



Sustainability

Report
2022

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About the Report

This report presents the information of Dynasol Group for the period from January 1 to December 31, 2022. The report has been prepared in accordance with the Essential Option of the GRI Standards. For the second time, it is being issued to comply with Spanish Law 11/2018 on Non-Financial Information and Diversity, which requires companies with more than 250 employees to submit a Non-Financial Information Statement (ENIF) regarding social, environmental, human rights, and anti-corruption and bribery issues.

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Financial information regarding Dynasol Group is pro forma information that consolidates data from the two Holdings that make up Dynasol Group (Dynasol Gestión España and Dynasol Gestión México). Only information concerning those companies in which Dynasol Group has 100% management is included.

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Message from the CEO

The year 2022 was shaped by the Russian invasion of Ukraine, testing Dynasol Group's adaptability and resilience once again. The global economies were impacted by the imposition of trade sanctions on Russia, leading to disruptions in supply chains, volatility in financial and commodity markets, inflationary pressures, and increased energy prices, particularly in Europe, revealing the energy dependence that the region faces as a major weakness in the European economy.

The energy crisis has significantly impacted our operations. Additionally, raw material prices have remained historically high, posing an additional challenge to our sustainability commitment. Despite these challenges, Dynasol Group has managed to remain resilient and uphold our sustainability standards. To reduce our energy consumption and improve efficiency, we have implemented various measures. Thanks to these actions, we have avoided CO2 emissions into the atmosphere and have successfully mitigated the impacts of the energy crisis on our operations.

We have continued to work closely with our suppliers to ensure traceability and transparency in our raw material supply chains. Despite difficulties, we have not experienced supply issues affecting our operations. Furthermore, we remain committed to our Corporate Social Responsibility Program, undertaking various initiatives in collaboration with the community and promoting ethical and responsible business practices.

In Dynasol, we are committed to Sustainability, and we continue working to develop products and solutions that minimize our environmental impact.

In 2022, we achieved a consolidated EBITDA of over 104 million dollars and a net profit of 67 million dollars, the result of efficient management geared towards satisfying our key Stakeholders. Despite a complex environment marked by maximum prices and volatility in energy markets, our performance has been positive. This year, the relaxation of mobility restrictions imposed by the pandemic has driven an increase in demand for our products in a volatile and uncertain evolving context.

Throughout the year, we have progressed in the execution of organic investments, which will expand the capacity of our production centers in the next two years, providing excellent service tailored to the demands of our customers. Despite focusing on these growth opportunities, Dynasol Group continues to explore diversification options to ensure the group's sustainability and generate value in the regions where they are implemented.

Dynasol is proud to contribute to improving the quality of life, well-being, and safety of our stakeholders. Our rubbers and rubber chemicals are a sustainable solution to enhance the properties of the

products they are incorporated into, such as wear resistance and degradability. The inclusion of our products in the manufacturing of other items allows extend their lifespan and reduce the need for frequent replacement, thereby decreasing the amount of generated waste and avoiding CO2 emissions. At Dynasol, we are committed to sustainability and continue to work on developing products and solutions that minimize our environmental impact.

For the third consecutive year, we have achieved the "Ecovadis Gold Rating," and as part of our commitment to transparency, we have participated in the Carbon Disclosure Project (CDP) Program, providing relevant data for combating climate change. The assessment highlights the transparency of emissions reports, risk management, and opportunities related to climate change, decarbonization strategy, and CO2 reduction measures implemented by the company. We continue to monitor emissions associated with each of our product families, and after identifying raw materials as the main source of CO2 emissions, we are collaborating with our key suppliers to understand their decarbonization plans,

which will impact our scope 3 emissions. Additionally, we are exploring alternative energy supply sources to reduce scope 2 emissions and ensure the Sustainability of our operations.

In March 2022, Dynasol reaffirmed its commitment to Sustainability by announcing its goal to be a net-zero emissions company by 2050, aligned with the Paris Agreement. As part of the 2021-2026 Strategic Plan, medium-term Sustainability goals (2030) have been established and communicated throughout the company. To ensure the success of these goals, we have conducted training sessions to share Dynasol's contribution to the Sustainable Development Goals (SDGs) and the results of CO2 emissions assessments at each of our workplaces. Our goal is to create a culture of Sustainability among employees to ensure Environmental preservation and improve the quality of life.

We will continue to work hard to maintain our Sustainability standards and be a leading company in the rubber industry.



Felipe Varela Henández
 CEO, Dynasol Group



2022 Highlights



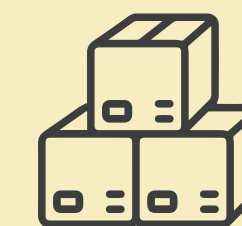
1,101

employees



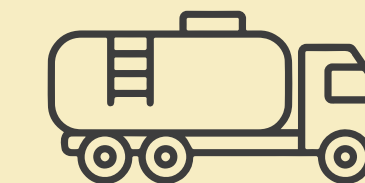
273,000

tons of rubber produced



244

products



91%

local suppliers



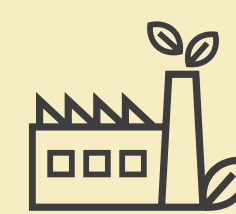
36

hours of training
per employee



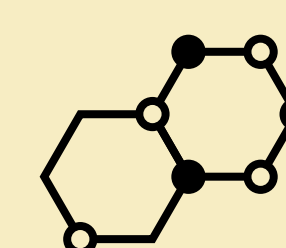
259

patents
(205 granted
and 54 pending)



2,005

tons of
CO2 avoided



6

Lifecycle Analysis
(SBS, SEBS, ESB, SSBR, TMQ, and accelerators)



Ecovadis Gold
Certification

Push2Heat

Participation
in Push2heat
projects

In 2022, we worked on the "Science Based Targets (SBT)" initiative to register our commitment to the 2015 Paris Agreement in 2023 and validate the carbon intensity reduction target by 2030 according to SBT criteria. Additionally, we initiated efforts for ISCC Plus Certification at the Santander Plant and to obtain Recyclclass Recyclability Approval for the SEBS grade Calprene H6180S.

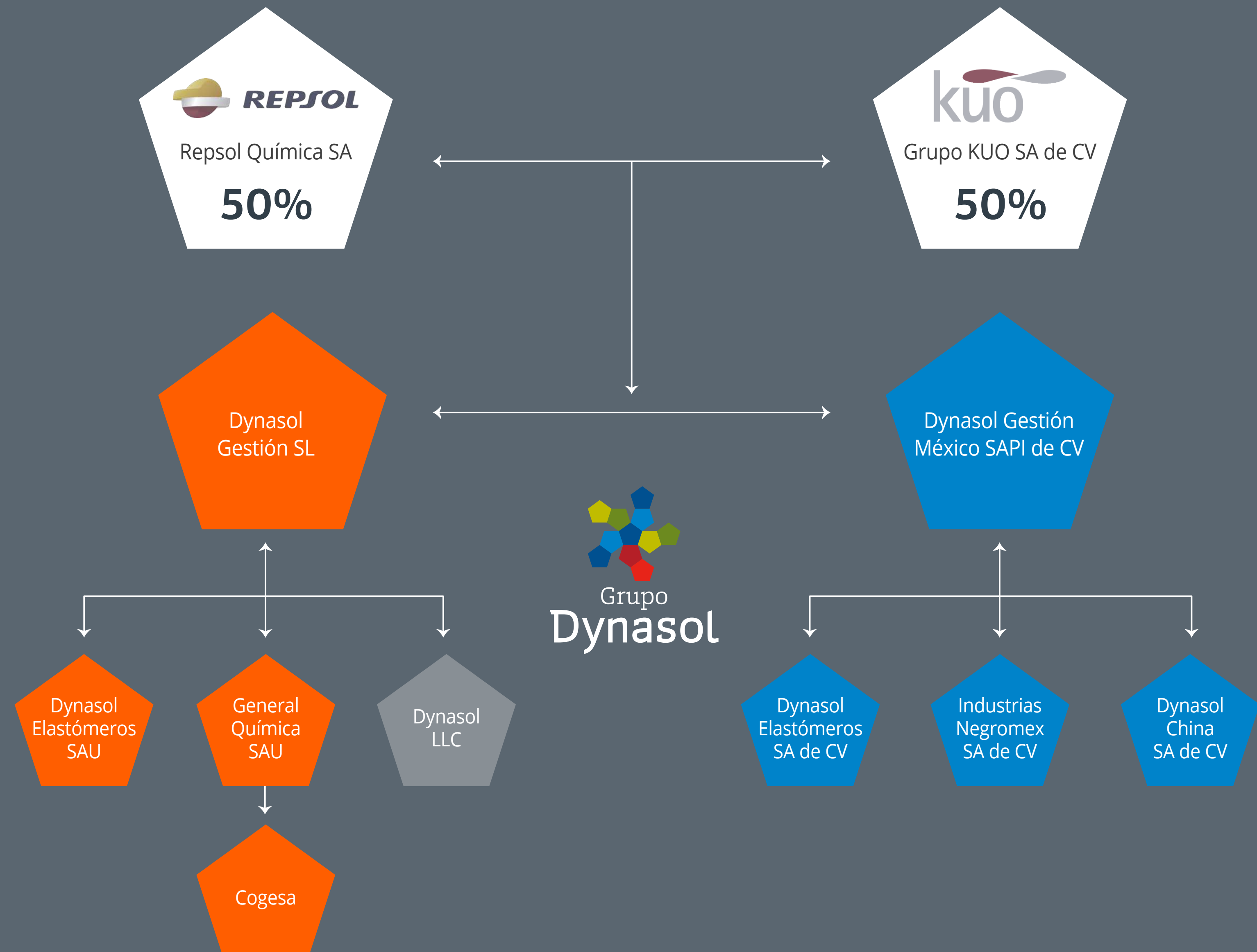
Dynasol Group

A company dedicated to the manufacturing, development, and commercialization of synthetic rubber and chemicals for rubber, a leader in the elastomers market, committed to producing increasingly sustainable and durable products. Dynasol Group is a joint venture between Grupo KUO and Repsol.

Corporate Structure

In Dynasol Group, we have nine entities established in three different countries: Mexico, Spain, and the United States

● Spain
● Mexico
● USA



Dynasol Group has plants and offices in Spain, the United States, and Mexico, along with warehouses distributed in various countries such as the United States, Canada, Mexico, and Singapore. Additionally, it has "Joint Ventures" dedicated to synthetic rubber production in China.

Only information regarding those companies where Dynasol Group has 100% management control is included



Financial Information 2022

1 EQUITY, ASSETS, AND SALES		2 SALES BY REGION		
Information	MUSD*	Region	Thousand tons	MUSD*
Own funds	578	America	144	455
Total Assets	848	Asia	6	20
Net Sales	857	Europe	122	378
		Rest of the World	1	4
		Total	273	857

3 FINANCIAL DATA	
	MUSD*
Direct Economic Value Generated (EVG)	901
Net Sales, Other Income, and Benefits	897
Financial Income	4
Direct Distributed Economic Value (DEV)	857
Operating Costs	725
Personnel Costs	51
Payments to Governments	63
Financial Payments	18
Retained Economic Value (EVG-DEV)	45
Financial Assistance Provided by Government Entities	0.057

* MUSD: Millions of dollars

NOTE: All financial information related to Dynasol Group is proforma information where the data from the two holdings that are part of Dynasol Group (Dynasol Gestión España and Dynasol Gestión México) are consolidated.





Certifications

The 5 production plants of Dynasol Group operate under international standards and adhere to ISO management systems.

Certifications		Altamira Emulsion Plant	Altamira Emulsion Plant	Altamira Solution Plant	Chemicals	Dynasol Gestion S.L.
Environment	ISCC Plus			★		
	ISO 14001:2015	★	★	★	★	
	ISO 14064:2012			★	★	
Quality	ISO 9001:2015	★	★	★	★	★
	FSSC 22000:2018	★				
	IATF 16949:2016	★			★	★
	FDA	★				
	KOSHER	★				
Health & Safety	ISO 45001:2018	★	★	★	★	

Culture and Values

MISSION

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

VISION

To be a relevant supplier in the elastomer market recognized for its technology, innovation, competitiveness, and customer orientation, leveraging the people within the Group with a solid organization and seizing growth opportunities.

ACTION PRINCIPLES

RESPONSIBILITY AND COMMITMENT

We fulfill and commit to the roles and functions assigned by the organization, respecting safety, environmental processes, and the community.

TRANSPARENCY

We work under the assumption that all the information we manage is accessible, truthful, comparable and seeks information to generate trust.

INNOVATION

We promote an attitude of active listening open to the search for options for creating new products and improving the quality of existing ones. We are aware of each collaborator's capacity to contribute to value generation.

GLOBAL VISION

We understand the dimension of the business, the impact of each position, and its contribution to the integrated results of the Dynasol Group.

RESPECT FOR DIVERSITY

We acknowledge that there are diverse ways of working, understanding, and managing. This heterogeneity provides a competitive advantage that allows for creative and differentiated solutions

ADAPTABILITY

We are capable of adapting to circumstances in an agile and effective manner.

CONTINUOUS LEARNING

We are open to change and have the ability to redesign ourselves through individual, group, and organizational learning.



Risks and Opportunities

Risks and opportunities are classified based on their impact and probability of occurrence, and actions are taken to control risks or leverage opportunities once a certain level of assessment is reached. All this information is reflected in an organizational context matrix in the management system and is periodically reviewed by the Management. Annually, the execution and effectiveness of the generated actions are verified, and the level of risk and opportunities is reevaluated to determine if the objective has been achieved or if alternative initiatives need to be proposed.

The process of identifying and managing risks and opportunities is driven by the Quality Managers of the Group, and it involves the process owners, responsible for managing all Company operations to have a comprehensive view.

As a result of the context analysis conducted in 2022, risks were identified that have a high probability of occurrence with moderate or significant consequences for the business and interesting opportunities for Dynasol due to the benefits they generate and the available resource capacity to undertake them.

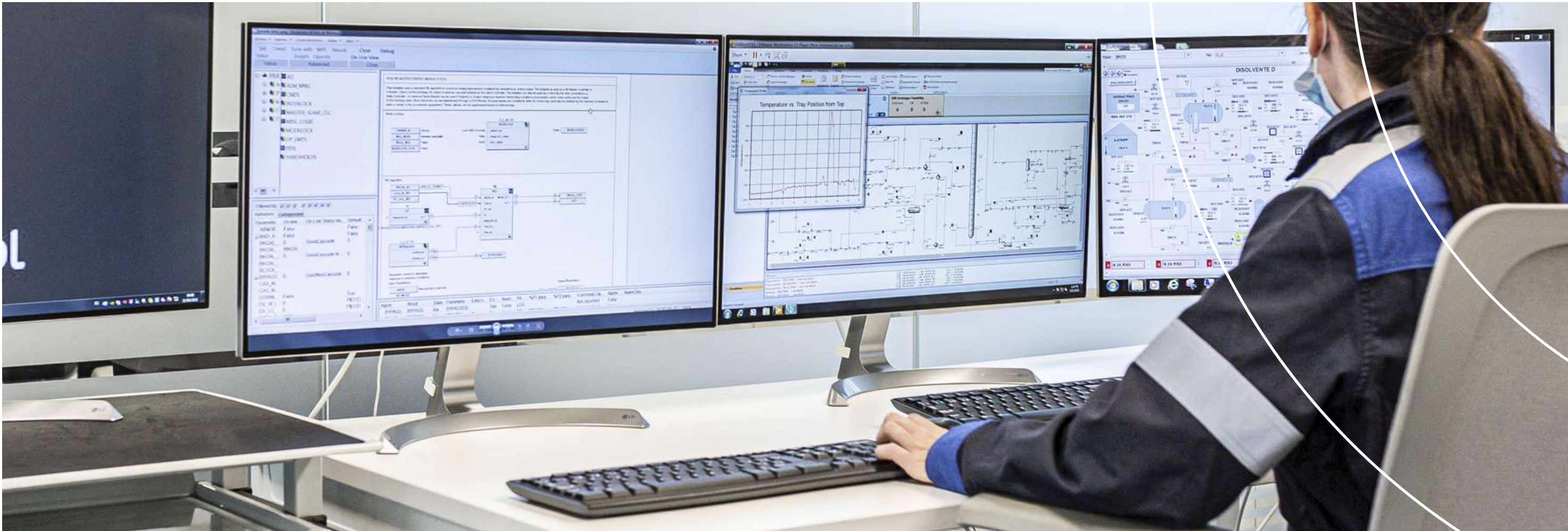
Main Risks:

- Logistic risks related to schedule issues, itinerary changes, or lack of space in maritime transport
- Impact of the energy crisis in Europe exacerbated by the conflict in Ukraine, directly affecting the costs and availability of inputs used.

