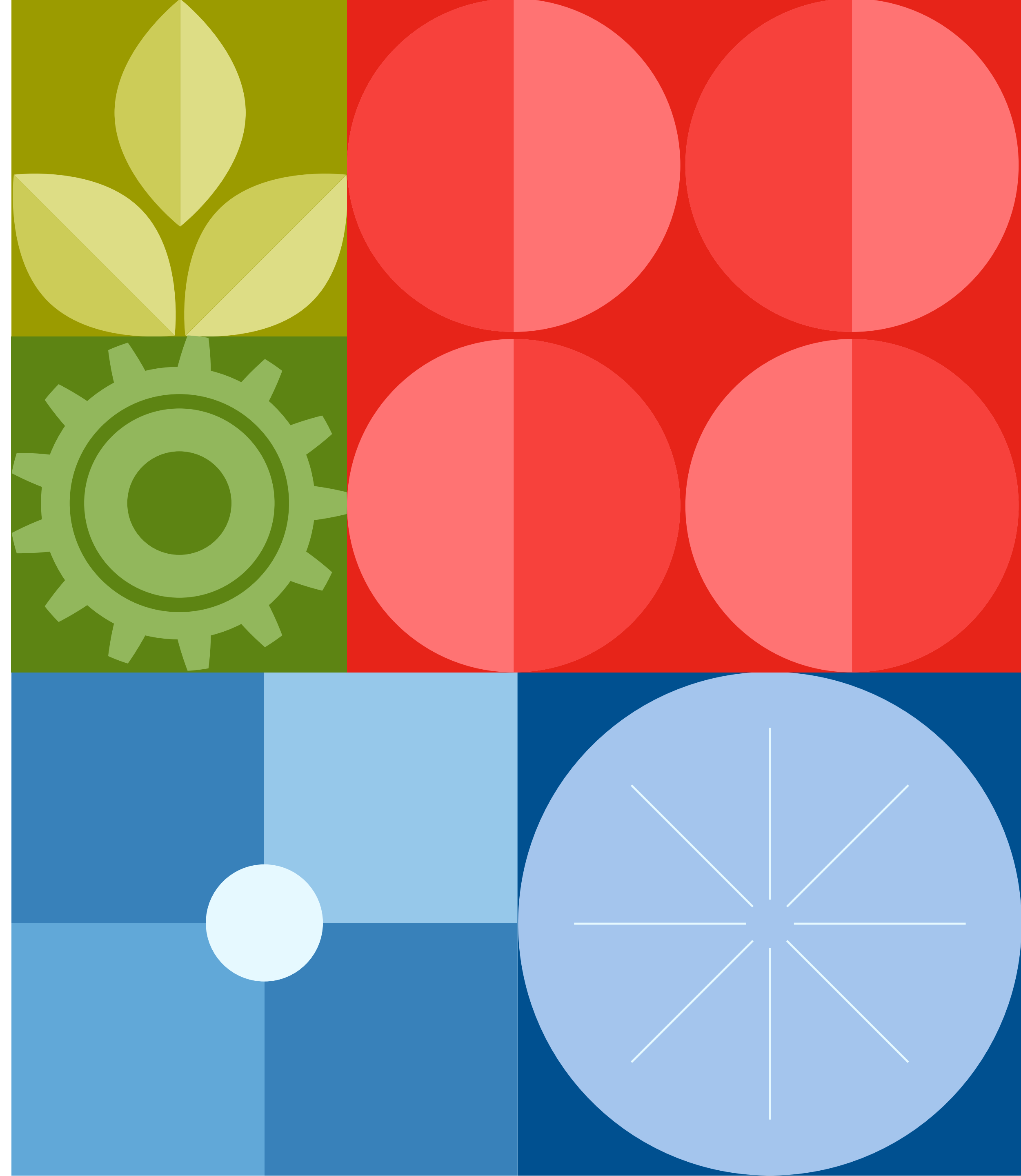


Sustainability Report 2023



Dynasol
Group



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About the report

This report contains information on Dynasol Group for the period from January 1 to December 31, 2023. For the third consecutive year, it is reported in compliance with Spanish Law 11/2018 on Non-Financial Information and Diversity, which requires companies with more than 250 employees to present a Non-Financial Information Statement (EINF) related to social, environmental, human rights, and anti-corruption and bribery issues. This report has been prepared in accordance with the GRI Standards as a reference option.

For any questions about its content, please contact:

buzon.sostenibilidad@dynasol.com

Or consult the following address:

<https://dynasolgroup.com/en/sustainability>

The financial information relating to Dynasol Group is pro forma information consolidating the data of the two Holdings that constitute Dynasol Group (Dynasol Gestión España and Dynasol Gestión México). Only the information corresponding to those companies in which Dynasol Group has 100% management is included.

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Letter from the CEO



Felipe Varela Hernández
CEO, Dynasol Group

“Dynasol strengthens its commitment to Sustainability in 2023, moving forward and working on its goals for a better future for all.”

The year 2023 has seen the continuation of global challenges that have once again tested Dynasol Group's ability to adapt and be resilient. Persistent uncertainty and volatility in financial and commodity markets, disruptions in supply chains and inflationary pressures have continued to affect global economies. However, despite these challenges, we continue to work with our vision of sustainability, reflecting our unwavering commitment to operational excellence and environmental responsibility.

During 2023, a normalization has been observed in energy markets, with a global economy that has shown resilience by resuming a path of moderate growth, although accompanied by great uncertainty. This global outlook has been influenced by a complex geopolitical scenario, by monetary policy decisions taken to combat inflation and by the slowdown in the recovery of the Chinese economy.

The company has made strategic adjustments to its production to adapt to a market with more challenging prices and demand. While these changes have impacted margins and sales in the short term, they demonstrate our ability to respond and our resilience in a dynamic environment.

The mission, vision and principles of action established by Dynasol Group since its inception drive and encourage us to continue moving forward and working towards Sustainability. For this reason, and for the fourth consecutive year, we have participated in both the Ecovadis initiative and the Carbon Disclosure Project (CDP) Program, thus reaffirming our commitment to transparency and the fight against climate change.

We are increasing our efforts in measuring our emissions and in collaborating with our suppliers to reduce our scope 3 emissions. In addition, we are exploring alternative energy sources to reduce scope 2 emissions, working on our commitment to reduce our carbon footprint in all areas of our operation. In March 2023, we reaffirmed our commitment to sustainability and climate change through the global SBT initiative to advance towards our goal of being a net-zero emissions company by 2050, aligned with the Paris Agreement.

Our Sustainability Strategy is based on 5 pillars, aligned with environmental, social and governance (ESG) factors, on which we have established medium-term (2030) and long-term (2050) objectives: Environment, Safe Operation, People and Community, Innovation and Ethics and Transparency.

The sustainability objectives have been communicated to the entire company, reporting on our contribution to the Sustainable Development Goals (SDG) and the results of CO2 emissions assessments. These initiatives are essential to create a culture of sustainability within the organization, ensuring that all employees understand and actively participate in our efforts to preserve the environment and improve people's quality of life.

The energy crisis, due to geopolitical events, has continued to impact our operations. In response, at Dynasol Group we have reinforced our commitment to energy efficiency and sustainability. We have implemented new measures and continue to evaluate advanced technologies to optimize our energy consumption, to mitigate the effects of the crisis. Additionally, raw material prices have represented a challenge due to their downward trend, impacting the valuation of our inventories.

Our close collaboration with strategic suppliers has guaranteed traceability and transparency in our supply chains. Thanks to these collaborations and the fact that 90% of our suppliers are local, we have been able to maintain continuity in our operations without significant supply problems, ensuring that our products reach customers in a timely and efficient manner. These alliances in the value chain allow us to have the capacity to supply sustainable products with a lower carbon footprint from sustainably sourced raw materials, through the ISCC+ certification of some of our products manufactured at the Santander plant. We continue to make progress in our organic investments, including the expansion of our production capacities, which will allow us to meet the growing demands of the market and offer an excellent service adapted to the needs of our customers. In this regard, the most relevant project that will be launched in the coming months is the new SSBR

manufacturing line at the Santander plant, which will allow the product to be supplied locally and designed to not increase the consumption of water resources. These investments not only strengthen our position in the market, but also demonstrate our commitment to sustainable growth. While focusing on growth opportunities, we continue to explore diversification options to ensure the sustainability of the group and generate value in the regions where we operate. We continue to investigate new business areas and emerging technologies that allow us to diversify our offering and reduce our dependence on traditional markets.

Dynasol is proud of its contribution to improving the quality of life, well-being and safety of our stakeholders. Our rubbers and chemicals remain a sustainable solution that improves the strength and degradability of end products, prolonging their useful life and reducing waste generation and CO2 emissions, as evidenced by the Recyclclass certification for Calprene H6180S obtained this year. We continue to innovate in our processes and products to offer solutions that not only meet the highest quality standards, but also promote sustainability and environmental efficiency.

Our dedication to Corporate Social Responsibility remains strong and consistent. Over the course of this year, we continued with initiatives in community investment and in promoting ethical and responsible business practices. We have worked closely with local communities to carry out projects that raise the quality of life and support sustainable development.

We will continue to work hard to maintain our high sustainability standards and remain a leader in the rubber industry. We are committed to preserving the environment and improving people's quality of life, ensuring a sustainable future for all.

I would like to express my sincere gratitude to all of our employees, customers and partners. Their dedication and continued effort have been invaluable in advancing our sustainability goals. Their support and collaboration are fundamental to our mission of creating a more sustainable and successful future for all.

2023 Results



1,085
employees



224
thousand
tons of rubber
produced




259
products



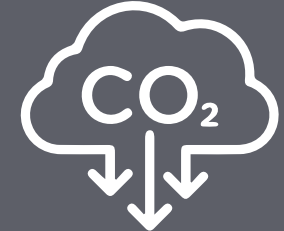
90%
local suppliers



25 hours.
of training
per employee



254
patents:
211 granted and 43 pending



8,028
tons of
CO2 avoided



**Ecovadis
Silver
Certification**



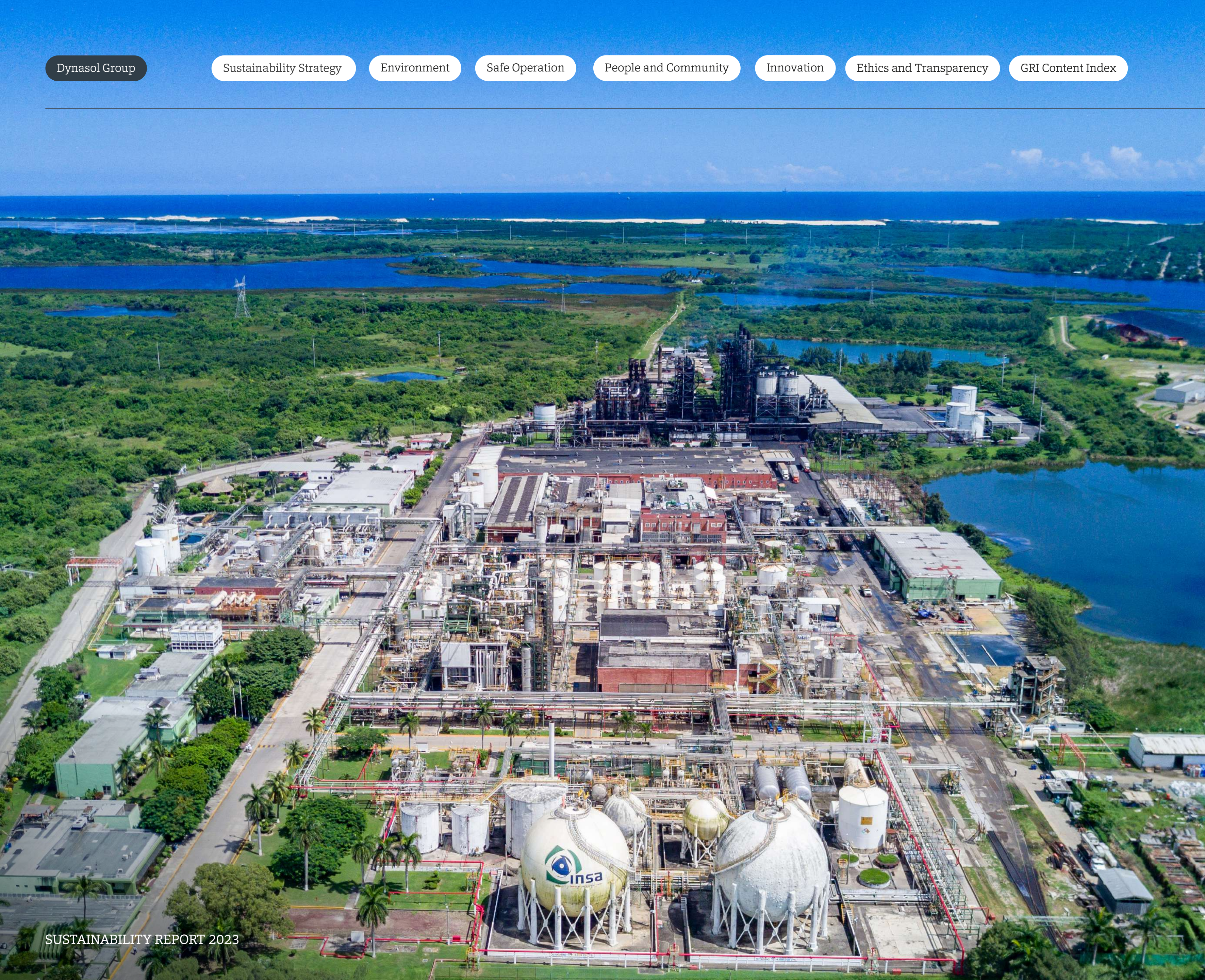
**Commitment
to the SBTi**
("Science Based Targets")
initiative



**ISCC Plus
Certification
at the Santander
Plant**

RecyClass Recyclability Approval for H6180S by Recyclclass





Dynasol Group

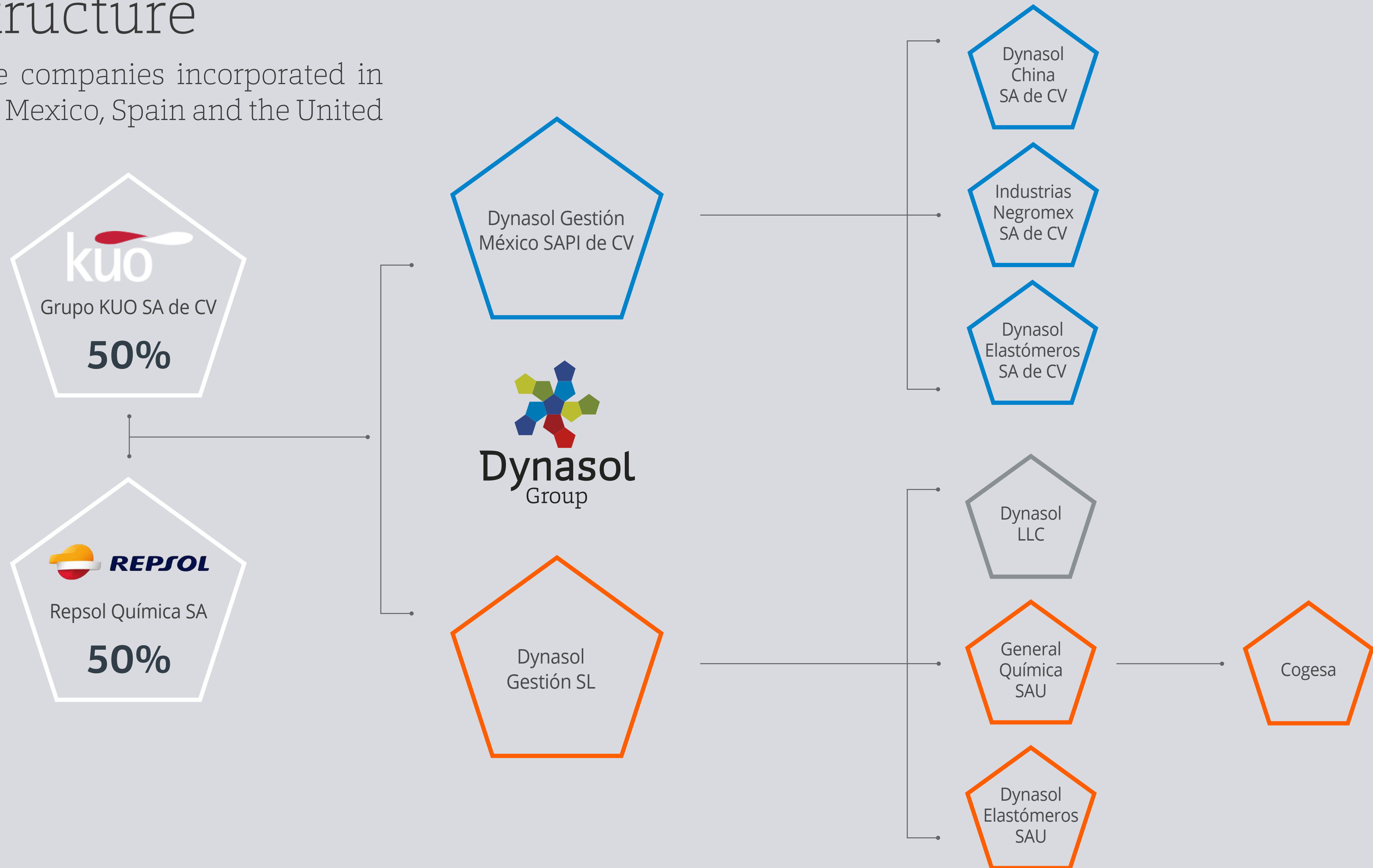
Company dedicated to the manufacture and commercialization of synthetic rubber and rubber chemicals.

