



# 2022 SUSTAINABILITY REPORT





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# COMPANY PROFILE

2-1, 2-6

CYDSA, a corporate Group founded in 1945, trades its shares on the Mexican Stock Exchange (BMV: CYDSASA) and is comprised of the following five business areas: Salt for Household Consumption and Industrial Applications; Chlorine, Caustic Soda, and Related Specialties; Refrigerant Gases Manufacturing and Sales; Electricity and Steam Cogeneration; and Hydrocarbons Processing and Underground Storage.



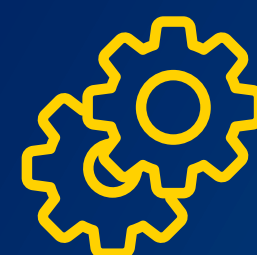
## VISION

To be recognized as a world-class company and a leader in the industries in which it participates, with growing and sustained economic and social profitability, built on ongoing innovation and development of products, processes, and services, providing greater value to personnel, clients, distributors, consumers, suppliers, financial institutions, communities, shareholders, and society as a whole.



## MISSION

To ensure continuous improvement of products, processes, and services, to consistently anticipate and exceed needs and requirements of end clients and consumers, both current and future, thus creating conditions for growth of the Organization, personnel development, harmonious coexistence with the surrounding communities, and optimization of shareholder value, within a framework of committed social responsibility towards the environment.