Opportunities:

- Enhancing the use of digital tools to improve the customer experience.
- Improvement of the supplier homologation process.

As part of adaptation measures to climate change, environmental risks that the Group will face in the short, medium, and long term are analyzed. This allows identifying climate change-related risks against which mitigation actions can be developed. Risks are categorized into physical risks—direct impacts of climate change on the physical environment and the organization's operations—and transition risks—changes in policies, regulations, technologies, and market preferences.



	Risks	Time Horizon	Impact Assessment	
			Impact	Impact Site
Transition Risks	Regulatory and legal	Short, medium and long term	High	Spain y Mexico
	Technological	Medium and long term	Medium	Spain y Mexico
	Market	Medium and long term	High	Spain y Mexico
	Reputation	Short, medium and long term	High	Spain y Mexico
Physical Risks	Increase in average temperature and extreme temperatures episodes	Short, medium and long term	High	Spain y Mexico
	Droughts	Short, medium and long term	High	Spain y Mexico
	Extreme cold	Short, medium and long term	Low	Spain y Mexico
	Rise in sea level	Short, medium and long term	Low	Spain y Mexico
	Floods	Short, medium and long term	Low	Spain y Mexico

Sustainable Supply Chain Management



Dynasol is focused on meeting the expectations of its Stakeholders and complying with ethical, labor, environmental, safety, and social standards throughout its supply chain. At the same time, it promotes employment and workers' rights in local communities and contributes to economic and social development in the areas where it operates. This vision aligns with the United Nations' 2030 Agenda for Sustainable Development and supports the 17 Sustainable Development Goals (SDGs). The relationship with suppliers and respect for human rights are pillars to which Dynasol is fully committed.

In Dynasol, the commitment to Sustainability is conceived as an unavoidable task that involves a deep understanding of the structure and functioning of the supply chain. This allows the identification of critical points where harmful effects could arise in terms of resource consumption, emissions, waste, and working conditions.

To achieve this, active dialogue with stakeholders is a priority, inquiring about their short and medium-term sustainability objectives to ensure alignment with business goals

Suppliers:

Suppliers play a crucial role in Dynasol's value network. It is vital that they adhere to current regulations and embrace the exemplary practices defined by the Group. To achieve this, Dynasol invites all suppliers in the supply chain to establish and operate environmental management systems related to business activities and systems for managing chemicals in their products. Both suppliers and contractors are required to adopt Dynasol's Supplier Code of Ethics and Conduct, which focuses on promoting a mutually beneficial relationship. This code establishes key commitments such as the eradication of child and forced labor, adherence to ethical guidelines, and the implementation of anti-bribery, anti-corruption, and conflict of interest measures.

Dynasol safeguards the integrity of its commitments with suppliers, based on respect, communication, and mutual trust. Dynasol has developed a portal as the means through which it

communicates with its suppliers to request the information needed for their registration as an approved supplier, demanding the authenticity of the provided data and allowing the supplier to update their information to reflect their real-time status.

Sustainability criteria have been incorporated as an essential factor in the supplier selection process. Collaboration with suppliers becomes crucial, as a significant portion of emissions related to our products arises indirectly during the production phases of raw materials and energy, as well as in subsequent transportation. In procurement, Sustainability objectives related to reducing the carbon footprint in the supply chain are promoted by encouraging the proper use of packaging and optimizing the required packaging in each case, as well as promoting the reuse of packaging.



Objectives

Reduction
of CO2
emissions

Reduction
of material
consumption

Action Lines

Reuse of
packaging

Shipment
optimization

Development
of new
products

Lightweighting
of packaging

Redesign
of packaging

Change
of packaging
type

Dynasol Group is convinced that the exchange of best practices and collaboration with its Stakeholders generates a more significant impact than working independently. The ongoing commitment to Sustainability reflects the Group's desire to lead the change towards more responsible business practices in the social, environmental, and economic spheres.

In an effort to contribute to the communities where the company operates, a preference is given to local suppliers, thereby promoting employment and economic development. As a result, 91% of our suppliers are local. Regarding spending in local communities, it represented 79% of the Group's total purchases in 2022, amounting to USD 757 million.

The objective is to promote the establishment of a solid base of suppliers, contractors, and collaborators in a relationship governed by the principles of objectivity, transparency, and equal opportunities, always complying with the organization's Code of Conduct and Ethics.

4 LOCAL SUPPLIERS

	2022		
	Mexican Holding	Spanish Holding	Dynasol
Local Suppliers	30%	61%	91%
Investment in Local Suppliers	33%	46%	79%



Relationship with our customers:

The management of Dynasol Group is based on a process of continuous improvement, certified in internationally recognized quality standards ISO 9001 and ITAF 16949. As a result, and to respond to the satisfaction of our customers, the complaint management process includes the development of corporate procedures and computer tools that allow the proper management, monitoring, and measurement of customer complaints.

This process details all activities to be carried out with well-defined responsibilities to ensure a response that satisfies our customers, prevents their recurrence, and promotes the continuous improvement of the Group.

The Quality department continuously monitors the proper performance of complaint management and promotes teamwork with all parties involved. In 2022, a total of 29 complaints were addressed, compared to 49 in 2021, highlighting the ongoing positive trend of improvement in the reduction and management of complaints.

Under the premise of Responsible Marketing, the company prioritizes customer satisfaction and establishes lasting relationships. Strategic partnerships with business partners are based on transpar-

ent communication of the company's values, which are embraced by all members, from employees to those contributing to the global distribution and sale of Dynasol's products. The most significant impact of this Responsible Marketing practice is reflected in the loyalty placed by customers in Dynasol, trusting it as a provider of essential materials for their international operations.

As part of its constant pursuit of improvement, Dynasol conducts biennial customer satisfaction surveys. These surveys provide valuable feedback that guides the formulation of improvement plans in areas such as Customer Service, Logistics, Technology, and Innovation, among others.

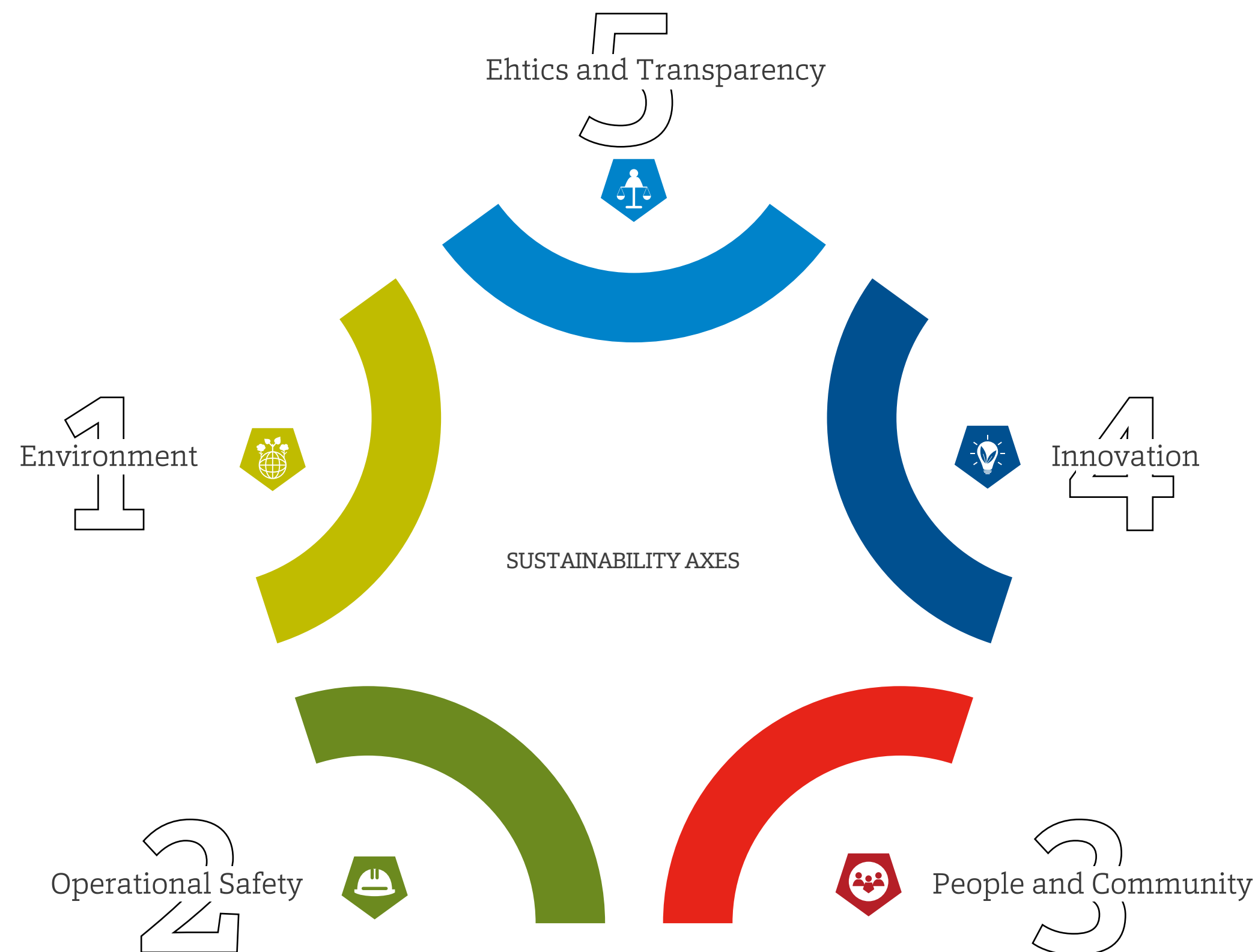
In 2022, a new survey was implemented through the "DynaTrack" platform, focusing on understanding the experience of customers who have submitted complaints. Dynasol's operational approach involves the participation of multidisciplinary groups that evaluate customer feedback to identify improvement opportunities. Each department of the company contributes to the design, construction, and implementation of improvement plans that optimize operations comprehensively.

Sustainability Strategy

Sustainability Plan

The implementation of Dynasol's Sustainability Plan not only addresses the need to reduce the environmental impact associated with the production and use of materials but also positions the company as a proactive player in mitigating global challenges such as climate change.

Furthermore, a sustainable approach generates long-term value and responds to the increasingly high expectations of consumers and Stakeholders regarding Corporate Social Responsibility, contributing to the well-being of the planet. In this way, the Group ensures the long-term viability and competitiveness of the company in an ever-evolving business environment.



1 Environment

- Climate Change
- Sustainable Water Use
- Emission Reduction
- Sustainability Energy Use
- Waste Managment
- Product Carbon Foodprint

2 Operational Safety

- Health and Safety at Work

3 People and Community

- Diversity and Equality
- Quality of Life for Workers

4 Innovation

- Innovation and Development

5 Ethics and Transparency

- Anti-corruption and Compliance

The integration of sustainable practices allows the company to directly contribute to achieving the United Nations Sustainable Development Goals (SDGs), proactively addressing global issues such as climate action and responsible production and consumption. This alignment demonstrates the company's commitment to a positive impact in key areas for global sustainable development.

Environment



Safe Operation



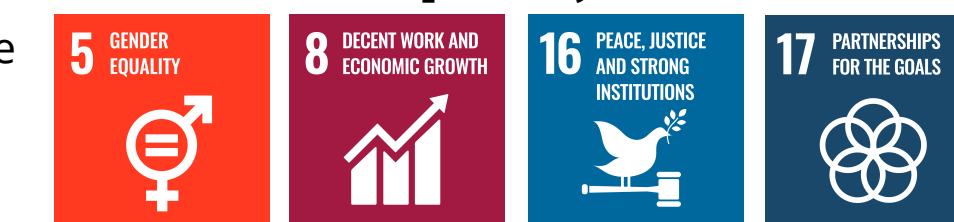
People and Community



Innovation



Ethics and Transparency



Materiality

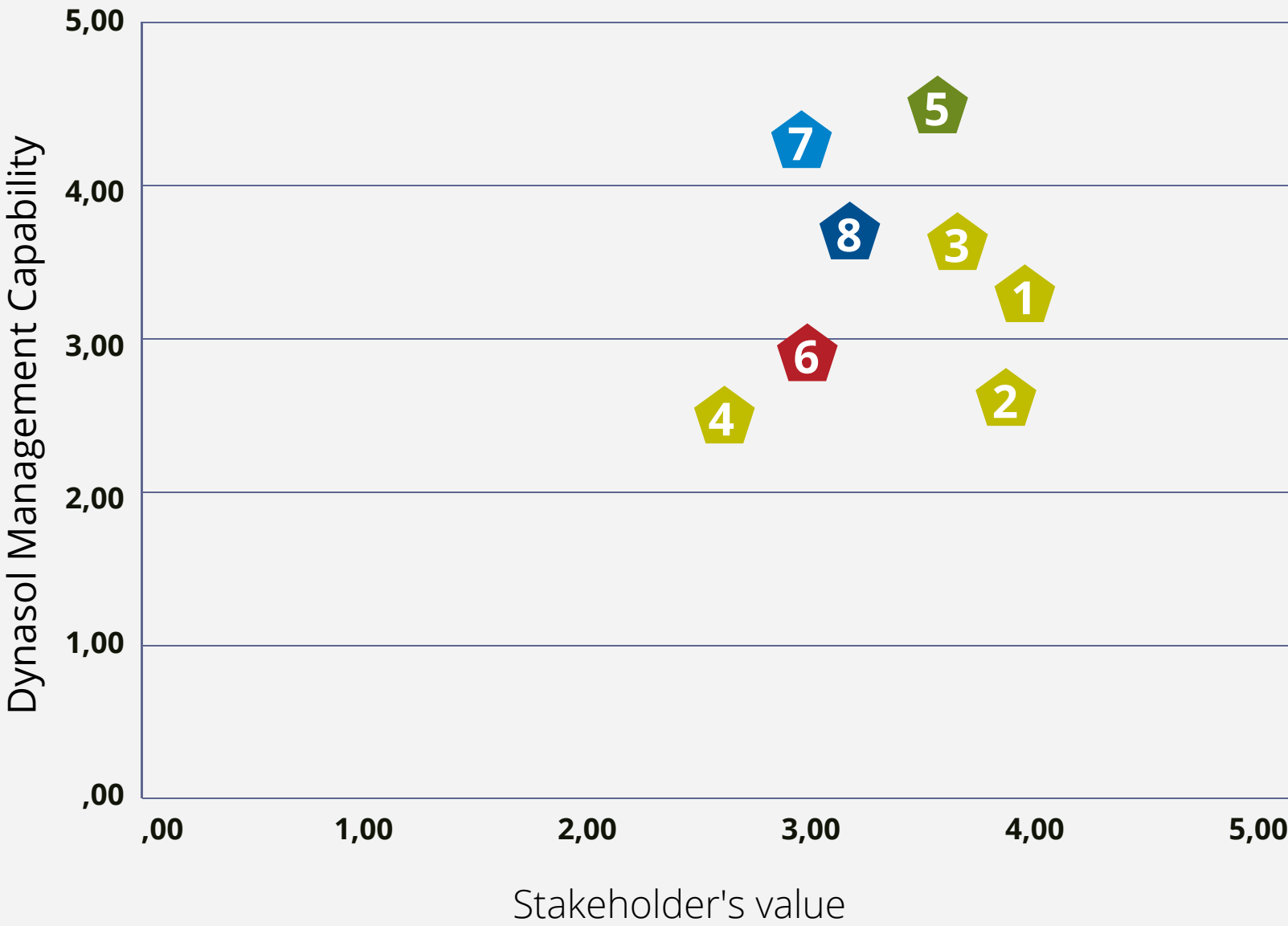
In 2022, a materiality analysis was conducted in accordance with GRI standards and the United Nations Sustainable Development Goals. The purpose of this analysis was to identify the main interests and expectations regarding the Sustainability of the company and is regularly updated. Through sectoral sources, online consultations, and focus groups, different perspectives of Stakeholders

were gathered. This participatory approach allowed the identification and prioritization of the most relevant issues, considering the perspectives and expectations of Stakeholders interacting with the Dynasol Group. A double materiality approach ensured that the results of the analysis accurately reflected the areas of greatest impact and relevance in

terms of reputation, Sustainability, and Stakeholder relations for both the company and its various Stakeholders. This informed and participatory approach constitutes a fundamental pillar for the Sustainability Strategy of the Dynasol Group, enabling well-founded decision-making aligned with societal expectations and the business environment.

