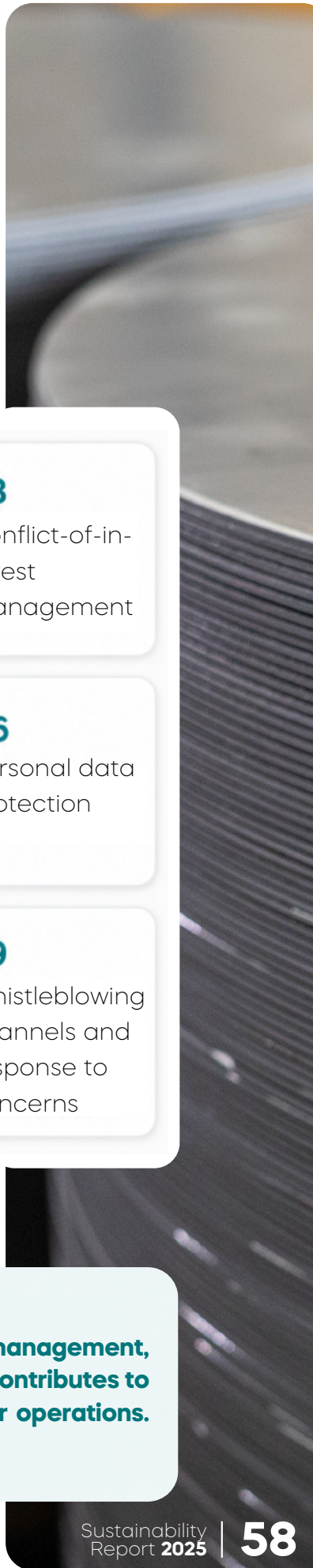
**Web Platform** | **Email** | **Telephone**

Available to employees, contractors, suppliers and related third parties.

**We promote a culture of transparency, trust and accountability.**

# Risk Management, **Compliance and Integrity**

The management of risks and impacts is part of our corporate-governance model. It enables us to identify, assess, mitigate and monitor matters that may affect business continuity, operations, reputation, regulatory compliance and stakeholder relations.



## OUR MAIN MANAGEMENT AREAS

**01** Ethics and transparency

**02** Prevention of corruption and bribery

**03** Conflict-of-interest management

**04** Regulatory compliance

**05** Information security

**06** Personal data protection

**07** Due diligence

**08** Responsible management of suppliers and third parties

**09** Whistleblowing channels and response to concerns

**This approach strengthens risk prevention and management, promotes a culture of integrity and compliance, and contributes to organizational resilience and the sustainability of our operations.**

Chapter
# 06

# ECONOMIC PERFORMANCE

*We create sustainable value that strengthens our operations and creates lasting well-being*

**USD 170,8 million**
IN DIRECT ECONOMIC VALUE GENERATED

**Promotion**
OF ENERGY EFFICIENCY

**Prioritization**
OF LOCAL PROCUREMENT

**11%**
OF THE PROCUREMENT BUDGET ALLOCATED TO LOCAL SUPPLIERS

# ECONOMIC
# VALUE

GRI 201

## Generated and Distributed

During 2025, our economic performance reflected IPAC's ability to create sustainable value, strengthen business continuity, contribute to the development of our stakeholders and consolidate a solid financial foundation that supports long-term growth and value creation.

| Direct economic value generated | Economic value distributed | Economic value retained |
|---|---|---|
| USD 170,8 million | USD 160,2 million | USD 10,6 million |

Revenue generated by our operations reflects the strength of our commercial activities and our ability to adapt to the market.

Resources are allocated to our stakeholders through operating costs, employee compensation and benefits, payments to suppliers, financial obligations, contributions to the State and community investments.

Retained resources strengthen IPAC's financial position and support business continuity, investment and sustainable long-term growth.

# Economic Management in Response to Climate Change

GRI 201, E1

**Our climate and energy management also has an economic dimension.**

We act to create sustainable value through efficiency, resource optimization, cost reduction, strengthened resilience and increased competitiveness.

**Energy efficiency**

We optimize energy consumption to improve efficiency and reduce costs.

**Use of renewable energy**

We promote renewable sources to reduce fossil-fuel use.

**Emissions reduction, substitution and process improvement**

We reduce emissions through fuel substitution and process improvements.

# Obligations Related to Pension Payments and Defined Benefits

**Recognition and responsible management**

We recognize and appropriately manage obligations associated with pension plans and defined benefits in accordance with applicable regulations and current accounting criteria.

**Provisions recognized**

We recognize the corresponding provisions in our financial statements in accordance with applicable laws and accounting standards.

**Financial sustainability and trust**

When necessary, we use the organization's general resources to meet these obligations, preserving our financial sustainability and the trust of our stakeholders.

We fulfill our labour and financial obligations responsibly, ensuring sustainable relationships with our employees and stakeholders.

# Procurement from Local Suppliers

GRI 204

**At IPAC**, we prioritize local suppliers to promote the economic development of our community and strengthen a resilient and sustainable supply chain.

**11%** of the procurement budget allocated to local suppliers

### Key Partners in Our Operations

Suppliers are a key component of our economic performance, contributing to business continuity and to the availability and competitiveness of our business.

### What Is a Local Supplier?

A local supplier is any company whose operations are located in Ecuador.

### We Prioritize Local Suppliers When Competitive Offerings Are Available

We direct procurement toward local suppliers when they can offer competitive quality and availability, enabling us to create value for our economy and community.

### Specialized Suppliers for Specific Needs

For certain raw materials and strategic inputs that are not available in the local market under competitive conditions, we engage specialized international suppliers.

**The combination of local and international suppliers** ensures the continuity of our operations, strengthens supply-chain resilience and creates sustainable value for our stakeholders.

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|---|---|---|---|---|
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| **GRI 2-2** | Entities included in the organization's sustainability reporting | 06, 10 | | ESRS 2 |
| **GRI 2-3** | Reporting period, frequency and contact point | This Sustainability Report covers the period from January 1 to December 31, 2025. IPAC publishes this report annually. For inquiries regarding the content of this report, please contact the Sustainability Team at **sostenibilidad@ipac-acero.com.** | | |
| **GRI 2-4** | Restatements of information | No information from prior reporting periods has been restated. | | ESRS 2 |
| **GRI 2-5** | External assurance | This Sustainability Report has not undergone external assurance. | | |
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| GRI Indicator | Topic / Description | Page/ Text | SASB CODE | RELATED ESRS **(CSRD) CODE** |
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