

**Grupo Dynasol Gestión, S.L
and subsidiaries**

Statement of non-financial information corresponding
to the fiscal year ended as of December 31, 2023.

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1. Introduction

On December 28, 2018, Law 11/2018 on Non-Financial Information and Diversity came into force, by which certain corporations are obliged to present as an integral part of their Management Report, a Statement of Non-Financial Information (hereinafter, NFI) containing information relating to environmental and social issues, as well as concerning personnel, respect for human rights and the fight against corruption and bribery. Until December 31, 2020, this Law was not applicable to Dynasol Gestión S.L. and its subsidiaries (hereinafter, the “Dynasol Group”) as they had fewer than 500 employees. As of January 1, 2021, the application framework was extended to organizations with more than 250 employees. In this context, this report is presented in which the information of Dynasol Group is reported for the period from January 1 to December 31, 2023, forming an integral part of the Management Report as of December 31, 2023. This document has been prepared with reference to the criteria of the selected Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter “GRI standards”).

Materiality of the report

At Dynasol Group, we maintain various transparent communication channels and mechanisms with all our stakeholders, in order to listen to their expectations and interests in our sustainability management and to make them participants in our commitment to a sustainable future and, furthermore, to strengthen our relations with them. In fiscal year 2023 we have analyzed targets and material topics in sustainability that our stakeholders publish in different media, and we have held specific meetings with some of the most important customers to know 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 according to their interest.

This analysis was based on a study of sectoral sources and consultation with the main stakeholders: 1) Identification, 2) prioritization, 3) validation and 4) review, which served to identify, understand and properly prioritize the issues of greatest importance to our Group of companies and our stakeholders:

1. Shareholders.
2. Employees
3. Customers
4. Competitors
5. External suppliers and services
6. Administration and authority
7. Local community
8. Non-governmental political associations
9. Financial sector
10. Professional associations
11. Insurance companies
12. Educational institutions



During the fiscal year, material topics were identified that confirm that the Group's commitments in the area of sustainability are adequate.

Risk and opportunity management

The Group's operations are planned for the medium term, which means that there are risks inherent to them that cannot be controlled, but their impact and probability of occurrence can be assessed. A detailed analysis of the context in which the Group operates is carried out annually and those risks and opportunities that may influence the management of the transactions are detected in order to minimize or maximize their impact.

Risks and opportunities are classified according to their impact and probability of occurrence, and from a certain level of assessment, control actions are generated to reduce the risk or take advantage of the opportunity. All this information is recorded in an organizational context matrix in the management system and is reviewed periodically by management. The implementation and effectiveness of the actions generated is checked annually and the level of risk and opportunities is remeasured to determine whether the purpose has been achieved or whether alternative initiatives need to 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 used to manage all the operations of the Company with the aim of having a complete vision.

The system seeks to avoid negative impacts on the result and maximize benefits by allowing:

- Understand the context in which we operate, identify specific risks and opportunities and assess exposure for the Group.
- Find the most appropriate way to manage these risks or take advantage of opportunities.
- Monitor the effectiveness of the measures taken and adopt new ones when the expected results are not achieved.
- Report regularly to Management on the management, monitoring and actions taken to mitigate risks and take advantage of opportunities.

As a result of the context analysis carried out in 2023, risks with a moderate or important level for Dynasol have been detected, i.e. risks with 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.

The main risks are:

- For the third consecutive year, logistical risks associated with inconvenient deadlines, itinerary changes and shortage of space in maritime transport persist. These concerns are the result of complications in the world's two most crucial maritime transit channels. In the case of the Panama Canal, the lack of water has created an unprecedented bottleneck, significantly slowing traffic. On the other hand, the Suez Canal faces continuous Houthi attacks on ships in the Red Sea, resulting in the suspension of operations by major shipping lines on that route and encountering certain difficulties in the availability of transport.
- High energy costs and significant fluctuations in the prices of some which directly affect the costs and availability of inputs used in our production centers, the selling prices of our products and the valuation of our inventories.

The most interesting opportunities are:

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

As a measure to adapt to climate change, we have analyzed the environmental risks to which the Group will be exposed in the short, medium and long term, which allows us to identify those risks to which we can develop mitigation actions. These risks are categorized into physical risks - direct impacts of climate change on the physical environment and on the operations of the organization - and transition risks - changes in policies, regulations, technologies and market preferences.

	Risks	Potential business impact	Impact assessment		
			Time horizon	Impact	Geography
Transition Risks	Regulatorios y legales	Cambios regulatorios que afecten a los resultados de Dynasol (BREF, Mercado de emisiones de CO2, etc)	Corto, medio y largo plazo	●	España
	Tecnológicos	Adaptación ineficiente, tardía o prematura de nuevas prácticas, procesos o tecnologías	Medio y largo plazo	●	España
		Escasez o indisponibilidad de materias primas y recursos naturales	Largo plazo	●	España
	Mercado	Desacoplamiento de la estrategia de gestión de portafolio con velocidad transacción a productos sostenibles	Medio y largo plazo	●	España
		Cambios asociados a preferencias de los consumidores finales	Medio y largo plazo	●	España
		Potencial dificultad para conseguir financiación asociada a proyectos verdes	Medio y largo plazo	●	España
Reputación	Estigmatización asociada al uso deficiente de los recursos	Corto plazo	●	España	
		Medio y largo plazo	●	España	
Physical Risks	Incremento temperatura media y episodios de temperaturas extremas	Menores ingresos del negocio (menor productividad en la soperaciones por no alcanzar las temperaturas requeridas)	Corto plazo	●	España
			Medio y largo plazo	●	España
	Sequías	Menores ingresos del negocio (episodios de baja carga por falta de agua)	Corto , medio y largo plazo	●	España
	Frío extremo	Menores ingresos del negocio (menor productividad en las operaciones por no alcanzar las temperaturas requeridas)	Corto , medio y largo plazo	●	España
	Crecida del nivel del mar	Menores ingresos del negocio (episodios de baja carga)	Corto , medio y largo plazo	●	España
	Inundaciones	Menores ingresos del negocio (episodios de baja carga)	Corto , medio y largo plazo	●	España

● Bajo ● Medio ● Alto

2. Dynasol Group's business

2.1 Dynasol Group's history and business

The Dynasol Joint Venture was incorporated on July 26, 1999 between Repsol and KUO Group, both groups joined in a global business project focused on solution-based synthetic rubber production and new product development.

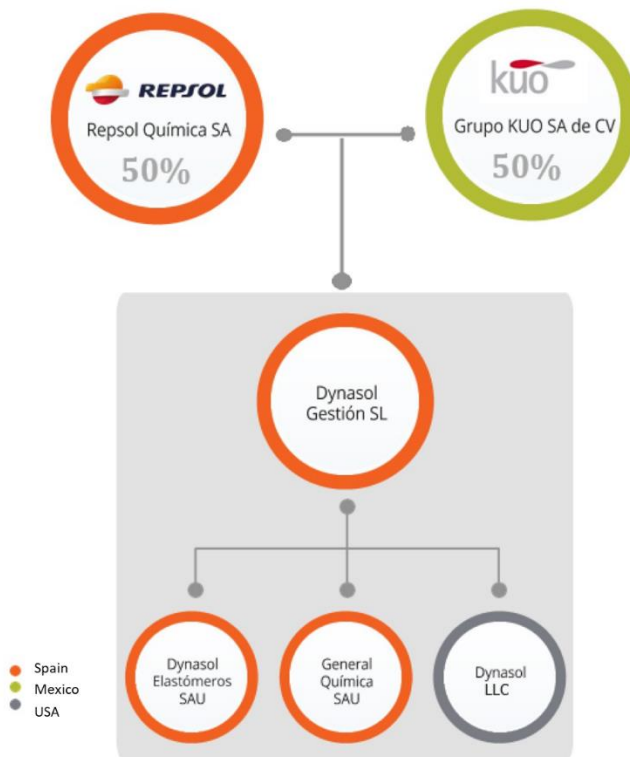
On April 27, 2015, a contract was entered into between shareholders, Repsol Química, S.A. and Grupo KUO S.A.B. de C.V., to expand their alliance, in order to maintain and improve their ability to compete in the new global industrial and commercial framework.

In accordance with the aforementioned agreement, a new Joint Venture corporate structure was created in which Repsol Química, S.A. and Grupo KUO S.A.B. de C.V. have a 50% shareholding. This new structure includes two holding corporations, one in Spain (Dynasol Gestión, S.L.) and one in Mexico (Dynasol Gestión México, SAPI de C.V.).

Dynasol Gestión S.L. is the Parent Company of the corporations detailed in the following chart about which this report will deal with in accordance with the applicable legislation (Law 11/2018), **hereinafter Dynasol Group**.

Dynasol Group is formed by a total of 441 employees, engaged in the manufacture and marketing of synthetic rubber and rubber chemicals with sales in more than 50 countries.

Corporate structure



Dynasol Group integrates several nationalities and has production centers and sales offices located in Europe and the United States. In China we maintain operations under the corporation Liaoning North Dynasol Synthetic Rubber, Ltd (LND), a 50% joint venture with a local partner engaged in the production of synthetic rubber.

The Dynasol Group's offices and production facilities are located as follows:

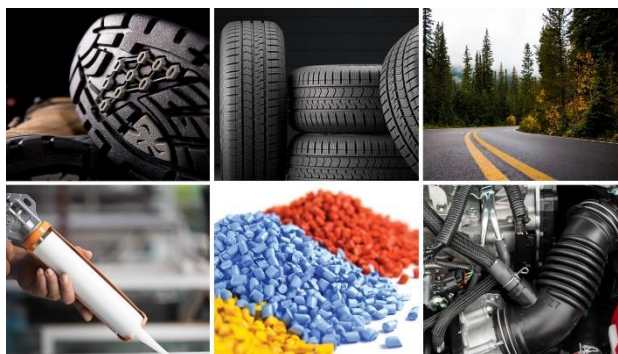


Products and grades

Dynasol Group is a world leader in the production of synthetic rubber and chemicals. Our solution plant in Santander has a capacity of 120.000 Tons of Annual Production (TPA) of SBS and SEBS and our chemical complex in Alava has a production capacity of 40.000 TPA of various types of rubber chemicals such as accelerants and antioxidants among other industrial materials.

Our Solution products are used for asphalt modification, plastic modification, compounding, adhesives and sealants applications.

The main markets that our chemical products serve are tires, tubes, hoses, rubber technical parts cables, coating latex, footwear and agrochemicals.



We are present in more than 50 countries and serve around 600 customers worldwide. We have a portfolio of more than 190 products and during fiscal year 2023, we had total sales of 166 thousand tons.



The products developed in our plants are the following:

Calprene® SEBS

Hydrogenated styrene-butadiene block copolymers are polymerized in solution, presenting a fully saturated structure. They are used for demanding applications such as technical compounds for the automotive industry, materials for medical applications, toys and food contact applications. They are also used in highly weather resistant sealants and are widely used in low temperature applications. Due to their saturated structure they show excellent thermal resistance to weathering (high resistance to UV light and ozone).

The products are approved for use in food contact according to European and US regulations. These copolymers exhibit excellent oil absorption and provide excellent mechanical properties and high resistance to aging. SEBS are used for compounds requiring high transparency and in applications requiring steam sterilization. They are available in a wide range of viscosities and in a variety of different presentations such as porous pellet and powder with or without silica additive.

SEBS	
Calprene	
C H6110	
C H6120	
C H6144	
C H6170	
C H6174	
C H6180X	
C H6182X	
C H6215SX	
C H6110	

Calprene® SBS

Styrene-butadiene block copolymers polymerize in solution with linear or radial structures. They are available in different viscosities depending on the requirements of the end application. Low molecular weight linear grades offer very good flow and are appreciated for their transparency and processability. Radial grades provide higher melt strength and offer superior mechanical properties with high modifiability. These properties make them suitable for a wide range of applications such as technical compounds, adhesives and sealants, asphalt modification for road pavements and for waterproofing membranes.

The products are also used in shoe sole compounds and in impact resistance modification of polymers and are approved for use in food contact applications. The typical presentation formulation of these products are compact, porous pellets or powder versions.

SBS	
Calprene	
C 401	C 501
C 411	C 540
C 412	C 580
C 419	C 700
C 420CX	C 701
C 480X	C 710
C 500	C 711

Rubenamid® and Rubator®

Under the Rubenamid and Rubator trade name, the rubber chemicals business produces a wide range of primary and secondary vulcanization accelerators that cover all the needs of the rubber products manufacturing sector in terms of safety times (from “very long” to “very short”), cure speed (from “very fast” to “very slow”) and touch development (from “very high” to “low”).