## VALUES



**Focus on  
the client and  
end consumer**



**Respect people  
and encourage  
their development**



**Teamwork**



**Continuous  
best practices  
and innovation**



**Respect for  
the environment**



**Ethical, transparent,  
and impactful  
activities**



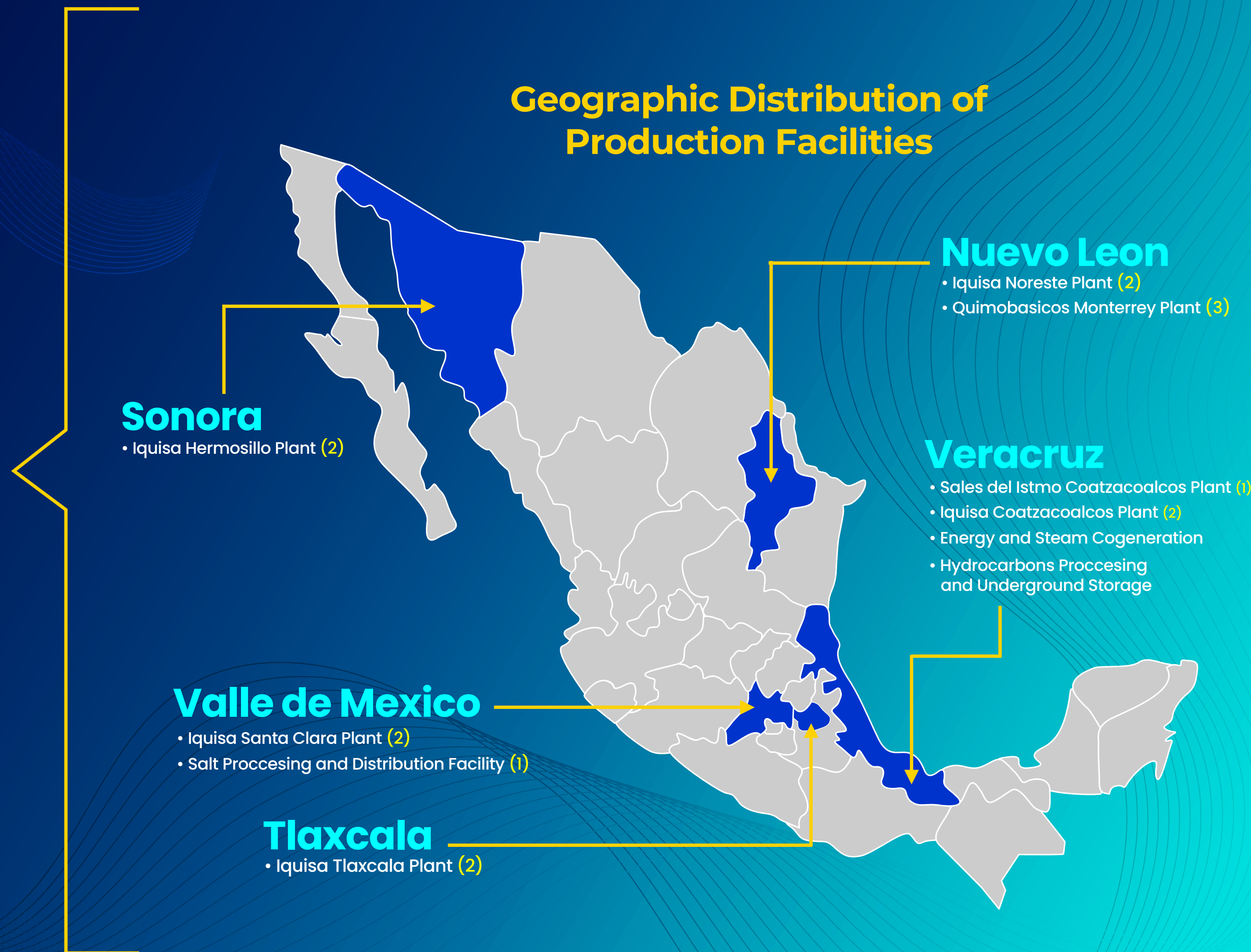
# PRESENCE

2-1, 2-6

Based in San Pedro Garza Garcia, Nuevo Leon, Mexico, CYDSA has more than 20 subsidiaries in nine cities throughout the country, exporting its products to more than 15 countries. The following map shows the locations of its production facilities:

- (1) Salt for Household Consumption and Industrial Applications
- (2) Chlorine, Caustic Soda and Related Specialties
- (3) Refrigerant Gases Manufacturing and Commercialization

## Geographic Distribution of Production Facilities





# BUSINESSES

2-1, 2-6

**CYDSA's operations are divided into two business groups:**

## **1. Chemical Manufacturing and Specialties**

- Salt for Household Consumption and Industrial Applications
- Chlorine, Caustic Soda, and Related Specialties
- Refrigerant Gases Manufacturing and Commercialization

## **2. Energy Processing and Logistics**

- Electricity and Steam Cogeneration
- Hydrocarbons Processing and Underground Storage

**Chemical Manufacturing and Specialties**

| BUSINESS   | COMPANY  | PRODUCTS  | APPLICATIONS   | MARKET   | BRANDS  |
|--|--|---|--|--|---|
| Salt for household consumption and industrial applications | Sales del Istmo, S.A. de C.V.<br><br>Procesadora y Distribuidora de Sal  | Salt for household consumption and industrial applications<br>Edible salt specialties:<br>• Light Salt<br>• Salt Substitute<br>• Kosher and Halal Grade Salt<br>• Salt with Chili and Lime<br>• Coarse sea salt           | Household consumption and commercial use; food industry and industrial processes   | Domestic and export, mainly to the USA and Central America | La Fina, Cisne, Marfil, Gallo, Palomitos, Bakara, Elefante, Klara, Carmen, Brisa de Occidente, and Fine |
| Chlorine, caustic soda, and related specialty products     | • Industria Quimica del Istmo, S.A. de C.V. (IQUISA); includes plants located in Coatzacoalcos, Tlaxcala, and Hermosillo<br>• Iquisa Santa Clara, S.A. de C.V.<br>• Iquisa Noreste, S.A. de C.V. | • Liquid chlorine<br>• Liquid caustic soda<br>• Solid caustic soda, membrane, and rayon grade<br>• Chlorine in cylinders<br>• Sodium hypochlorite<br>• Caustic potash<br>• Synthetic hydrochloric acid<br>• Muriatic acid | Chemical and petrochemical industries, water treatment, oil, pulp, paper, pesticides, whiteners, soaps, detergents, bottlers, mining-metallurgy, plastics, pigments and paint, and pharmaceuticals, among others | Domestic and export, mainly to Central America             | Iquisa  |
| Production and commercialization of refrigerant gases      | Quimobasicos, S.A. de C.V.   | • Refrigerant gases, propellants, and foaming agents<br>• Gas precursors to manufacture fluoropolymers and anesthetic-medicinal products  | Industrial, commercial, and household refrigeration; medical, automotive, and domestic appliances industries   | Domestic and export, mainly to Latin America and the USA   | Genetron<br>Aquion<br>Eco Flush   |