Leader in providing differentiated and sustainable solutions in the elastomer market, generating energy savings and greater durability with its products. Dynasol Group is a joint venture of Grupo KUO and Repsol.

Corporate structure

Dynasol Group has nine companies incorporated in three different countries: Mexico, Spain and the United States.

- Spain
- Mexico
- USA



Global company

With a presence in more than 60 countries on 5 continents, Dynasol Group reached 584 million dollars in sales in 2023.



Central offices:
Madrid, Spain

Comercial offices:
Altamira, Mexico
CDMX, Mexico
Houston, USA
Madrid, Spain
Álava, Spain

External warehouses:

- Santander, Spain (4)
- Amberes, Belgium (1)
- León, Mexico (1)
- Altamira, Mexico (4)
- Puebla, Mexico (1)
- Norfolk, USA (1)
- South Caroline, USA (2)
- Brownsville, USA (2)
- Houston, USA (2)
- Ohio, USA (1)

2023 Markets served

65 countries

236 KT in sales

584 millions USD in sales

259 products

19 external warehouses

4 warehouses in site

*This information does not include shareholdings in Joint Ventures

◆ Sales ◆ Warehouse

Altamira, Mexico

Capacity:
246,000 tons
1 Pilot plant
eSBR, sSBR, NBR, SBS

Santander, Spain

Capacity:
120,000 tons
1 Pilot plant
SBS, SEBS

Alava, Spain

Capacity:
40,000 tons
Accelerators, antioxidants,
phytosanitary, biocides, sodium
sulfide and hydrosulfide

Financial information

1 Equity, assets and sales*



	2023	2022	2021
Equity	574	578	540
Total assets	802	848	802
Net sales	584	857	778

*USD million

2 Sales by region*



Region	2023	2022	2021
Americas	121	144	154
Asia	5	6	8
Europe	108	122	125
Rest of the world	2	1	3
Total	236	273	290

*Thousand tons

NOTE: All the financial information related to Grupo Dynasol is pro forma information where the data of the two Holdings that are part of the Dynasol Group (Dynasol Gestión and Dynasol Gestión México) are consolidated.

3 Financial data *

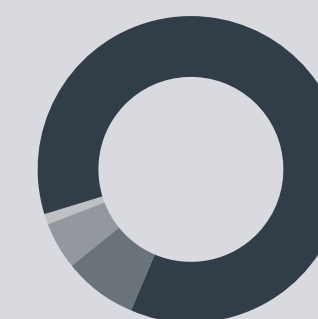


	2023	2022	2021
Direct economic value generated (EVG)	621	901	805
Net sales, other income and benefits	617	897	804
Extraordinary income	0	0	0
Financial income	3	4	1
Direct economic value distributed (EVD)	651	857	731
Operating costs	561	725	609
Personnel costs	51	51	50
Payments to governments	33	63	41
Financial Payments	6	18	32
Retained economic value (EVG-EVD)	-30	45	74
Financial aid provided by government entities	0.4	0.1	0.2

*Million USD

Valor económico distribuido

Operating costs	561
Personnel costs	51
Payments to governments	33
Financial Payments	6



Dynasol Group seeks to generate shared value for the communities in which it operates, and in 2023 it continued to support charitable causes with donations totaling 34,000 USD.

Responsible fiscal policy

Dynasol recognizes its responsibility for the well-being and social and economic development of the countries in which it operates. With this commitment in mind, the company has established a tax policy that translates into responsible tax payments, guided by the implementation of good tax practices and transparency in all its actions. This tax policy, aligned with the Company's mission, values and the Sustainable Development Goals, aims to position Dynasol as a company with integrity and responsibility in tax matters.

In 2023, Dynasol's tax contribution reached 33 million dollars, encompassing similar taxes and public charges. The relevance of the tax contribution made in Spain and Mexico is noteworthy, countries that host the company's production centers and receive 92% of the Group's tax payments. This contribution represents an essential component of Dynasol's strategy to promote sustainable development and strengthen its commitment to the communities in which it operates.

4 Dynasol Group – Tax Contribution 2023

Amounts in thousands of USD

Country	Tax burden ⁽¹⁾			Taxes collected ⁽²⁾			TOTAL 2023	TOTAL 2022
	IS	Others	TOTAL (€)	IVA ⁽³⁾	Others	TOTAL (€)		
Spain	0	7,843	7,843	31	9,096	9,127	16,970	22,261
France	196	46	242	0	48	48	290	266
Italy	56	46	102	0	50	50	152	184
USA	1,237	619	1,856	0	305	305	2,161	3,225
Mexico	1,776	6,253	8,029	666	4,652	5,318	13,347	37,480
TOTAL	3,265	14,808	18,072	697	14,151	14,847	32,920	63,416

NOTE: This report includes taxes actually paid during the year, so refunds are not included.

(1) Tax Burden; taxes that represent an expense for the group, reducing its result. (i) IS: includes payments for taxes on profits and (ii) Others: payments that represent a cost for the group (tariffs, fees, social security paid by the company, Property Tax, etc.).

(2) Taxes Collected; taxes that do not reduce the group's result because they are withheld or passed on to the final taxpayer (i) VAT: includes all payments for Value Added Tax and (ii) Others: those payments that are withheld or passed on to the final taxpayer (withholdings on work income, social security paid by the employee, etc.).

(3) VAT: In Spain there are only refunds, since General Química S.A.U. and Dynasol Elastómeros S.A.U. They are purely exporting companies (+90% of their sales are outside Spain), which means that the VAT incurred in their operations is always higher than that charged to their clients (exports are exempt from VAT). The situation is similar in Mexico.



Good tax practices

Dynasol Group is committed to complying with the best practices in responsible taxation. Its tax policy, approved by senior management, is reflected in the following commitments:

- ◆ Responsible legal compliance
- ◆ Efficient tax management
- ◆ Relationship with administrations
- ◆ Prevention of tax risks
- ◆ Transparency

Presence in non-cooperative jurisdictions

The Group undertakes not to have a presence in tax havens, non-cooperative jurisdictions, zero-tax territories or other countries or territories that receive similar classifications in European Union regulations or in the internal legislation of the different countries in which it operates, unless such presence is necessary and justified for business reasons. Currently, Dynasol Group does not have a presence in the aforementioned countries or territories.





Culture and values

Dynasol Group's mission and vision are built on a solid foundation of ethical principles that guide its daily actions.

The principles of action allow it to build relationships of trust with its stakeholders, foster innovation and make responsible decisions that contribute to a more sustainable future. These values allow the company to have an inclusive and collaborative work environment, where each employee feels valued and committed.

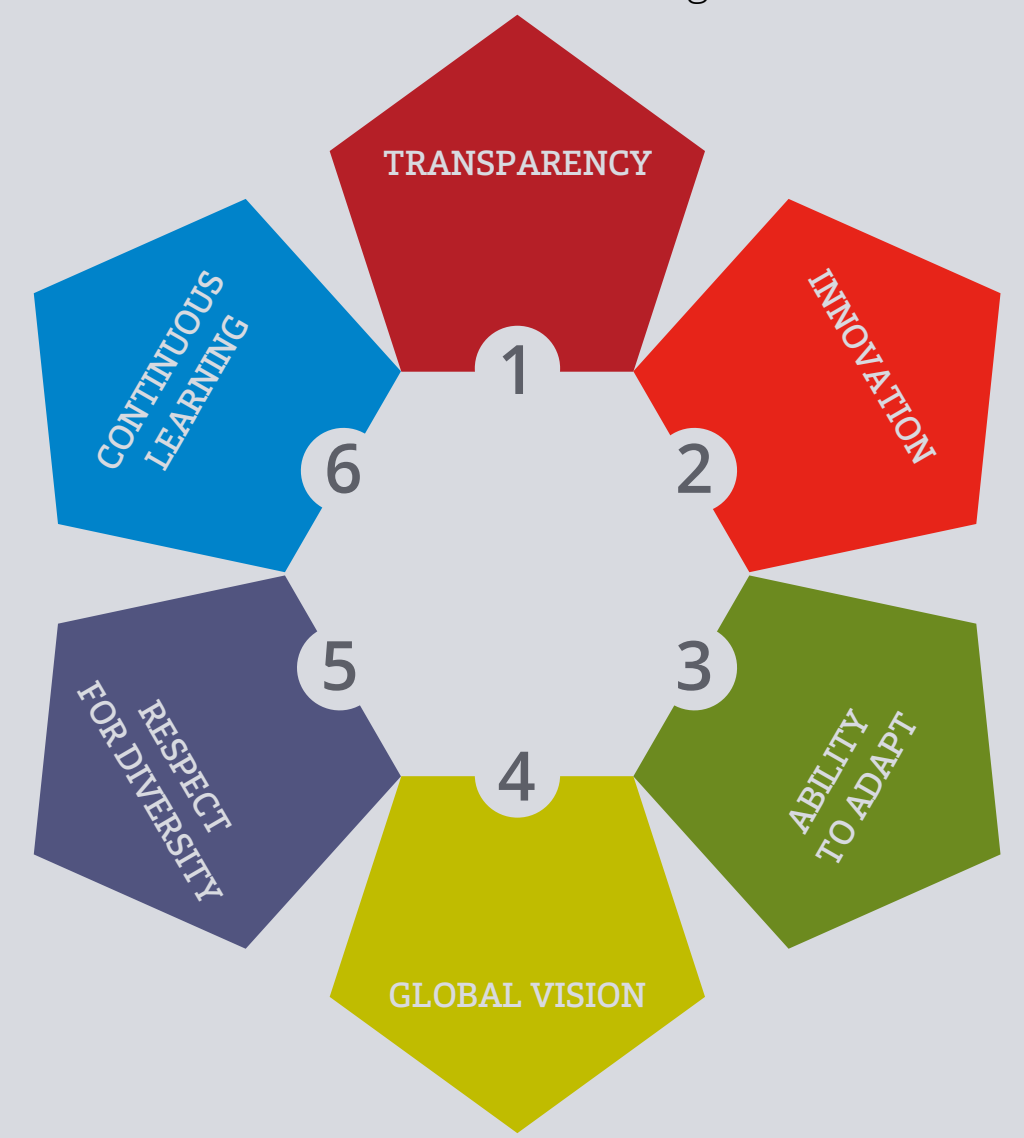
MISSION
To provide differentiated solutions for the elastomers market through technology, innovation and excellent service in a safe and environmentally friendly manner, creating sustainable value for our stakeholders.

VISION
To be a relevant supplier in the elastomers market, recognized for its technology, innovation, competitiveness and customer orientation, supported by the people who make up the Group with a solid organization and taking advantage of growth opportunities.

PRINCIPLES OF ACTION

RESPONSIBILITY AND COMMITMENT We comply with and commit to the roles and functions assigned by the organization, respecting safety, environmental and community processes.

- 1 **TRANSPARENCY** We work under a premise where the information handled is accessible, truthful and verifiable, seeking clarity in the information provided and generating trust.
- 2 **INNOVATION** We promote an attitude of active listening open to the search for options for the creation of new products and improving the quality of existing ones. We are aware of the capacity of each collaborator to contribute to the generation of value.
- 3 **ABILITY TO ADAPT** We are able to adapt to circumstances in an agile and effective way.
- 4 **GLOBAL VISION** We understand the size of the business, the impact of each of the positions and their contribution to the integrated results of Dynasol Group.
- 5 **RESPECT FOR DIVERSITY** We know that there are different ways of working, understanding and managing. This heterogeneity offers a competitive advantage that allows us to provide creative and differentiated solutions.
- 6 **CONTINUOUS LEARNING** We are open to change and the ability to redesign ourselves through individual, group and organizational learning.



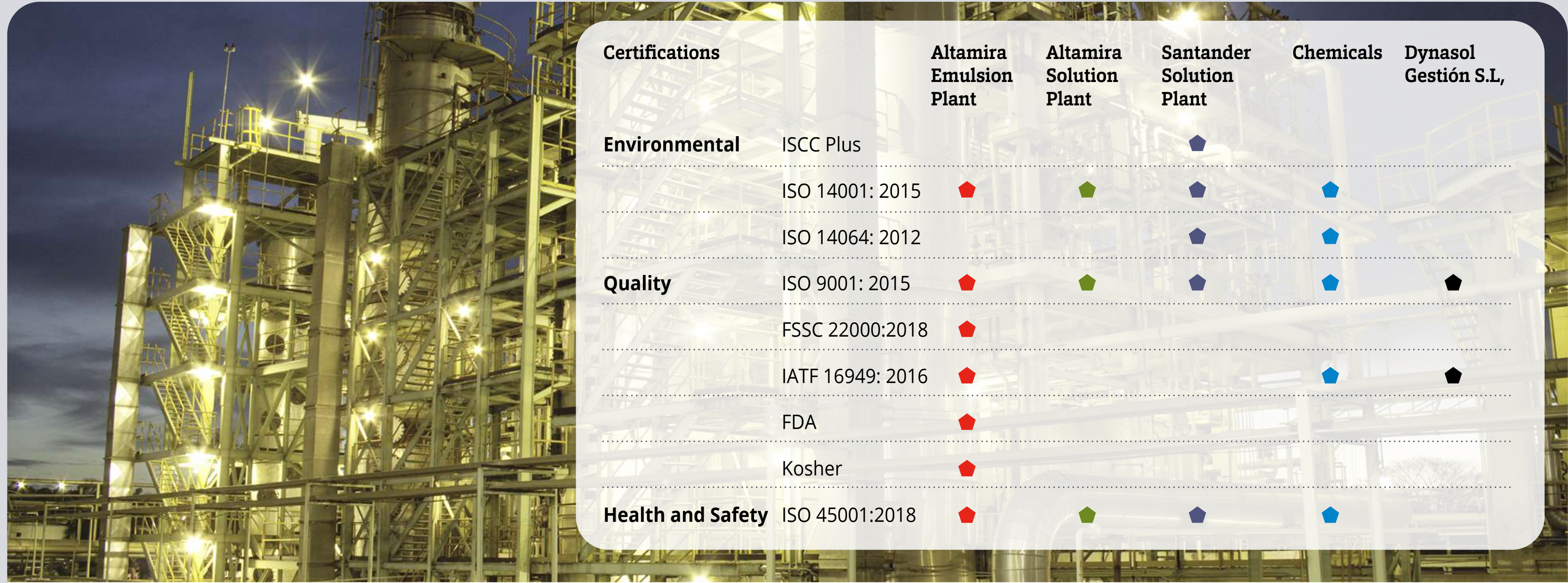
Certifications

The Dynasol Group production plants operate under international standards and adhere to ISO management systems.



In June 2023, the Solution Plant located in Santander obtained its ISCC PLUS certification, which is recognized worldwide in relation to materials of bio, circular or bio-circular origin. This initiative aims to have more sustainable products with a lower carbon footprint and that contribute to giving a second life to many products that would otherwise end up becoming waste.

RecyClass Also in 2023, Dynasol Group achieved European recyclability approval from Recyclass: Independent tests carried out in an external laboratory approved by Recyclass show that Calprene H6180S is fully compatible with recycled flexible polyethylene.



Certifications		Altamira Emulsion Plant	Altamira Solution Plant	Santander Solution Plant	Chemicals	Dynasol Gestión S.L.
Environmental	ISCC Plus			◆		
	ISO 14001: 2015	◆	◆	◆	◆	
	ISO 14064: 2012			◆	◆	
Quality	ISO 9001: 2015	◆	◆	◆	◆	◆
	FSSC 22000:2018	◆				
	IATF 16949: 2016	◆			◆	◆
	FDA	◆				
	Kosher	◆				
Health and Safety	ISO 45001:2018	◆	◆	◆	◆	

In addition to the Certifications achieved, Dynasol Group participates in different platforms for the evaluation and promotion of sustainability in its supply chain:



● Dynasol Group obtained the "Silver Rating" in 2023, which places the company in the top 15% of its industry in sustainability and supply chain issues. Ecovadis evaluates the Corporate Social Responsibility (CSR) performance of companies, based on international sustainability standards and guaranteeing reliable evaluations by being supervised by a scientific committee of CSR and supply chain experts.