Accelerants	
Rubator	Rubenamid
Rubator DPG	Rubenamid C
Rubator MBT	Rubenamid T
Rubator MBTS	
Rubator ZMBT	

Our products are useful with all types of rubbers, natural and synthetic, and are especially recommended for NR, SBR, NBR, BR, IRR and latices for the production of articles with high mechanical requirements such as tires, conveyor belts, shoes, cables, bumpers; other rubber articles in general such as toys, insulation and wiring covering, waterproofing, tubes and pipes; and products manufactured by molding or extrusion.

Rubatan®

Under the trade name Rubatan®, General Química supplies TMQ, an antioxidant widely used in the tire industry and other rubber articles, which provides protection against oxygen and fatigue aging, even at high temperatures.

The use of TMQ is recommended for the protection of natural and synthetic rubber vulcanizates of all types.

Antioxidants
Rubatan
Rubatan 184 (TMQ)

Non-rubber specialties

Phytosanitary products are organophosphorus active ingredients for the formulation of broad-acting insecticides.

Formulations manufactured with our active ingredients are commonly used to protect crops and fruit trees against pests.

Sodium sulfide and sodium sulfhydrate are supplied as solids in flake form or in solution in different concentrations according to the customer's requirements.

They are widely used in the leather industry, as intermediates in chemical synthesis, in the mining industry for mineral flotation, as reagents for the Kraft process in paper production, in the precipitation of heavy metals in wastewater treatment processes, and as general purpose reducing agents.

Non-rubber specialties
Agrochemicals and sodium sulfides
Incoflor Bio B
Sodium Hydrogen Sulfide (Flakes)
Sodium Hydrogen Sulfide (Solution)
Sodium Sulfide
Benzothiazole

2.2 Organizational targets and strategies

Dynasol Group has a key Mission and Vision to guarantee the sustainability of the Company, and to achieve these purposes, it has certain principles of action that are part of the culture and govern the way all employees work.

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, relying on the people who make up the Group with a solid organization and taking advantage of growth opportunities.

Innovation serves as a lever to seek differentiated solutions for customers and improvements to the sustainability of its products. The use of the rubbers manufactured by Dynasol helps to reduce energy consumption, improve durability and other characteristics of the products in which it is used.

Action principles are defined in 6 values that are characterized by facilitating the achievement of the targets set, strengthening the work commitment of employees by generating pride of belonging and involvement, attracting and retaining talent, building stakeholder loyalty and improving economic performance.

These values have a practical meaning and are known and adopted by employees:



- Responsibility and commitment: it seeks to fulfill and commit to the roles and functions assigned by the organization, respecting safety, environmental and community processes.
- Transparency: it works on the premise that the information handled is accessible, truthful and verifiable, seeking clarity in the information provided and generating trust.
- Innovation: It promotes an attitude of active listening open to the search for options for the creation of new products and improvement of the quality of existing ones. Each individual is aware of his or her capacity to contribute to the generation of value.
- Global vision: Understanding the size of the business, the impact of each position and its contribution to the integrated results of Dynasol Group.
- Continuous learning: Openness to change and ability to redesign through individual, group and organizational learning.
- Adaptability: being able to adapt to circumstances in an agile and effective way.

- Respect for diversity: there are different ways of working, understanding and managing in Dynasol Group. This heterogeneity offers a competitive advantage that allows us to provide creative and differentiated solutions.

Certifications and recognitions

We continually seek to improve the processes of all the companies that make up Dynasol Gestión, sharing and adopting best practices, as well as international standards and regulations related to our activities. This has served as a lever to generate value through our products and, in addition, has led us to receive the following certifications and recognitions: published on our Dynasol Group website:

Certifications		Planta Santander Solución	Químicos	Dynasol Gestión S.L.
Environmental	ISCC Plus	◆		
	ISO 14001 2015	◆	◆	
	ISO 14064:2012	◆	◆	
Quality	ISO 9001 2015	◆	◆	◆
	IATF 16949:2016		◆	◆
Health and Safety	ISO 45001:2018	◆	◆	

In June 2023 the Solution Plant located in Santander will be certified in ISCC PLUS, a certification with worldwide recognition in relation to materials of bio, circular or bio-circular origin. The aim of this initiative is to have more sustainable products with a lower carbon footprint that contribute to giving a second life to many products that would otherwise end up becoming waste.

Ecovadis evaluates the Corporate Social Responsibility (CSR) performance of companies based on international sustainability standards and guarantees reliable evaluations, as it is supervised by a scientific CSR committee and supply chain experts. The 'Gold Rating' we obtained as Dynasol Group in 2022, positions us in the top 5% of our industry on sustainability and supply chain topics. In 2023 we participated again in the Ecovadis evaluation and are awaiting the rating.



Once again this year, as a sign of our commitment to emissions transparency, we completed the CDP questionnaire that rates companies on their energy and carbon management. Pending the rating of the 2023 questionnaire, in 2022 Dynasol was positioned in the Disclosure (D) band, which recognizes environmental transparency efforts but is below the environmental awareness (C), environmental management (B) and leadership (A) bands.

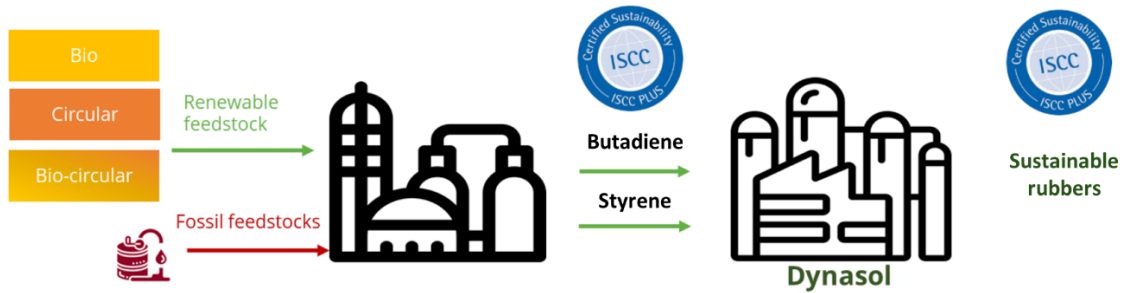
Our approach to sustainability

Sustainability is a priority factor for the Group in all the countries in which we operate. We are committed to the sustainable management of natural resources through ethical and transparent behavior.

Our stakeholders are increasingly demanding more from us in terms of sustainability, especially from those customers with a presence in more environmentally challenging applications or sectors.

Once the Sustainability Strategy has been integrated into the Group's Strategic Plan and the medium-term sustainability targets have been defined, it has been verified that our targets are aligned with the purposes of our customers and initiatives aimed at meeting the sustainability demands of some of them have been implemented. Such as:

- Obtaining ISCC PLUS Certification for the Santander Plant, which allows Dynasol to sell product with bio, circular or bio-circular content without changing its composition or properties.



Valid Certificates

Show 10 entries

Status	Certificate ID	Certificate Holder	Scope*	Raw Material	Add-Ons**	Products	Valid From	Valid Until	Suspended
	ISCC-PLUS-Cert-PL219-89624901	Dynasol Elastómeros, Gajano, Santander, Spain	PP			---	2023-07-07	2024-07-06	

Showing 1 to 1 of 1 entries (filtered from 51,299 total entries)

valid expired withdrawn suspended

CONTROLUNION

Annex to the certificate:
Sustainable materials handled by the certified site
(This annex is applicable for all scopes except of Trader, Trader with storage, Warehouse, Logistic centres, MTBE and ETBE)
This annex is only valid in connection with the certificate:
ISCC-PLUS-Cert-PL219-89624901 issued on 07.07.2023

Input material	Output material	Add-ons (voluntary) ¹⁾	Raw material category ²⁾	SAI FSA ³⁾	FEFAC ⁴⁾
Butadiene	Copolymer (SBC)	none	Bio Bio-circular Circular (PCR)	N.A.	N.A.
Butadiene	TPE	none	Bio Bio-circular Circular (PCR)	N.A.	N.A.
Styrene monomer	Copolymer (SBC)	none	Bio Bio-circular Circular (PCR)	N.A.	N.A.
Styrene monomer	TPE	none	Bio Bio-circular Circular (PCR)	N.A.	N.A.

1) ISCC PLUS add-ons (voluntary application, see www.iscc-system.org for further information);

- Recyclability approval: Independent tests carried out in an external laboratory approved by Recyclclass show that Calprene H6180S is fully compatible with recycled flexible polyethylene. This certification is valid in Europe.

RecyClass

c/o Plastics Recyclers Europe
Avenue de Broqueville 12
1150 Brussels, Brussels

Phone: +32 2 706 99 00
Info@recyclclass.eu
www.recyclclass.eu

Annex I



Figure 1 'Calprene H6180S' technology applications by Dynasol

- Science Based Targets: Dynasol is committed to validate one of its carbon emission reduction purposes according to Science Based Targets criteria.

- Push2Heat: Participation in the Push2Heat project, financed by the European Union, which aims to address the technical, economic and regulatory barriers that prevent waste heat recovery technologies through the use of heat pumps from being implemented at industrial level.
- Specific meetings on sustainability have been held with those customers interested in this matter, where Dynasol's sustainability targets and strategy have been explained, in addition to explaining the results of the life cycle analysis carried out during the year 2022.

Dynasol Group has a Sustainability Policy that applies to all employees:



Sustainability

Dynasol Group Policy

At Dynasol Group, sustainability is a priority factor when we work to meet the demand of our rubbers and chemists. We apply the global concept of sustainability to the geographical environments in which we operate, seeking the best solutions to preserve the environment at all our sites. We are committed to protecting the planet through sustainable management of natural resources in order to ensure their availability and quality for future generations through ethical and transparent behavior.

We are also committed to maintaining permanent and transparent channels and mechanisms for dialogue with our stakeholders to identify and understand their expectations regarding our sustainability performance. Through our sustainability plan, governed by this policy, we seek to respond to these expectations and incorporate environmental, ethical and social considerations under five main axes: environment, ethics and transparency, people and community, safe operation and innovation.

Furthermore, Grupo Dynasol is committed to informing and involving all its stakeholders on relevant sustainability issues.

Ignacio Sanjuan Sanchez-Sarachaga
Director de Desarrollo de Nuevos Negocios y Sostenibilidad

We guide our operations and sustainability initiatives by seeking to:

- Contribute to the achievement of the UN Sustainable Development Goals.
- Take into consideration people's health and environmental protection as a strategic and transversal pillar.
- Integrate the circular economy to promote the efficient use of all resources and reduce our impact on the environment.
- Promote and encourage a culture of integrity and responsibility for all employees, as well as for our suppliers, contractors and collaborating companies.
- Ensure transparency and accountability.
- Develop the talent of the Dynasol team, as well as that of the communities around us.
- Achieve excellence in safety, as well as proper risk management.
- Integrate innovation as a lever for development.
- Generate value through the exchange of best practices with our stakeholders, as well as the establishment of alliances.

It is the responsibility of all Dynasol Group employees to contribute to the fulfillment of this Policy, regardless of their geographical location.

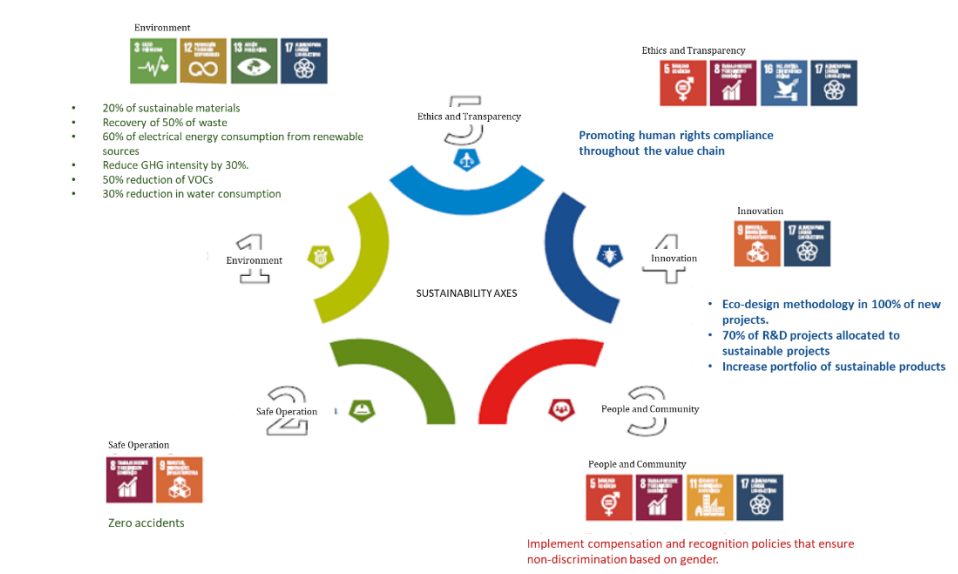
Felipe de Jesús Varela Hernández
Director General Grupo Dynasol



Date of publication: 01/10/2020

This policy aims to raise awareness throughout the organization of the impacts of the Group's activity on the environments in which it operates and to encourage responsible behavior in any situation.