**Energy Processing and Logistics**

| BUSINESS  | COMPANY  | PRODUCTS                                    | APPLICATIONS   | MARKET   | BRANDS |
|---|--|---|--|----------|--------|
| Electricity cogeneration and steam              | Sistemas Energeticos SISA, S.A. de C.V.                | • Electricity<br>• Steam                    | • Electricity supply to CYDSA's subsidiaries<br>• Electricity sales  | Domestic |        |
| Hydrocarbons processing and underground storage | Almacenamientos Subterraneos del Sureste, S.A. de C.V. | • LP gas underground storage and processing | Processing, injection, extraction, transfer, and underground storage | Domestic |        |

# CYDSA's 2022 Sustainability Achievements



More than **US\$530 million** allocated to investments have contributed to **CYDSA's sustainable** development since October 2010



More than **3.4 million man-hours (MH)** with **no fatalities or severe injuries** in 2022



Became a **United Nations Global Compact Signatory** in 2022



**Committed to developing a new sustainability management** strategy, allowing CYDSA to establish objectives, performance indicators, and specific actions during 2023



Started manufacturing plastic containers made of **oxodegradable materials** to package the Salt Business's products



Invested in equipment to reuse and refurbish refrigerant gases



Updated the occupational health and safety policy



Invested in developing a **rainwater capture system** as part of the Underground Hydrocarbons Storage business



**3,716 preventive medicine clinical and physical exams** provided to team members



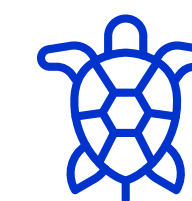
**64% reduction in direct emissions into the atmosphere in 2022**, compared to the 2018 baseline



**13% reduction in water consumption** in 2022, compared to the 2018 baseline



**15% reduction in the total tons of waste** generated compared to 2021



Continued to **support the Kemp's Ridley Sea Turtle nesting protection program** in the state of Veracruz







































## Dialogue with Stakeholders

2-12, 2-29, 3-3

CYDSA believes its Stakeholders' expectations and needs are vital to developing its strategy. It therefore maintains ongoing communication with all groups, based on the Organization's established methodologies through which it ensures transparent and lasting relationships.

The Group can thus identify key Stakeholder concerns, propose actions to address their needs, and identify areas of opportunity to be pursued. CYDSA thus keeps its Business Strategy and Sustainability Strategy up to date and coherent, creating value for the Group and its Stakeholders.