● One more year, as a sign of the commitment to transparency in emissions, the CDP questionnaire was answered, which rates companies according to their management of energy and carbon. The 2023 questionnaire score improved from the Disclosure (D) band to the Environmental Awareness (C) band, which recognizes knowledge of climate impacts, but still below the environmental management (B) and leadership (A), which the company aims to achieve.

Risks and opportunities

The information corresponding to the risks and opportunities of Dynasol Group is consolidated in an organizational context matrix in the management system, which is periodically reviewed by Management.

The execution and effectiveness of the actions generated is checked annually and the level of risk and opportunities is measured again to determine whether the objective has been achieved or whether alternative initiatives must be proposed.



The process of identifying and managing risks and opportunities is driven by the Group's Quality Managers and involves the owners of the processes that manage all the Company's operations with the aim of having a complete vision. As a result of the context analysis carried out in 2023, risks were detected that have a high probability of occurrence and with moderate or significant consequences for the business and interesting opportunities for Dynasol due to the benefits they generate and the resource capacity available to undertake them.

KEY RISKS

- High energy costs and significant fluctuations in the prices of some of them directly affect the costs and availability of inputs used in production centers, the sale prices of products and the valuation of inventories.
- For the third consecutive year, logistical risks associated with inconveniences in deadlines, itinerary changes and the shortage of space in maritime transport persist. These concerns are the result of complications in the two most crucial maritime transit channels worldwide: the Panama Canal due to the lack of water and the Suez Canal due to attacks on ships in the Red Sea.

KEY OPPORTUNITIES

- Strengthen the use of digital tools to optimize the supplier approval process.
- Improve the perception of Dynasol among stakeholders by adapting facilities to acquire sustainable raw materials and promoting circular projects.

As measures to adapt to climate change, the environmental risks to which the Group will be exposed in the short, medium and long term are analysed, which allows it to identify those risks derived from climate change for which mitigation actions can be developed. They are categorised as:

Physical risks: Direct impacts of climate change on the physical environment and on the organisation's operations.

Transition risks: Changes in policies, regulations, technologies and market preferences.



5 Risk assessment

Risks	Horizon	Impact assessment	
		Impact	Site
Transition risks	Regulatory and legal	High	Spain, Mexico
	Technological	Medium	Spain, Mexico
	Market	Medium	Spain, Mexico
	Reputation	High	Spain, Mexico
Physical risks	Increase in average temperature and episodes of extreme temperatures	High	Spain, Mexico
	Droughts	High	Spain, Mexico
	Extreme cold	Low	Spain, Mexico
	Rising sea levels	Low	Spain, Mexico
	Floods	Medium	Spain, Mexico

Impact: High (Red pentagon), Medium (Orange pentagon), Low (Yellow pentagon)

Site: Spain (Spanish flag), Mexico (Mexican flag)



Sustainable supply chain management

Dynasol has stepped up its efforts to meet the expectations of its stakeholders and comply with ethical, labour, environmental, safety and social standards throughout its supply chain.

It continues to promote employment and workers' rights in local communities, contributing to economic and social development in the areas where it operates. This vision is in line with the United Nations 2030 Agenda for Sustainable Development and supports the 17 Sustainable Development Goals (SDGs). The relationship with suppliers and respect for human rights are fundamental pillars for Dynasol.

At Dynasol, commitment to sustainability is an essential task that requires a deep understanding of the structure and functioning of the supply chain. This makes it possible to identify critical points where negative effects could arise in terms of resource consumption, emissions, waste and working conditions. Therefore, active dialogue with stakeholders is prioritized, consulting on their short- and medium-term sustainability goals to ensure alignment with business objectives.

Suppliers

Suppliers play a key role in Dynasol's value chain. It is vitally important that they comply with current regulations and adopt the exemplary practices defined by the Group. To this end, Dynasol invites all suppliers in the supply chain to build and operate environmental management systems related to business activities and systems for the management of chemical substances in their products.

Both suppliers and contractors must adopt Dynasol's Code of Ethics and Conduct for Suppliers, which focuses on promoting a beneficial relationship for all parties involved. This Code establishes key commitments, such as the eradication of child and forced labor, as well as compliance with ethical guidelines and the establishment of anti-bribery, anti-corruption and conflict of interest measures.

Dynasol Group safeguards the integrity of its commitments to suppliers, based on respect, communication and mutual trust. The company has a Portal as the means through which it communicates with its suppliers to request the information required for its registration as an approved supplier, requiring the authenticity of the data provided and allowing the supplier to update its information so that it reflects its real situation at all times.

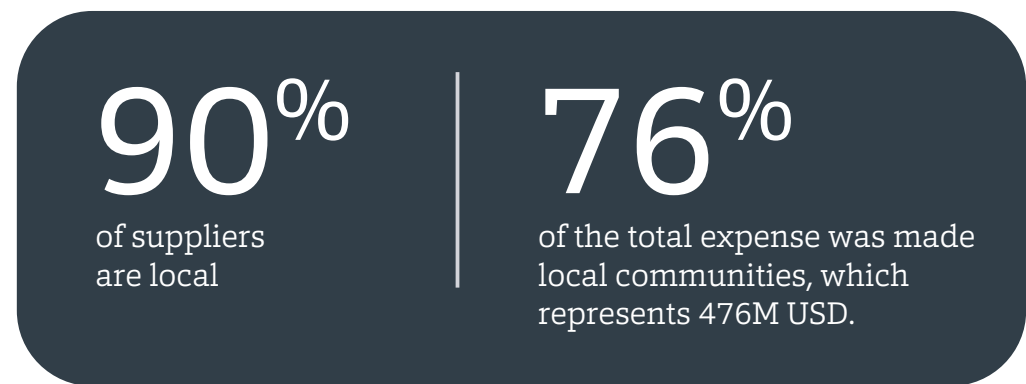
The supplier selection process incorporates sustainability criteria as an essential factor. Collaboration with them becomes fundamental, given that a significant percentage of the emissions linked to the products arise indirectly during the production phases of raw materials and energy, as well as in the subsequent transport.

Dynasol Group encourages its suppliers to adopt sustainable practices, encouraging them to calculate their carbon footprint and to establish goals for its reduction.

From the supply chain, sustainability objectives related to the reduction of the carbon footprint in the supply chain are promoted by promoting the good use of containers and packaging, optimizing in each case the required packaging and promoting the reuse of containers.



Dynasol Group firmly believes that sharing best practices and collaborating with its stakeholders creates a more significant impact than working independently. The ongoing commitment to sustainability reflects the Group's desire to lead the change towards more responsible business practices in the social, environmental and economic spheres. To contribute to the communities where it operates, Dynasol opts for local suppliers, thus promoting employment and economic development. In 2023, 90% of all suppliers were local. That year, spending in local communities accounted for 76% of the Group's total purchases, amounting to 476M USD.



The objective is to establish a solid base of suppliers, contractors and employees, based on the principles of objectivity, transparency and equal opportunities, complying at all times with the provisions of the organization's Code of Conduct and Ethics.



CUSTOMER RELATIONSHIP

The evolution of the needs of Dynasol Group's customers, driven by digital transformation, has motivated the company to innovate with new platforms and tools throughout 2023.

This digitalization strategy that began in 2019, after holding interviews and surveys with stakeholders, has allowed the design of a new business relationship model through the improvement of internal processes in order to positively impact the customer experience.

The Customer Relationship Management (CRM) platform that was launched in 2022 has allowed the management of customer relationships to be improved through the creation of a comprehensive view that helps the Group capture all the interactions that occur from the moment an order is received to the delivery of the product.

Dynasol Group seeks to offer a personalized experience to its customers, allowing:

- Improve communication
- Optimize processes
- Encourage loyalty

As part of its constant search for improvement, Dynasol Group has continued to integrate new functionalities into the CRM that allow it to view all customer orders in real time.

This is in order to improve the quality of communication by the sales, customer service and logistics teams. A history of this data is used to continue to improve knowledge of customers' operations and daily challenges, thereby strengthening the company's relationships with them.

For Dynasol Group, the goal is to improve the experience of its customers through an approach that allows building long-lasting relationships with business partners by offering customized solutions to face the challenges and opportunities that arise in the industries that the company serves worldwide.

Sustainability Strategy

The implementation of Dynasol Group's Sustainability Strategy not only addresses the need to reduce the environmental impact associated with the production and use of materials, but also positions the company as a proactive leader in mitigating global challenges such as climate change. Furthermore, a sustainable approach not only generates long-term value, but also meets the growing expectations of consumers and stakeholders regarding corporate social responsibility, contributing to the well-being of the planet. In this way, the group ensures its long-term viability and competitiveness in a constantly evolving business environment.



Through specific initiatives, Dynasol Group contributes to the United Nations Sustainable Development Goals (SDGs):

Environment:

The Group works to reduce its carbon footprint, optimize water use and manage waste responsibly.



Safe operation

Dynasol guarantees a safe and healthy work environment, promoting risk prevention and the well-being of its employees.



People and community

The company promotes diversity and equality and supports the development of local communities.



Innovation

Dynasol Group invests in research and development to develop sustainable solutions and continuously improve its processes.



Ethics and transparency

A culture of ethics and transparency is promoted throughout the entire value chain.




<p>Environment</p> <ul style="list-style-type: none"> • Climate change • Sustainable water use • Emission reduction • Sustainable energy use • Waste management • Carbon footprint of products 	<p>Safe operation</p> <ul style="list-style-type: none"> • Occupational health and safety 	<p>Innovation</p> <ul style="list-style-type: none"> • Innovation and development
<p>People and community</p> <ul style="list-style-type: none"> • Diversity and equality • Quality of life for workers 		<p>Ethics and transparency</p> <ul style="list-style-type: none"> • Anti-corruption and compliance

Impact and financial materiality

At Dynasol Group, various transparent communication channels and mechanisms are maintained with all our Stakeholders, in order to listen to their expectations and interests in our sustainability management and to make them part of our commitment to a sustainable future and, in addition, to strengthen our relationships with them.

In 2023, the material sustainability objectives and topics that our Stakeholders publish in different media have been analyzed, and specific meetings have been held with some of the most important clients to understand their interests and confirm that Dynasol's material topics are the same as those resulting from the materiality analysis carried out in 2022, although some material topics are in different positions and others have been grouped based on their interest.

This analysis was based on a study of sector sources and consultations with the main Stakeholders. This process consisted of four steps: 1) Identification, 2) Prioritization, 3) Validation and 4) Review, which served to identify, understand and adequately prioritise the issues of greatest importance to Dynasol Group and its stakeholders.

- 1 Shareholders
- 2 Employees
- 3 Customers
- 4 Competitors
- 5 Suppliers and external services
- 6 Administration and Authority
- 7 Local community
- 8 Non-governmental political associations
- 9 Financial sector
- 10 Professional associations
- 11 Insurance companies
- 12 Educational entities

Material issues have been identified that confirm that the Group's Sustainability commitments are adequate.



Material Topics



Environment

- 1- Reduction of greenhouse gas emissions
- 2- Sustainable raw materials
- 3- Waste generation and water use
- 4- Sustainable packaging



Safe operation

- 5- Safety and health



People and Community

- 6- People and community



Ethics and transparency

- 7- Anti-corruption



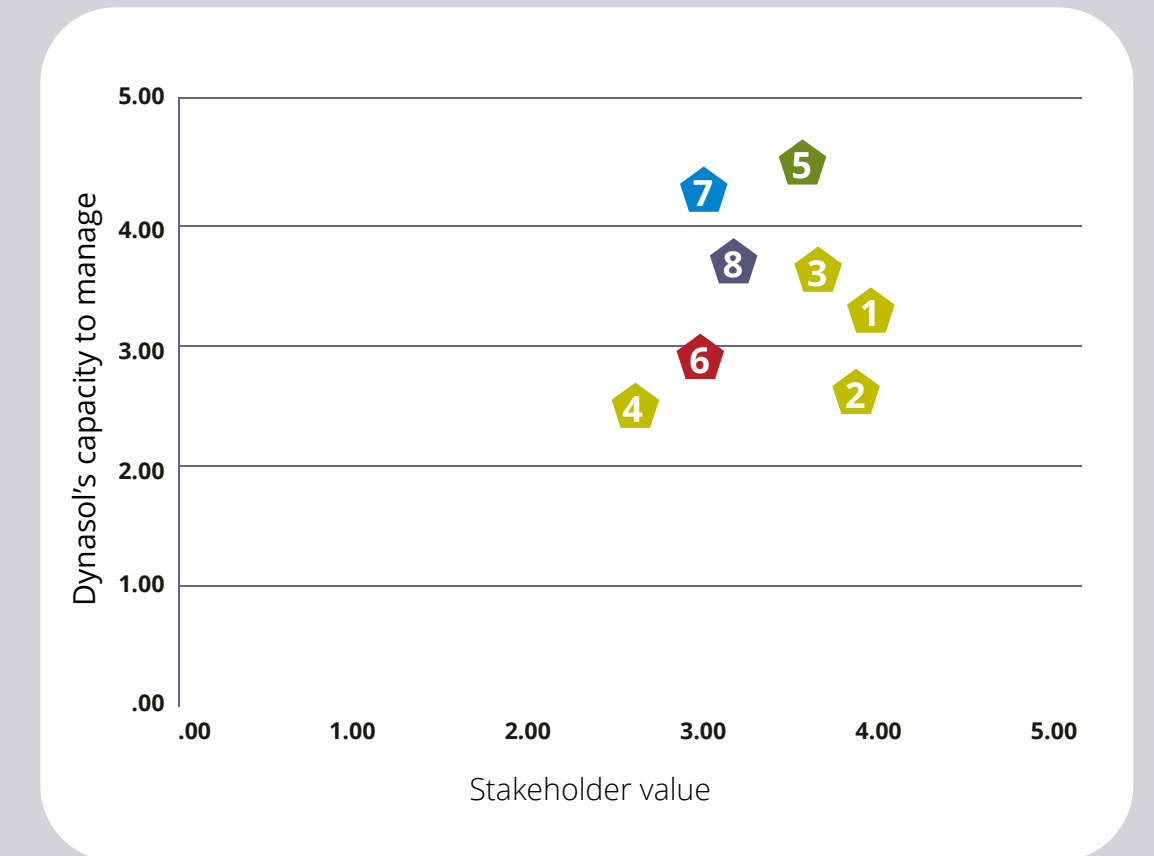
Innovation

- 8- Innovation

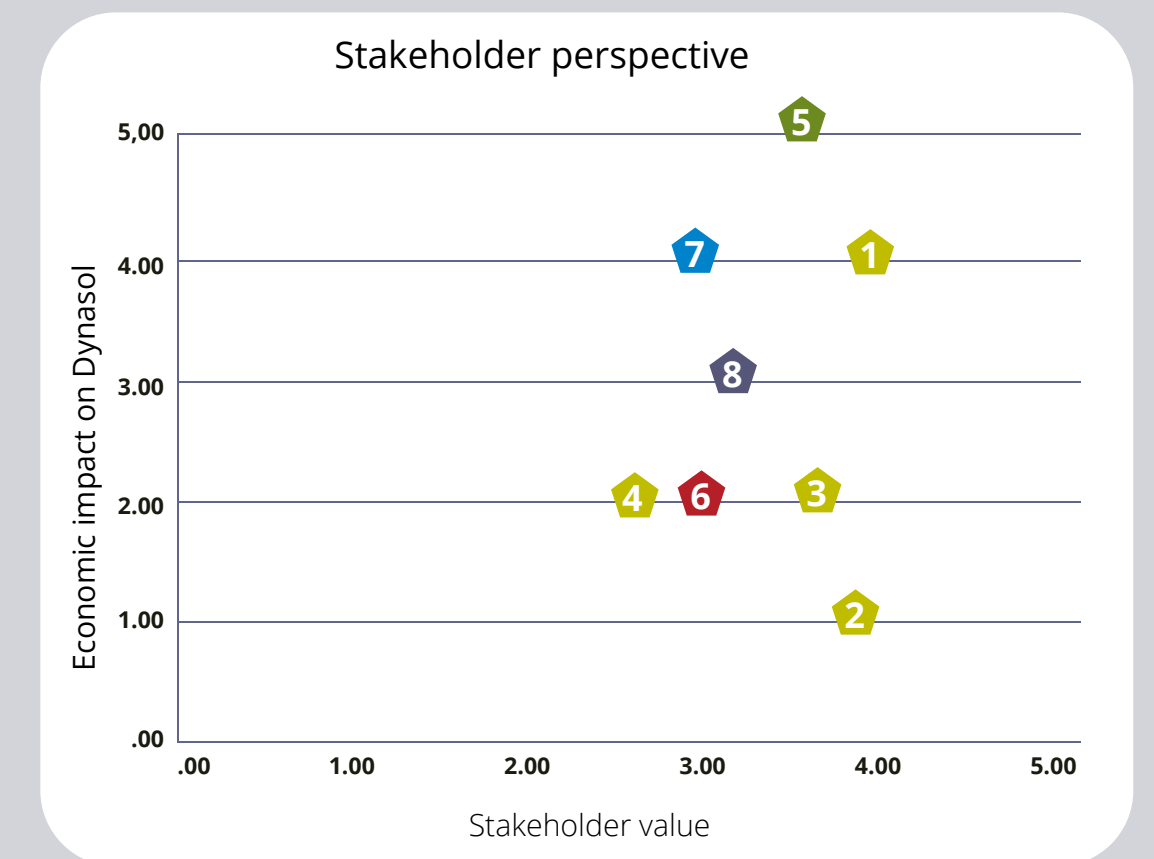
Financial materiality includes the potential impact on Dynasol's results as a result of management with opportunities for improvement. Based on the potential economic impact, the following scores are considered:

(1) No impact: 0-10 KUSD (2) Slightly relevant: 10-100 KUSD (3) Relevant: 100-500 KUSD (4) Quite relevant: 500-1000 KUSD (5) Very relevant: >1000 KUSD

Impact Materiality



Financial Materiality



20%
of sustainably
sourced raw
materials

Valorization of
50%
of the waste
generated
each year

30%
reduction
in water
consumption
(baseline year:2019)

2030 GOALS

Reduce
greenhouse gas
(GHG) intensity by
30%
(baseline year:2019)

60%
of electricity
consumption from
renewable sources

Reduce
Volatile Organic
Compounds (VOCs)
by
50%



**2050
Goal:
Net zero
emissions**

Environment

Dynasol Group is actively engaged in minimizing the environmental impact of its operations and projects.