Stakeholders:

- Shareholders
- Employees
- Customers
- Competitors
- Suppliers
- Authorities
- Local Community
- Non-Governmental Political Associations
- Financial Sector
- Professional Associations
- Insurers
- Educational Entities



Material Aspects



Environment

- 1 GHG emissions reduction
- 2 Sustainable raw materials
- 3 Waste generation and water usage
- 4 Sustainable packaging



Operational Safety

- 5 Safety and health



People and Community

- 6 People and community



Ethics and Transparency

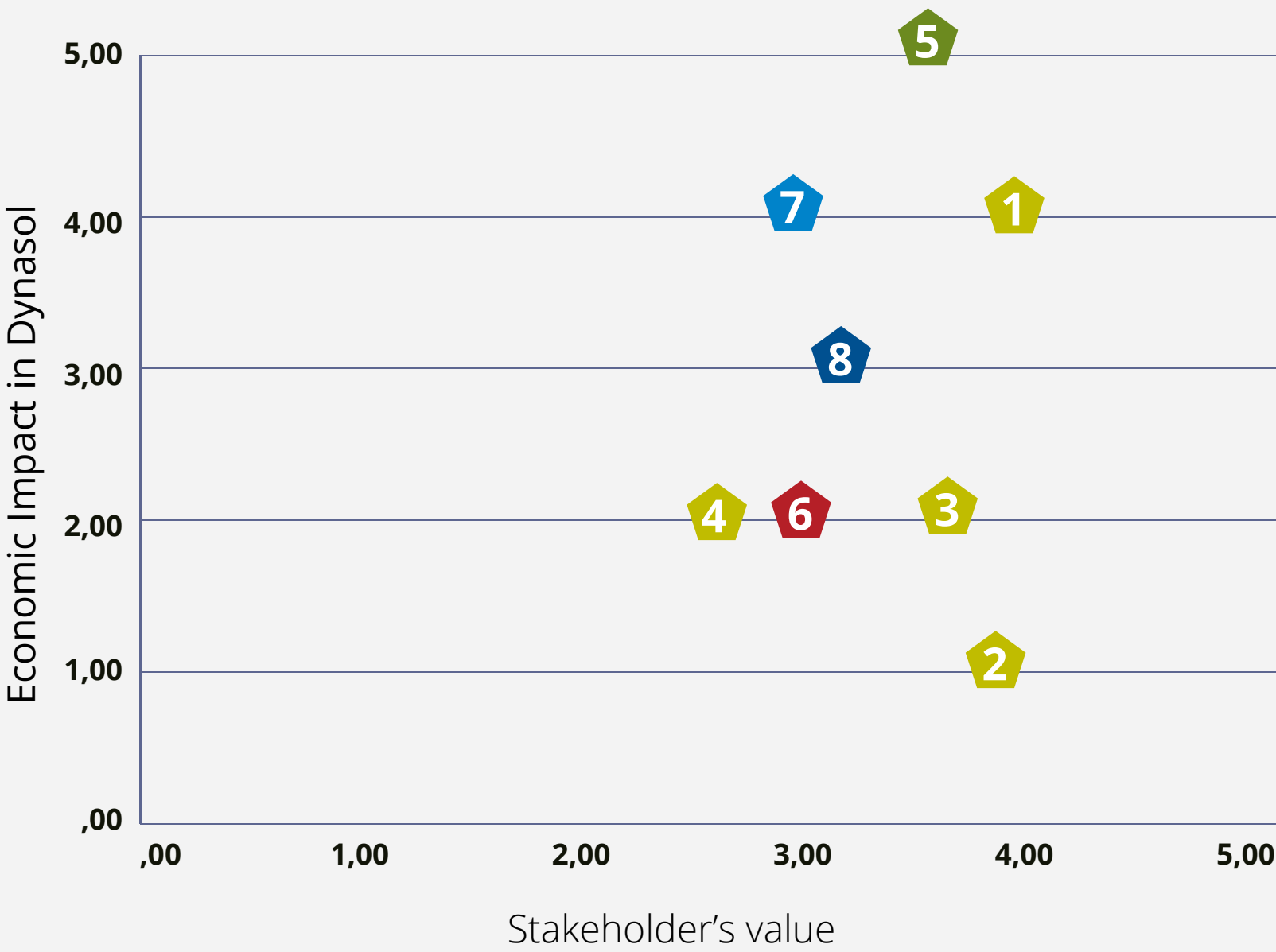
- 7 Anti-corruption



Innovation

- 8 Innovation

Stakeholder perspective



Materiality from an economic perspective includes the potential impact on Dynasol's results as a result of management with improvement opportunities. Based on the potential economic impact, the following scores are considered:

- (1) No impact: 0-10,000 USD
- (2) Not very relevant: 10,000-100,000 USD
- (3) Relevant: 100,000-500,000 USD
- (4) Quite relevant: 500,000-1 Million USD
- (5) Very relevant: > 1 Million USD

2030 GOALS

20%
of sustainably
sourced raw
materials

Valorization of
50%
of the waste
generated
each year

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

60%
of electricity
consumption from
renewable sources

30%
reduction
in water
consumption
(baseline year 2019)

Reduce
Volatile Organic
Compounds (VOCs)
by
50%

2050 Goal Net zero emissions

ENVIRONMENT

Dynasol Group is actively engaged in minimizing the environmental impact arising from its operations and projects. The preservation and care of the environment constitute one of the fundamental pillars of our Sustainability Strategy. In this regard, we have a robust Safety, Health, and Environment Policy, supported by the ISO 14001:2015 certification for Environmental Management Systems at each of our industrial centers, as well as a specific Sustainability Policy.

These Policies are mandatory for all Group employees, underscoring our commitment to sustainable and responsible practices in all areas of our business.

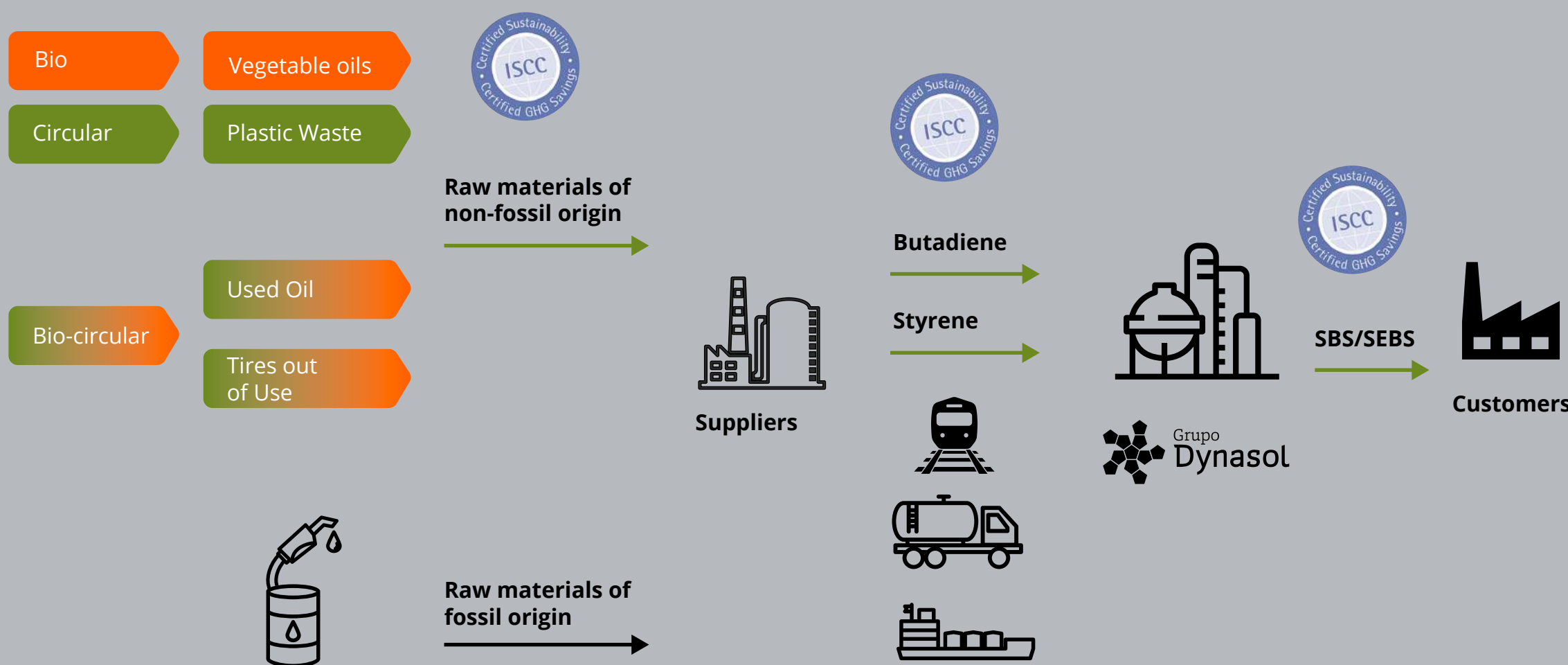


Bio and Circular Raw Materials

In the year 2022, Dynasol Group initiated the certification process for the Santander plant in ISCC PLUS, a globally recognized certification for bio, circular, or bio-circular origin materials. With this initiative, we aim 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 as waste.

Additionally, trials have commenced to obtain Recyclclass certification, validating the recyclability of flexible packaging produced from a blend of recycled low-density polyethylene and a grade of hydrogenated rubber manufactured at the Santander plant (Calprene H6180S). This initiative seeks to validate the use of Dynasol rubbers for manufac-

turing packaging with recycled plastic, thus promoting the reuse of plastics that would otherwise become waste destined for incineration or landfill disposal. Dynasol's Technology Directorate has a Sustainability Group that drives initiatives to develop grades using alternative raw materials with a bio or circular origin. This Group meets several times a year to monitor these initiatives and encourage the contribution of new ones. Sustainability-related news, such as the development of new technologies and collaborations between companies to drive sustainable projects, is also shared.



GOAL 2030

20%
of sustainably
sourced raw*

Sustainability requirements, especially from Stakeholders and customers, are experiencing a constant increase. In response to this growing demand and with the aim of advancing Dynasol Group Sustainability objectives, the ISCC PLUS Certification process was initiated at the Santander Solution plant in 2022.

This certification will enable the sale of sustainable rubber manufactured from bio, circular, or bio-circular origin materials through a mass balance approach. This step reflects the company's ongoing commitment to more sustainable practices and addresses the ever-increasing expectations of stakeholders. It is planned to certify the remaining plants of the Group in the coming years.

*Butadiene, styrene, acrylonitrile, and aniline.



Packaging

In the year 2022, there was a significant increase in the reuse of packaging used in the delivery of the final product, thereby extending its lifecycle and causing a consequent decrease in associated emissions. Additionally, the issue of packaging that is challenging to reuse was addressed by substituting them with alternatives designed for multiple uses. These initiatives have successfully prevented the emission of 815 tons of CO2 equivalent into the atmosphere.

Another measure related to packaging was the optimization of the weight of the finished product per each package, resulting in a reduced number of packages needed to contain the same amount of the final product. This approach has contributed to avoiding the emission of 53 tons of CO2 equivalent

GOAL 2030

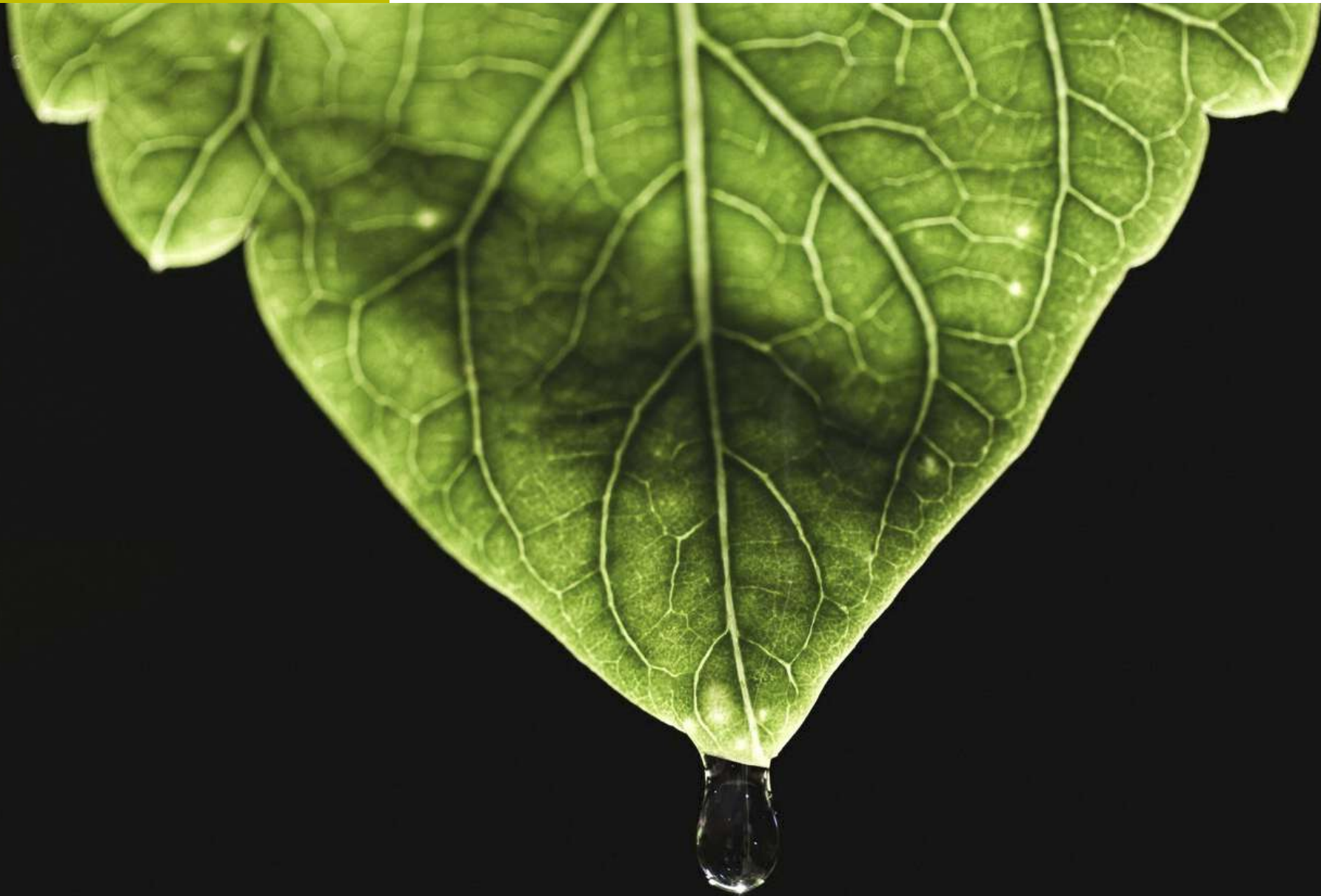
50%
Valorization
of Generated
Waste

In Dynasol Group, prioritizing the valorization of generated waste is a key aspect of its comprehensive sustainable management approach. The first measure taken regarding waste focuses on the proactive reduction of its generation. Each year, all operational centers set maximum targets for waste production, aiming to achieve maximum resource efficiency in relation to manufactured products.

Subsequently, an approach oriented towards the maximum recovery of resources contained in the waste is implemented, with the goal of minimizing the amount that ultimately ends up in landfills. This waste management process encompasses both hazardous and ordinary waste, using various strategies such as reuse, recycling, and recovery to ensure maximum efficiency in resource management and the reduction of environmental impact.