Material topics that we identified as Dynasol Group in the Materiality Analysis are grouped into 5 axes that contribute to several of the Sustainable Development Goals:



We propose goals to be achieved by 2030 for each of these axes, evaluating their progress annually. These targets are subject to periodic reviews and could be replaced by others depending on the technical-economic feasibility for their achievement.

Each Dynasol Group Management must integrate the 2030 targets into the planning of its annual goals and business objectives, ensuring that their achievement contributes to continuous progress towards the 2030 objectives. This strategy reflects the company's commitment to sustainability by incorporating it into all its transactions and avoiding the fragmentation of sustainability targets with respect to company purposes.

Technology and innovation

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

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

At Dynasol we know that innovation, sustainability and collaboration have to go hand in hand to address the new challenges of decarbonization of the industry, achieving a circular economy and the use of safer and more sustainable chemicals. In line with our commitment to collaborative work, Dynasol has developed joint projects with leading research centers and universities around the world. Examples of this are the collaborations with CellMat Technologies (Spain), the Components Technology Center CTC (Spain), the

Centre Européen des Textiles Innovants CETI (France), the University of Cantabria (Spain) or the University of Granada (Spain).

Dynasol has two research groups located in Spain (Cantabria and Alava), and customer support teams, which employ a total of 37 people, compared to 36 people in 2022. These teams are directly aligned with our business units, ensuring at all times that new developments meet the requirements of our stakeholders.

During fiscal year 2023, Dynasol's Technology Center in Santander has implemented an action plan that has enabled us to reduce the use of hazardous organic solvents and waste generation by 8%. All 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 86 patents already granted (compared to 91 patents in 2022) and has 13 new patents pending approval, compared to 16 patents in 2022.

Our multidisciplinary teams work to transform the needs of our target markets into high-value products, contributing to a more sustainable economy.

Mechanical recycling of plastic waste with Dynasol products

One of the major global concerns 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 suffer a partial degradation, losing properties, being necessary for their recovery to be applied again in increasingly demanding sectors.

For this reason, at Dynasol Group we have been studying for years the improvement of mechanical properties of different recycled plastics to give them a second life and incorporate them into the circular economy.

Thus, 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 to recover and even improve 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 value-added sectors such as automotive, packaging or electronics.

In this way, we help 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 recognized with Recyclclass certification, highlighting the benefits of using SEBS Calprene H6180X in polyethylene containers to improve the properties of the materials during recycling and thus increase their circularity.

Foamed composites for weight reduction in automotive parts

Technical composites are high value-added materials, 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 to increase circularity and/or reduce its carbon footprint. An example of this is the great efforts being made by the automotive industry to replace metal parts with high-performance plastic materials or composites in order to reduce vehicle weight.

Currently, 10% of vehicles are made of plastic materials, of which polypropylene is the most widely used (32% of the plastics used are polypropylene (PP)). The redesign of these materials to achieve weight reductions is mainly based on foaming technology. However, when PP is foamed to generate a part, there is a great reduction in impact resistance.

Dynasol Group, together with the Cellmat Technology Center, has developed specific foaming formulations to overcome the loss of PP properties. These formulations use a homopolymer PP not designed for automotive applications which, with the incorporation of 20% Calprene H6215 or the grade under development Dyne 174, 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 the reduction of CO2 emissions both in the combustion vehicle, where a 10% weight loss implies a fuel saving of between 3 and 7%, and in the electric vehicle, where the same weight reduction implies an improvement in battery use of at least 6%.

2.3 Determining factors and trends in evolution

The demand of markets served by the SBS and SEBS product families in the Asphalt, Composite, Food and Drug Administration (FDA) and plastic recycling industries has allowed Dynasol Group to diversify its product portfolio with new grades that have allowed us to maintain our positioning. In parallel with the new grades, we seek to contribute to the reduction of the carbon footprint in the regions of influence through innovation.

In the synthetic rubber solution (SBS and SEBS) and chemical rubber businesses, we compete with foreign companies. Excess installed capacity and an economic slowdown in countries such as China have put significant pressure on our margins in fiscal year 2023.

High energy costs in the European Union have continued in 2023 as a result of the war in Ukraine following Russia's invasion. Likewise, the war conflict between Israel and Palestine has represented a challenge to the competitiveness of the Dynasol Group. The European Union has had to accelerate its transition from fossil fuels to renewable energies as the bloc's main source of electricity. The shift has not been fast and widespread enough to contain the consequences such as high gas prices.

The instability and volatility of different inputs that are part of the variable costs of our chemical rubber products negatively impacted market share in fiscal year 2023.

Dynasol Group implemented measures as of October 2021 that have allowed us to (a) continue operating the factories and (b) pass on a significant portion of the energy cost increases, thus avoiding a greater deterioration in margins. The threat of more attractive offers from other regions remains, we have been able to defend our positioning through service and historical relationships with our customers. However, this has led to adjustments in inventory levels in 2023 due to the prevailing economic uncertainty, which affected our sales. In addition to this, in the last months of 2023 due to the conflict between Israel and Palestine, instability in the Dead Sea region has caused disruptions in the movement of merchandise.

The phytosanitary products produced by General Química are materials used in agriculture. Fosmet functions as a pesticide on different types of fruits and vegetables. The use of this product was banned by the European Union as of 2022, which has also significantly affected sales in 2023.

2.4 Corporate governance

Our governance structure is composed of the following bodies and committees:

Board of Directors.

The Board of Directors is our highest management and representative body, under the terms established in the Spanish Corporations Law and our bylaws. It is vested with powers relating to the determination of the business to be undertaken and to enter into the contracts necessary to carry out the corporate purpose, among others.

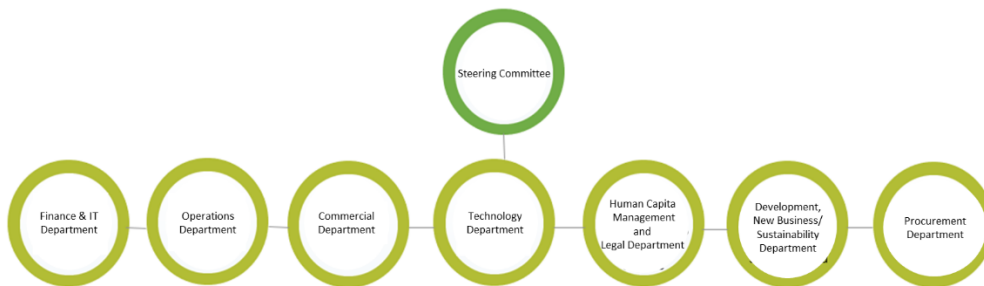
The Board is composed in 2023 of a chairperson, a vice-chairperson and four directors. As of December 31, 2023, the composition of the Board is as follows:

Position	Name of members
Chairperson	Jaime Martín Juez
Vice Chairperson	Alejandro de la Barreda Gómez
Director	Jorge Francisco Padilla Ezeta
Director	José Francisco Font Mañez
Director	Francisco Egido García
Director	Roger Trinidad Patrón González
Secretary	Leonor Abad Martín

The Board of Directors also has two committees that complement it:

Steering Committee

The following management structure is in place for the day-to-day management of the corporation:



The Committee, headed by the Chief Executive Officer, is composed of the Chief Financial & IT Officer, the Chief Operating Officer, the Chief Commercial Officer, the Chief Technology Officer, the Chief Human Capital Management & Legal Officer, the Chief New Business Development & Sustainability Officer and the Chief Procurement Officer. The purpose of this committee is to address all topics relevant to the business and the Dynasol Group.

Compliance Committee

In order to ensure compliance with the Code of Ethics and Conduct, the Dynasol Group has a Compliance Committee, which also promotes a culture of compliance, so that the risks of non-compliance with regulations and the application of appropriate corrective controls are a factor taken into account in decision-

making and at all levels of the Group. The Compliance Model section contains further information in this regard.

3. Environment and climate change

With the aim of understanding environmental and social sensitivities, maintaining the state of the environments in which we operate and respecting the resource needs of the communities that depend on them, the Group works to manage the environmental impact of our transactions and projects wherever we are present.

Dynasol Group has a Safety, Health and Environment Policy.

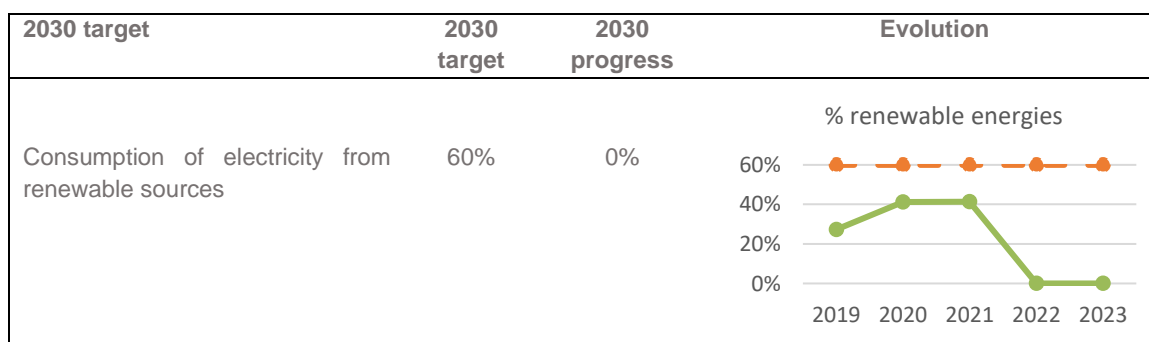
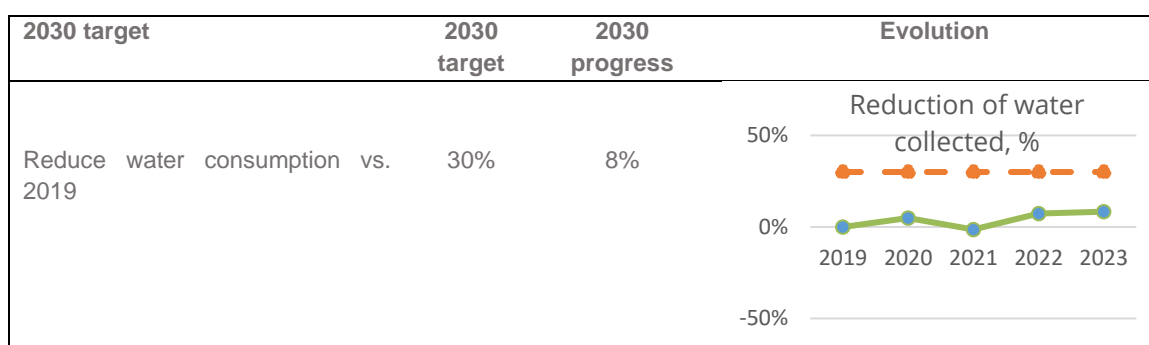
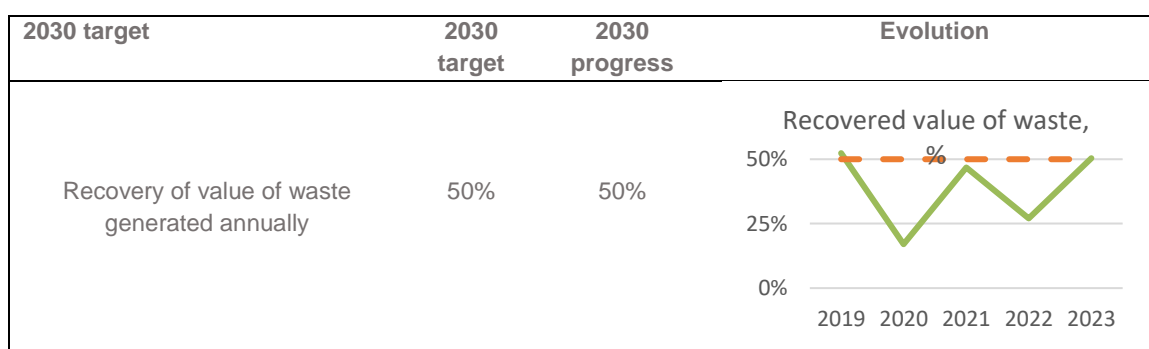
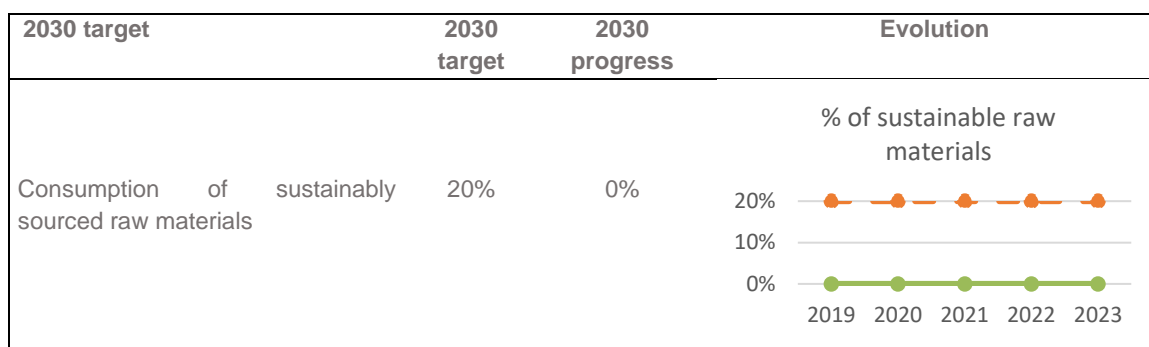
SAFETY, HEALTH AND ENVIRONMENTAL POLICIES	
<p>Safety, health and environmental policies</p> <p>Dynasol Group, as a supplier of differentiated solutions for the elastomers and chemical specialties market, is committed to develop its activities considering people's health, safety and environmental protection as an essential strategic pillar and transversal to all its activities. To achieve this, Dynasol Group is guided by the following principles:</p> <p>Leadership and culture</p> <p>Management will lead the safety, health and environmental programs, considering them as a priority in decision making, and will provide the necessary resources, ensuring that all personnel have the necessary skills and work in accordance with the established principles.</p> <p>Management will also foster a safety, health and environmental culture that promotes adequate risk perception, transparency and trust in reporting, continuous learning and innovation.</p> <p>Incorporation of health, safety and environmental criteria throughout the entire cycle of activities</p> <p>Dynasol Group will ensure the proactive management of risk and impacts throughout the cycle of activities and products in order to prevent damage to people, goods and the environment, considering sustainability as a strategic axis in the development of our activities.</p> <p>Integrated management</p> <p>The line of command will integrate safety, health and the environment in the management of the business, being responsible for the implementation of the management system and the achievement of its results.</p>	<p>Compliance with standards</p> <p>Dynasol Group shall comply with local laws and internal regulations regardless of the geographical area in which it operates. Such internal regulations will be developed considering legislative trends and international standards.</p> <p>Continuous improvement</p> <p>Dynasol Group will establish improvement objectives and goals in safety, health and environment in a systematic way, evaluating performance and applying the necessary corrections to reach the proposed achievements, defining verification, audit and control processes to ensure them.</p> <p>Communication and relations with society</p> <p>Dynasol Group will maintain communication channels with stakeholders and will work together with local communities and society, providing its knowledge and reporting in a reliable and transparent manner.</p> <p>Communication channels will include workers and their representatives where the latter exist, facilitating their participation and consultation.</p> <p>Regardless of position or geographic location, all employees and contractors are responsible for their own safety, as well as for contributing to individual and collective health, safety and environmental performance.</p> <p>Safety, health and the environment are basic principles in decision making. All employees and contractors have the responsibility to assume this principle, which will also be supported by the Management.</p>
<p>Luis Felipe Llamas Gómez Chief Operating Officer</p>	<p style="text-align: center;"></p> <p>Felipe de Jesús Varela Hernández CEO Dynasol Group</p>