Preservation and care for the environment are one of the fundamental pillars of the Sustainability Strategy. In this regard, Dynasol Group has a robust Health, Safety and Environment Policy, backed by the ISO 14001:2015 Environmental Management Systems certification, as well as a specific Sustainability Policy. These policies are mandatory for all employees, highlighting the company's commitment to sustainable and responsible practices in all areas of its activities.





Bio and Circular Raw Materials

Sustainability requirements, especially from stakeholders and customers, continue to increase steadily. In response to this growing demand and with the aim of continuing to advance Dynasol Group's sustainability goals, the Santander Solution plant was awarded ISCC PLUS Certification in 2023, a certification with global recognition in relation to materials of bio, circular or bio-circular origin.

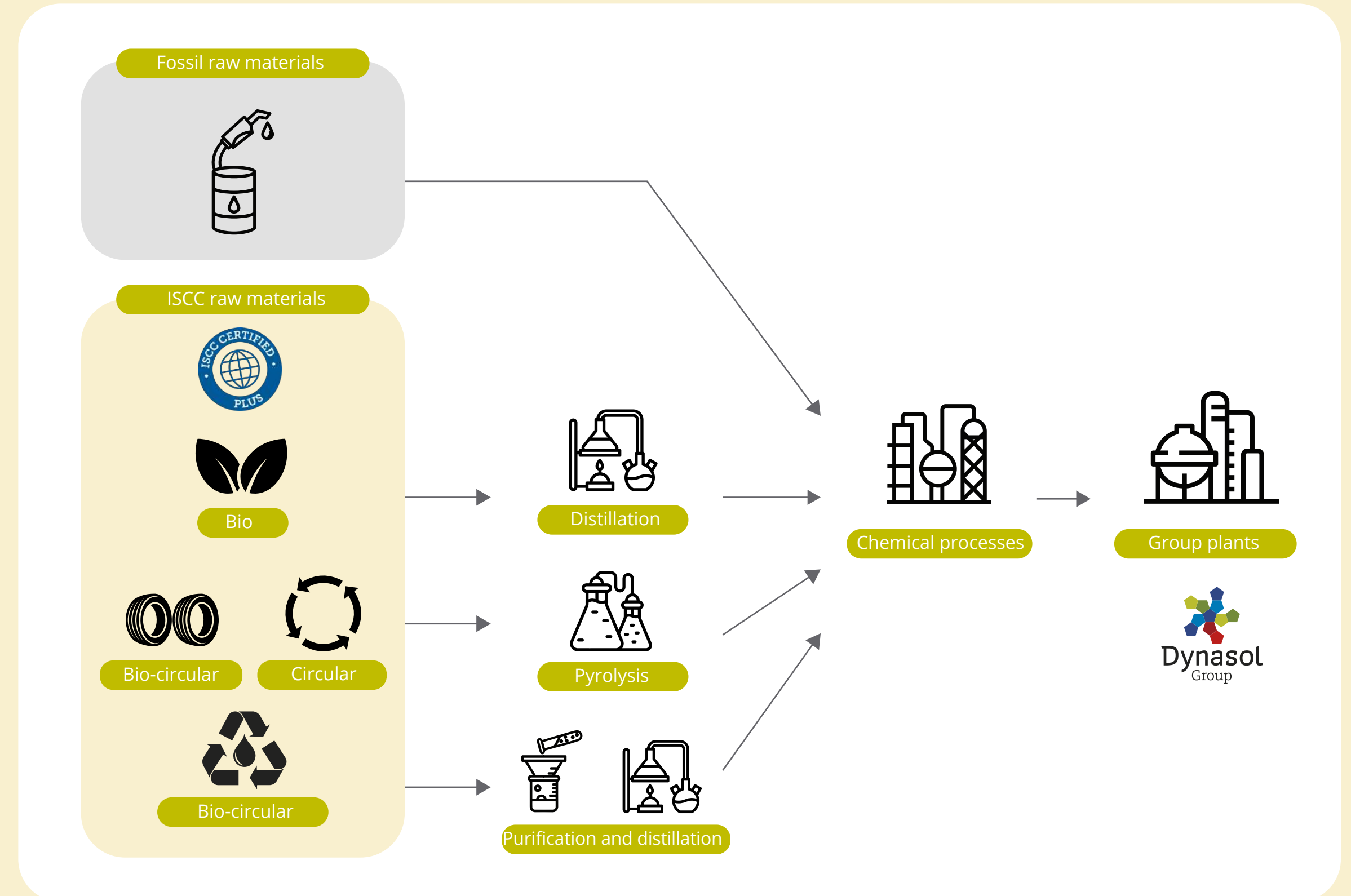
This certification allows the marketing of sustainable rubber, manufactured from materials of bio, circular or bio-circular origin, using a mass balance approach in view of the foreseeable increase in demand for this type of more sustainable products that reduce impacts on the environment.

By obtaining this certification, the aim is to adapt management systems to the ISCC standard in order to make sustainability declarations for products when starting from sustainable raw materials. The success of the implementation of this initiative requires the commitment and certification of the entire value chain from raw material suppliers to the end customer, who must prioritize this type of sustainable products.

The key advantages of this mass balance approach strategy are:

- ◆ Combination of sustainable and fossil raw materials in the same production process.
- ◆ Final products with the same chemical and physical characteristics as fossil products.
- ◆ Reduction of the carbon footprint by replacing fossil raw materials.
- ◆ Traceability ensuring the sustainable proportion in the value chain through ISCC Plus certification.

It is planned to certify the rest of the Group's plants in the coming years, further strengthening our commitment to sustainability. The success of this initiative in the future will require the commitment and certification of the entire value chain.



RecyClass

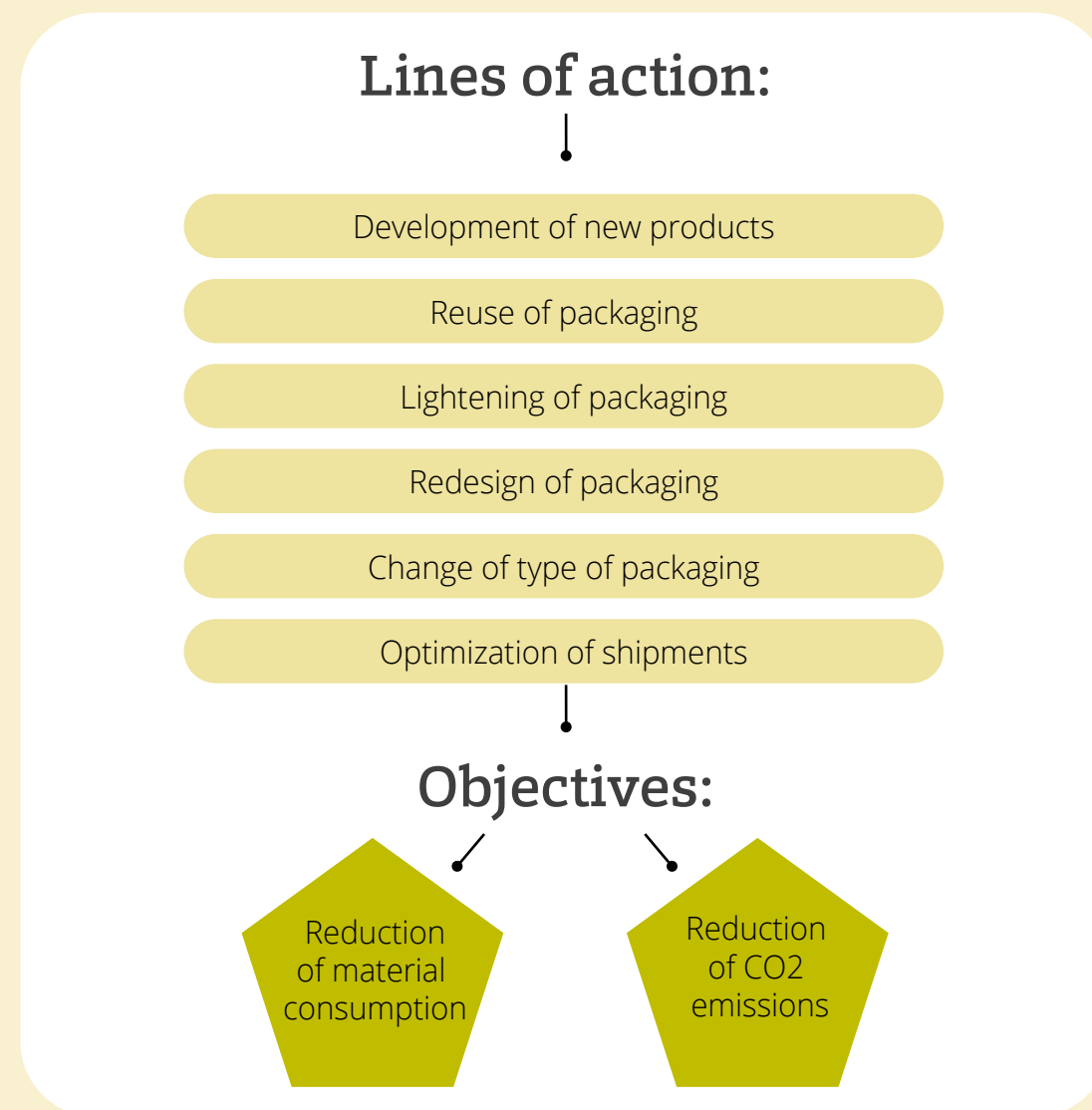
In 2023, Dynasol Group obtained Recyclclass certification, which validates the recyclability of flexible packaging produced from a mixture of recycled low-density polyethylene and a grade of hydrogenated rubber manufactured at the Santander plant (Calprene H6180S). This initiative validates the use of Dynasol rubbers to manufacture packaging with recycled plastic and thus promotes the reuse of these plastics that would otherwise become waste whose final destination would be incineration or disposal in a landfill.

Dynasol Group's Technology Department has a cross-functional sustainability group that promotes different initiatives for the development and incorporation into the production process of sustainable raw materials that are alternatives to the current ones, of bio or circular origin. The use of this type of sustainable materials may require a long development process to ensure viable supply sources and a level of performance equivalent to or even different from that of materials of fossil origin.



Packaging

At Dynasol Group, sustainable waste management is a key priority. Each year, each of its operating sites sets clear targets to reduce waste generation, focusing on optimizing the use of resources during production. As a first step, the company focuses on minimizing waste creation, seeking maximum efficiency based on the products manufactured. Furthermore, a comprehensive approach has been adopted to maximise waste recovery, applying reuse, recycling and recovery strategies. This allows the company to significantly reduce the amount of waste sent to landfills, covering both hazardous and ordinary waste. These actions not only reduce the Group's environmental impact, but also improve efficiency in resource management.



In 2023, the implementation and development of different initiatives for the reuse of packaging used in the delivery of the final product will continue, thus extending the duration of its life cycle and causing a consequent reduction in associated emissions:

- Increased use of returnable packaging:** The use of galvanized returnable boxes has increased, gradually replacing cardboard and wooden packaging. This has allowed a considerable volume of products to be packaged in these new containers. In 2024, the project will continue, developing designs for products that have not yet been migrated.

- Reuse of Big Bags:** The Altamira plant has implemented an efficient system for collecting and reusing Big Bags. In 2023, this initiative has been expanded with clients to increase the volume of recovered packaging. In Spain, 622 of the 630 Big Bags received were reused, demonstrating the success of this circular strategy.

- Reduction of packaging through weight optimization:** The company has optimised production processes at the Santander and Altamira plants, reducing the weight of Big Bags without affecting the quality of the products. This measure has made it possible to reduce the consumption of materials and, consequently, reduce the environmental impact of packaging.

- "SCRAP":** In compliance with Royal Decree 1055, which requires packaging manufacturers in Spain to take charge of their own waste, Dynasol Group has registered as a packaging generator and has joined a Collective System of Extended Producer Responsibility (SCRAP).

Reduction in the use of materials:

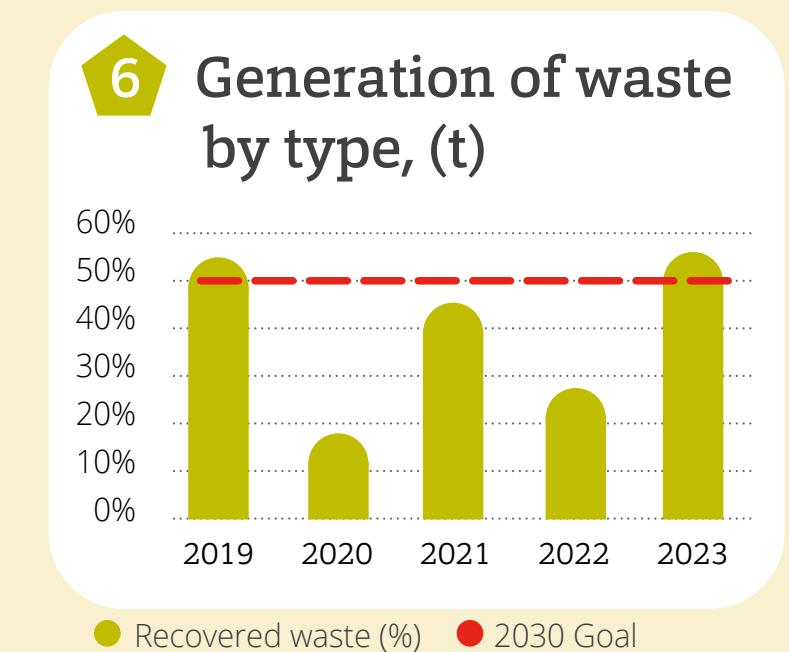
- 2,407 tons of wood
- 95 tons of cardboard
- 13 tons of PP (polypropylene)
- 285 tons of plastic

Dynasol Group avoided the emission of 1,609 tons of CO2

- 25% less hazardous waste generated compared to 2022.
- 22% more waste recovered than in 2022.

One of the key goals achieved was the 25% reduction in the generation of hazardous waste compared to the previous year. This achievement is attributed to the implementation of various strategies, such as the optimization of production processes, the replacement of hazardous materials with safer alternatives and the improvement of maintenance practices. In addition, Dynasol has taken an important step towards the circular economy by significantly increasing the recovery of waste. In 2023, 36% of hazardous waste (440 tonnes) and 55% of non-hazardous waste (6,325 tonnes) were sent to recovery, reuse and recycling processes. This not only reduces the amount of waste sent to landfills, but also contributes to the conservation of natural resources and the generation of new products.

By reducing waste generation and maximising its recovery, Dynasol has managed to significantly reduce its environmental impact. These actions contribute to mitigating climate change, protecting ecosystems and preserving natural resources for future generations.