5 Valorized waste, %



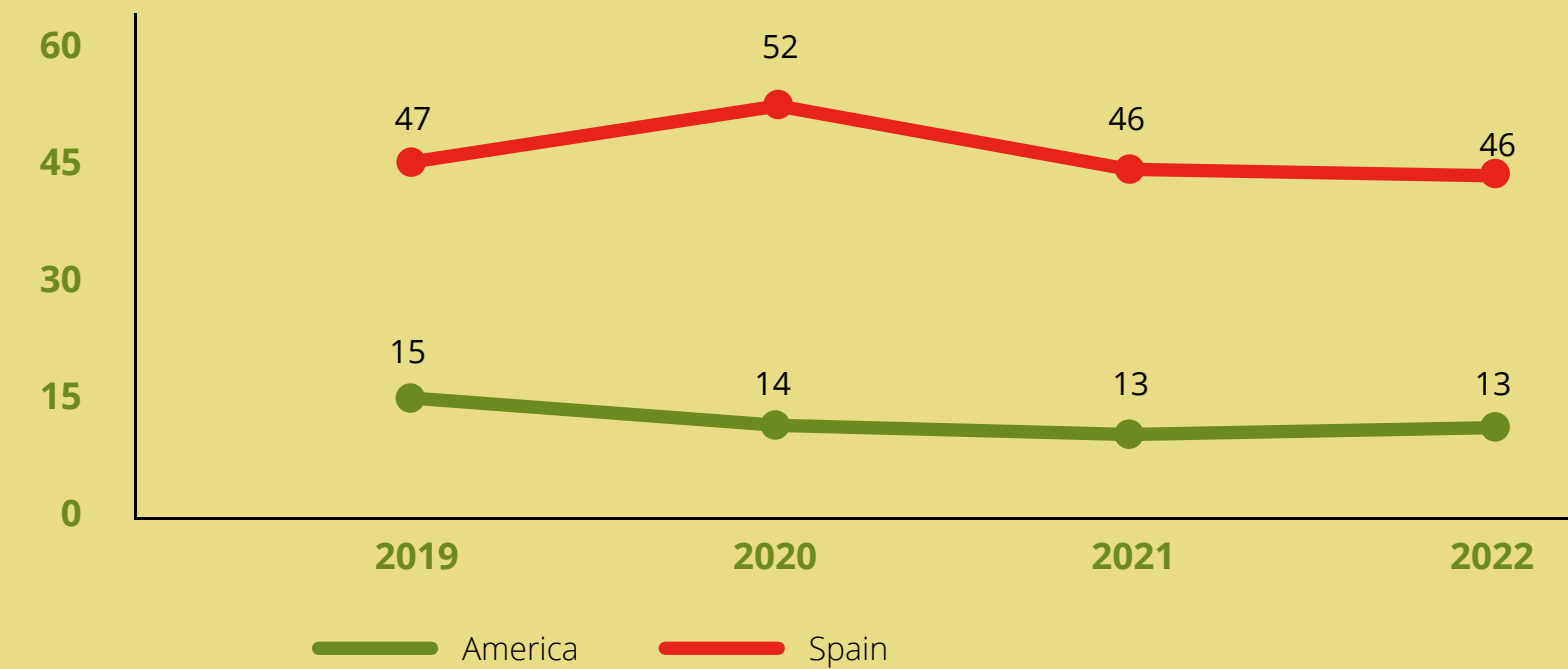


Sustainable Water Use

Despite operating in regions without water stress, Dynasol Group reiterates its commitment to the efficient use of resources and its concern about the growing implications of climate change. Even in non-directly affected areas, climate change can lead to water availability issues due to periods of drought. With full awareness of the global importance of responsible water management, the company has established specific objectives to reduce water intake and optimize its usage.

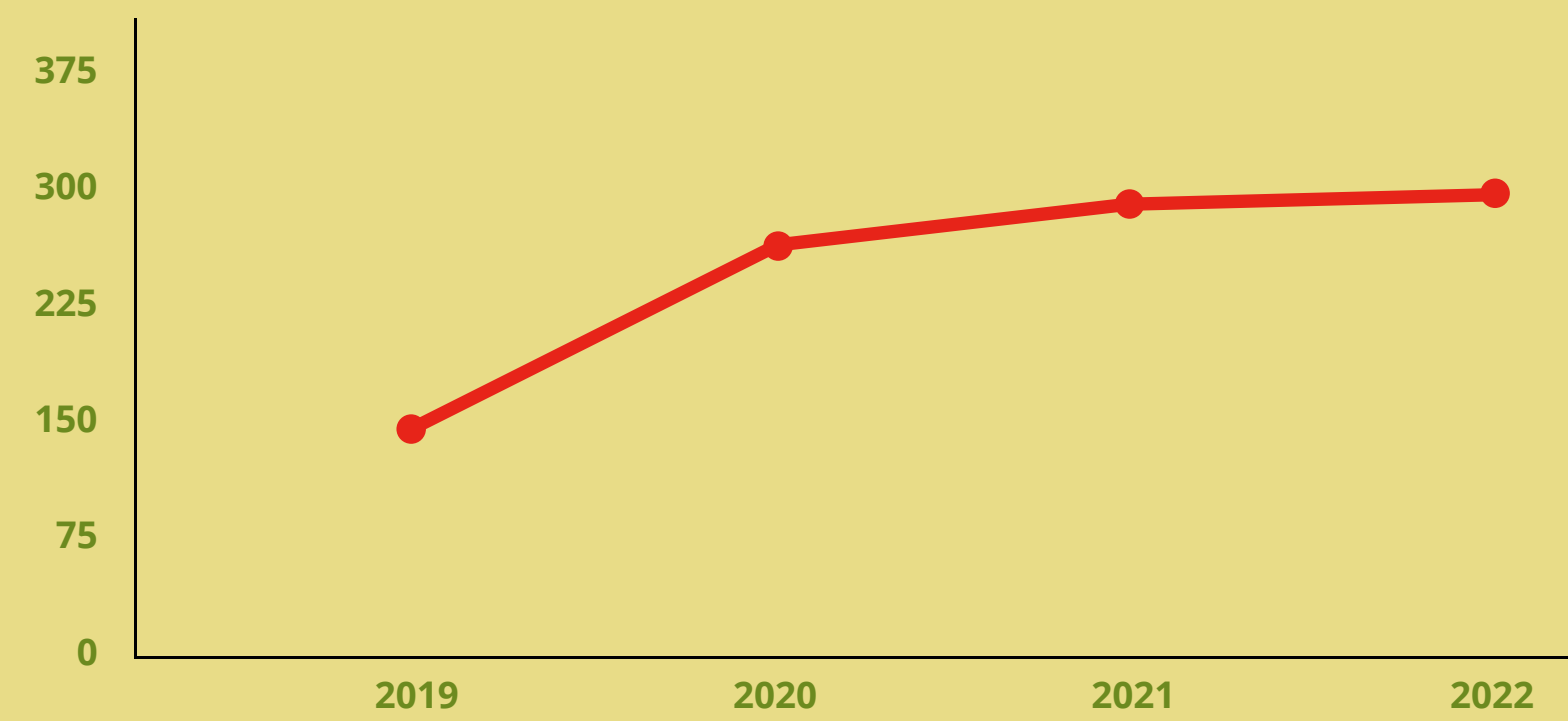
This initiative not only supports operational efficiency and regulatory compliance but also positions Dynasol to proactively address future environmental challenges. Recognizing the interconnectedness of water issues with climate change, the company strives to contribute to global sustainability and mitigate adverse environmental impacts.

6 Water extraction per ton produced (m³/t)



Since 2019, the company has successfully reduced its specific water consumption by 6%, and it continues to work on identifying initiatives that will further decrease specific water consumption in its Operational Centers. This commitment reflects the company's ongoing dedication to sustainable water resource management, aiming to optimize its environmental impact and strengthen its operational practices in line with corporate responsibility principles.

8 Water reuse (Megaliters)

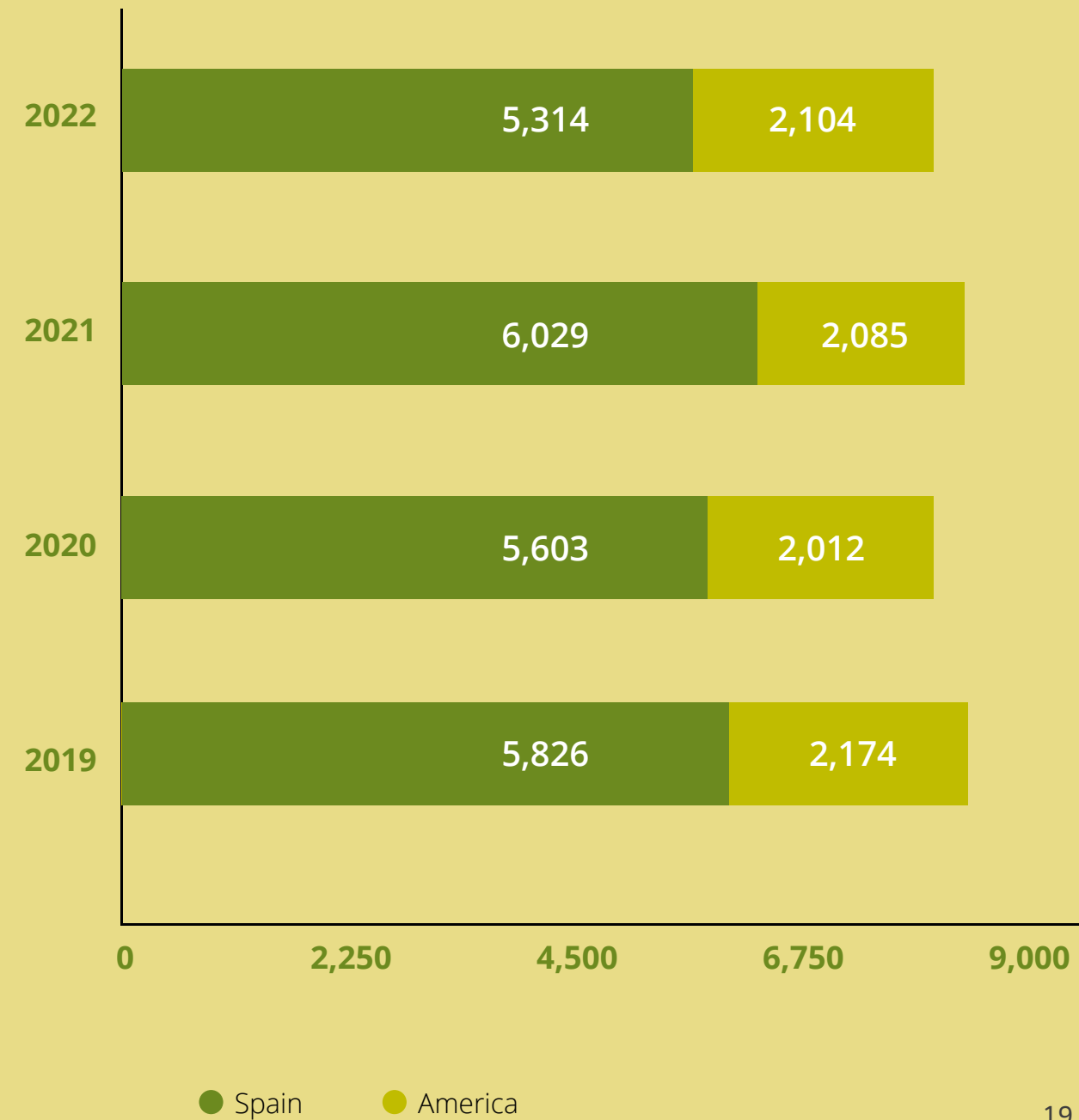


The volume of reused water has increased by 50% since 2019, and efforts are underway to ensure that this volume continues to grow in the coming years.

7 Water extraction by source type (Megaliters)

Surface water	7,365
Groundwater	45
Public network water	7
Total	7,417

9 Water extraction per region (m³)

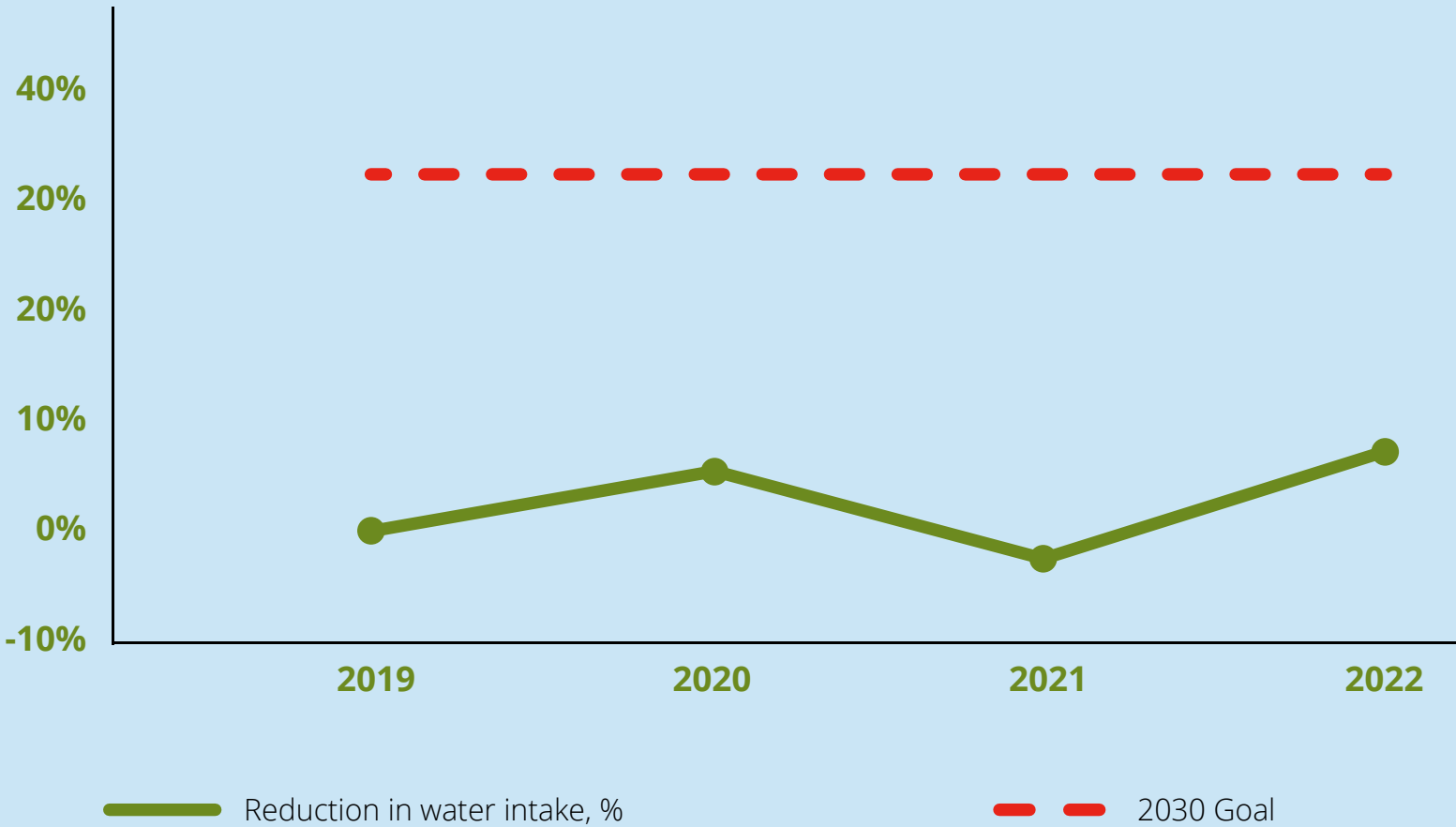


GOAL 2030

30%
Reduction
in Water
Consumption
(Baseline: 2019)

At Dynasol, water is recognized as an essential resource whose availability is impacted by the increasing frequency of drought periods and climate change. The critical importance of this resource underscores the urgent need to implement effective management to ensure its sustainable use.