As indicated therein, it applies to all Group employees and its content is backed by the ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Management Systems certifications.

Recently the Gajano Plant has obtained ISCC PLUS certification, which is a sustainability certification program for bio-based and circular (recycled) raw materials for all non-regulated markets and sectors.

In the Group we work to minimize our environmental impact and are committed to actively contribute to the care of the environment through the efficient management of resources in all our processes, as well as the search for innovative solutions oriented towards circular production models.

As part of the Group's firm and continuous commitment to a more sustainable future, where the preservation of the environment is a fundamental pillar, progress towards the global sustainability targets for the year 2030 is monitored on an annual basis:



2030 target	2030 target	2030 progress	Evolution																		
Reduce greenhouse gas intensity (Scope 1, 2 and 3) Scope 3 only considers the main raw materials purchased and their transportation to the plants.	30%	2%	<p>GHG emission reductions, % (scopes 1, 2 and 3*)</p> <table border="1"> <caption>GHG Emission Reductions Data</caption> <thead> <tr> <th>Year</th> <th>Actual Reduction (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>0</td> <td>30</td> </tr> <tr> <td>2020</td> <td>10</td> <td>30</td> </tr> <tr> <td>2021</td> <td>10</td> <td>30</td> </tr> <tr> <td>2022</td> <td>8</td> <td>30</td> </tr> <tr> <td>2023</td> <td>2</td> <td>30</td> </tr> </tbody> </table>	Year	Actual Reduction (%)	Target (%)	2019	0	30	2020	10	30	2021	10	30	2022	8	30	2023	2	30
Year	Actual Reduction (%)	Target (%)																			
2019	0	30																			
2020	10	30																			
2021	10	30																			
2022	8	30																			
2023	2	30																			

Another of the Environmental 2030 targets is to reduce the emission of VOCs (Volatile Organic Compounds) by 50%. To achieve this target by 2023, we have measured the emissions of the Santander and Alava plants and have worked on the conceptual engineering of the technological solution that will enable us to achieve the target.

Progress of the 2030 targets for the Innovation and development axis at the end of 2023:

	Actual value in 2023	2030 target
R&D projects aimed at sustainable projects	53,3%	70%
Eco-design methodology	100%	100%

The achievement of the above purposes allows Dynasol to increase its portfolio of sustainable products.

3.1 Effect of activities on the environment

As indicated above and as a consequence of the development of our industrial activities in which the handling of chemical products for their transformation are involved, the possible effects derived from such activities impact both the environment and the health of workers and local community:

- Environment:
 - Consumption of natural resources: raw materials, water and energy (steam and electricity).
 - Waste generation
 - Atmospheric emissions (including noise)
 - Potential impacts on soils and groundwater.
- Safety:
 - Personal accidents during the development of the work.
 - Industrial accidents with possible effects on both workers and the environment.

The health and safety of the personnel who carry out any activity within our work centers is a priority. In order to achieve this purpose, different work programs are developed with the aim of reducing to the minimum possible the personal risks in the development of our activity and therefore the personal accident rate. The figures for accidents with and without sick leave in recent years are presented below, showing a downward trend in this type of accident, which was interrupted in 2022. Work programs will be implemented in order to resume the downward trend in accident rates and meet the Dynasol Group's 0 accident target.



During fiscal year 2023, there were 7 personal accidents (compared to 6 accidents in 2022), of which 6 were men and 1 was a woman. Of these 7 occupational accidents, 4 resulted in temporary sick leave for the employee (3 for men and 1 for women). The relative accident rates are shown below:

IF	4,00	Frequency rate: number of accidents resulting in sick leave per million hours worked.
IFT	6,49	Total Frequency Rate: number of accidents with and without sick leave (injuries that require more than 1 medical treatment, but do not generate sick leave) per million hours worked.

The activities carried out in the area of safety are numerous and include internal and external auditing processes that certify the management systems related to both safety and the environment, as indicated below.

As regards the environmental impact derived from industrial incidents, there have been no incidents that have affected the exterior of the Group's facilities.

Environmental and safety certifications

All our production centers are certified in accordance with the following standards:

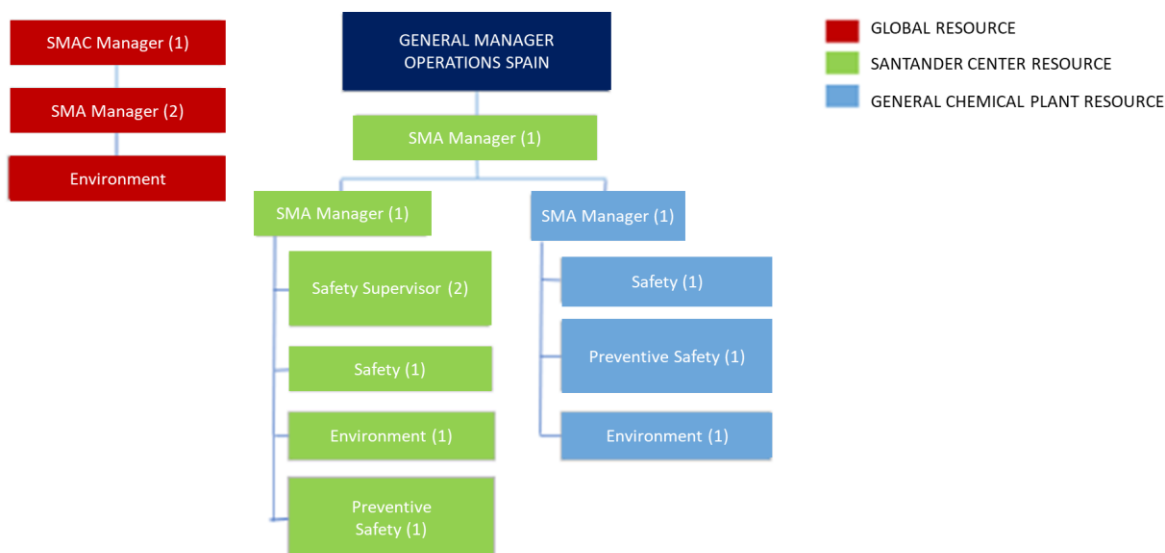
- ISO 14001:2015 for Environmental Management Systems.
- ISO 45001 for Occupational Health and Safety.
- UNE-EN ISO 14064-1:2019 Greenhouse gases and greenhouse gas emission verifications in accordance with Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC.
- ISCC PLUS, a voluntary certification system for sustainable biomass and circularity.

The production centers have the mandatory Audit of the Occupational Risk Prevention Management System in accordance with art. 30 of Royal Decree 39/1997, of January 17, approving the Prevention Services Regulations.

Resources dedicated to prevention

As indicated in the Health, Safety and Environment Policy, its principles must govern the actions of all Group employees, as well as those of any contractor providing services to our Group.

The following structure is also dedicated to Safety and the Environment, integrated within the Operations area, as this is the area with the highest risk in these fields, providing service to the entire Group:



Specific Safety and Environment expense and investment budgets are available to address all control and improvement tasks, studies and any other activities necessary for the control of risks and continuous improvement in these fields.

Application of the precautionary principle

Prevention and continuous improvement are basic principles in the development of Dynasol Group activities. Our target is zero accidents both from a safety and environmental point of view.

To this end, we have regulations that define the risk studies required at each stage of our activities.

From the point of view of personal and industrial safety, we develop industrial risk studies (hazops, what-if and similar), personal risk assessments, environmental impact assessments, etc. depending on the needs in each case.

Number of provisions and guarantees for environmental risks

Dynasol Group has not identified any non-compliance with environmental laws or regulations. All provisions in this area are detailed in the Consolidated Financial Statements.

3.2 Circular economy, waste prevention and management

The reduction in waste generation is the first of the measures promoted in the Dynasol Group in relation to waste. All our operating centers annually define maximum targets for waste generation, seeking the greatest efficiency in the use of resources according to the products manufactured.

During 2023, the generation of hazardous waste has been reduced by 28% compared to the tons generated in 2022. In the case of non-hazardous waste, the amount generated has increased due to the construction of new lines and unit shutdowns for maintenance.

The maximum possible recovery of the resources contained in the waste is subsequently applied to ensure that a total of 345 tons of hazardous waste (35% of the waste managed in 2023) is used for different forms of recovery, including reuse, recycling and thermal recovery. In fiscal year 2022, 334 tons of hazardous waste (17% of that managed in 2022) were destined for these same purposes.

In the case of non-hazardous waste, the amount destined to different forms of recovery during 2023 was 3.843 tons, 88% of the total non-hazardous waste managed in the same year. compared to 855 tons in fiscal year 2022 (74% of the non-hazardous waste managed in fiscal year 2022).

3.3 Sustainable use of resources

The efficient and sustainable use of resources is a basic pillar within the Dynasol Group's safety, health and environmental policy, which is translated into different programs applied to raw materials, energy, water, etc.

Consumption and supply of water according to local constraints

Compliance with local water consumption permits is the first step in the consumption of a key commodity such as water. Beyond this compliance, different studies are under definition and development for the reduction of specific water consumption in our Operational Centers.

	2020	2021	2022	2023
Production (t)	107.384	130.114	115.753	96.531
Fresh water from the public water network [m ³]	4.667	5.131	7.465	42.644*
Fresh water from surface water resources [m ³]	5.582.232	5.925.770	5.261.181	5.525.944
Fresh water from groundwater resources [m ³]	16.065	97.784	44.926	19.888
Total fresh water captured (consumed) (m³)	5.602.964	6.028.685	5.313.572	5.588.476
Specific value of total fresh water captured (consumed) (m³)	52,2	46,3	45,9	57,9

* Provisional data

The increase in water consumed is due to consumption during maintenance shutdowns as well as due to the complicated commercial environment experienced during 2023, which did not allow the plants to operate continuously and therefore more efficiently. On the other hand, the decrease in the consumption of water from subway water resources (wells) depends on the availability of water from other sources (mainly rivers) and therefore may vary without causes attributable to the transaction of the plants.