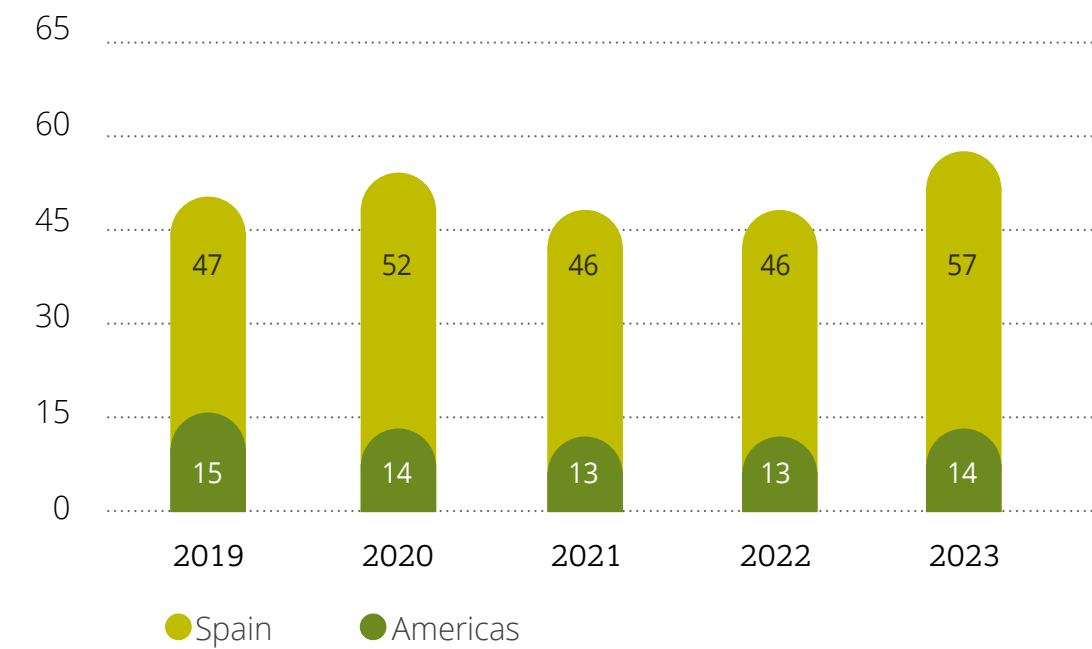
2030 Goal

30% reduction in water consumption (baseline year: 2019)

Sustainable use of water

Compliance with local water consumption permits is the first step in the consumption of a key resource such as water. Beyond this compliance, different studies are being defined and developed to reduce specific water consumption in Dynasol Group's Operating Centers. These include the creation of water balances and the identification of initiatives to reduce water collection and increase water reuse that will be implemented in the coming years to preserve this vital resource.

7 Water extraction per tonne produced (m3/t)



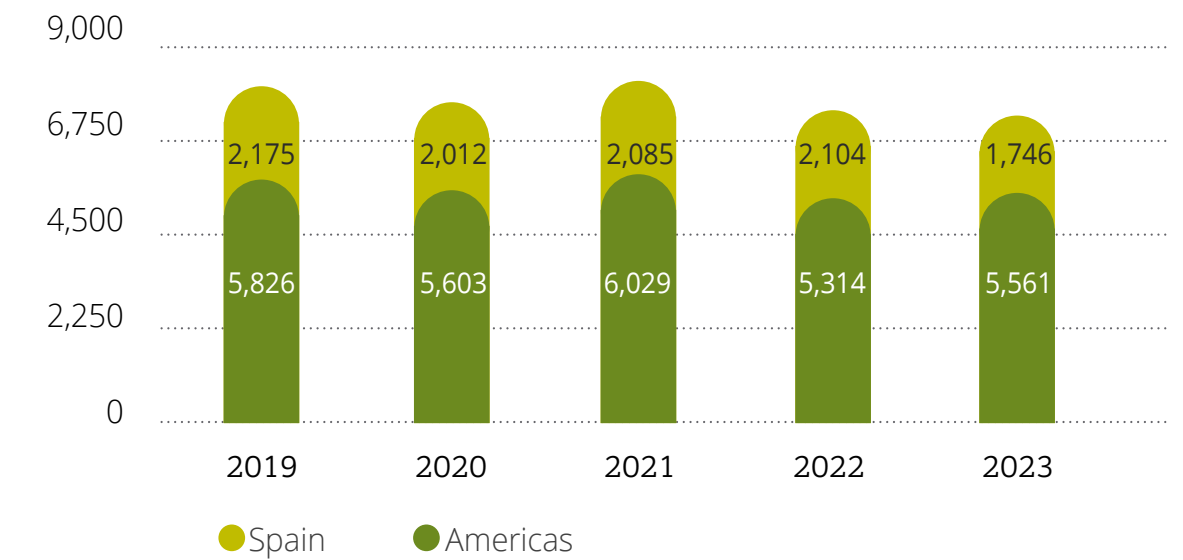
8 Water withdrawal by source type (Megaliters): 2023

Surface water	7224
Groundwater	40
Water from the public network	43
Total	7307

The increase in water consumption in Spain is due both to consumption during maintenance shutdowns and to the difficult commercial environment experienced during 2023, which did not allow the plants to operate in a continuous and therefore more efficient manner. However, in the American plants that have operated in a normal regime, a 20% reduction has been achieved compared to the reference year 2019.

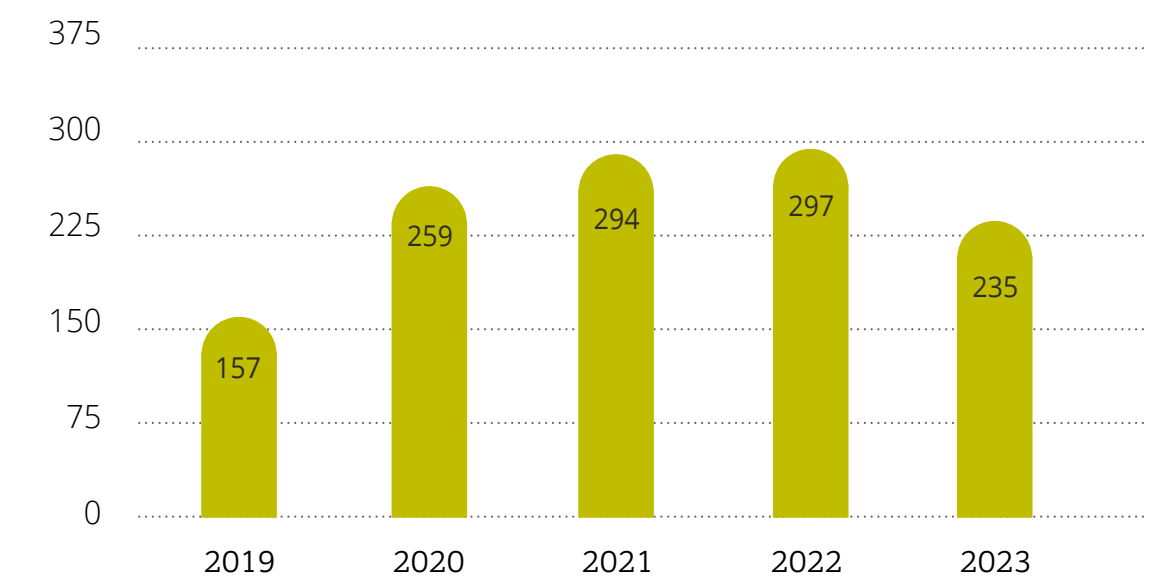
20% reduction in water consumption in America plants (base year: 2019)

9 Water extraction by region (m3)



Since 2019, the company has managed to reduce its water withdrawal by 9%, and continues to work on identifying initiatives that will allow it to continue reducing specific water consumption in its Operational Centers. This commitment reflects the company's ongoing dedication to the sustainable management of water resources, seeking to optimize its environmental impact and strengthen its operational practices in line with the principles of corporate responsibility.

10 Water reuse (Megaliters)



The volume of water reused has increased by 49% since 2019 and work is underway to ensure that this volume continues to grow in the coming years.

235 megaliters of water reused.

49% more than in the base year 2019.

At Dynasol, water is recognized as an essential resource whose availability is threatened by climate change and the increasing frequency of droughts. To meet these challenges, water management strategies have been implemented that optimize water use, promote reuse and adopt circular economy approaches. Dynasol Group's aim is to be leaders in sustainable water management, ensuring its efficient use for future generations.

11 Reduction of collected water (%)

	2020	2021	2022	2023
Reduction of collected water, %	5% ^o	-1%	7%	9%



Wastewater

In 2023, work will continue on optimizing water treatment systems with the aim of increasing water reuse in production centers and improving the quality of wastewater.

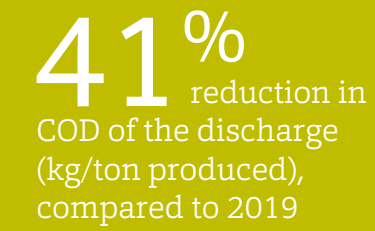
12 Wastewater, (Megaliters)

	2019	2020	2021	2022	2023
Spain	6,851	6,789	7,679	5,482	5,114
Americas	1,244	1,061	1,142	1,321	1,132

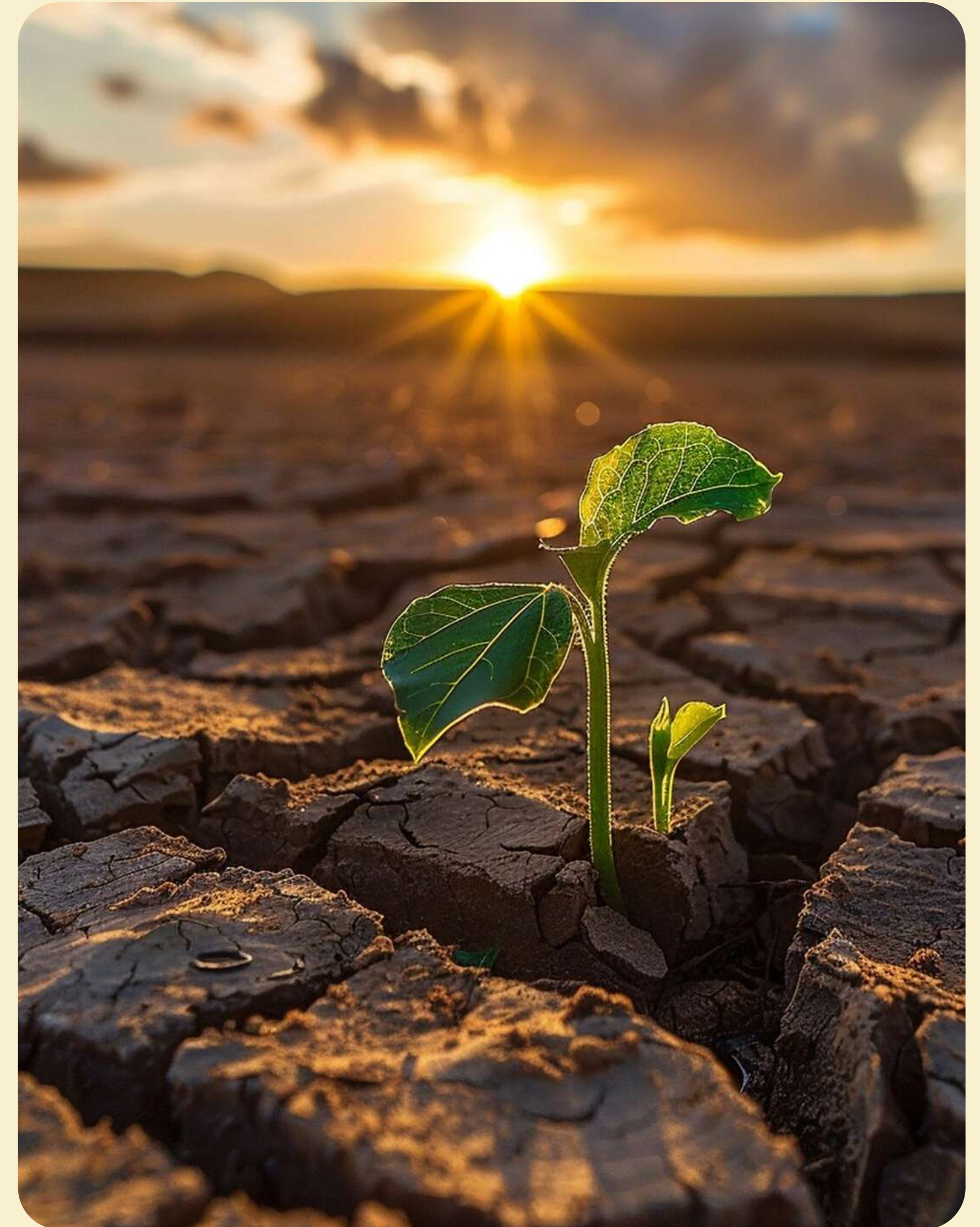
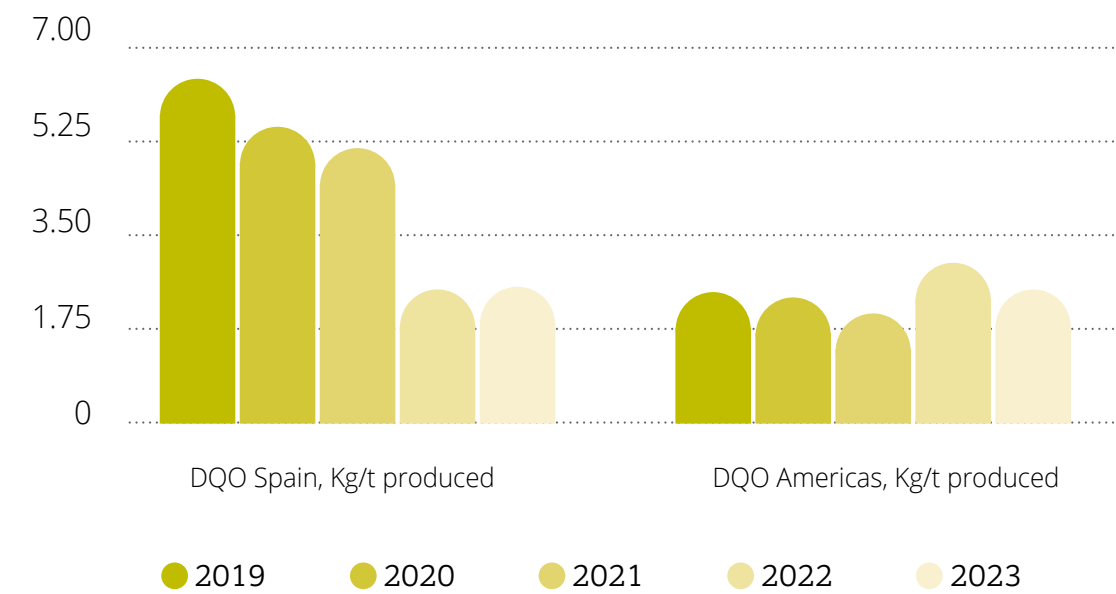


Evolution of COD (Chemical Oxygen Demand) of the discharge per ton produced

The quality of the discharges is assessed by monitoring the Chemical Oxygen Demand (COD). The COD of the Dynasol discharge (kg/ton produced) was reduced by 41% considering 2019 as the base year.



13 COD/ton produced



2050 Goal

0
NET
EMISSIONS

2030 Goal

Reduction
of Volatile Organic
Compounds (VOCs)
by
50%

Reduce
GHG intensity
by
30%
(Base year 2019)

Climate Change

Dynasol Group implements various measures to prevent, reduce or mitigate CO2 emissions that negatively impact the environment.

The origin of the emissions comes mainly from:

- ◆ The direct activity of the production centers from various sources:
 - Direct CO2 due to the use of fossil fuels, refrigerants
 - Indirect CO2 derived from the consumption of steam, electricity and hydrogen
- ◆ Raw materials incorporated in the process for manufacturing products

The Life Cycle Analysis (LCA) carried out in 2022 of products such as SBS, SEBS, SSBR, sulfenamides and TMQ is still in force to identify the origin of the emissions and take measures to reduce them*.

*In 2024, in order to certify the results obtained in the LCA, an Environmental Product Declaration (EPD) will be carried out for the SBS of the Santander plant..



In 2023, after analyzing the contribution to CO2 emissions from the different inputs in the production process, it has been identified that those with the greatest impact on the process are raw materials and acquired energy.

Dynasol Group is committed to implementing strategies to advance in their reduction:

Raw materials: Meetings with key suppliers to foster partnerships and learn about their emissions reduction plans, which will impact scope 3 emissions in rubber and chemical products. Some are already showing progress, while others are starting initiatives in this area, highlighting the need to align their sustainability plans with those of Dynasol.