10 Reduction in water consumption, %



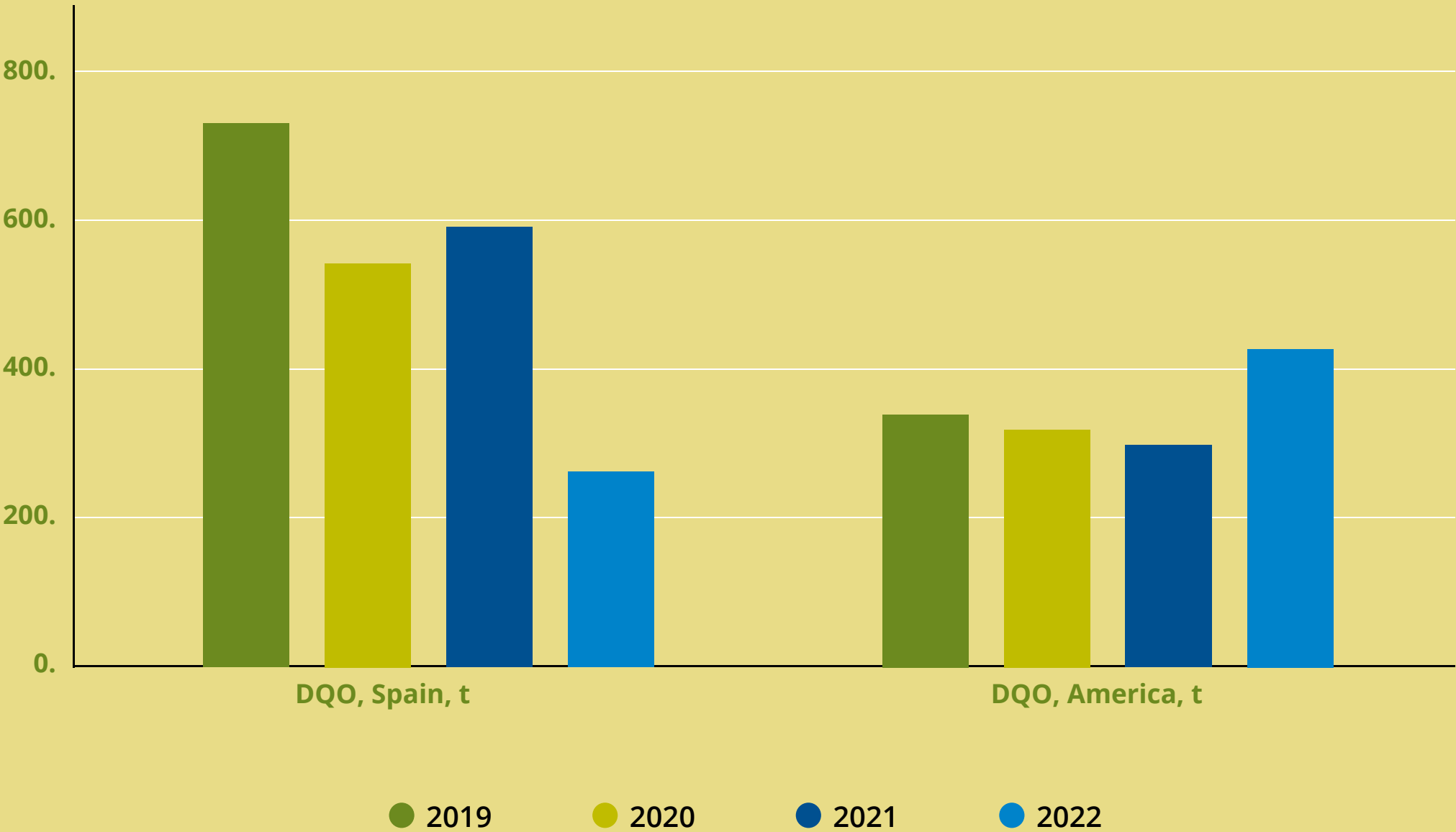
Water Discharged

In 2022, a water treatment plant was commissioned in the emulsion rubber business, resulting in a significant improvement in the quality of the discharged water. The quality of discharges is assessed by monitoring the Chemical Oxygen Demand (COD). A 35% reduction in Dynasol's discharge COD (kg/ton produced) was achieved, considering 2019 as the base year.

11 Water Discharged (Megaliters)

	2019	2020	2021	2022
Spain	6,851	6,789	7,679	5,482
America	1,244	1,061	1,142	1,321

12 Evolution of COD (Chemical Oxygen Demand) in the discharge (kg/year)



Climate Change

At Dynasol, the company maintains its ongoing focus on reducing the impact of its operations on climate change. In 2022, a Life Cycle Assessment (LCA) was conducted for six product families manufactured at the company's facilities. This analysis assessed various environmental impacts from crude extraction to the final product's output. Complementing the annual carbon footprint measurement, it provided detailed information on other impact categories such as acidification, eutrophication, ecotoxicity, and water use.

In order to adapt to the consequences of climate change, Dynasol conducts an annual assessment of environmental risks to which it is exposed. This assessment helps identify risks related to climate change and develop corresponding mitigation actions. All operational centers of the company have greenhouse gas inventories, which are verified according to regulatory requirements and hold ISO 14064-1 certification for centers located in Spain.

Greenhouse gas emissions at Dynasol centers come from various sources, including direct CO2 emissions from the use of fossil fuels, refrigerants, and indirect CO2 from the consumption of steam, electricity, and hydrogen.

In a significant step, in 2022, Scope 3 emissions were verified for centers located in Spain, thus expanding the comprehensive assessment of the company's operational environmental impact. This approach reaffirms Dynasol's commitment to transparency and responsible management of its environmental impact.

13

DIRECT AND INDIRECT EMISSIONS

Direct and indirect emissions		2019	2020	2021	2022
Emissions	Total GEI (ton CO2 eq)	36	31	42	47
Scope 1	America	34	29	40	43
(CO2, CH4 y N2O)	Spain	2	2	3	4
Emissions	Total GEI (ton CO2 eq)	218	171	181	179
Scope 2	America	100	77	83	73
	Spain	118	94	99	106
Emissions					
Scope3	Spain (CO2 eq)				278
(3 and 4 categories)					
	Total GEI (CO2 eq)	254	202	223	226
(Scope 1+2)	America	134	106	123	116
	Spain	120	96	102	110

In 2022, there is no significant variation in Scope 1 and 2 emissions. The reduction achieved since 2019 is 11%. The increase in Scope 1 emissions from the Spain plants is due to the release of greenhouse gases (GHGs) in anthropogenic systems (fluorinated gases and extinguishers).

GOAL 2030

50%
Reduction
in Volatile
Organic
Compounds (VOCs)

At Dynasol, suitable technologies are continuously evaluated with the aim of halving atmospheric emissions of volatile compounds in the coming years. This effort seeks to contribute to improving air quality, considering the adverse impacts of such emissions on the environment. The primary purpose of the initiative is to create a healthier and more Sustainable environment, aligning with regulations established by many countries that set limits for emission control.

GOAL 2030

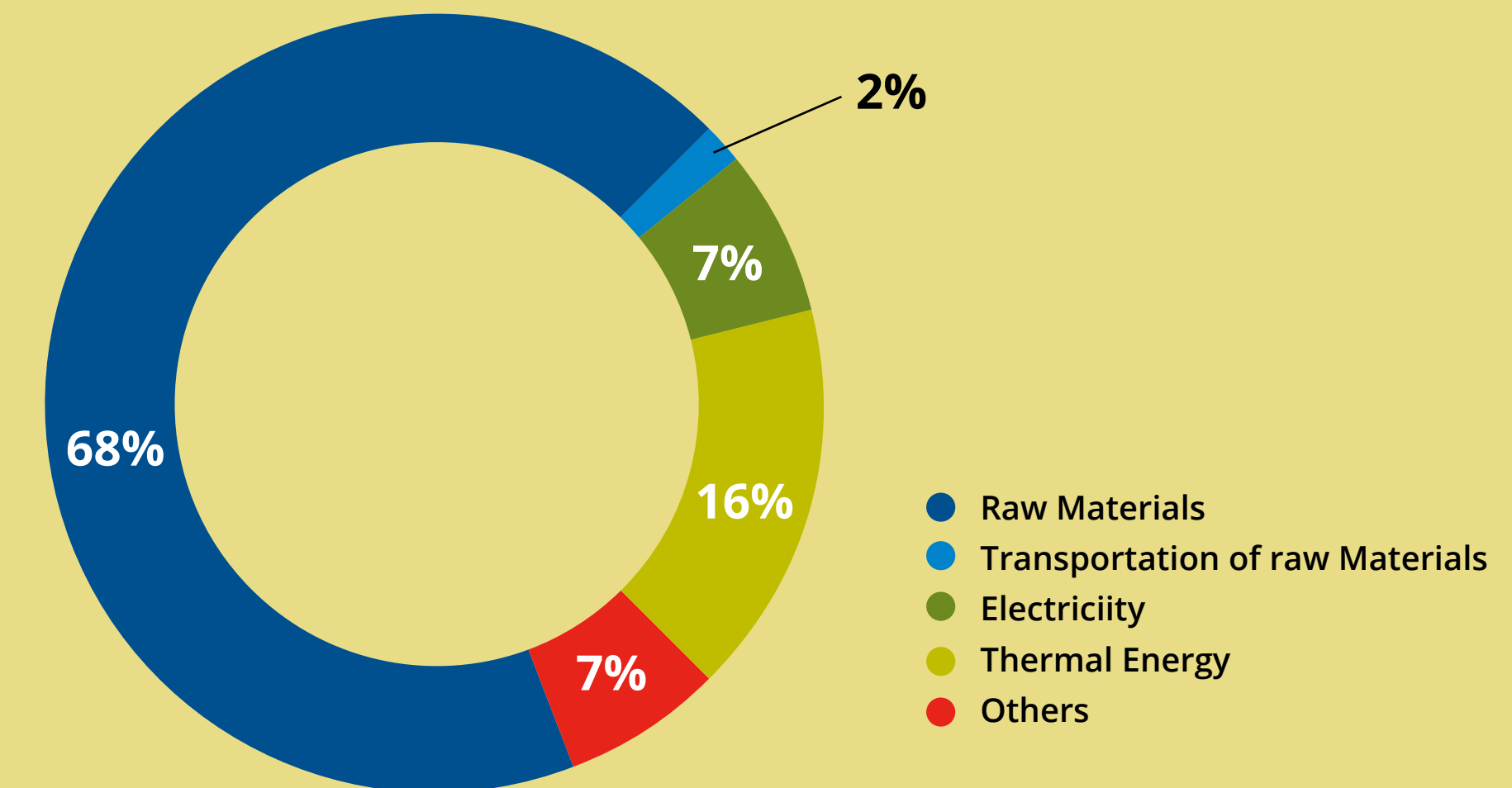
30%
Reduction in
GHG Intensity

At Dynasol, the efficient and Sustainable use of resources stands as a fundamental pillar in its safety, health, and environmental policy. This approach is reflected in various programs aimed at responsibly managing raw materials, energy, water, among others.

In 2022, a Life Cycle Assessment (LCA) was conducted for the product families SBS, SEBS, SSBR, ESBR, sulfenamides, and TMQ, with the purpose of identifying the origin of emissions and adopting measures for their reduction. The results indicated that the most significant component of emissions comes from raw materials acquired from suppliers. Consequently, it was concluded that it is vital for the Sustainability Plans of suppliers to be aligned with those of Dynasol.

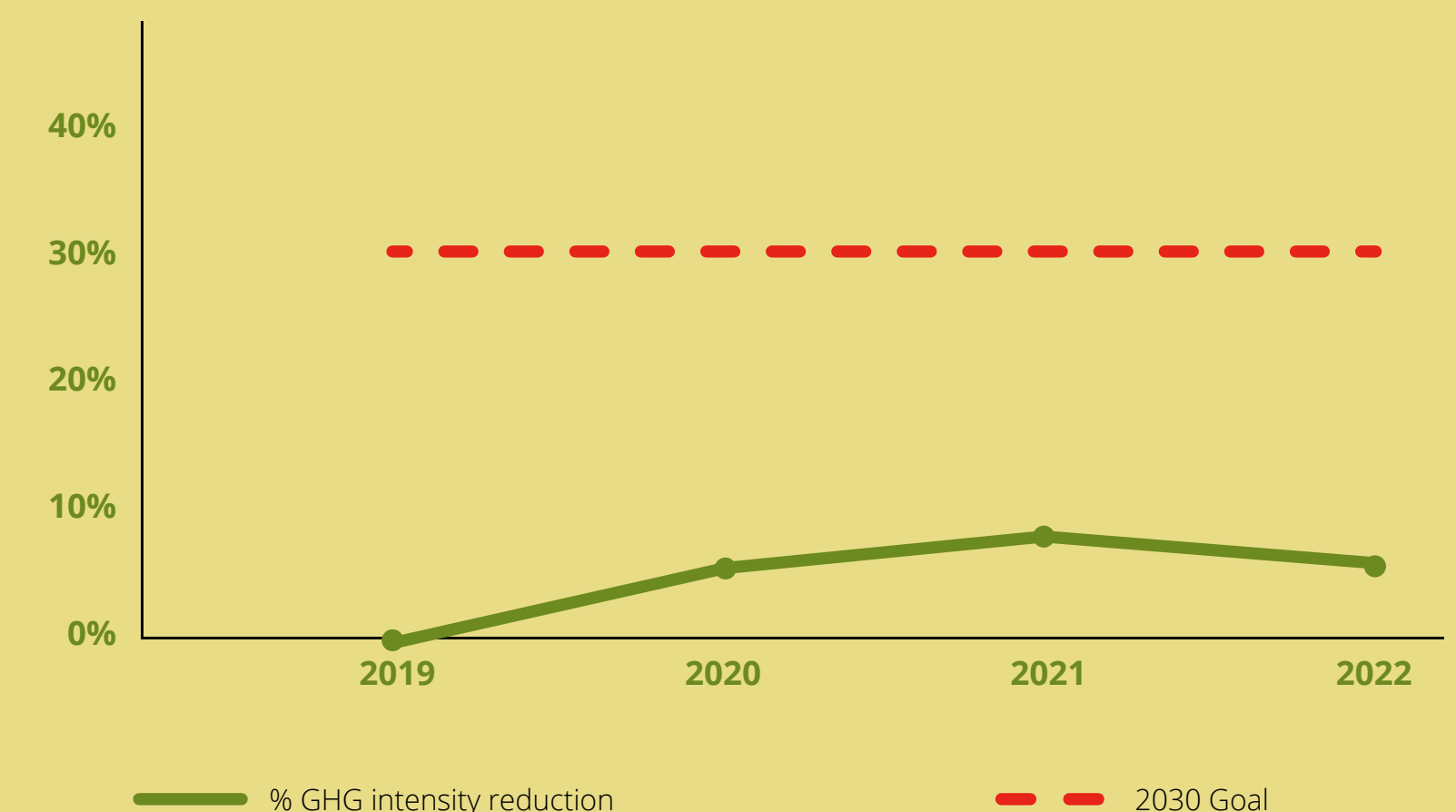
14

CO2 emissions by source, %



15

GHG Emissions reduction, % (Scopes 1, 2 and 3)



Energy Consumption

Dynasol continues to drive various initiatives aimed at reducing its energy consumption. These diverse actions share the common goal of optimizing energy efficiency in production processes, thereby minimizing the impact of the company's operations in the environments where it operates. Throughout the year 2022, 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.
- Reduction in steam consumption.
- Equipment renewal.

These measures have significantly contributed to emission reduction, achieving a decrease of 1,137 tons of CO2 equivalent.

Regarding other atmospheric emissions of non-greenhouse gases, including those related to noise, Dynasol conducts mandatory regulatory controls. In case of deviations from established limits, necessary corrective actions are implemented. During the 2022 exercise, no cases requiring such corrective actions were recorded.

Additionally, Dynasol has integrated biodiversity protection into asset management through its risk management processes. To date, no significant impacts on biodiversity resulting from the company's activities have been identified. This approach reflects Dynasol's ongoing commitment to responsible operations management and the mitigation of its environmental impact



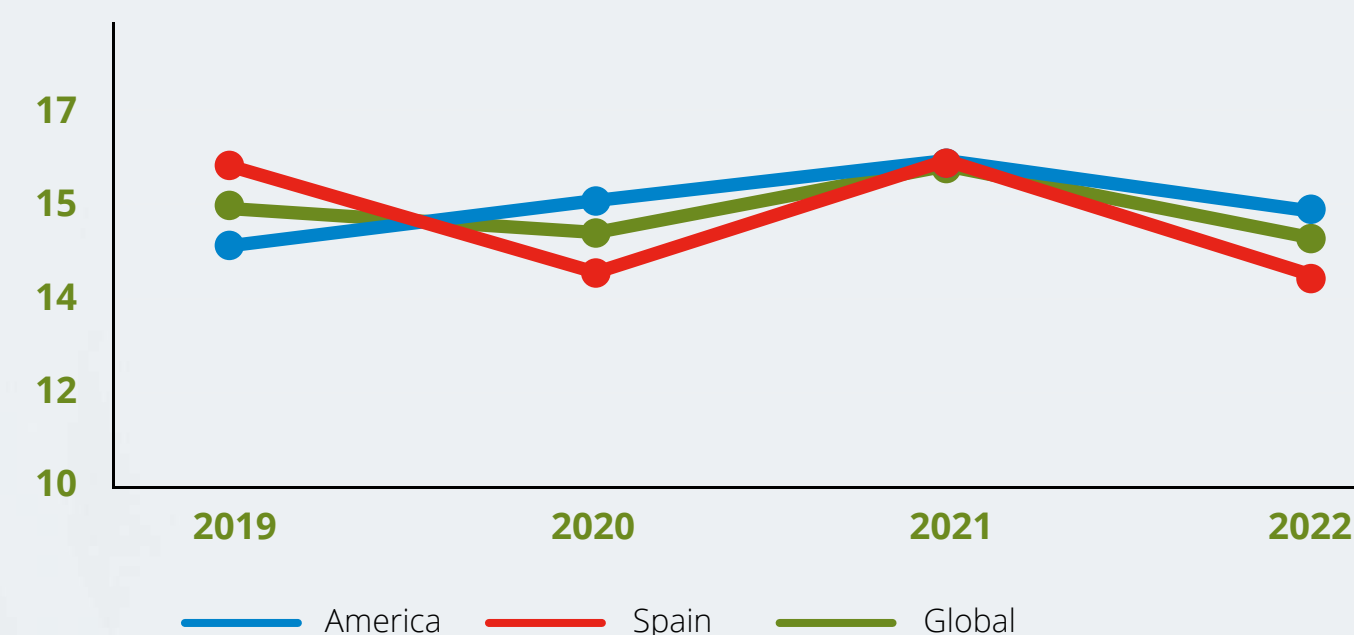
16

Energy Consumption (GJ)



17

Energy consumption per produced ton (GJ)



In 2022, a 9% reduction in the total energy consumption per ton produced (including fuels, steam, and electricity) was achieved.