Consumption of raw materials and measures taken to improve the efficiency of their use.

BIO/Circular materials

- In fiscal year 2023, Dynasol Group obtained the ISCC PLUS certification for the Santander plant, a certification with worldwide recognition in relation to materials of bio, circular or bio-circular origin. By obtaining this certification, the aim is to adapt the management systems to the ISCC standard in order to make sustainability statements of the products when starting from sustainable raw materials. The environmental awareness of customers is increasing and the demand for products with sustainable statements is growing.
- Once the certification was obtained, the impact on the carbon footprint of this type of rubber was shared with interested customers and suppliers who have this type of raw material of non-fossil origin were contacted to confirm availability when there is a real demand from customers.
- Recyclclass certification was obtained to validate the recyclability of the 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's rubbers to manufacture packaging with recycled plastic and thus promote the reuse of these plastics that would otherwise become waste whose final destination would be incineration or landfill disposal. Dynasol's Technology Department has a sustainability group that promotes initiatives to develop grades that use alternative raw materials to the current ones with a bio or

circular origin. This group meets several times a year to follow up on these initiatives and encourage the contribution of new ones. News related to sustainability is also shared: development of new technologies, collaborations between companies to promote sustainable projects, etc.

Packaging

- In fiscal year 2023, progress continued to be made towards the purpose of reusing part of the Big-bags (BB) used in Europe for the delivery of the final product. A total of 630 BBs were recovered and 622 were used.
- Work continued on optimizing the packaged weight of SBS manufactured at the Santander plant. The target for 2023 was to reduce the amount of packaging used by 20% globally and 11% has been achieved.
- In 2023, in order to comply with Royal Decree 1055, which obliges packaging manufacturers to take charge of their own waste, Dynasol has registered as a packaging generator and has joined a Collective System of Extended Producer Responsibility (SCRAP, for its initials in Spanish).

Direct and indirect energy consumption

As in the rest of the environmental vectors, annual programs are established to reduce specific energy consumption in all operating centers. These savings also result in a reduction in direct and indirect greenhouse gas emissions.

During 2022, the reduction path was maintained with an additional 1% in specific energy consumption (fuel, steam and electricity) in our operating centers. During the year 2023 there has been an upturn, with the indicator reaching 2021 values. This has been due to the aforementioned problems in maintaining continuous transaction regimes due to the economic and commercial situation experienced during 2023.

	2020	2021	2022	2023
Production (t)	107.384	130.114	115.753	96.531
Natural gas consumed (energy) [GJ]	4.126	6.021	5.042	4.401
Gasoil consumed (energy) [GJ]	1.597	539	1.477	340
LPG consumed (energy) [GJ]	4.436	5.206	4.133	4.015
Total fuels (energy) [GJ]	10.160	11.766	10.652	8.756
Electricity consumed [GJ]	265.571	294.425	269.720	239.987
Steam consumed (energy) [GJ]	1.493.362	1.677.172	1.393.973	1.278.270

	2020	2021	2022	2023
Total specific value of fuels [GJ/t (metric)]	0,09	0,09	0,09	0,09
Specific value of electricity consumed [GJ/t (metric)]	2,47	2,26	2,33	2,49
Specific value of steam consumed [GJ/t (metric)]	13,91	12,89	12,04	13,24
Specific value of total energy consumption [GJ/t (metric)]	16,47	15,24	14,46	15,82

Measures taken to improve energy efficiency

Dynasol continues to promote various initiatives aimed at reducing its energy consumption. These actions, of a diverse nature, share the common purpose of optimizing energy efficiency in production processes, thus seeking to minimize the impact of the company's operations on the environments in which it operates. Throughout 2023, energy optimization initiatives 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.
- Process optimization through operational adjustments (productivity increase, temperature reduction).
- Reduction in steam consumption.
- Renewal of equipment.
- Updating and optimization of lighting systems in buildings and exteriors. LED luminaires and automation
- Optimization of air consumption.

Use of renewable energies

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

3.4 Climate change and pollution

The Group has measures in place to prevent, reduce or repair CO2 emissions that seriously affect the environment.

The study carried out in 2022 on the life cycle analysis of several of our products, which is valid for approximately five years, has shown that the CO2 emissions associated with our products are, in general, the lowest in their entire life cycle. In order to reduce them, Dynasol Group is in the process of studying alternatives with a lower impact on the generation of CO2 emissions for different stages of the life cycle, together with the study of measures for the reduction of both direct and indirect greenhouse gas emissions.

In 2023, meetings have been held with some of the main suppliers to request information on their emission reduction plans that will directly impact the scope 3 emissions of our rubber and rubber chemicals. We have been able to verify that some suppliers are working on reducing their emissions, but for others it is something new that they are starting to work on.

In order to adapt to the consequences of climate change, the environmental risks to which the Group is exposed are analyzed annually, enabling it to identify those risks arising from climate change in order to develop mitigation actions. The greenhouse gas inventories of all operating centers have the required verifications and ISO 14064-1 certification, as indicated in previous sections.

Greenhouse gas emissions from our centers are due to:

- Direct CO2 as a result of the use of fossil fuels.
- Refrigerants
- Indirect CO2 emissions as a result of steam, electricity and hydrogen consumption.

Direct and indirect emissions (t)	2019	2020	2021	2022	2023*
Scope 1 Emissions (CO2, CH4 and N2O)	2.561	2.400	2.632	3.505	2.979
Scope 2 Emissions	118.145	93.892	98.599	106.116	93.920

* Provisional data

In 2023, Scope 3 emissions corresponding to the year 2022 are verified for our sites, defined as those indirect emissions that come from sources that are not under Dynasol's ownership or control.

Indirect emissions Scope 3(t)	2022	2023*
Category 3: Emissions from transportation	22.353	19.069
Category 4: Indirect emissions from products used by the organization	255.695	262.637

* Provisional data

Category 3: Emissions caused by upstream transportation and distribution + emissions caused by downstream transportation and distribution of goods + emissions caused by business travel.

Category 4: Emissions from purchased products + emissions from waste management.

Both direct and indirect emissions have met the forecasted targets. The main contributions to compliance derive from actions:

- inventory control in solvent column.
- optimization of the cleaning sequence in exchangers in finishing lines.
- stripper temperatures.
- increase in productivity and reduction of stoppages in TMQ plant.
- optimization of air compressor consumption.

The Group also has measures in place to prevent, reduce or repair emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise. Thanks to these measures, we have avoided the emission of the following tons of CO2 at our plants:

Tons of CO2 avoided	Santander	GQ	Total
2023*	1.468	222	1.690
2022	685	451	1.136
2021	17.606	7.277	24.883
2020	13.778	6.018	19.796

* Estimated data

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

3.5 Biodiversity protection

Dynasol Group incorporates biodiversity protection into the management of its assets through its risk management processes indicated above.

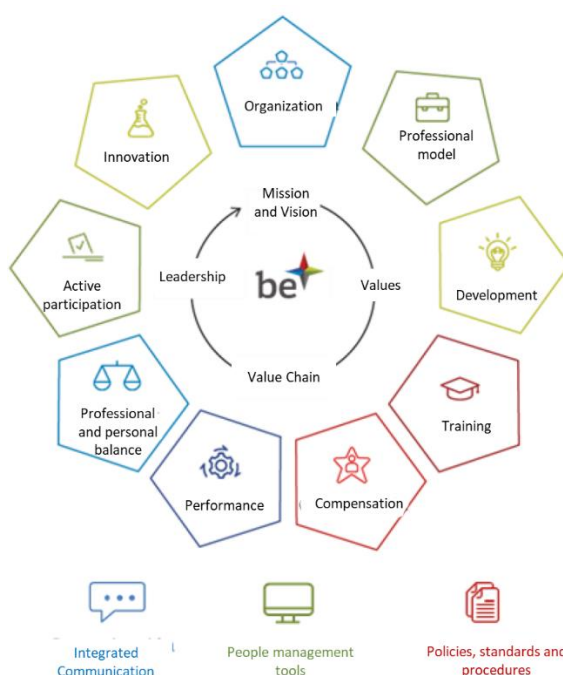
No significant impacts on biodiversity resulting from Dynasol Group activities have been identified.

4. Social and personnel issues

People Management System

We are committed to the Dynasol Team. We are concerned that they have constant professional challenges and a career path full of learning and individual and women's group development.

Thanks to our People Management System, we accompany each of our employees at different stages of their professional career in the Group. With this system, we aim to progress, achieve and reach our goals. Achieving optimal development, developing a professional career within Dynasol or reaching high performance levels are some of the 9 essential elements that make up our system:



The Organizational Model we have built is based on a global structure characterized by a transversal organization chart, so that both the Divisions, as well as an important part of the Management, have a global functionality. In some operational respects we have regional and local managers, who have among their responsibilities the application of a vision closer to the reality in which we operate.

Our team in 2023

Over the course of 2023, our team experienced a number of challenges that became valuable learning opportunities. We addressed these challenges by strengthening our organizational culture through the implementation of a Culture Survey and the formulation of an action plan. In addition, we promoted knowledge management, made significant investments in leadership training and, despite the obstacles, maintained our firm commitment to excellence and adaptability, looking to the future with determination.

Unfortunately, the global economic scenario, as well as various geopolitical crises, have had a significant impact on our production. The resulting situation forced us to implement a Temporary Layoff Plan (ERTE, for its initials in Spanish) at General Química for a period of almost six months. Although this decision was necessary to face the adverse circumstances, we have worked tirelessly to mitigate its impact on our employees, providing the necessary support and exploring strategies for the progressive recovery of the activity.

The number of employees in the Group as of December 31, 2023 is 440 people. Our teams are made up of people from different generations who exchange knowledge and bring value to the company; thus, the

average age of our company's employees is 46.7 years, a fact that also demonstrates our ability to retain our talent.

In terms of gender distribution, there is a predominance of men in the Group, representing 65% of the workforce, compared to 35% of women. However, despite being a company of an industrial capacity of, there has been a steady growth in the participation of women in operational roles in recent years. An outstanding example of this phenomenon is that 54.7% of the people in positions of responsibility, such as Technician/Technical Manager, are women. It is important to note that this percentage has increased by 2.7% with respect to the previous year, when it stood at 52%, with new hires of women being the main source of this increase.

In terms of geographical distribution, we maintain the trend of recent years, with 96.1% of employees working in Europe, while 3.9% work in America (United States).

At Dynasol Group, we are committed to promoting quality employment and value long-term labor relations. As a reflection of this philosophy, the vast majority of our employees (94,1%) have permanent contracts, while temporary contracts (5,9%) comply with the different modalities established by the legislation in force in each case. When comparing these data with those of last year, we highlight a 3,1% decrease in the number of temporary contracts, channeling this change towards permanent contracts, which brings us from 91% to 94,1% in permanent contracts. On the other hand, the annual average number of contracts was 175, reflecting a decrease of 37 contracts compared to the previous year. It should be noted that this variation is not considered significant. Of the total number of contracts, 10.9% are of a capacity of indefinite-term nature.

With regard to the type of working day, full-time contracts predominate (93%) compared to those with reduced working hours (7%).

During fiscal year 2023, 23.368* hours of absenteeism were recorded, mainly attributable to sick leave due to common contingencies (only sick leave hours have been taken into account). This total represents a decrease of 27,9% compared to 2022, justified by the improvement in the epidemiological situation of Covid-19; whereas in 2022 it was still impacting, in 2023 the situation is under control, thus contributing to the decrease in absenteeism hours.

In 2023, a total of 34 people have joined our workforce in the various locations where the Group is present, of whom all remain with the Group as of December 31, 2023.

*Note: The absence hours include an estimate of the last ten days of December (640 hours) because the control system was migrated on December 21.