Energy: promote the process improvement team to identify and implement:

- Short and medium term: CO2 reduction initiatives through process improvements.
- Medium and long term: alternative and innovative technologies.

In order to adapt to the consequences of climate change, Dynasol Group annually conducts an analysis of the environmental risks faced by the Group, which enables it to identify the specific risks associated with climate change and develop mitigation actions. In addition, the greenhouse gas (GHG) inventories of all operating centers are rigorously verified, and the plants in Spain already have ISO 14064-1 certification, which will be extended to the facilities in America in the future.

In 2023, the Scope 3 emissions for 2022 were verified at the sites in Spain, corresponding to indirect sources outside Dynasol's control. From 2024, efforts will be increased to include the sites in the Americas.

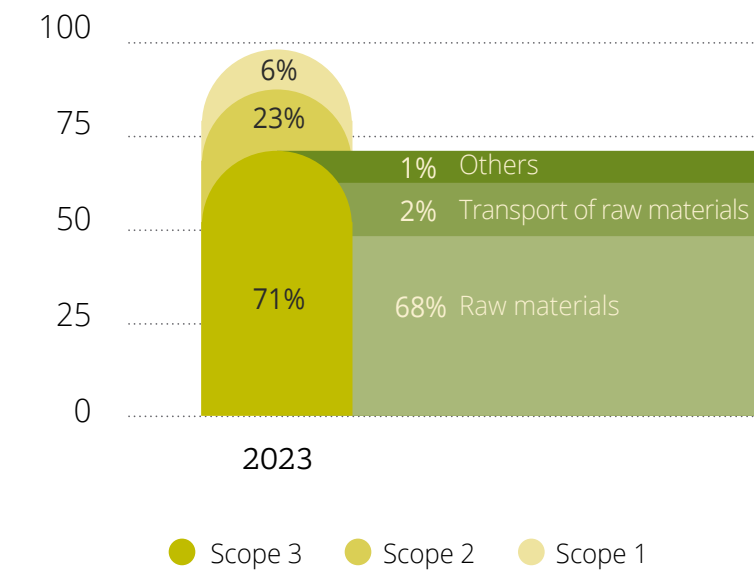
In 2023, there will be a significant reduction in Scope 1 and 2 emissions of 6% compared to 2022, and the reduction achieved since 2019 is 17%. The increase in Scope 1 emissions corresponding to the plants in the Americas is due to the release of GHGs from fugitive emissions (refrigerants) at the Emulsion plant

14 Direct and indirect emissions (Thousands of tons of CO2 equivalent)

		2019	2020	2021	2022	2023
Scope 1 emissions (CO2, CH4 and N2O)	Total GEI (CO2 eq)	36	31	42	47	47
	Americas	34	29	40	43	44
	Spain	2	2	3	4	3
Scope 2 emissions	Total GEI (CO2 eq)	218	171	181	179	165
	Americas	100	77	83	73	71
	Spain	118	94	99	106	94
Scope 3 emissions (categories 3 and 4)	Americas (CO2 eq)					219
Scope 3 emissions (categories 3 and 4)	Spain (CO2 eq)				278	263
Scope 1+2	Total GEI (CO2 eq)	254	202	223	226	212
	Americas	134	106	123	116	115
	Spain	120	96	102	110	97
Scope 1+2+3	Total GEI (CO2 eq)					694
	Americas					334
	Spain				388	360

17% reduction in Scope 1 and 2 emissions (base year: 2019).

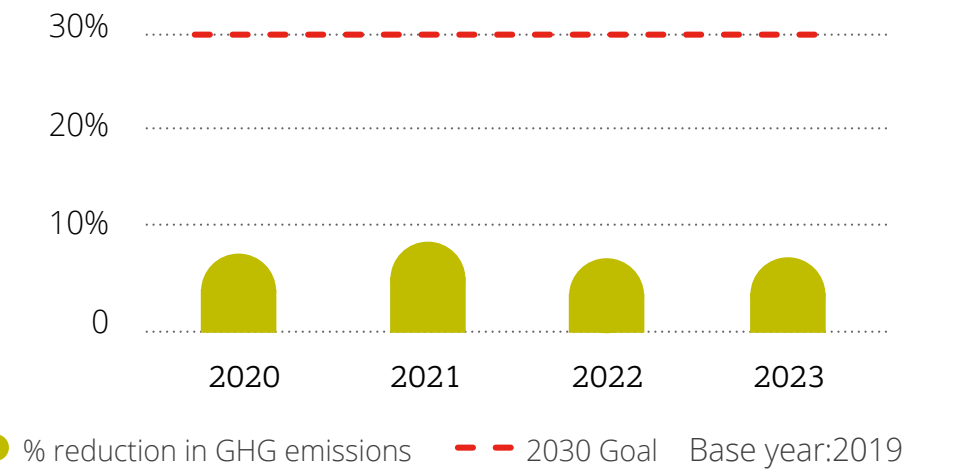
15 GHG emissions distribution 2023, tCO2eq



Emission reduction strategies

- Scope 1 Refrigerants:** Refrigerants: Leak repair and preventive maintenance to avoid refrigerant gas losses. Identification of necessary investment and calculation of profitability, also considering CO2 emissions.
- Scope 2 Electricity:** Acquisition of electricity from renewable sources in production centres and energy optimisation.
- Scope 2 Steam:** Energy optimisation and search for alternatives to generate steam or to replace steam consumption with electrical consumption.
- Scope 2 Hydrogen:** Consult with suppliers about the option of acquiring more sustainable hydrogen.
- Scope 3 Procurement of raw materials:** Involve suppliers in emissions reduction objectives and optimization of raw material consumption.
- Scope 3 Transport of finished products and raw materials:** Prioritize the most sustainable means of transport, select carriers with fleets that use bio-based fuels or low-emission technologies.

16 Reduction of GHG emissions, %



17 Avoided emissions, (tCO2eq)

	tCO2eq
Packaging efficiency	1,610
Santander Plant*	1,468
GQ Plant*	180
Altamira Plant	2,619
Emulsion Plant	2,151
TOTAL	8,028

*Emission reduction data verified by Aenor

Volatile Organic Compounds (VOC)

Target of 50% reduction in VOC emissions by 2030

Progress has been made on this commitment through:

- Precise measurement of VOC emissions at our plants in Santander and Álava, and development of the conceptual engineering of the technological solution that will enable us to achieve this goal
- Global implementation of the LDAR leak detection and repair program to facilitate the identification of fugitive emissions and the development of initiatives for their effective reduction

Regarding the rest of the atmospheric emissions of non-greenhouse gases, including noise, Dynasol Group carries out the required regulatory controls, establishing, if necessary, the necessary actions to rectify any deviation of these controls from the established limits. During the 2023 financial year, no cases such as the one described above have occurred.

2030 Goal

60%
of electricity consumption from renewable sources

Energy Consumption

Dynasol continues to make progress on multiple initiatives aimed at reducing its energy consumption. These actions, varied in their approach, have a common goal: to improve energy efficiency in production processes and, in this way, reduce the impact of Dynasol Group's operations on the environment. In the 2023 period, various energy optimization measures were implemented in all Dynasol plants.

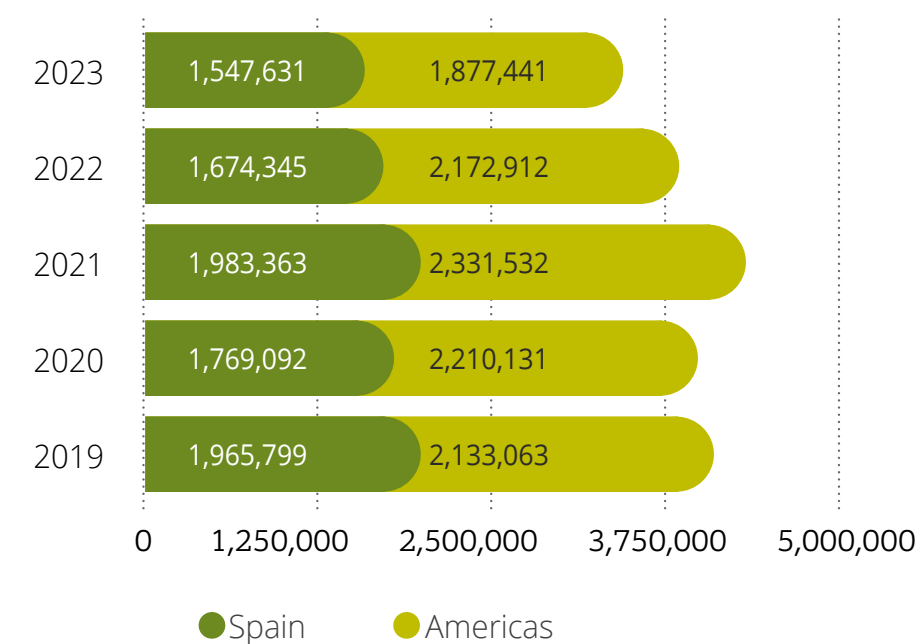
The most impactful initiatives in improving the environmental impact of the company's activity during this period include:

- ◆ Reduction of operating temperatures in various equipment
- ◆ Optimization of processes through operational adjustments and reduction of downtime with increased productivity
- ◆ Reduction in steam consumption
- ◆ Renewal and installation of new equipment
- ◆ Updating and optimization of lighting systems in buildings and outdoors
- ◆ Optimization of air consumption

6,418 tons of CO2 equivalent avoided

These measures have contributed significantly to the prevention and reduction of emissions that seriously affect the environment, achieving a decrease of 6,418 tons of CO2eq in the plants.

18 Energy consumption (GJ)

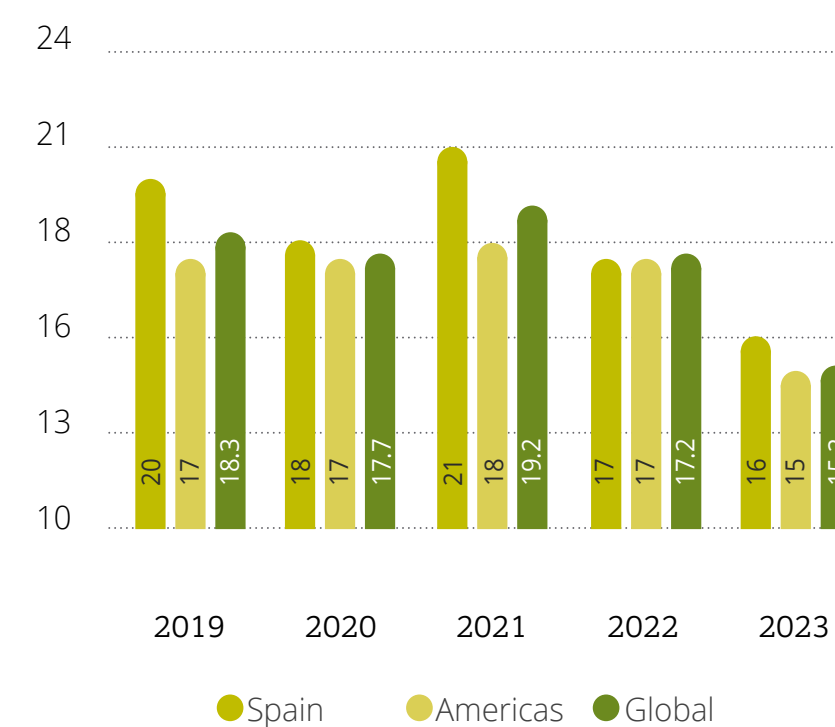


In 2023, a year-on-year reduction of 11% was achieved in total energy consumption per tonne produced (fuels, steam and electricity) and a significant cumulative reduction of 16% since 2019.

16% reduction in energy consumption per tonne compared to 2019.

During 2023, as in 2022, the electricity consumed has not been of renewable origin, although different projects have been analyzed to ensure that Dynasol can have this type of energy regardless of the evolution of the prices of guarantees of origin and contacts have been maintained with different suppliers of sustainable energy solutions.

19 Energy consumption per ton produced (GJ/t)



Biodiversity

Dynasol Group has integrated biodiversity protection into the management of its assets through its risk management processes. To date, and in particular in 2023, no significant impacts on biodiversity have been identified as a result of the company's activities. This approach reflects Dynasol's ongoing commitment to the responsible management of its operations and the mitigation of its environmental impact.



Safe Operations

Safe operations for people, facilities and the environment is a basic pillar in the development of Dynasol Group's activities.

For this reason, Dynasol Group has established 3 strategic lines in terms of safety with the aim of continuously reducing the number of personal and process accidents and ensuring the safe operation of facilities:

- ◆ Safety of people
- ◆ Operational control
- ◆ Integrity (protection) of facilities

These lines are complemented by a fourth one relating to environmental management to incorporate circularity in the development Dynasol Group's activities.





The principles cited are put into practice through the implementation of continuous improvement processes supported externally by the corresponding certifications through independent entities and internally with the definition of objectives and monitoring of their compliance.

During 2023, the objectives defined in the area of personal safety were not achieved, and actions were defined to reverse this result in the following years. In none of the cases were there any consequences outside the facilities owned by Dynasol Group.



20 Accident Rate

FI (Frequency Index)

	2018	2019	2020	2021	2022	2023
Global	1.68	2.54	1.77	0.75	0.96	2.66
Americas	1.82	3.79	2.13	0.73	0.34	2.16
Spain	1.40	0	0.87	0.80	2.56	3.71

TFI (Total Frequency Index)

	2018	2019	2020	2021	2022	2023
Global	3.59	3.56	2.02	1	2.17	3.54
Americas	3.99	4.17	2.13	0.73	1.01	2.16
Spain	2.81	2.31	1.74	1.61	5.12	6.49

PSIR (Process Safety Incident Rate) (IF Tier 1+2)

	2018	2019	2020	2021	2022	2023
Global	1.68	0.76	0.51	0.25	0.24	1.48
Americas	1.82	0.38	0.71	0.36	0	1.3
Spain	1.40	1.54	0	0	0.85	2.8

People and community

Employees

Dynasol Group is committed to creating value and a work environment that not only ensures employment for all its workers, but also promotes decent and competitive working conditions.

Recognizing that its human resources are essential for success, Dynasol is dedicated to fostering an environment that supports the well-being, development and satisfaction of its employees.

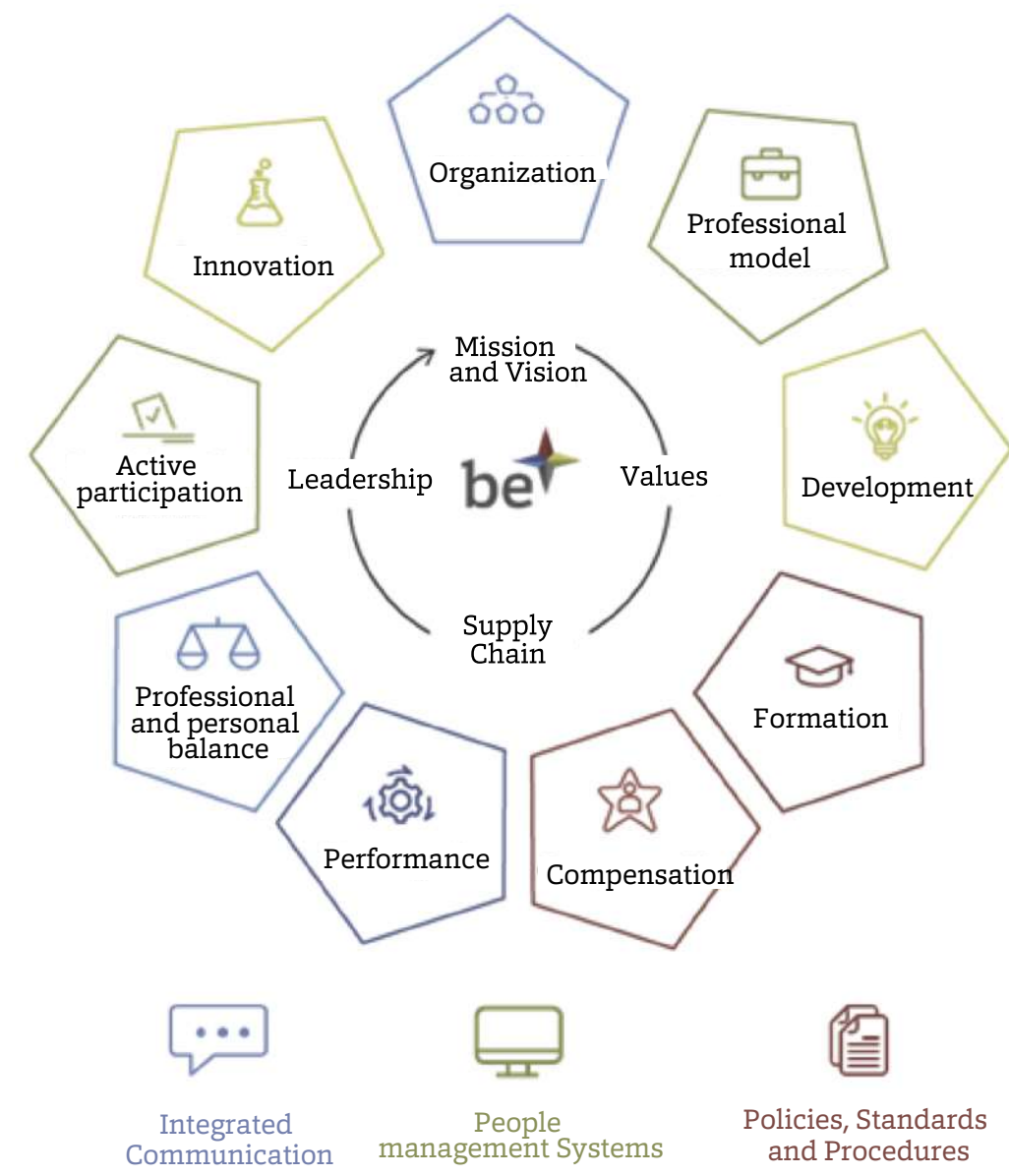




To position itself as a leading company in which to work and develop a professional career, Dynasol Group places great importance on training and evaluating the potential of its staff. Through continuous training programs and performance evaluations, it not only seeks to improve the skills and knowledge of the team, but also to identify and promote internal talent. Investment in the development of human capital is key to building a robust and attractive corporate culture. By valuing and encouraging the progress of its employees, Dynasol Group ensures a committed and highly trained team, ready to face current and future challenges.