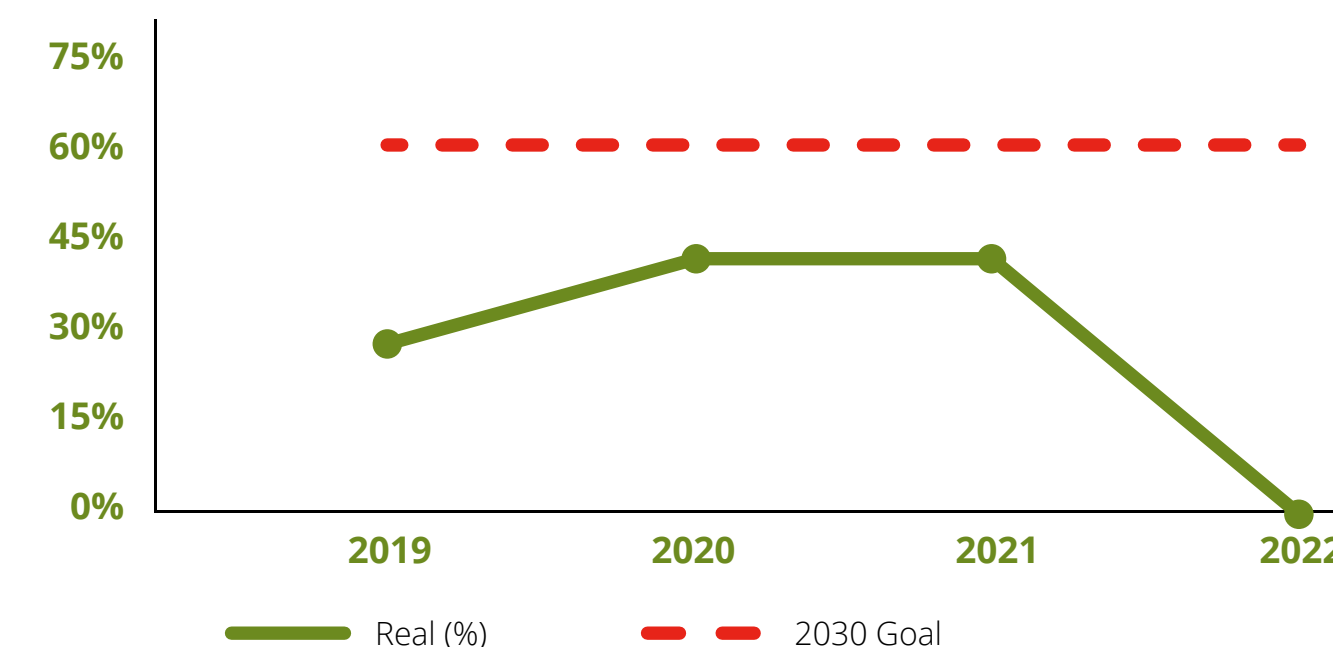
GOAL 2030

60%
of Electricity
Consumption
from Renewable
Sources

From mid-2019 until 2021, the electricity purchased at the plants in Spain was of renewable origin. However, in 2022, due to the global energy crisis that led to a surge in electricity prices, and with the goal of maintaining competitiveness, the corresponding Origin Guarantees for the electricity demand were not acquired. Various alternatives are being analyzed to ensure the use of renewable energy regardless of the global energy situation.

18

Percentage of renewable electric energy, % (Renewable MWh / Total MWh)





OPERATIONAL SAFETY

For the Dynasol Group, the priority is the safety of all individuals. Preserving Operational Safety is fundamental to ensuring the physical integrity and health of employees, thereby creating a safe and healthy work environment. In Spain and America, the company has various programs, plans, and processes focused on risk reduction and accident prevention.

In the safety domain, Dynasol conducts various activities, with a highlight on audit processes, both internal and external, certifying safety-related management systems. Regarding the environmental impact resulting from industrial incidents, no incidents with effects beyond the Group's facilities have been recorded. This outcome reflects Dynasol's ongoing commitment to the safety and well-being of personnel, as well as the preservation of the operating environment. Unfortunately, there were some safety incidents during the year, leading to the implementation of measures to reinforce prevention actions for all collaborators. This reinforcement has impacted the accident indicators for the year 2022. The company remains committed to learning from these experiences and continuously improving its safety practices.



19

Accident Rate

	IF (Frequency Index)					IFT (Total Frequency Index)					PSIR Process Safety Incident Rate (IF Tier 1+2)				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Global	1.68	2.54	1.77	0.75	0.96	3.59	3.56	2.02	1.00	2.17	1.68	0.76	0.51	0.25	0.24
America	1.82	3.79	2.13	0.73	0.34	3.99	4.17	2.13	0.73	1.01	1.82	0.38	0.71	0.36	0
Spain	1.40	0	0.87	0.80	2.56	2.81	2.31	1.74	1.61	5.12	1.40	1.54	0	0	0.85



PEOPLE AND COMMUNITY

Employees

The commitment of the Dynasol Group to value generation extends to creating an optimal work environment for all workers and promotes dignified and competitive working conditions. The company recognizes that the people are a fundamental pillar of its success and, therefore, strives to cultivate an environment that fosters the well-being, development, and satisfaction of its employees.

>>

In the pursuit of being perceived as an excellent company to work for and develop a professional career, the Dynasol Group emphasizes the importance attributed to the training and assessment of its employees' potential. Through continuous training programs and performance evaluations, the company not only aims to enhance the skills and knowledge of its staff but also to identify and develop internal talent.

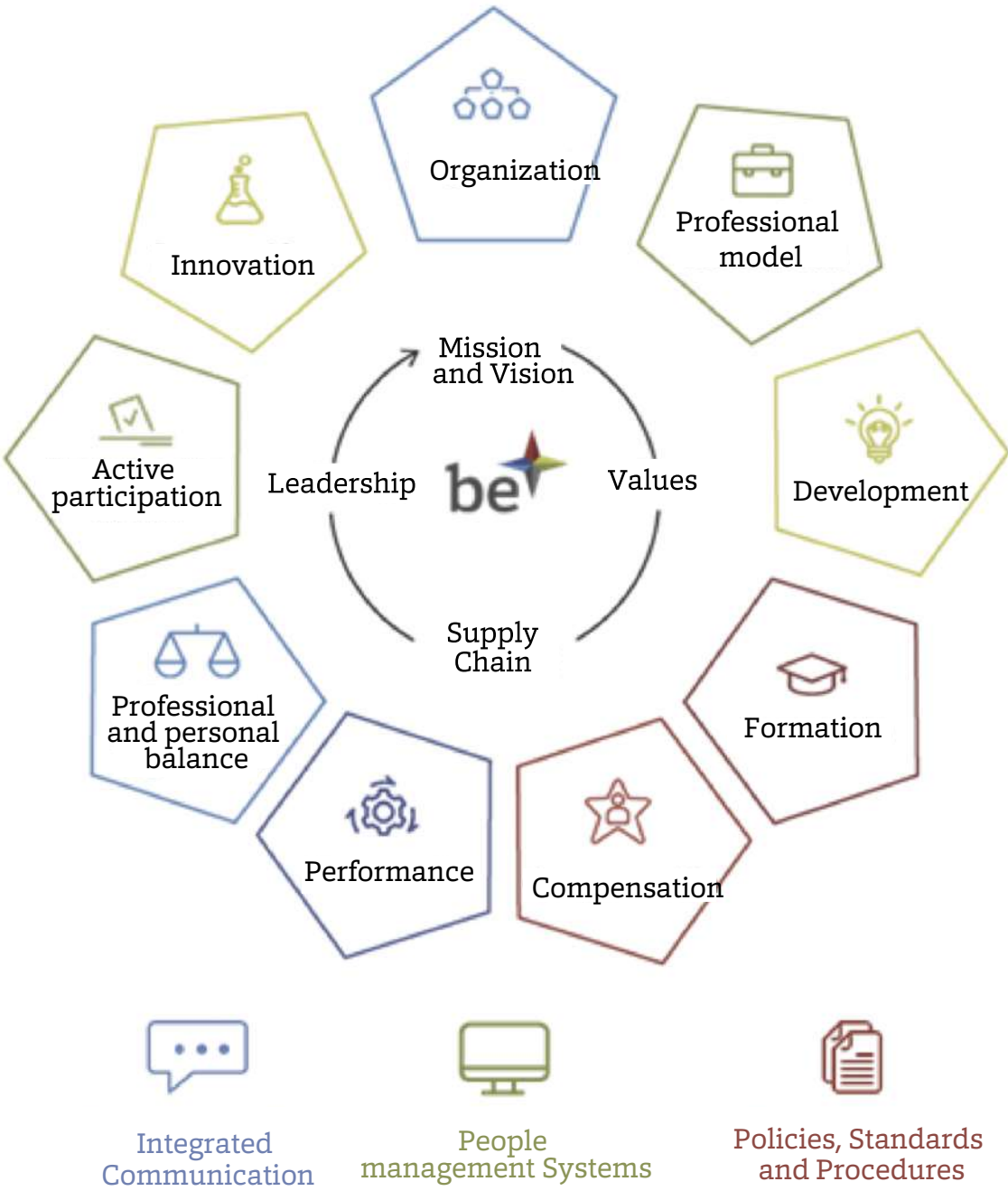
Investing in the development of human talent directly contributes to building a strong and attractive corporate culture. By valuing and supporting the progress of its employees, the Dynasol Group has a committed and highly skilled team, ready to face the challenges of the present and future.



People Management System

There is a solid commitment from Dynasol to its team. The company is concerned with providing constant professional challenges and an enriching career path, fostering both individual and collective development of its members. Dynasol has implemented a People Management System that accompanies each of its workers at various moments in their professional careers within the Group. The goal of this system is to progress, achieve goals, and reach proposed objectives. Developing a professional career within Dynasol, achieving optimal development, and reaching high-performance levels are just a few of the nine essential elements that make up this system. The company strives to provide an environment conducive to the growth and professional success of its team.

The Organizational Model that Dynasol has built is based on a global structure characterized by a transversal organizational chart. Both the Directors and a significant part of the management team perform functions at a global level. In some operational aspects, the company has regional and local managers who are responsible for applying a closer-to-reality vision in which we operate. This combination of approaches seeks to integrate a global perspective with a detailed understanding of the regional and local dynamics in the operation of Dynasol Group.



The evolution of the market in the last two years, logistical challenges, and the impact of the global pandemic have motivated Dynasol to reassess its current business model. As a result of this review, a new organizational structure emphasizing organizational and talent development linked to these changes was implemented on January 1, 2022.

Additionally, capacity expansion projects in some plants have generated new vacant positions, leading to the hiring of new members for the Dynasol Team. In the course of 2022, 88 people joined the workforce. The teams are composed of individuals from different generations who exchange knowledge and add value to the company.

Regarding gender distribution, the number of men predominates within the Group, representing 79% of the workforce compared to 21% of women. However, despite being an industrial company, the inclusion of women in operational positions has steadily increased in recent years.

20 Employees per gender, 2022	
Total employees	1,101
Women Mexico	73
Men Mexico	564
Women Spain	152
Men Spain	294
Women USA	8
Men USA	10



Dynasol Group is committed to quality employment and values long-term labor relations. Therefore, the vast majority of our employees have indefinite employment contracts, with temporary contracts being linked to the different contracting modalities established in the legislation applicable in each case.

Similarly, the epidemiological situation derived from Covid-19 has left us a legacy of good practices related to telecommuting and spatial flexibility. The remote work has been regulated and extended to all locations within the group, with various internal regulations being developed to provide this benefit to employees. It is also worth noting that the return to normality in different workplaces has been gradual and differentiated according to different local scenarios.

The labor world is changing. While Dynasol Group does not have a specific policy on labor disconnection, it is worth noting the implementation in October 2022 of a continuous workday model with a time bank for the ordinary working day collective at one of Dynasol Group's societies, achieving a balance between personal and professional life.

We have various paid and unpaid leaves and permits that allow our workers to have a better and greater personal and professional balance. Additionally, we have the concept of Spatial Flexibility, a new concept that allows our employees to perform their duties in a different location than the usual physical workplace, achieving their goals.

Participation in Job Fairs:



- **Empleo Gune in Vitoria:** GQ actively participated in Empleo Gune, a job fair organized by the City Council of Vitoria, the University of the Basque Country, and the Provincial Council of Álava. This event serves as a meeting point between human resources managers, individuals actively seeking employment, students, and professionals involved in socio-labor insertion, as well as public entities generating employment in the territory.



- **Job Fair in Miranda:** Dynasol has been present at the Job Fair in Miranda, whose objective is to provide attendees the opportunity to find employment in an environment that highlights the companies in the influence area of Miranda de Ebro. This participation demonstrates the company's ongoing commitment to creating job opportunities in the communities where it operates..

Training and Development

In the Dynasol Group, identifying and supporting internal talent to address business challenges in a highly dynamic environment is considered fundamental. Continuous improvement in human capital management tools has been constant, and in this regard, the Talent Map has evolved.

During the 2022 fiscal year, it was enriched with more information to facilitate decision-making. There was also progress in the digitization and analysis of talent-related information through Business Intelligence tools, streamlining the decision-making process.

The Dynasol Group understands training as an essential element in its People Management System, aiming to accompany professional development to improve and enrich the knowledge and experience of the team. Annual training plans are drawn up, outlining the route for the year in this regard, focusing on acquiring technical knowledge, business skills, and other aspects. These training sessions, designed for individuals or groups, involve the team leader and the collaborator in identifying needs and conducting approved training sessions in the Plan.

During 2022 a global training program was designed to provide and update the identified group with management tools that needed improvement. This program includes modules with content tailored to the market, thanks to a renowned business school, contributing to the appropriate development of participants' professional careers, and will be carried out in 2023.

Training needs are identified at the beginning of the year, and once clarified, priorities



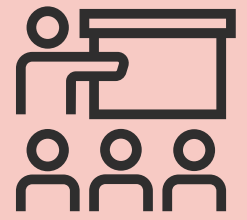
are agreed upon with local human resources for each of the group's companies. All this information is consolidated to form the Dynasol Group's Annual Training Plan. In 2022, a total of 40,543 training hours were reached.

It is worth noting the considerable effort made to digitize some training courses in

the safety area. Also noteworthy is the development and implementation of the update of the Ethics and Conduct Course for all employees of the Group.

In addition to continuous training, work was done on the "DNA of our leadership" program, training developed for the global team leader group. Initiated in September 2022, it

is expected to conclude in March 2023. The overall goal of the program is to maintain the innovation and cutting-edge process of the Dynasol Group through team leaders.