4.1 Headcount

The distribution of the workforce of the Dynasol Group corporations as of December 31, 2023 is as follows:

Headcount at the end of fiscal year 2023 broken down by gender and professional category:

	MAN	WOMAN
EXECUTIVE OFFICER	6	1
MANAGER	19	6
TECHNICIAN/TECHNICAL MANAGER	62	75
ADMINISTRATIVE STAFF	9	15
OPERATOR	190	57
TOTAL	286	154

Headcount at the end of fiscal year 2023 broken down by type of contract, gender, age and professional category:

	MAN	WOMAN
Full-time employees	274	135
Workers with reduction	12	19
TOTAL	286	154

	Temporary contract	Permanent contract
Man	13	273
Woman	13	141
TOTAL	26	414

	Temporary contract	Permanent contract
From 18 to 29	13	7
From 30 to 39	8	98
From 40 to 49	5	143
From 50 to 59	0	89
From 60 and over	0	77
Total	26	414

	Temporary contract	Permanent contract
EXECUTIVE OFFICER	0	7
MANAGER	0	25
TECHNICIAN/TECHNICAL MANAGER	1	136
ADMINISTRATIVE STAFF	1	23
OPERATOR	24	223
TOTAL	26	414

Headcount at the end of fiscal year 2023 broken down by country:

Country	Employees	%
United States	17	3,9
Spain	421	95,7
France	1	0,2
Italy	1	0,2
Total	440	100

Headcount at the end of fiscal year 2023 broken down by age:

Age ranges	Employees	%
From 18 to 29	20	4,5%
From 30 to 39	106	24,1%
From 40 to 49	148	33,6%
From 50 to 59	89	20,2%
From 60 and over	77	17,5%
Grand total	440	100,0%

Average headcount at the end of fiscal year 2023, broken down by gender and professional category:

	MAN	WOMAN
EXECUTIVE OFFICER	6	1
MANAGER	19	6
TECHNICIAN/TECHNICAL MANAGER	65	76
ADMINISTRATIVE STAFF	9	17
OPERATOR	190	52
TOTAL	289	152

Number of non-voluntary terminations during fiscal year 2023 by gender and professional category:

At Dynasol Group we work to maintain long-term development, as evidenced by our data provided on permanent staff. However, there are occasions when the projects we take on require some of our employees to leave the company. This process is carried out with the greatest possible respect and in strict compliance with current legislation. This year, there have been no non-voluntary departures in any professional category or by gender. We celebrate this collective achievement and reaffirm our commitment to continue promoting a work environment that fosters the personal and professional growth of each individual in Dynasol Group.

4.2 Remuneration policies

Remuneration in Dynasol Group during this fiscal year 2023 continues to reflect the existing Remuneration Policies in the Group, applying best practices, homogenizing criteria and generating common references for the entire company.

The organizational studies carried out to standardize levels and roles within the organization, together with the analysis of practices, legislation and benchmarking of local markets, support the continuity of our Total Compensation Package. This package covers fixed and variable remuneration, social benefits, allowances and other benefits.

This policy is managed from a global perspective, with uniform decision parameters in all the countries where we operate. However, it also incorporates a local perspective that adapts this common framework to the specific realities of each country. Thus, Dynasol Group is positioned competitively compared to local references and has developed a compensation policy that gives us our own identity.

At Dynasol Group, compensation comprises fixed remuneration, short and medium-term variable remuneration, social benefits and other forms of remuneration. As for the benefits offered to employees, these may include, for example, a pension plan with life coverage, health insurance, food aid and assistance services.

However, we understand that rewards go beyond the financial. Our employee value proposition encompasses a variety of elements, from our professional model to ongoing performance evaluation, continuous learning, professional development opportunities, promotion of innovation and women's group intelligence, as well as policies that encourage a work-life balance.

At the end of fiscal year 2023, there is an increase in the average compensation of our employees in the "Administrative" and "Operators" categories compared to the previous year. On the other hand, compensation in the other categories remained stable compared to the previous year. The following tables show the breakdown of average compensation:

Average compensation during fiscal year 2023 by age and professional category:

	From 18 to 29	From 30 to 39	From 40 to 49	From 50 to 59	From 60 and over	TOTAL
MANAGER			81.530 €	100.770 €	110.685 €	96.247 €
TECHNICIAN/TECHNICAL MANAGER	43.827 €	42.394 €	49.368 €	59.684 €	74.933 €	52.883 €
ADMINISTRATIVE STAFF	24.420 €	27.075 €	30.816 €	34.413 €	36.667 €	31.989 €
OPERATOR	25.990 €	34.879 €	36.204 €	35.479 €	33.565 €	34.858 €
TOTAL	31.184 €	37.919 €	42.392 €	47.449 €	55.220 €	43.946 €

Average compensation during fiscal year 2023 by gender:

	AVERAGE COMPENSATION
Man	44.898 €
Woman	42.205 €
TOTAL	43.946 €

In fiscal year 2023, the average remuneration of executive officers is 229.279,83 €. In compliance with the Organizational Law on Personal Data Protection (LOPD, for its initials in Spanish), this data is not segregated by gender or age.

Dynasol Group has a Board of Directors made up of directors from the two partners (KUO and Repsol). Dynasol Group's directors do not receive any additional remuneration for being members of the Board of Directors. Their remuneration is paid to the partners participating in Dynasol Group.

The minimum gross annual salary without applying salary supplements in accordance with the professional groups present in the company according to the agreement applicable in Dynasol Elastómeros S.A.U. is 58.1% above the minimum wage in Spain in 2023. These conditions also apply to the corporation Dynasol Gestión S.L.

In the case of General Química S.A.U., the annual gross minimum wage without applying salary supplements in accordance with the professional groups present in the company according to the agreement is 37,51% above the minimum wage in Spain in 2023.

Equality is an important aspect of our commitment to the Dynasol Team. As far as the wage gap is concerned, there is wage equity. Wage differences are due to aspects such as seniority and gender structure in each professional group. The average age of men is higher than the average age of women.

The percentage salary gap, without taking into account the remuneration of executive officers, is 5.9% in the year 2023. The formula used for calculating the pay gap was: $(\text{average male compensation} - \text{average female compensation}) / (\text{average male compensation}) * 100$. It comprises exclusively fixed compensation.

Communication and social dialogue

In Dynasol Group we have an Annual Communication Plan which includes the different communication milestones we have throughout the year, for which we have several institutional channels. All these channels allow us to inform about the most important aspects of the Company.

However, although these formal channels are a necessary means of communication, at Dynasol Group we believe that the most relevant communication is the two-way communication that must take place in the teams, between the team leader and the group of people who are part of that team, either collectively or individually. The role of the team leader is a key element for effective communication in the organization that is part of the Dynasol Group's leadership model.

In addition, we periodically carry out communications and meetings with employees. We also adequately involve the company committees that formally represent our employees, always seeking to maintain constructive relations with its members.

In this sense, in Dynasol Group we organize social dialogue with our employees through meetings and communications that are held periodically with the Works Committee. There are currently two Works Committees, one in Dynasol Elastómeros S.A.U., located in the Gajano plant (Cantabria) and the other in Sociedad General Química S.A.U., located in the Zubillaga-Lantarón plant (Álava). Both corporations have collective bargaining agreements. Dynasol Elastómeros is currently adhered to the XV collective labor agreement of Repsol Química, S.A. On the other hand, General Química has its own company agreement, the collective labor agreement for the company General Química, S.A.U.

In accordance with the corporate culture, we base our relationship with workers' representatives on honest, transparent and trusting dialogue, in which both parties interact with respect and in a constructive spirit, always with the aim of building a good workplace for our employees.

The number and percentage of employees at the end of the fiscal year covered by collective bargaining agreements is 271, 62% of the total number of employees. Remuneration is established in salary bands structured on the basis of collective bargaining agreements, company agreements, current legislation in those countries that do not provide for this option and applicable company policies.

Development and training of employees

At Dynasol Group, it is considered essential to identify and support talent to address business challenges in a highly dynamic environment.

Continuous improvement is constant in our human capital management tools. We update our talent map every year because for us it is a living tool, constantly evolving and being updated. The talent map is the tool that allows us to identify profiles, skills and aptitudes that meet the talent needs of the business and therefore contribute to the achievement of the organization's purposes.

During fiscal year 2023, the talent map was enriched with more information: The existing gap of the women's group identified for certain positions has been identified and action plans have been drawn up to minimize this gap.

Dynasol Group understands training as an essential element in its People Management System, with the purpose of accompanying us in our professional development to improve and enrich the knowledge and

experience of the team. Annually, training plans are drawn up that outline the year's route in this aspect, focusing on the acquisition of technical knowledge, skills and other aspects. These trainings, designed for individuals or groups, involve the team manager and the employee in the detection of needs and the execution of training sessions approved in the Annual Training Plan. Training needs are gathered at the beginning of the year. The company has a corporate rule that establishes the calendar in which these needs must be collected, as well as a communication campaign to encourage communication between the teams to discuss training needs.

In 2023, a total of 16748,85 hours of training have been achieved. It is worth noting the total alignment between online and on-site training. The number of training hours per employee was 38 hours, with an average of 5.2 hours. With regard to the Global Annual Training Plan, 90% of the plan was implemented.

With regard to the distribution of training hours by professional category, training of operators (58%) is the most important part of our staff, followed by our Technicians/Technical Managers (33%).

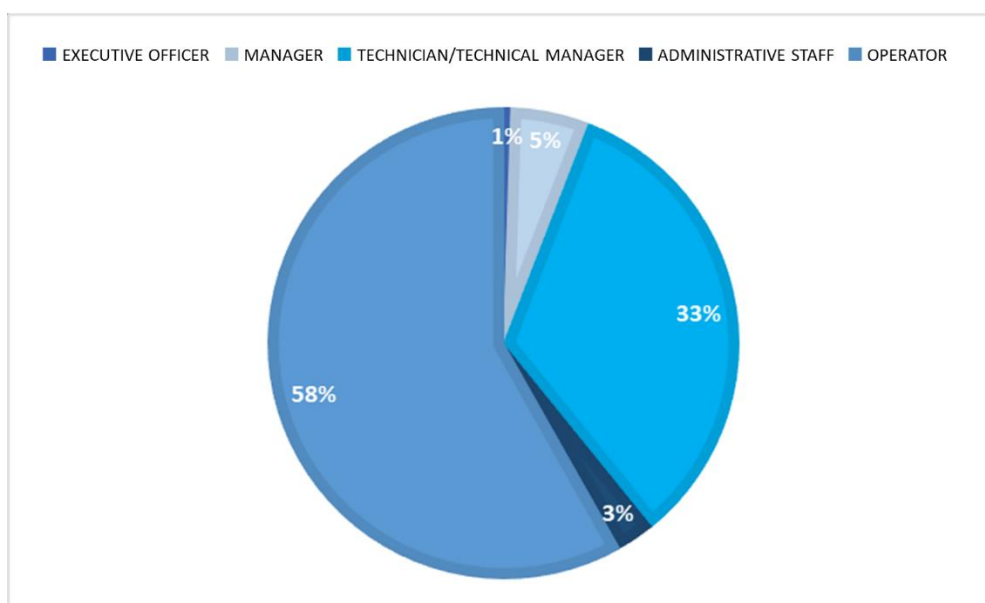
In addition to continuous training, the "DNA of our leadership" program continued to be developed during the first four months of the year. This training began in September 2022 and ended in April 2023. This training program is being developed for team leaders globally. The overall purpose of the program is to maintain Dynasol Group's innovation and vanguard process through team leaders.

During 2023, the "Equip Yourself" training program was launched. This training program, of a global capacity of, has been launched with the purpose of providing and updating the group identified with management tools that required improvements, thus contributing to the appropriate development of the participants' professional careers. The program includes modules with updated content according to the market, thanks to the support of a renowned business school.

Also noteworthy is the project initiated in 2023 regarding the development of a program to ensure the permanence and transfer of knowledge in the organization. The purpose of the program initiated in 2023 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. Also, in 2023, a new onboarding program was implemented throughout the group with the purpose of giving a global business vision to new recruits, promoting the development of internal trainers.

It is necessary to mention the development and implementation of training actions related to ethical and regulatory aspects, highlighting this year a global action to raise employee awareness on harassment.

Distribution of training hours by professional category:



Performance evaluation

The performance evaluation process is carried out by defining, monitoring and evaluating purposes, as well as the competencies or behaviors of those being evaluated. This process is carried out through our people management system, where managers and employees review and agree on all the information.

During 2023, we have continued to refine the Group's performance model, facilitating the recording and development of the same in our people management system. The entire process is subject to audit and supervision by the Human Capital Management and Legal Affairs Department, with the oversight and knowledge of the Management Committee. The results of performance evaluations incorporate an additional element that is taken into account in internal promotions.

Equality

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

Our Equality Policy, of a global capacity of, focuses on guaranteeing full equality of opportunities and non-discrimination based on gender, age, race, or social condition. It also seeks to achieve a productive, motivating and diverse work environment, with the reconciliation of professional and personal life being another of the pillars of this policy.

In addition to this corporate policy, the Group has a Code of Ethics and Conduct that establishes the general guidelines that should govern the conduct of the Dynasol Group and all its employees in the performance of their duties and in their commercial and professional relations, 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. Expressly mention the global training carried out by all employees on harassment.

In addition to these corporate regulations, the application of the policies of our People Management System, which are audited annually, in addition to the submission to the collective bargaining agreements that apply in the different Companies of the Group make possible the rigor in the management of this matter.

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

Diversity and accessibility

One of our ambitions is to promote the development of people in an environment of equal opportunities. In Dynasol Group we consider inclusive diversity as a key element to be more competitive by having people of different origin, age, gender or disabilities.