People Management System

Dynasol Group is committed to its work team. The company is concerned that employees have constant professional challenges and a career path full of learning and individual and collective development. Thanks to the People Management System, each employee is supported at different stages of their professional career in the Group. With this system, the aim is to progress, achieve and get to where the company sets out to go. Achieving optimal development, developing a professional career within Dynasol or reaching high-performance levels are some of the 9 essential elements that make up the system:

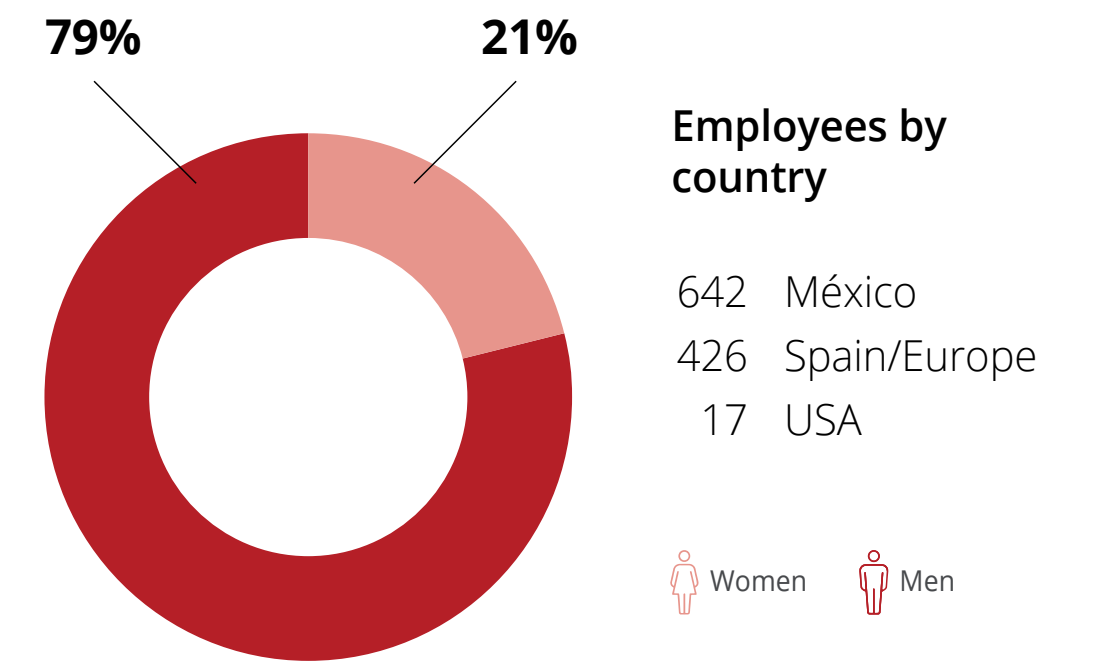


The Organizational Model that has been built is based on a global structure characterized by a transversal organizational chart, so that both the Directorates, as well as a significant part of the Management, have a global functionality. In some operational aspects, there are regional and local managers, whose responsibilities include applying a vision closer to the reality in which the company operates.

During the course of 2023, the team experienced various challenges that became valuable learning opportunities. These challenges were faced by strengthening the organizational culture through the implementation of a Culture Survey and the formulation of an action plan. In addition, knowledge management was promoted, significant investments were made in leadership training and, despite the obstacles, a firm commitment to excellence and adaptability was maintained, looking to the future with determination. The number of employees in the Group as of December 31, 2023 is 1,085 people. The teams are made up of people from different generations who exchange knowledge and add value to the company; Thus, the average age of the company's employees is 44.65 years, a fact that also demonstrates the ability to retain talent.

1,085 employees
44.65 average age of employees

As for gender distribution, the number of men predominates within the Group, representing 79% of the workforce compared to 21% of women, maintaining the ratio of the previous year. However, despite being an industrial company, the incorporation of women into operational positions has grown steadily in recent years.

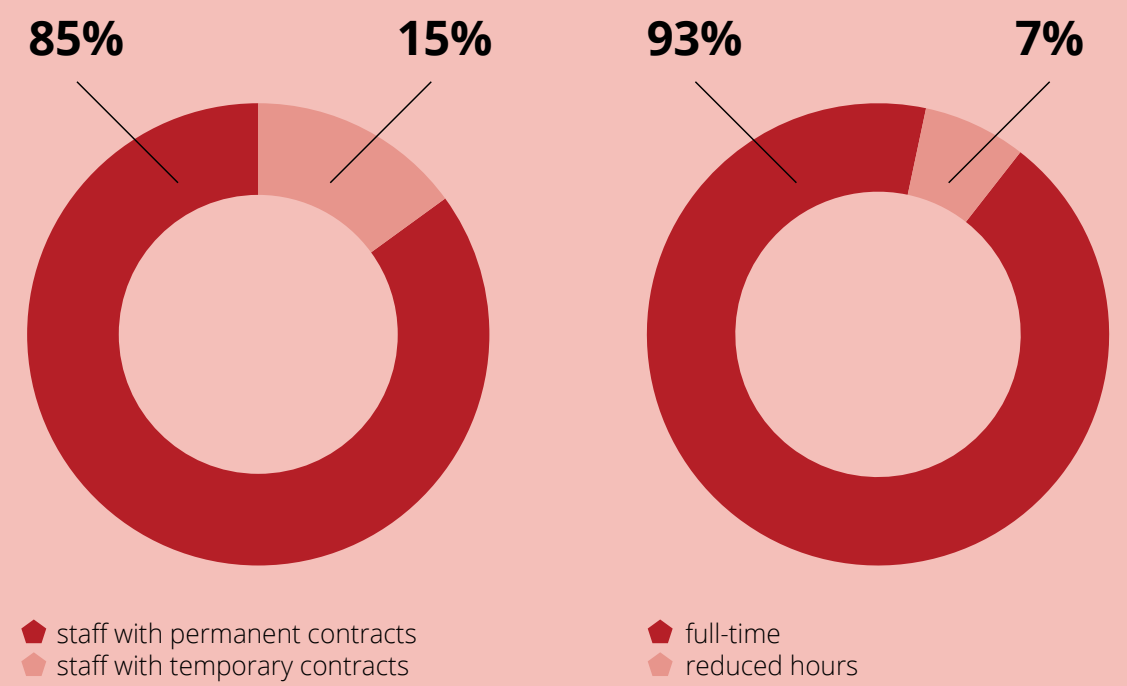


21 Employees per gender

2023

	Women	Men
Mexico	77	565
Spain	147	279
USA	8	9

Dynasol Group is committed to promoting quality employment and values long-term employment relationships. As a reflection of this philosophy, the vast majority of its employees (85%) have permanent contracts, while temporary contracts (15%) are in accordance with the different modalities established by the legislation in force in each case. When comparing these data with those of last year, there is a notable decrease of 2% in the number of temporary contracts, channeling this change towards permanent contracts, which takes the number of permanent contracts from 83% to 85%. As regards the type of working day, full-time contracts predominate (93%) compared to workers with reduced working hours (7%).



Over the course of the 2023 financial year, the absenteeism indicator data has followed a positive trend (only hours of sick leave have been taken into account). The percentage of absenteeism is 3.37% lower than in 2022, although the data for 2022 was still impacted by the epidemiological situation of Covid-19. The overall figure for 2023 was an absenteeism percentage of 2.79% compared to 6.16% in 2022.

22 Absenteeism:

Year	Absenteeism Percentage
2022	6.16%
2023	2.79%

Note: Absenteeism hours include estimates for the last ten days of December (640 hours) because the control system was migrated on December 21.

Training and capacity building

At Dynasol Group, identifying and supporting talent is considered essential to address business challenges in a highly dynamic environment. Continuous improvement is a constant in human capital management tools. The talent map is updated annually as it is a living tool, constantly evolving and updating. The talent map is the tool that allows the company to identify profiles, skills and aptitudes that meet the talent needs of the business and therefore contribute to achieving the organization's objectives. During the 2023 financial year, the talent map was enriched with more information: the existing gap in the group identified for certain positions has been identified, drawing up action plans to minimize said gap. Dynasol Group understands training as an essential element in its People Management System, with the aim of supporting professional development to improve and enrich the knowledge and experience of the team. Training plans are drawn up annually to outline the year's route in this regard, focusing on the acquisition of technical knowledge, skills and other aspects. These training courses, designed for individuals or groups, involve the team leader and the collaborator in detecting needs and carrying out training sessions approved in the Annual Training Plan.

Training needs are collected at the beginning of the year. The company has a corporate rule that sets the calendar in which these needs must be collected, as well as a communication campaign to encourage communication between teams to discuss training needs.



99%	25,617	24.6	90%
employees received training in 2023	hours training provided	hours training per employee	compliance with the Plan Annual Training Global

Featured training programs

- DNA of our leadership:**
9-month training action developed for the group of team leaders at a global level, whose general objective is to maintain the innovation and cutting-edge process of Dynasol Group through team leaders.
- "Equipate";**
Global training program, whose objective is to equip and update the identified group with management tools that require improvement, thus contributing to the proper development of the participants' professional careers. It includes modules with updated content according to the market with the support of a renowned business school.
- Permanence and transfer of knowledge:**
Global program to ensure the permanence and transfer of knowledge in the organization, whose objective is to provide the organization with a system for detecting, planning and executing knowledge management in order to improve performance and promote innovation in the company.
- Onboarding:**
Global training program, with the objective of giving a global vision of the business to new additions, promoting the development of internal trainers.
- Training in ethical and regulatory aspects:**
Global action to raise awareness among employees on harassment.



Diversity and equality

Equality

Dynasol Group, within the “People and Community” axis of the Sustainability Plan, seeks to guarantee equal opportunities with the best possible working conditions.

Dynasol Group's global Equality Policy focuses on guaranteeing full equality of opportunity and non-discrimination based on sex, age, race, or social status. In addition, it seeks to achieve a productive, motivating and diverse work environment, with the reconciliation of professional and personal life being another of its pillars.

Tools that seek to guarantee equality in Dynasol Group:

- ◆ Equality Policy
- ◆ Code of Ethics and Conduct
- ◆ Policies of the Human Resources Management System
- ◆ Equality Plans

In addition to this corporate policy, the Group has a Code of Ethics and Conduct that establishes the general guidelines that must govern the conduct of Dynasol Group and all its employees in the performance of their duties and in their commercial and professional relationships, acting in accordance with the laws of each country and respecting the ethical principles of their respective cultures if they carry out their activities in other areas on behalf of the company. At a global level, training was carried out for all employees on harassment.

In addition to this corporate regulation, the application of the policies of the People Management System, which are audited annually, as well as the submission to the collective agreements that apply in the different Group Companies make it possible to rigorously manage this matter.

It is also important to mention, as part of the monitoring of the equality plans of the Spanish companies General Química SAU and Dynasol Elastómeros SAU, the holding of monitoring committees of the Equality Plan in both companies in accordance with the provisions of the Spanish state regulations applicable to these two companies.

Diversity and accessibility

One of the company's ambitions is to promote the development of people in an environment of equal opportunities. At Dynasol Group, inclusive diversity is considered a key element to be more competitive by having people of different origins, ages, genders or disabilities. This has been considered in the Equality and Diversity policy. Also, and within the local Corporate Social Responsibility plans, actions are developed in this regard.

Flexibility and disconnection from work

The results of the Culture Survey carried out this year highlight conciliation as one of the Group's main strengths. Regarding conciliation policies, the company has various licenses and permits, both paid and unpaid, that allow employees to enjoy a better balance between their personal and professional life. In addition, Dynasol Group has the Spatial Flexibility figure, an innovative concept that enables its employees to perform their duties in places other than their usual physical center. This initiative provides greater flexibility, especially in unexpected situations, offering the possibility of working elsewhere if necessary.

With the transformation of the work environment, it is clear that the dynamics are changing. Although at Dynasol Group we do not have a specific work disconnection policy, it is worth mentioning the successful continuous workday model with hours bank for the ordinary workday group at General Química S.A.U. This initiative has generated a great impact, effectively promoting the balance between personal and work life. In line with the above, applications for remote work have experienced a notable increase. In 2023, an increase of more than 20% has been observed in the number of people who have formally opted for this modality.

Furthermore, in compliance with applicable legislation in all regions where it operates, Dynasol makes the additional commitment to respect internationally recognized human rights.

These rights encompass the principles enshrined in the International Bill of Human Rights, as well as the rights-related foundations established in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, which includes the 8 Core Conventions that detail these principles.

This commitment reflects Dynasol's commitment to ethical and socially responsible business practices, seeking not only to comply with legal requirements, but also to go beyond to safeguard and promote the fundamental rights of all people affected by its operations.



Relationship with communities

During 2023, several actions have been carried out as part of the commitment to the communities in which Dynasol Group carries out its activities, providing support within the local action plans in terms of Corporate Social Responsibility.

These actions reflect the company's ongoing commitment to sustainable development and improving the quality of life in the communities where it operates.



33,866^{USD}

invested in communities during 2023

Mexico

Within the framework of its operations in Mexico, Dynasol Group has carried out various initiatives to support the community, reaffirming its commitment to local well-being and development. Below are some of the relevant actions carried out in 2023:

- ◆ **Ecological Donation:** Donation of wooden sleepers that were in the Maritime Terminal, which will be used for the construction of houses through the Decent House program led by the Altamira DIF system.
- ◆ **Donation of Fishermen's Pantry:** The donation was made to the small fishing production cooperative society Bahía SC de RL, located in the Nueva Madero neighborhood in Altamira Tamaulipas, adjacent to the Negromex Industries plant.
- ◆ **Donation of Piñatas and Sweets for the surrounding communities:** As every year, piñatas and sweets were donated to 5 surrounding neighborhoods for Children's Day events and in the month of December for the traditional posadas that take place in Mexico.

Spain

In 2023, in the Spanish operations, several actions were carried out related to the local environment where the company's facilities are located. The total investment by Spanish companies in 2023 was €26,424 in various actions.

- ◆ **SEUR Foundation:** Collaboration in the project "Caps for a new life", where caps are collected at the workplace with the aim of supporting children with limited resources to facilitate their access to treatments and medical supplies for their recovery. In this way, the company has also encouraged recycling among employees by making cap collection points available to them at the workplace.
- ◆ **Local festivities:** Providing support and sponsorship to communities nearby our operations, with an amount of €4,500.
- ◆ **Football schools:** Dynasol supports the practice of grassroots sport in the municipality of Marina de Cudeyo through a collaboration agreement with the local football school. The annual contribution of €1,200 aims to promote sporting activity among 140 children, aged between 4 and 18, thus strengthening the physical and social development of the community.
- ◆ **SEA Empresas Alavesas:** Collaboration with the Alavesas Business Union for an amount of €2,751 with the aim of actively participating in the development of the Community.
- ◆ **Bandera Marina de Cudeyo – Grand Prix Dynasol:** Sponsorship and collaboration with the Sociedad Deportiva de Remo Pedreña, thus supporting the practice of sports. In addition, on this occasion, the first Women's Flag was awarded.