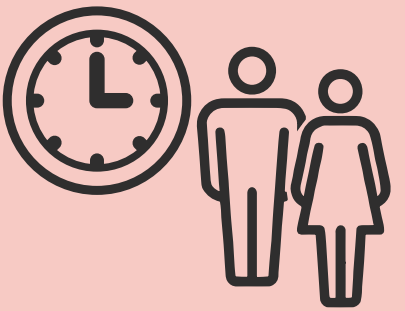
99%

employees
underwent training



40,543

training hours



36

training hours
per employee



Diversity and Equality

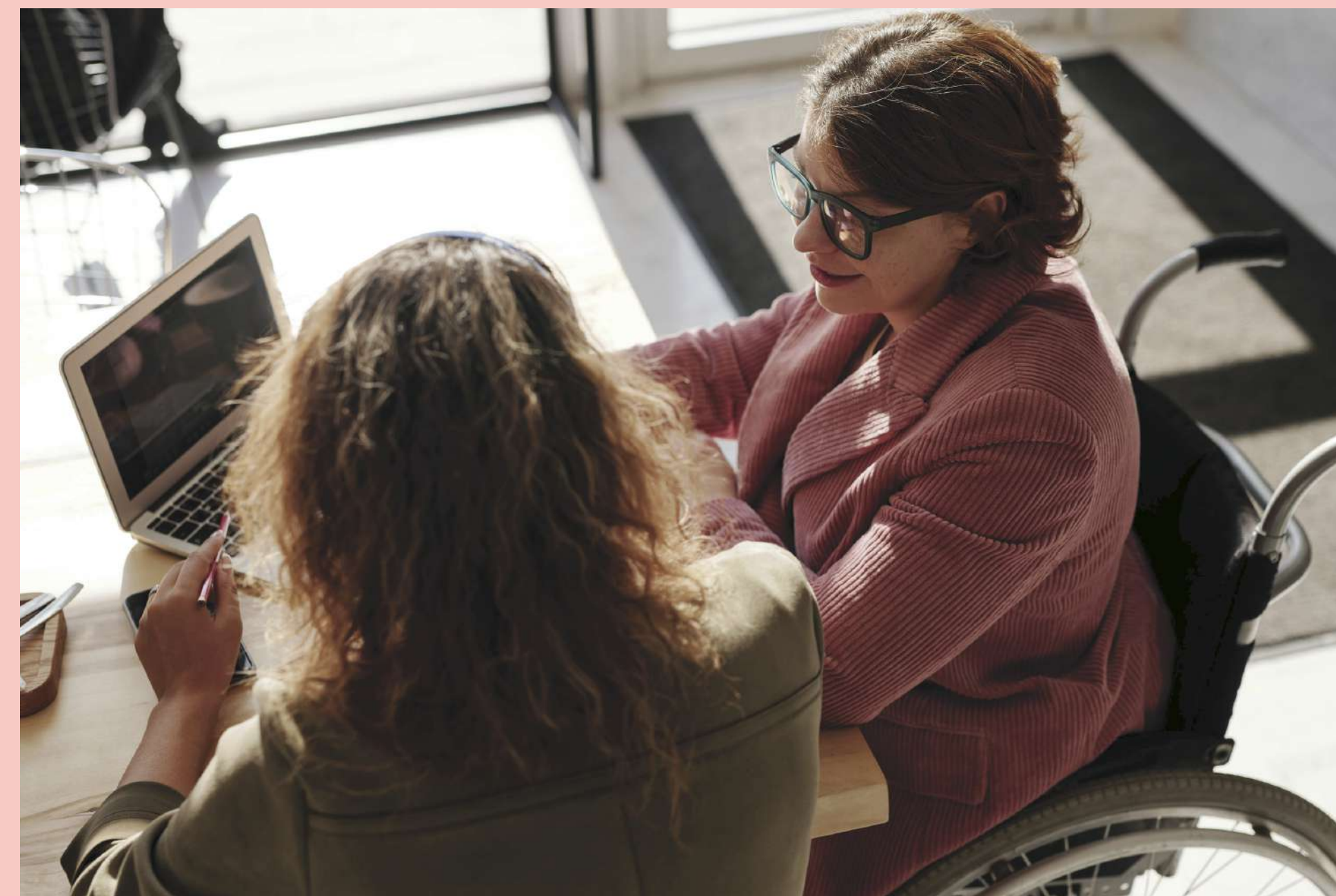
In the framework of the "People and Community" axis of the Sustainability Plan, Dynasol Group is dedicated to ensuring equal opportunities under the best possible working conditions. The Group's Global Equality Policy focuses on ensuring full equal opportunities and preventing discrimination based on gender, age, race, or social status. Additionally, it aims to create a productive, motivating, and diverse work environment, with a particular emphasis on work-life balance as one of its fundamental pillars.

Consistent with this corporate policy, the Group has had a Code of Ethics and Conduct since its inception, which outlines general guidelines for the conduct of Dynasol and its employees. This code governs performance in job functions and business and professional relationships, with a commitment to act in accordance with local laws and respect the ethical principles of the respective cultures in which it operates. However, to adapt to the ongoing changes in this area, specifically the legislation of the locations where we operate, the Code of Ethics and Conduct has been updated, notably including a procedure to address harassment.

Additionally, the application of policies within the People Management System, subject to annual audits, and adherence to the collective agreements in force in the various societies of the Group ensure rigor in the management of these issues.

At Dynasol Group, inclusive diversity is considered a key element to improve competitiveness by integrating people of different backgrounds, ages, genders, or abilities. This perspective is incorporated into our Equality and Diversity policy, in compliance with the legal requirements established in the Consolidated Text of the General Law on the Rights of Persons with Disabilities and their Social Inclusion, approved by Royal Legislative Decree 1/2013, of November 29. Furthermore, as part of our local Corporate Social Responsibility plans, we carry out specific actions in this regard.

Also, in compliance with applicable legislation in all regions where it operates, Dynasol Group undertakes the additional commitment to respect internationally recognized human rights. These rights



encompass the principles enshrined in the International Bill of Human Rights, as well as the foundations related to rights established in the International Labour Organization Declaration on Fundamental Principles and Rights at Work, which includes the 8 Fundamental Conventions detailing these principles.

This commitment reflects Dynasol's dedication to ethical and socially responsible business practices, aiming not only to comply with legal requirements but also to go beyond in safeguarding and promoting the fundamental rights of all individuals affected by its operations.



Communities

Dynasol Group seeks to be perceived as a catalyst for the development of the communities in which it is present, contributing to the generation of value and employment. The company recognizes the importance of having communication channels with the communities in which it operates. Dynasol Group actively and intensively contributes to the education of local youth by complementing their academic training with business experience.

In this environment, young individuals can apply their knowledge, learn from others, and enhance their skills, thus better preparing themselves for their professional future. Noteworthy is the development of the company's internship program in various locations within the Group, as well as the continuation of the Young Talent program, where recent graduates undergo a comprehensive and cross-functional training program, gaining knowledge of all company processes.

Furthermore, Dynasol Group maintains collaboration agreements with high schools for the implementation of Work Placement Training (FCT) and has partnerships with some universities. In the same vein, the company has made charitable food donations and participated in events focused on raising awareness about individuals with different abilities. A notable example is Dynasol's involvement with the

Marina de Cudeyo town council in the 'Pequeños invulnerables' initiative, focused on UN Sustainable Development Goal number 10, promoting the reduction of inequalities worldwide related to factors such as gender, age, disability, race, ethnicity, and religion.

In Dynasol's corporate philosophy, continuous efforts are made to ensure controlled use of available resources, minimizing negative impacts of activities, and maximizing positive aspects. Job creation and value generation in local communities are considered priorities.

Collaboration with educational institutions is promoted through agreements that encourage internships at the company's facilities. Local Corporate Social Responsibility action plans have been established, and ongoing communication with educational communities, both in higher education institutions and universities, is a common practice. Dynasol actively participates in job fairs to introduce the company to various stakeholders and provides talks to support students in their transition to the job market.

Support for charitable projects is carried out from various locations, such as the "solidarity caps" initiative, and the company sponsors mass participation sports activities in the community. In 2022, a Sustainability survey was conducted in

collaboration with universities and research centers to understand their interests and explore new collaboration opportunities. This initiative reflects Dynasol's ongoing commitment to continuous improvement and building strong relationships with surrounding communities.

Throughout the year 2022, various actions were implemented as part of Dynasol's commitment to the communities in which it operates, providing support within the local Corporate Social Responsibility action plans.



48

hours of
volunteering

60

volunteers





México

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

- Donation of chairs and desks to the "Benito Juárez" Telesecondary School in Altamira
- Donation of 23 wheelchairs, directed to the Altamira DIF System and the Directorate of Social Welfare of the municipality, with the aim of improving the mobility and quality of life of people with disabilities
- Donation of items used in Civil Protection activities, thereby strengthening the response capacity to emergency situations.



- Donation of infrastructure for the lighting of Campo Chairel Tancol 33 in the community of Tampico
- Donation of provisions to the Telethon Children's Rehabilitation Center (CRIT) Tamaulipas, contributing to the nutritional well-being of the population served by this institution.
- Donation of computers to the Technical Secondary School No. 55 in Altamira, Tamaulipas, thus enhancing access to technological resources in the educational field.
- Support with piñatas and sweets for the surrounding communities, promoting community spirit and enjoyment on special occasions.

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

Spain

In 2022, in the operations in Spain, 21 actions related to the local environment where the company's facilities are located were carried out. Some examples of these initiatives are as follows:

- Seur Foundation: Collaboration with the "Tapones para una nueva vida" (Caps for a new life) project, where bottle caps are collected at the workplace to support children in need.
- Local Festivities in Otero: A collaboration agreement has been formalized with the neighborhood association "El Otero" to coordinate and support the organization of festivities in the Otero neighborhood. This commitment reflects Dynasol's interest in strengthening ties with local communities and contributing to the development of events that promote well-being and social integration.
- Donation of Printers to IES Manuel Gutiérrez Aragón (Secondary Education Institute): As part of the Group's commitment to education and academic development, this contribution aims to support activities that benefit the general interest by providing educational, scientific, and technical support to the institute.

- Marina Solidarity Axis: Dynasol actively collaborates with the local association "Marina Solidaria." With a donation of €2,600, this association, in coordination with the Social Services of the Marina de Cudeyo City Council, seeks to ensure access to basic food and hygiene products for 34 families in the municipality, benefiting a total of 85 people,

including 17 minors.

- Football School: Dynasol supports grassroots sports in the municipality of Marina de Cudeyo through a collaboration agreement with the local football school. The annual contribution of €1,200 aims to promote sports activities among 140 children.

- "Pequeños Invulnerables" (Vulnerable Children): Dynasol's Human Capital staff participated as speakers in the 2022 edition of "Pequeños Invulnerables," an initiative that addresses the topic of inclusion from the perspective of adapted and inclusive sports.

- Collaboration with Universities

IES Manuel Gutiérrez Aragón: Promotion of the integration of local students into the workforce through organized visits to the company's plant by IES MGA students, aiming to facilitate their transition to the work environment, with the hope that some of them may join the company after completing their education.

Instituto Tecnológico de Miranda (ITM) and the Faculty of Chemistry of Burgos: Talks aimed at showcasing Dynasol's innovative capacity and fostering interest in the chemical industry among the new generations.

- Donation of Christmas Baskets to the Food Bank of Álava: Baskets with a value of €665 are distributed free of charge to care centers that require them, used to feed disadvantaged individuals. This action demonstrates GQ's commitment to solidarity and support for local communities, especially during festive seasons.



- Sponsorship of the mountain race in Miranda: This reaffirms our commitment to local sports events.

INNOVATION

Dynasol Group seeks constant innovation to provide differentiated solutions and contribute to the development of a more sustainable planet.



The organization has integrated sustainability as one of the fundamental pillars in innovative product and application development. Multidisciplinary teams collaborate closely to develop solutions that not only meet market needs but also consider their environmental and social impact, as well as their contribution to a more circular economy. This commitment is carried out in direct collaboration with customers, providing support for their businesses to adopt more sustainable practices.

In 2022, all new innovation projects were initiated through the new eco-design procedure, aiming to develop solutions with positive environmental, social, and economic impact. This approach includes environmental and safety considerations from the product's conception, ensuring that each new development is more sustainable than its predecessor. With eco-design, they aspire to contribute to the reduction of resource consumption (raw materials, energy, and water), waste and emissions reduction, longer product lifespan, the use of bio or recycled materials, and the implementation of safer and more sustainable chemicals, among other aspects.

Additionally, in 2022, Dynasol Tecnología conducted a survey among key innovation stakeholders, such as universities and research centers, to prioritize sustainability-related topics and encourage collaborative innovation. At Dynasol, they recognize the importance of aligning innovation, sustainability, and collaboration to address the new challenges of industry decarbonization and achieve a circular economy and the use of safer and more sustainable

chemicals.

In line with their commitment to collaborative work, Dynasol has maintained collaborations with prominent research centers and universities worldwide, such as the Centro de Investigación en Química Aplicada CIQA (Mexico), the Centre Européen des Textiles Innovants CETI (France), CellMat Technologies (Spain), Centro Tecnológico de Componentes CTC (Spain), the University of Cantabria (Spain), and the University of Granada (Spain).

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

During the year 2022, the Technological Center of Dynasol Santander implemented a plan of actions that allowed for the reduction of the use of hazardous organic solvents, waste generation, and water and electricity consumption. These improvements were carried out through the optimization of existing processes and methodologies to minimize their impact on the environment, as well as through the acquisition of more sustainable laboratory technologies.

As of December 31, 2022, Dynasol had 205 granted patents and had 54 new patents pending approval.



259

patents
(205 granted
y 54 pending)





Calprene H6110 for ABS "upcycling"

Acrylonitrile-butadiene-styrene (ABS) stands out as one of the most widely used engineering plastics globally, especially in high-value sectors such as the automotive and electronics industries, thanks to its outstanding mechanical properties. Both sectors generate considerable amounts of waste, either due to defective parts during production or reaching the end of the product life cycle. Once selected, washed, shredded and reprocessed, the resultant ABS suffers a significant loss of properties, making its reuse in these demanding sectors challenging. Particularly affected are its mechanical properties, with a decrease in impact resistance, and its processability, with a reduction in flowability.

Throughout 2022, Dynasol's Group Technology department conducted a study to assess how incorporating small amounts of SEBS Calprene H6110 during mechanical recycling of ABS can substantially improve its properties. The addition of just 5% of Calprene H6110 has shown to achieve improvements of over 50% in impact resistance, both at room temperature and low temperature. Furthermore, a 40% improvement in product flowability has been observed, facilitating its reintegration into injection processes, which are crucial in its main applications. The Calprene H6110 product plays a crucial role in giving a second life to the considerable amount of ABS waste generated worldwide. This approach not only contributes to promoting the circular economy but also encourages resource savings and material reuse, thus strengthening Dynasol's commitment to sustainability.

Technical Compounds with Silica from Rice Husk - BIOTPE

Technical compounds are high-value materials highly valued for their special characteristics, such as environmental resistance, recyclability, and a soft touch. In line with sustainability trends, there is a push towards replacing some components of these materials with more sustainable alternatives.

Aligned with Sustainability trends, there is a drive towards substituting some components of these materials with more sustainable alternatives. For this reason, in recent years, Dynasol Tecnología has developed the BIOTPE project, focused on studying the compatibility of Dynasol products with renewable materials that can be used as plasticizers or base polymers for the compound.

In the course of 2022, the study of using renewable fillers in TPE compounds was initiated. In this context, it has been demonstrated that silica obtained from rice husk can be a sustainable alternative to conventional silica.

The performance of this material in colored compounds has been excellent, providing Dynasol's customers with the ability to increase the percentage of bio-based material in their formulations.