In this way we have considered it in our Equality and Diversity policy. We comply with the legal requirements established in the Royal Legislative Decree 1/2013, of November 29, which approves the revised text of the General Law on the Rights of Persons with Disabilities and their social inclusion, complying with the minimum percentage of inclusion required by that regulation (2% according to regulations vs. 2,05% of Dynasol Group). Also, and within our local Corporate Social Responsibility plans, we develop actions in this sense.

Flexibility and disconnection from work

The results of the Culture Survey carried out this year highlight work-life balance as one of the Group's main strengths. In terms of work-life balance policies, we have various leaves of absence, both paid and unpaid, which allow our employees to enjoy a better balance between their personal and professional lives. In addition, we have the figure of Spatial Flexibility, an innovative concept that enables our employees to perform their duties in locations other than their usual physical center. This initiative provides greater

flexibility, especially in unexpected situations, offering the possibility of working in another location 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 policy of disconnection from work, it is worth mentioning the successful model of a continuous workday with a pool of hours for the ordinary workday group at the corporation General Química S.A.U. This initiative has had a great impact, effectively promoting work-life balance.

In line with the above, requests for teleworking have experienced a significant increase. In fiscal year 2023, we have observed a 20.31% increase in the number of people who have formally opted for this modality, going from 64 to 77 people in just 12 months.

Community relations

During 2023, several actions have been carried out as a commitment to the communities in which we carry out our activities, giving our support within the local action plans in the area of Corporate Social Responsibility.

Our Industrial Complexes in Spain have carried out 19 actions related to the local environment where our facilities are located. Some examples of these initiatives are as follows:

Alavesa mountain road	Support and sponsorship of the event
Spanish Association of Civil Guards	Collaboration with the AEGC
Seur Foundation	Collaboration in the project "Caps for a life", in this way we have promoted recycling among our employees by providing them with collection points for caps in the workplace
Local festivities	Support and sponsorship of events
Soccer schools	Support and sponsorship of events
SEA Alavesa companies	Support and collaboration
Marine flag of Cudeyo- Dynasol Grand Prix	Sponsorship and collaboration with the Pedreña Rowing Sports Society, thus supporting the practice of sports and on this occasion delivering the first female flag.

We also carry out collaborations with the local educational environment, both in universities and institutes to carry out training internships with us, in addition to attending in person to make us known and support them in the labor insertion process once they finish their studies.

Likewise, we have attended job fairs to promote our corporate image and collect CVs for future selection processes and have made solidarity donations of food.

Dynasol Group actively and intensely contributes to the training of local young people by complementing their academic training through business experience by means of 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 mentioning the development of our internship program in different locations of the Group, as well as the development, for yet another year, 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.

Respect for human rights

Dynasol, in addition to complying with the current legislation applicable in all the territories in which it operates, 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 the rights established in the International Labor Organization's Declaration 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 carries out a continuous due diligence process on its own activities and those directly related to its operations, products or services provided by its business relationships. Likewise, the Group includes in the training and communication plans for its employees actions related to human rights and promotes support tools for the dissemination of knowledge of these rights in order to guarantee their protection.

5. Code of Ethics and Conduct

In the Group we are committed to carry out our activity in an ethical and transparent manner, based on our Values reflected in the Dynasol Group's Code of Ethics and Conduct, which was approved by the Board of Directors in 2016, and updated during the year 2022.

The target pursued by this Code of Ethics and Conduct is to establish the general guidelines that should govern the conduct of Dynasol Group and all its employees in the performance of their duties and in their business and professional relationships, acting in accordance with the laws of each country and respecting the ethical principles of their respective cultures.

The values and ethical principles that serve as the guide for employee conduct are those mentioned in the section on the Organization's Targets and Strategies.

Strict observance of these values and principles translates into the following guidelines and standards of conduct:

- Compliance with legality and contractual commitments.
- Respect for human rights.
- Personnel selection, professional development and equal opportunities.
- Protection of health and safety, as well as the environment.
- Resolution of possible conflicts of interest.

The Code of Ethics and Conduct is applicable to all Dynasol Group employees, as well as to contractors and their staff, external consultants, fee-based personnel, temporary staff, interns and other suppliers, whether they provide their services within the Group or carry out their activities in other areas on behalf of the Company.

Compliance model

The Compliance Committee, established as an independent body, promotes a culture of compliance with current regulations and manages the system for monitoring the Code of Ethics and Conduct.

During fiscal year 2023, the main Compliance training actions carried out were:

- o Global launch of a training action on the prevention of harassment in the workplace.
- o Communication campaign on the update of the Dynasol Group's Transparency Channel.
- o Communication campaign on the Compliance Model.
- o Communication campaign on the launching of the new platform for the registration of conflicts of interest.

In addition, Dynasol Group has a new procedure for managing communications from the Transparency Channel. This shall be applicable when communications are received regarding facts that may incorporate risks or suspicions of the possible commission of crimes attributable to the legal entity or of possible breaches of the Group's DMP and/or of the materialization of the risks identified in the Regulatory Compliance Model that may entail a legal breach (deriving liabilities for the offender and/or for any Dynasol Group corporation even if these liabilities are not of a criminal nature, as they may be of a civil or administrative nature).

To this end, Dynasol Group makes available to any interested party the Transparency Channel, hosted on the Group's corporate website, a solution that guarantees the following principles:

- Confidentiality: All information relating 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 he or she identifies are prohibited.

- Respect: We will never confront those involved in the report. All reports are important and are analyzed and investigated to their ultimate consequences.

Fight against corruption, bribery and money laundering.

At Dynasol Group, we have a responsibility to our employees, our shareholders and the communities in which we operate to maintain ethical and legal conduct in our work. Our Code of Ethics and Conduct expressly prohibits participation in activities involving bribery or corruption in any form.

Dynasol Group has an Anti-Corruption Policy whose purpose is to reinforce its commitment to strict compliance with the regulations on the prevention and fight against corruption, developing the principles contained in the Code of Ethics and Conduct of the Group's employees, rejecting all forms of corruption and applying a zero tolerance criterion with respect to any breach of this policy.

In order to prevent corruption, Dynasol Group carries out all its activities in accordance with the legislation in force in all areas of activity and in all countries in which it operates and undertakes to:

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

Additionally, there is a Gifts and Hospitality Management Standard that establishes the principles of action and general criteria of good order that must be observed in Dynasol Group for all matters related to gifts and hospitality when these are offered or received by the Group's employees within the framework or on the occasion of their professional activity with third parties for the Group.

In development of the provisions of the Gifts and Hospitality Management Standard, Dynasol Group has a registration platform for gifts and hospitality, an online tool that serves to ensure compliance with the aforementioned standard and which provides the Group with agility in the management of this type of situations.

6. Value to the corporation

6.1 Sustainable development

Sustainability is fundamental to the Group's strategy. Promoting inclusive and sustainable economic growth is a way of contributing to the development of the regions in which the Group is present, driving progress, fostering the creation of decent jobs and improving living standards.

To ensure continuity over time, Dynasol Group has a strategy in sustainability that will contribute to achieving the commitments acquired in the long term, which translate into a series of purposes articulated in the following areas:

- **Environment:** There is a need on the planet to reduce CO2 emissions to avoid global warming, in addition to minimizing waste generation and promoting circularity. To respond to this need, and to be in line with the European Union's climate targets, the Group has set itself circularity and climate change targets aimed at reducing emissions, minimizing the use of resources, promoting the use of non-fossil raw materials and contributing to the ambition of being a zero net emissions company by 2050.

Environment	
Circularity	Climate Change
20% of raw materials of sustainable origin	60% of electricity consumed from renewable sources
Recovery of 50% of waste generated	Reduce CHG intensity by 30% vs. 2019
2030 Goals	Reduce volatile organic compounds by 50% vs. 2019
	Reducción del consumo de agua en un 30% vs 2019

- **Innovation:** In order to respond to new stakeholder demands and help achieve environmental purposes, it is essential to develop new ways of working that take sustainability aspects into account in the development of new grades. In many cases, and as a way to contribute to Sustainable Development Goal number 17 "partnership for the purposes", Dynasol requires collaboration with others to accelerate the development of certain projects.

Innovation	
2030 Goals	Eco-design methodology in 100% of new developments
	70% of research and development efforts allocated to sustainable projects
	Increase sustainable producto portfolio

- **Safe Operation:** As the most important asset for the Group, the health and safety of its employees is taken care of by promoting a safety culture oriented towards the goal of zero accidents.
- **Ethics and Transparency:** The Group's actions and activities are governed by respecting ethical principles through purposes that ensure the promotion of a culture of integrity and responsibility in all employees, as well as suppliers, contractors and collaborating companies.
- **People and Community:** to guarantee equal opportunities with the best possible working conditions, the purpose is to apply compensation and recognition policies that ensure non-discrimination based on gender.

6.2. Subcontracting and suppliers

In order to contribute to the communities in which we operate, we choose nearby suppliers, thus promoting employment and economic development. Thus, 78% of our suppliers are local compared to 87% in 2022. In

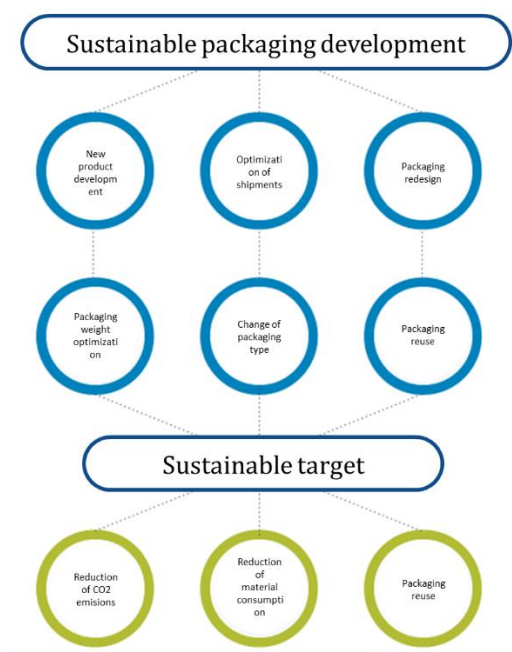
addition, aware that it is our duty to promote sustainability throughout our value chain, we carry out sustainable procurement considering policies and regulations related to topics such as: safety, environment, legal compliance and transparency.

Supply policies and standards define the criteria and guidelines necessary for the acquisition or contracting of materials and services under the best conditions of price, timeliness, quality and payment terms, always considering aspects of legal compliance, safety, labor and environmental care.

The Group requires 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. In addition, all suppliers are required to sign our Code of Ethics and in our terms and conditions for each contract we inform them of the minimum safety and environmental standards that must be met, as well as the penalty policy in the event of non-compliance. We also have suppliers in terms of supervision and certification systems for our processes.

Each purchase or contract is materialized in a standard order or contract summarizing the required terms and conditions described above and the commercial conditions agreed in each specific case. The contracts promote the definition of specific performance indicators that facilitate the monitoring of the service and that is independent of the continuous evaluation also carried out.

From supplies, sustainability purposes 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.



The ultimate goal is to promote the establishment of a solid base of suppliers, contractors and employees; in a relationship that will be governed by the principles of objectivity, transparency and equal opportunities, complying at all times with the provisions of the organization's Code of Conduct and Ethics.

6.3 Consumers

Relationship with our customers

Dynasol Group's management is based on a process of continuous improvement, certified in accordance with the internationally recognized ISO 9001 and ITAF 16949 quality standards. As a consequence, and in order to respond to our customers' satisfaction, we have a customer requirements management process, which includes the development of corporate procedures for special and administrative requirements and computer tools that allow the adequate management and follow-up for the fulfillment of the requirements of Customers and Markets where we manufacture and where we commercialize.

It details all the activities to be carried out with well-defined responsibilities to guarantee a response that satisfies our customers, reduce complaints and claims, avoid their recurrence and promote the continuous improvement of the Group.

The Global Quality area continuously monitors the correct performance of quality management and promotes work teams with all the parties involved. Performance for the 2023 cycle was 21 complaints in total, while in 2022 it was 29 complaints. These results highlight that the positive trend of improvement in the reduction and management of complaints and grievances continues.

We are fully committed to continue to improve our customers' experience and take into account their specific needs to develop new products and services.