Collaborations in Educational Environment

Dynasol Group has collaborated with the local educational environment, both in universities and institutes, to provide the opportunity to do training internships. It has also attended in person to introduce itself and support them in the process of job placement once they finish their studies. Likewise, the company was present at job fairs to enhance its corporate image and seek potential candidates for future selection processes.

Dynasol Group actively and intensively contributes to the training of local young people, complementing their academic training through business experience through agreements with Universities (university scholarships) and Institutes (FCT scholarships). In this environment, young people can apply their knowledge, learn from others and improve their skills, helping to better prepare them for their professional future. In this sense, it is worth highlighting the development of the internship program in different locations of the Group, as well as the development, once again, of the Young Talent program through which young recent graduates develop a global and transversal training program through which they obtain knowledge of all the company's processes.

Innovation

Dynasol Group promotes technological innovation as a driving force towards a more sustainable company.

Dynasol Group has established sustainability as one of the pillars for the innovation of new products and applications. Through its Technology Department, multidisciplinary teams work to develop solutions that respond to market demands, taking into account the impact on the environment, society and the contribution to a more circular economy and always hand in hand with its customers, helping them to make their businesses more sustainable as well.



In 2023, all new innovation projects have been initiated using Dynasol Group's eco-design procedure, with which it seeks to develop solutions that have a positive environmental, social and economic impact. This procedure includes environmental and safety considerations from the conception of the product, ensuring that each new development is more sustainable than the previous one. With eco-design, the aim is to contribute to the reduction of resource consumption (raw materials, energy and water), to the reduction of waste and emissions, to a longer product life, to the use of materials of bio or recycled origin and the use of safer and more sustainable chemicals.

For Dynasol, innovation, sustainability and collaboration must go hand in hand to address the new challenges of decarbonization of the industry, achieving a circular economy and using safer and more sustainable chemicals. In line with its commitment to collaborative work, the company has developed projects in conjunction with leading research centers and universities around the world. Examples of this are the collaborations with: Ciudad Madero Technological Institute (Mexico),

- ◆ Instituto Tecnológico de Ciudad Madero (Mexico)
- ◆ Centre Européen des Textiles Innovants CETI (France)
- ◆ CellMat Technologies (Spain)
- ◆ Centro Tecnológico de Componentes CTC (Spain)
- ◆ Universidad de Cantabria (Spain)
- ◆ Universidad de Granada (Spain)

Dynasol has four research, development and technical assistance groups located in Spain (Cantabria and Álava) and Mexico (Tamaulipas) in which a team of 72 people works directly aligned with the business units, always ensuring that new developments meet the needs of their stakeholders.

During the 2023 financial year, the Dynasol Technology Center in Santander has implemented an action plan that has made it possible to reduce the use of hazardous organic solvents and the generation of waste by 8%. All of this by optimizing existing processes and methodologies, seeking to minimize their impact on the environment and implementing more sustainable laboratory analysis technologies.

As of December 31, 2023, Dynasol has 211 patents already granted and has 43 new patents that are in the process of approval.



211 patents granted
+43 new patents pending

Highlights 2023

Mechanical recycling of plastics

One of the biggest concerns globally is the generation and management of plastic waste from the packaging, automotive and agricultural industries, among others. Its lack of biodegradability and its accumulation in natural environments has led institutions to promote the use of recycled plastics. However, during the reprocessing of post-consumer plastics, they undergo partial degradation, losing properties, making it necessary to recover them in order to be used again in increasingly demanding sectors.

For this reason, Dynasol Group Technology Department has been studying for years the improvement of the mechanical properties of different recycled plastics to allow them to be given a second life and incorporated into the circular economy.

In this way, the use of small percentages of Dynasol products such as Calprene H6180X, Calprene 700 or Calprene H6215 on plastics such as polypropylene, polyethylene (LDPE and HDPE), polystyrene or ABS, allows the recovery and even improvement of the characteristics that have been degraded during the recycling process. Properties such as impact resistance, fluidity or resistance to stress cracking are improved so that the products can be used in high added value sectors such as the automotive, packaging or electronics industries.



In this way, the company helps to give a second life to the large amount of plastic waste generated worldwide, contributing to the promotion of the circular economy, the saving of resources and the reuse of materials.

The good performance of the solutions proposed by Dynasol has been recognised with the Recyclclass certification, highlighting the benefits of using SEBS Calprene H6180X in polyethylene packaging to improve the properties of the materials during recycling and thus increase their circularity.

BENEFITS:

- ◆ Reduction of plastic waste and contribution to the circular economy.
- ◆ Reuse in high added value sectors.
- ◆ Recyclclass certification.



Foamed compounds

Technical compounds are materials with high added value, highly appreciated by the automotive industry for their special characteristics such as environmental resistance, recyclability or soft touch, together with their excellent mechanical properties. However, the market is demanding more sustainable solutions that allow increasing circularity and/or reducing its carbon footprint. An example of this is the great efforts that the automotive industry is making to replace metal parts with high-performance plastic materials or composites in order to reduce the weight of vehicles. Currently, 10% of the vehicle is made of plastic materials, mainly polypropylene (PP) (32%).

The redesign of these materials to achieve weight reductions is mainly based on foaming technology.

However, when PP is foamed to generate a part, a great reduction in impact resistance occurs. Dynasol Group, together with the CellMat Technology Centre, has developed specific foaming formulations that make it possible to overcome the loss of PP properties. These formulations use a homopolymer PP not designed for foaming, which, with the addition of 20% Calprene H6215 or the Dyne 174 grade in development, allows obtaining foamed compounds with weight reductions of up to 50%,

with impact resistance values higher than those of market references.

This new technological advance will allow progress in reducing CO2 emissions both in combustion vehicles, where a 10% reduction in weight implies a fuel saving of between 3 and 7%, and in electric vehicles, where the same weight reduction implies an improvement in battery use of at least 6%.

Benefits:

- ◆ Foamed compounds with weight reductions of up to 50%.
- ◆ Reduction of CO2 emissions in combustion vehicles.
- ◆ Improved battery use in electric vehicles.

Adhesives for sustainable packaging

Adhesives are present in our daily environment, playing an important role in ensuring sustainable supply chains, allowing the reduction of the weight of materials, facilitating their recycling or reuse or extending their useful life, and thus contributing to reducing the impact of the industries involved.

Within the current regulatory framework, in the adhesives sector and specifically in the sector of packaging in direct contact with food, there are substances that are being restricted due to their potential risk to health. Two of these substances are hydrocarbon saturated mineral oil and hydrocarbon aromatic mineral oil (MOSH and MOAH), widely used in the formulation of adhesives. In this context, Dynasol's Technology Department is working on the development of different products that enable the formulation of oil-free adhesives.

The combination of the commercial product Solprene 4320 and the product in development Dyne 154, a high styrene and high flow rate SBS, allows the formulation of oil-free hot-melt adhesives with properties and performance adjustable to the requirements of each client. This is possible thanks to the characteristics of the Dyne 154 product, which acts at the same time as a plasticizer, adjusting the

processability of the adhesive, as well as its adhesive-cohesive properties. Furthermore, these formulations are made using bio-based resins, which allows the reduction of the carbon footprint of these adhesive formulations.

On the other hand, the company is working on the synthesis of rubbers with partial replacement of the monomers by 100% bio-derived alternatives from the paper industry. The introduction of this monomer in an SSBR structure and its use in adhesive formulations for labels has demonstrated good adhesive and thermal properties, while also maintaining the optical properties of the final adhesive.

Benefits:

- ◆ Formulation of oil-free adhesives.
- ◆ Compatibility with bio-based resins.
- ◆ Use of bio-based monomers.





Incorporation of sargassum in SBS-modified asphalt mixtures

Sargassum is a floating algae that, as a consequence of climate change and its impact on marine currents, is covering large areas of beaches in the Caribbean, particularly in Mexico, causing serious environmental and tourism problems. Every year, tons of this algae are collected and deposited in landfills, which give off an unpleasant smell when they decompose. When the sargassum was analyzed, it was confirmed that it contained a large amount of sulfur compounds in its composition, which can be used in those applications where sulfur is used as an additive, such as the case of asphalt modification for road pavement. SBS is one of the most widely used polymers to improve the viscoelastic properties of asphalt in various uses

such as pavements and waterproofing. It is usually necessary to use sulfur as a cross-linking additive to ensure its stability during storage. The objective of this research, carried out together with the Technological Institute of Ciudad Madero (Mexico), was to use sargassum in the process of modifying asphalt with SBS rubber as an alternative to reduce the use of sulfur in the construction of pavements. When mixtures were made using only asphalt and sargassum, it was observed that the asphalt stiffened, losing properties. However, in mixtures where SBS Calprene 501 was also added, a synergistic effect was observed between SBS and sargassum, obtaining better results than when only rubber was used.

It is confirmed that a mixture with 3% Calprene 501, 5% sargassum and 1% sulfur behaves the same as one with 3% Calprene 501 and 2% sulfur, with similar values of softening temperature, penetration, elastic recovery and phase separation. This demonstrates that sargassum has a potential use in the pavement sector, revaluing a waste that is currently disposed of in landfills, generating unpleasant odors; in addition to reducing the consumption of sulfur used in rubber-modified asphalt formulations, and thus the emission of harmful gases.

Benefits:

- ◆ A solution to the environmental problem of sargassum.
- ◆ Recovery of waste.
- ◆ Reduction of sulfur consumption in modified asphalt formulations.



Ethics and transparency

At Dynasol Group we have two mechanisms to enforce our commitment to ethics and transparency.

The first is the Code of Ethics and Conduct, which is applicable in all countries in which we operate, and applies to all employees, managers, suppliers and contractors who collaborate with Dynasol.

The second is the Transparency Channel, which serves to report any breach of our Code of Ethics, applicable legislation or our internal regulations..





Code of Ethics and Conduct

Dynasol Group's Code of Ethics and Conduct is the highest-ranking standard within the Group. It establishes the guidelines for action that should guide the behaviour of our professionals in matters related to ethics, commitment to society and respect for the environment.

Our Code includes issues related to the prevention of corruption and bribery, our commitment to respect for human rights, safety and health in the workplace and respect for the environment, which are reflected in the following guidelines for conduct:

- ◆ Compliance with legality and contractual commitments.
- ◆ Respect for human rights.
- ◆ Respect for the dignity and universal rights of people in the processes of staff selection, professional development and equal opportunities.
- ◆ Protection of health, safety and the environment.
- ◆ Fight against corruption in all its forms.

As the entity responsible for managing the monitoring and compliance system of the Code of Ethics and Conduct, Dynasol Group Compliance Committee, by delegation of the Board of Directors, has the function of promoting a corporate culture aligned with the values and principles contained therein.

100% of employees have been trained in the company's Code of Ethics and Conduct.

As a result of this management, during the 2023 financial year, the main actions in terms of ethics and transparency developed were:

- ◆ Development of a training action on the prevention of harassment at work in all locations where Dynasol Group carries out its activities.
- ◆ Communication campaign on Dynasol Group's Compliance Model.
- ◆ Communication campaign on the launch of the new platform for registering conflicts of interest.
- ◆ Communication campaign on the update of Dynasol Group's Transparency Channel.



Transparency Channel

At Dynasol Group, in 2023 we approved the update of our transparency mailbox and a new procedure for managing communications from the new Transparency Channel. This procedure is applicable when communications are received about suspicions or facts that could constitute risks of committing crimes attributable to the legal entity or possible breaches of legislation or internal regulations.

This new Dynasol Group Transparency Channel is open to any interested party and hosted on the Group's corporate website, a solution that guarantees the following principles:



Confidentiality: All information related to the report will be duly safeguarded by all persons involved in the communication, investigation and resolution process in a confidential manner.



Security: Acts of retaliation against any employee for having reported, in good faith, ethically questionable situations or irregularities that they identify are prohibited.



Respect: Those involved in the complaint will never be confronted. All reports are important and are analyzed and investigated to their ultimate consequences.



Human Rights

In addition to complying with current legislation applicable to it in all the territories in which it operates, Dynasol is committed to respecting internationally recognized human rights, which include the rights set forth in the International Bill of Human Rights and the principles relating to rights established in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work and the 8 Fundamental Conventions that develop them.

In order to identify, prevent, mitigate and respond to potential negative consequences on human rights, Dynasol initiated a plan for the development of its commitments in this area, with the Compliance Committee approving the submission of a proposal to Management for the approval of a Human Rights Policy in 2024.

The aforementioned Policy also includes a development plan and the implementation of a continuous due diligence process in its own activities and in those that are directly related to its operations.



The Group has also included, as an essential element of the development plan for the Human Rights Policy, the development of a training and communication plan for its employees on this subject in order to guarantee their protection.

Fight against corruption

At Dynasol Group, we have a commitment to our employees, shareholders, suppliers, customers, and the communities in which we operate to maintain ethical and legal conduct in the development of our activities. In this regard, it is important to highlight that Dynasol Group has an Anti-Corruption Policy whose objective is to reinforce its commitment to strict compliance with the legislation on the matter, rejecting all forms of corruption and applying a zero tolerance criterion regarding any breach of this Policy.

With this objective in Dynasol Group we assume the following commitments:

- ◆ Not to influence the will or objectivity of people outside the Group to obtain any benefit or advantage through the use of unethical practices and/or those contrary to the applicable law.
- ◆ Not to give, promise or offer, directly or indirectly, any valuable goods to any natural or legal person, in order to obtain undue advantages for the Group.
- ◆ Not to allow any facilitation payments.
- ◆ Not to finance or show support or assistance of any other kind, directly or indirectly, to any political party, its representatives or candidates
- ◆ Not to request or receive improperly, directly or indirectly, commissions, payments or benefits from third parties.
- ◆ Promote internal training in the prevention and fight against corruption.

Additionally, at Dynasol Group we have a Gift and Hospitality Management Standard that establishes the principles of action and general criteria that must be observed when these are offered or received by Group employees within the framework or on the occasion of their professional activity with third parties.

Regarding this matter, it should be noted that during 2023 no communications have been received related to events that could be considered as acts of corruption.



GRI Content Index

Statement of use

Dynasol Group has reported the information cited in this GRI content index for the period January 1st, 2023 to December 31st, 2023 with reference to the GRI Standards.

GRI used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Page. 4, 6
	2-2 Entities included in the Organization’s sustainability reporting	Page. 1
	2-3 Reporting period, frequency and contact point	Page. 1
	2-4 Restatements of information	
	2-5 External assurance	This report has not been through assurance by a third-party
	2-6 Activities, value chain and other business relationships	Page. 4, 6, 12, 13
	2-7 Employees	Page. 28
	2-8 Workers who are not employees	Page. 29
	2-22 Statement on sustainable development strategy	Page. 14
	2-23 Policy commitments	Page. 8, 14, 16, 17, 30, 38
	2-24 Embedding policy commitments	Page. 8, 17, 30, 38
	2-25 Processes to remediate negative impacts	Page. 11
	2-26 Mechanisms for seeking advice and raising concerns	Page. 1
	2-27 Compliance with laws and regulations	Page. 38
	2-29 Approach to stakeholder engagement	Page. 15

GRI Standard	Disclosure	Location
Material topics		
GRI 3: Material topics 2021	3-1 Process to determine material topics	Page. 15
	3-2 List of material topics	Page. 15
GHG Emissions		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 22, 23
GRI 302: Energy 2016	302-2 Energy consumption inside the organization	Page. 24
	302-3 Energy consumption inside the organization	Page. 24
	302-3 Energy intensity	Page. 24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page. 23
	305-2 Energy indirect (Scope 2) GHG Emissions	Page. 23
Waste		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 19
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Page. 19
	306-4 Waste diverted from disposal	Page. 19
Water and effluents		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 20, 21
GRI 303: Water and effluents 2018	303-2 Management of water discharge-related impacts	Page. 20, 21
	303-3 Water withdrawal	Page. 20
	303-4 Water discharge	Page. 21
	303-5 Water consumption	Page. 20

GRI Standard	Disclosure	Location
Occupational Health and Safety		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 25, 26
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and safety management system 403-9 Work-related injuries	Page. 25, 26 Page. 26
Employment		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 27-31
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Page. 29
Non-discrimination and equal opportunity		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 30
GRI 404: Training and education 2016	404-1 Average hours per year per employee	Page. 29
Economic impact		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 7, 8
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page. 7
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Page. 13

GRI Standard	Disclosure	Location
Local communities		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 31
GRI 413: Local communities 2016	413-1 Operations with local Community engagement, Impact assessments and development programs	Page. 31
Anti-corruption		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 36-38
GRI 205: Anticorruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Page. 38
Payments to governments		
GRI 3: Material topics 2021	3-3 Management of material topics	Page. 8
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from Government	Page. 8 Page. 7, 8



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