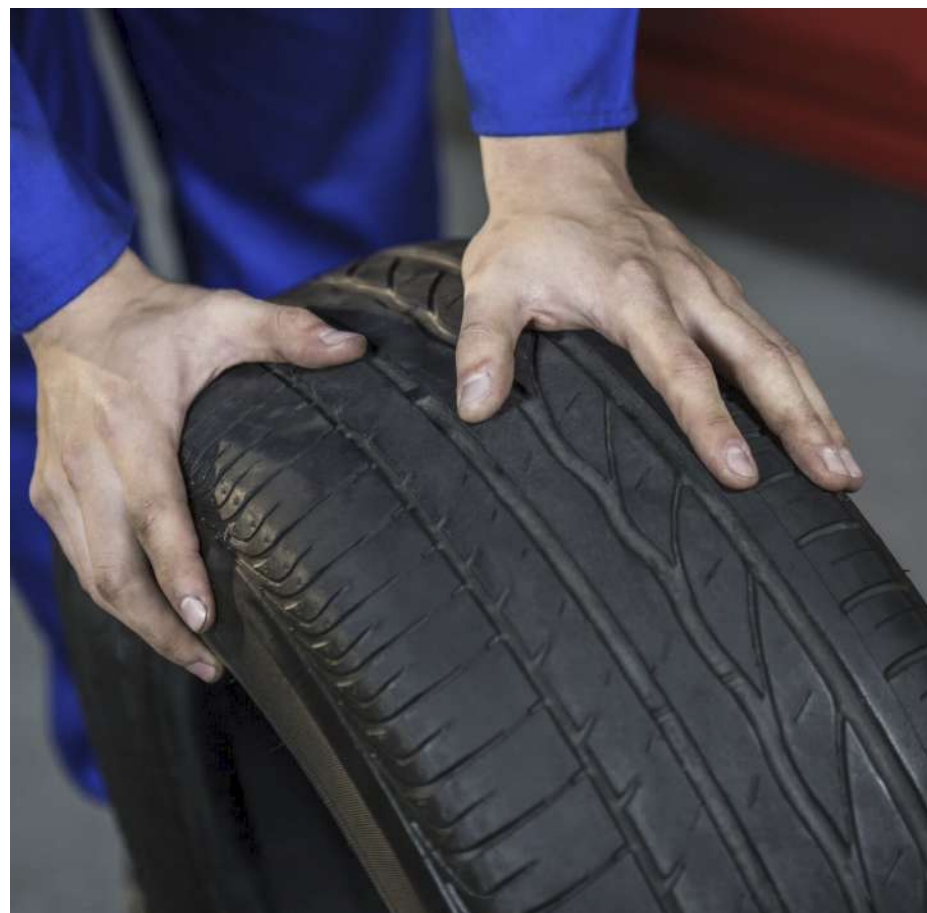
In the coming years, the BIOTPE project will continue its development, exploring new sustainable alternatives for fillers, plasticizers, or base polymers. This approach reflects Dynasol Tecnología's ongoing commitment to sustainable innovation and the drive towards environmentally-friendly solutions.



Carbon Black Masterbatch Compounds with Recovered Carbon Black

In recent years, alternative processes have been developed for producing carbon black (CB) from end-of-life tires as raw material. This has led to the obtaining of consistently high-quality circular carbonaceous materials, called recovered carbon black (r-CB), which have a significantly lower carbon footprint than conventional materials. Additionally, the r-CB manufacturing process eliminates the formation of polycyclic aromatic hydrocarbons (PAH), which are present in conventional carbon blacks.

In 2022, Dynasol Tecnología conducted an evaluation of the partial substitution of conventional CB with r-CB in compounds. The results revealed that with a substitution of up to 8%, the compound showed reinforcement similar to that obtained with 100% fossil-origin carbon black. A balance was achieved between physical properties, abrasion resistance, and rolling resistance. This advancement opens the possibility of developing new carbon black masterbatch grades with a percentage of circular material, contributing to a lower carbon footprint in the industry.



Tire Retreading

Tires are composed of a variety of materials, including various types of elastomers, each serving a specific and unique function.

Synthetic rubbers produced by Dynasol are used in the tread to provide grip to the road, a critical component that determines the tire's final performance. However, due to pavement abrasion during continuous use, the tire experiences material loss, decreasing its grip and requiring replacement with a new one or undergoing retreading.

The retreading process, involving the replacement of the worn tire tread, allows for its reuse, saving natural resources, energy, and materials. Additionally, it contributes to reducing waste generation, presenting a less costly and more sustainable alternative to the complete renewal of the tire. Thus, by retreading a tire, CO2 emissions can be reduced by up to 24%.

Dynasol has introduced the new grades CBMB Emulprene 848 and Emulprene 849 to the market, specifically designed for tire retreading. This initiative significantly contributes to reuse, a key strategy in the circular economy model for tires, extending their lifespan and promoting more sustainable practices throughout their lifecycle.





ETHICS AND TRANSPARENCY

Code of Ethics and Conduct

In Dynasol Group, there is a strong commitment to conducting activities in an ethical and transparent manner. This commitment is based on the fundamental values of the organization and the Code of Ethics and Conduct, approved in 2016 and updated in 2022 with the approval of the Board of Directors.

The primary purpose of this Code of Ethics and Conduct is to establish general guidelines that guide the conduct of both Grupo Dynasol and all its employees in the performance of their duties and in their commercial and professional relationships. These guidelines are developed in accordance with the laws of each country in which the organization operates and in full respect of the ethical principles rooted in different cultures.



The values and ethical principles that serve as a guide for employees' conduct are mentioned in the section on Objectives and Strategies of the Organization. The strict observance of these values and principles translates into the following guidelines and rules 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 potential conflicts of interest

The Code of Ethics and Conduct applies to all employees of Dynasol Group, as well as to contractors and their personnel, external consultants, honorary personnel, temporary personnel, interns, and other suppliers, whether they provide services within the Group or in other capacities 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 surveillance system of the Code of Ethics and Conduct.



During the year 2022, the main compliance training actions carried out included:

- Training on the management tool of the Dynasol Compliance Model.
- Global launch of a training initiative on the Code of Ethics and Conduct..
- Communication campaign on the update of the Code of Ethics and Conduct of Dynasol Group.
- Communication and awareness campaign of the Compliance Model
- Communication campaign for the launch of the new platform for the registration of attentions and gifts

In addition, Dynasol Group has a procedure for Internal Investigations when there is knowledge of facts that could constitute risks or suspicions of possible offenses attributable to the legal entity or possible non-compliance with the MPD of the Group and/or the materialization of risks identified in the Regulatory Compliance Model that may constitute a legal non-compliance and, therefore, may result in responsibilities for the offender and/or for any company of the Dynasol Group, even if these responsibilities are not of a penal nature, but may be of a civil or administrative nature.

For this purpose, Dynasol Group provides employees with an inbox buzon.transparencia@dynasol.com which is guaranteed by the following principles:



Confidentiality:

All information regarding the report will be properly safeguarded by all individuals involved in the communication, investigation, and resolution process in a confidential manner.



Security:

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



Respect:

Those involved in the report will never be confronted. All reports are important and are analyzed and investigated to their last consequences.



Fight Against Corruption, Bribery, and Money Laundering

In Dynasol Group responsibility towards employees, shareholders, and the communities in which it operates is recognized, maintaining a firm commitment to ethical and legal conduct in all work activities. The Code of Ethics and Conduct of the Group explicitly prohibits participation in activities involving bribery or corruption in any of its manifestations.

The Anti-Corruption Policy, approved by the Board of Directors and proposed by the Compliance Committee, aims to reiterate Dynasol Group's commitment to strict compliance with regulations for the prevention and fight against corruption. This policy is based on the principles established in the Code of Ethics and Conduct of Dynasol

Group's employees, categorically rejecting any form of corruption and applying a zero-tolerance approach to any infringement of this policy.

Additionally, a Gift and Hospitality Management Standard was implemented in 2022, approved by the Management Committee. This standard establishes general principles and criteria for conduct in Dynasol Group regarding gifts and social attentions. During the same period, the gift and attention registration platform was put into operation, an online tool that facilitates compliance with this standard and streamlines the management of these situations in the Group

To prevent corruption, Dynasol Group carries out all its activities in accordance with the legislation in force in all areas of operation and in all countries where it operates and undertakes to:

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

Responsible Fiscal Policy

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

In 2022, Dynasol's fiscal contribution reached the figure of 63 million dollars, encompassing taxes and similar public charges. The relevance of the fiscal contribution made in Spain and Mexico, countries that host the company's production centers and receive 94% of the Grupo's fiscal payments, is noteworthy. This contribution represents an essential component of Dynasol's strategy to promote sustainable development and strengthen its commitment to the communities in which it operates.

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Dynasol Group - Payments to Governments 2022 - Thousand USD

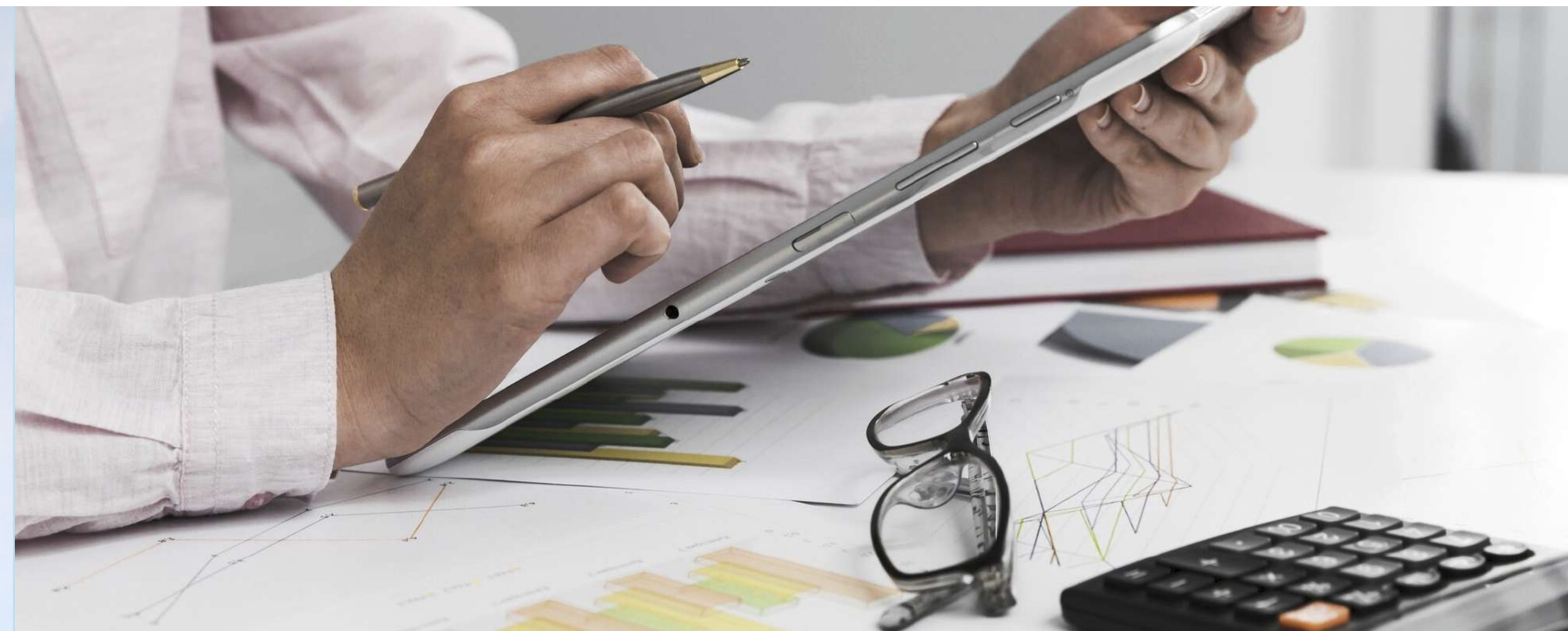
Country	Fiscal burden ⁽¹⁾			Tax raised ⁽²⁾			TOTAL 2022	TOTAL 2021
	IS	Others	TOTAL	IVA ⁽³⁾	Others	TOTAL		
Spain	7,829	6,300	14,129	49	8,083	8,132	22,261	24,706
France	177	74	251	0	15	15	266	243
Italy	97	43	140	0	44	44	184	102
USA	812	2,133	2,945	0	280	280	3,225	2,719
Mexico	28,567	4,116	32,683	342	4,455	4,797	37,480	27,222
TOTAL	37,482	12,666	50,148	391	12,877	13,268	63,416	54,992

NOTE: This report reflects the taxes actually paid during the fiscal year, and returns are not included.

(1) Fiscal burden: These taxes represent an expense for the group, decreasing its financial results. Income Tax (IS): Encompasses payments for income taxes. Others: Includes payments that represent a cost for the group, such as tariffs, royalties, company-paid social security, Property Tax, etc.

(2) Tax raised: These taxes do not directly impact the group's financial results as they are retained or passed on. Value Added Tax (IVA): Covers all payments related to the Value Added Tax. Others: Encompasses payments that are withheld or passed on to the final taxpayer, such as withholding taxes on labor income, employee-paid social security, etc.

(3) Value Added Tax (IVA) in Spain and Mexico: In Spain there are only VAT returns. This is because General Química S.A.U. and Dynasol Elastómeros S.A.U. are purely export-oriented companies (more than 90% of their sales are outside Spain). This results in the VAT borne in their operations always being higher than that passed on to their customers (exports are exempt from VAT). The situation is analogous in Mexico



Good Fiscal Practices

Dynasol Group undertakes the commitment to adhere to the best practices of responsible taxation. Its fiscal policy, approved by top management, is outlined in the following commitments:

- Responsible Legal Compliance
- Efficient Fiscal Management
- Relationship with Tax Authorities
- Prevention of Fiscal Risks
- Transparency

Presence in Non-Cooperative Jurisdictions

The Group commits not to have a presence in tax havens, non-cooperative jurisdictions, territories with no taxation, or other countries or territories that receive similar qualifications under European Union regulations or the internal legislation of the various countries in which it operates, unless such presence is necessary and justified for business reasons. Currently, Dynasol Group does not have a presence in the mentioned countries or territories.



GRI Content Index

Statement of use

Dynasol Group has reported the information cited in this GRI content index for the period January 1st, 2022 to December 31st, 2022 with reference to the GRI Standards.

GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
General Discrosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Pág. 3, 5, 6
	2-2 Entities included in the Organization’s sustainability reporting	Pág. 1 y 5
	2-3 Reporting period, frequency and contact point	Pág. 1
	2-4 Restatements of information	Pág. 1
	2-5 External assurance	El presente informe no ha sido sujeto a verificación externa.
	22-6 Activities, value chain and other business relationships	Pág. 4, 6
	2-7 Employees	Pág. 27
	2-8 Workers who are not employees	Pág. 27
	2-9 Governance structure and composition	Pág. 5
	2-22 Statement on sustainable development strategy	Pág. 13
	2-23 Policy commitments	Pág. 15
	2-24 Embedding policy commitments	Pág. 15
	2-25 Processes to remediate negative impacts	Pág. 15
	2-26 Mechanisms for seeking advice and raising concerns	Pág. 37
	2-27 Compliance with laws and regulations	Pág. 38
	2-28 Membership associations	Pág. 2 y 3
	2-29 Approach to stakeholder engagement	Pág. 14

GRI Standard	Disclosure	Location
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pág. 14
	3-2 List of material topics	Pág. 13 y 14
11. 1 GHG Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 21-23
GRI 302: Energy 2016	302-2 Energy consumption inside the organization	Pág. 23
	302-3 Energy consumption inside the organization	Pág. 23
	302-3 Energy intensity	Pág. 23
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Pág. 21 y 22
	305-2 Energy indirect (Scope 2) GHG Emissions	Pág. 21 y 22
11.5 Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 18
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Pág. 18
	306-4 Waste diverted from disposal	Pág. 18
11.6 Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 19 y 20
GRI 303: Water and effluents 2018	303-2 Management of water discharge-related impacts	Pág. 19 y 20
	303-3 Water withdrawal	Pág. 19
	303-4 Water discharge	Pág. 20
	303-5 Water consumption	Pág. 19

GRI Standard	Disclosure	Location
11.9 Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 24 y 25
GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and safety management system	Pág. 25
	403-2 Hazard identification, risk assessment, and incident investigation	Pág. 25
	403-9 Work-related injuries	Pág. 25
11.10 Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 26-30
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pág. 29
	401-3 Parental leave	Pág. 30
GRI 404: Training and education 2016	404-1 Average hours per year per employee	Pág. 29
11.11 Non-discrimination and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 30
GRI 401: Employment 2016	401-3 Parental leave	Pág. 30
GRI 404: Training and education 2016	404-1 Average hours per year per employee	Pág. 29

GRI Standar	Disclosure	Location
11.14 Economic impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 11
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pág. 7
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Pág. 12
11.15 Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pág. 31 y 32
GRI 413: Local communities 2016	413-1 Operations with local Community engagement, Impact assessments, and development programs	Pág. 31 y 32
11.20 Anti-corruption		
GRI 3: Temas Materiales 2021	3-3 Management of material topics	Pág. 36-39
GRI 205: Anticorrupción 2016	205-2 Communication and training about anti-corruption policies and procedures	Pág. 36-39
11.21 Payments to governments		
GRI 3: Material Topics 2021	201-1 Direct economic value generated and distributed	Pág. 7 y 38
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed 201-4 Financial assistance received from Government	Pág. 7 Pág. 7



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