ORIGIN CAUSES	2023	PRODUCT	DISPATCHES	STOCKS	LOG TRANS/SAC
SANTANDER	18	11	3	1	3
GQ	3	2	0	0	1
TOTAL	21	13	3	1	4

6.4 Tax information

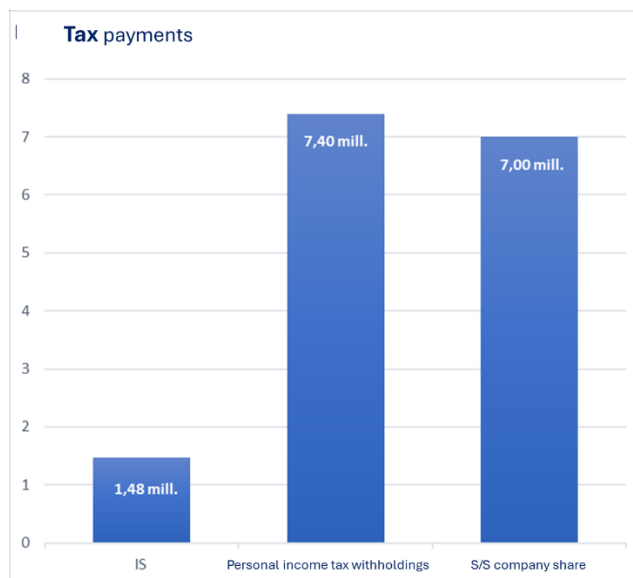
Earnings by country

The loss generated by the consolidated group in fiscal year 2023 amounts to 18.723 thousand euros. This result is broken down into a loss of 21.592 thousand euros in Spain and a profit of 2.869 thousand euros in the United States.

Taxes on profits paid in 2023

Dynasol Group is aware of its responsibility for the welfare and social and economic development of the countries in which it operates and knows that the taxes it pays support this development and welfare. For this reason, Dynasol Group has a tax policy that takes shape in the responsible payment of its taxes, through the application of good practices in the management of its tax affairs, the transparency of its actions and the promotion of cooperative relations with governments, trying to avoid significant risks and unnecessary conflicts.

Dynasol Group paid 18 million euros in taxes and similar public charges in the jurisdictions where it operates. The main taxes paid were employee income tax (7,4 million euros) and social security contributions (7 million euros).



Below is a breakdown of tax payments in euros by country for fiscal year 2023:

Dynasol Group - Payments to government 2023 - Amounts in EUROS								TOTAL	TOTAL
Country	Tax burden (1)			Taxes collected (2)			TOTAL 2023	TOTAL 2022	
	IS	Others	TOTAL (€)	VAT (3)	Others	TOTAL (€)			
Spain	0	7.231.674	7.231.674	29.423	8.352.465	8.381.888	15.613.562	21.513.057	
France	182.095	45.255	227.350	0	44.956	44.956	272.306	256.330	
Italy	55.820	39.719	95.539	0	41.359	41.359	136.898	176.040	
USA	1.237.243	619.199	1.856.442	0	411.206	411.206	2.267.648	3.134.537	
	1.475.1581	7.935.8471	9.411.005	29.423	8.849.986	8.879.409	18.290.414	25.079.964	

NOTE: This report includes taxes actually paid; therefore, refunds are not included.

(1) Tax burden: taxes that represent an expense for the group, reducing its results. (i) Income tax: includes payments for taxes on profits; and (ii) Others: payments that represent a cost for the group (tariffs, royalties, social security payable by the company, real estate 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/added tax; and (ii) Others: those payments that are withheld or passed on to the final taxpayer (withholdings, employment income, social security payable by the employee, etc.).

(3) VAT Spain: There are only refunds, since General Química S.A.U. and Dynasol Elastómeros S.A.U. are purely exporting corporations, as a consequence, the report does not include any amount for this concept.

Public subsidies received

As detailed below, during fiscal year 2023 the subsidies received in euros in Dynasol Group are as follows:

Amounts in EUROS

Country	Receiving corporation	Corporation Holding a concesión	Amount	Purpose	Concession date
Spain	Dynasol Elastómeros S.A.U.	Cantabria Government	46.954	Implementation of new solutions in industry	14.12.2022
Spain	Dynasol Elastómeros S.A.U.	Cantabria Government	43.386	R&D, development of new projects	08.08.2023
Spain	Dynasol Elastómeros S.A.U.	Cantabria Government	32.679	R&D, development of new projects	10.07.2023
Spain	Dynasol Elastómeros S.A.U.	Tax Agency	200.000	Gas consumption aid	05.05.2023
Spain	General Química S.A.U.	Basque Government	29.771	Recruitment of personnel, research	20.10.2021
Spain	General Química S.A.U.	Basque Government	767	Gas consumption aid	24.02.2023
			353.557		

Good tax practices

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

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

Presence in non-cooperative jurisdictions

The Group agrees not to have a presence in tax havens, non-cooperative jurisdictions, non-taxable territories or other countries or territories that receive similar qualifications in the European Union regulations or in the domestic legislation of the various countries in which it operates, unless such presence is necessary and justified for business reasons. At present, Dynasol Group has no presence in the aforementioned countries or territories.

GRI STANDARDS

CONTENT OF THE STATEMENT OF NON-FINANCIAL INFORMATION	STANDARD OF REPORTING	LOCATION IN THE REPORT
General information		
Business model	GRI 2-1 GRI 2-6 GRI 2-9 GRI 2-29	7-10
Markets in which the Group operates	GRI 2-6	7-8
Organizational targets and strategies	GRI 2-23	11
Key factors and trends that could affect the Group's future performance	GRI 2-26	17
Key risks related to the Group's activities.	GRI 2-23 GRI 3-3	5
Reporting framework used	GRI 2-23	4
Materiality principle	GRI 3-1 GRI 3-2	4
Environmental issues		
Management approach : description and results of the policies related to these issues, as well as the main risks related to these issues linked to the Group's activities	GRI-3-3	19-21
Detailed general information		
Detailed information on current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety	GRI 2-12	21
Environmental assessment or certification procedures	GRI 2-12	12 - 13, 21 - 22
Resources devoted to the prevention of environmental risks	GRI 2-12	22 - 23
Application of the precautionary principle	GRI 2-23	23
Number of provisions and guarantees for environmental risks	GRI 2-27 GRI 2-25	23
Pollution		
Measures to prevent, reduce, or remediate CO2 emissions that seriously affect the environment.	GRI 3-3 GRI 2-27 GRI 305-1 GRI 305-2 GRI 305-5	26-27
Measures to prevent, reduce or remediate emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution.		
Circular economy and waste prevention and management		
Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	GRI 3-3 GRI 306-2	22- 23

CONTENT OF THE STATEMENT OF NON-FINANCIAL INFORMATION	STANDARD OF REPORTING	LOCATION IN THE REPORT
Sustainable use of resources		
Water consumption and water supply in accordance with local constraints	GRI 303-5	24
Consumption of raw materials and measures taken to improve the efficiency of their use.	GRI 3-3 GRI 302-1	24-26
Direct and indirect energy consumption		
Measures taken to improve energy efficiency		
Use of renewable energies		
Climate change		
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	GRI 3-3 GRI 305-1 GRI 305-2	27
Measures adopted to adapt to the consequences of climate change.		
Voluntary reduction goals established in the medium and long term to reduce greenhouse gas emissions and the means implemented to this end.		
Biodiversity protection		
Measures taken to preserve or restore biodiversity	GRI 3-3	27
Impacts of activities or operations on protected areas.		
Social and employee-related issues.		
Management approach : description and results of the policies related to these issues, as well as the main risks related to these issues linked to the Group's activities	GRI 3-3 GRI 2-19	28-29, 31, 33 -36
Employment		
Total number and distribution of employees by country, gender, age, and occupational classification	GRI 2-6 GRI 2-7 GRI 405-1	30-31
Total number and distribution of employment contracts and average annual number of permanent contracts, temporary contracts, and part-time contracts by gender, age, and occupational classification	GRI 2-7	30-31
Number of layoffs by gender, age, and occupational classification	GRI 401-1	31
Average compensation and its evolution broken down by gender, age and occupational classification or equal value	GRI 405-2	32
Pay gap, compensation for equal or average positions in the corporation	GRI 405-2	32
Average compensation of directors and senior management, including variable compensation, per diems, severance payments, payments to long-term savings plans, and any other payments disaggregated by gender	GRI 2-19 GRI 201-3	32
Implementation of policies for work-related disengagement from work	GRI 3-3	35-36
Number of employees with disabilities	GRI 405-1	35
Organization of work		
Organization of working time	GRI 2-7 GRI 3-3	28 - 29, 35 - 36
Number of hours of absenteeism	GRI 403-9	29

CONTENT OF THE STATEMENT OF NON-FINANCIAL INFORMATION	STANDARD OF REPORTING	LOCATION IN THE REPORT
Health and safety		
Occupational health and safety conditions	GRI 3-3	21-22
Occupational accidents, including frequency and severity, as well as occupational diseases; disaggregated by gender	GRI 403-9 GRI 403-10	21-22
Social relationships		
Organization of social dialogue, including procedures for informing, consulting, and negotiating with employees	GRI 403-1 GRI 3-3	33
Percentage of employees covered by collective bargaining agreements by country	GRI 2-30	33
Balance of collective bargaining agreements, particularly in the field of occupational health and safety	GRI 403-4	33
Training		
Policies implemented in the field of training	GRI 3-3 GRI 404-2	33-34
Total number of hours of training per employee category	GRI 404-1	34
Integration and universal accessibility of people with disabilities	GRI 3-3	35
Equality		
Measures taken to promote equality of treatment and opportunities for women and men	GRI 3-3	35
Equality plans, measures taken to promote employment, protocols against sexual harassment and gender-based harassment		35
Policy against all forms of discrimination and, where appropriate, diversity management		35
Respect for human rights		
Management approach : description and results of the policies related to these issues, as well as the main risks related to these issues linked to the Group's activities	GRI 2-26 GRI 3-3	
Implementation of human rights due diligence procedures and prevention of risks of human rights abuses and, where appropriate, measures to mitigate, manage and remedy potential human rights abuses	GRI 2-23 GRI 2-26	37
Reports of cases of human rights abuses	GRI 3-3	37
Measures implemented to promote and enforce compliance with the provisions of ILO core conventions related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in respect of employment and occupation; the elimination of forced or compulsory labor; the effective abolition of child labor	GRI 3-3	37

CONTENT OF THE STATEMENT OF NON-FINANCIAL INFORMATION	STANDARD OF REPORTING	LOCATION IN THE REPORT
Code of Ethics and Conduct		
Combating corruption and bribery		
Management approach : description and results of the policies related to these issues, as well as the main risks related to these issues linked to the Group's activities	GRI 3-3 GRI 205-2 GRI 2-12	39
Measures taken to prevent corruption and bribery	GRI 3-3 GRI 2-23	39
Anti-money laundering measures	GRI 2-26 GRI 205-2	
Contributions to foundations and non-profit organizations	GRI 2-28 GRI 201-1	36
Information on the corporation		
Management approach : description and results of the policies related to these issues, as well as the main risks related to these issues linked to the Group's activities	GRI 2-26 GRI 3-3	40-44
The company's commitment to sustainable development		
The impact of the corporation's activity on employment and local development	GRI 413-1	40
The impact of the corporation's activities on local populations and the territory		
Relationships with local community stakeholders and methods of dialogue with them		
Subcontracting and suppliers		
Inclusion of social, gender equality and environmental issues in procurement policy	GRI 3-3	41
Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI 3-3	41
Monitoring and auditing systems and results of audits	GRI 3-3	41
Consumers		
Measures for the health and safety of consumers	GRI 3-3	42
Grievance systems, complaints received and resolution of complaints	GRI 2-26 GRI 3-3	42
Tax information		
Country-by-country profitability	GRI 207-4	42
Income taxes paid	GRI 207-4	42-43
Public subsidies received	GRI 201-4	43

COMPOSITION OF THE BOARD OF DIRECTORS

CHAIRPERSON

Mr. Jaime Martín Juez

VICE-CHAIRPERSON

Mr. Alejandro de la Barreda Gómez

DIRECTORS:

Mr. Jorge Francisco Padilla Ezeta

Mr. José Francisco Font Mañéz

Mr. Francisco Egido García

Mr. Roger Trinidad Patrón González

SECRETARY OF THE BOARD (not a Board Member):

Ms. Leonor Abad Martín

VICE-SECRETARY OF THE BOARD (not a Board Member):

Mr. Pedro Lozano Martín-Buro

SIGNATURES OF THE DIRECTORS

Mr. Jaime Martín Juez
Chairperson

Mr. Alejandro de la Barreda Gómez
Vice Chairperson

Mr. Jorge F. Padilla Ezeta
Director

Mr. José Francisco Font Mañez
Director

Mr. Francisco Egido García
Director

Mr. Roger Trinidad Patrón González
Director

Diligence

I, Leonor Abad Martín, Secretary of the Board of Directors of Dynasol Gestión S.L., hereby certify that this document consisting of 51 pages, containing the Statement of Non-Financial Information prepared by the Directors of said Corporation for the fiscal year ended December 31, 2023, was unanimously approved by the Board of Directors at its meeting held on March 19, 2024, and was subsequently signed by all the members of said Board and initialed on all its pages by the undersigned.

Which I hereby certify in Mexico City on March 19, 2024.

Secretary of the Board of Directors

Leonor Abad Martín

Secretary of the Board (not a Board Member)