| STAKEHOLDER AND EXPECTATIONS   | CYDSA'S RESPONSE  | MEANS OF COMMUNICATION  |
|--|---|---|
|  <p><b>Shareholders and Bondholders</b></p> <ul style="list-style-type: none"> <li>• Growth of the business and its economic value</li> <li>• Business continuity over time</li> <li>• Information on the results of the Group's objectives</li> </ul>  |  <ul style="list-style-type: none"> <li>• Drive the business strategy towards sustainable operation</li> <li>• Have clear objectives, adapt to contextual needs, and pay attention to areas of opportunity</li> <li>• Constantly disclose the Group's results</li> </ul>   |  <ul style="list-style-type: none"> <li>• Annual Report</li> <li>• Quarterly Reports</li> <li>• Sustainability Report</li> <li>• Shareholders Meetings</li> <li>• Communications through the Mexican Stock Exchange</li> <li>• Events, calls, and email (ir@cydsa.com)</li> <li>• Investor Relations distribution list</li> </ul>  |
|  <p><b>Equity and Fixed Income Analysts</b></p> <ul style="list-style-type: none"> <li>• Timely, transparent, and reliable information about the Group's status and its objectives</li> <li>• Follow-up and feedback on the Group's reporting</li> </ul>  |  <ul style="list-style-type: none"> <li>• Provide timely reports on CYDSA's status, goals, and objectives</li> <li>• Follow up on analysts' reports on the Group</li> </ul>  |  <ul style="list-style-type: none"> <li>• Reports</li> <li>• Financial and strategy documents</li> <li>• Annual Report</li> <li>• Sustainability Report</li> <li>• Events, calls, and email (ir@cydsa.com)</li> <li>• Investor Relations distribution list</li> </ul>  |
|  <p><b>Authorities</b></p> <ul style="list-style-type: none"> <li>• Strict compliance with responsibilities and obligations</li> <li>• Communication and trust creation</li> </ul>   |  <ul style="list-style-type: none"> <li>• Strictly comply with obligations and requirements to obtain and keep permits corresponding to the Group's business certifications, etc. up to date</li> </ul>   |  <ul style="list-style-type: none"> <li>• Deeds</li> <li>• Documents</li> <li>• Laboratory analyses</li> <li>• Voluntary audits</li> <li>• Compliance reports</li> <li>• Direct contact</li> </ul>  |
|  <p><b>Clients</b></p> <ul style="list-style-type: none"> <li>• Supply quality products and services</li> <li>• ESG standards compliance</li> </ul>   |  <ul style="list-style-type: none"> <li>• Continually meet quality standards due to innovation in products and services</li> <li>• Constantly communicate and manage expectations</li> </ul>   |  <ul style="list-style-type: none"> <li>• Surveys</li> <li>• Sustainability Report</li> <li>• Direct Contact</li> </ul>  |
|  <p><b>Team members</b></p> <ul style="list-style-type: none"> <li>• Optimal working environment and teamwork</li> <li>• Respect for human rights and equal opportunities</li> <li>• Professional and personal development</li> <li>• Equal remuneration and opportunities for growth within the Group</li> <li>• Occupational health and safety</li> </ul> |  <ul style="list-style-type: none"> <li>• Ensure team members know the Company's philosophy</li> <li>• Invest in team members' health and safety</li> <li>• Encourage a culture of equality and respect for human rights</li> <li>• Provide compensation and motivate based on the performance and objective evaluation of every team member</li> <li>• Have a training and development plan based on specific needs</li> <li>• Provide permanent healthcare programs</li> </ul> |  <ul style="list-style-type: none"> <li>• Work Environment surveys</li> <li>• Transparency Hotline</li> <li>• Distribution of the Code of Conduct</li> <li>• Internal strategic and bilateral communication platforms</li> <li>• Integration and recreational activities</li> <li>• Workshops</li> <li>• Continuous training tools (eLearning)</li> <li>• Recognition of good performance</li> </ul> |

| STAKEHOLDER AND EXPECTATIONS  | CYDSA'S RESPONSE  | MEANS OF COMMUNICATION   |
|---|---|--|
|  <p><b>Community</b></p> <ul style="list-style-type: none"> <li>• Responsible operation with the smallest environmental impact possible</li> <li>• Improve quality of life and development in the region through safety and constant collaboration</li> <li>• Integrated development programs for the community</li> </ul> |  <ul style="list-style-type: none"> <li>• Reduce operating risks</li> <li>• Invest in education, health, and supporting a culture of prevention</li> <li>• Invest in Dutch Line social risk studies, and Risk Management Programs (RMP)</li> <li>• Continually distribute information on CYDSA's programs</li> </ul> |  <ul style="list-style-type: none"> <li>• Community care center</li> <li>• Census</li> <li>• Direct contact through committees and meetings</li> <li>• Interface with municipal authorities</li> </ul>  |
|  <p><b>Government</b></p> <ul style="list-style-type: none"> <li>• Comply with laws and regulations</li> <li>• Ethical and transparent operation</li> <li>• Information on industry matters and the private sector in general</li> </ul>   |  <ul style="list-style-type: none"> <li>• Management and legal compliance</li> <li>• Monitor and participate in development, and comply with new regulations</li> <li>• Apply and monitor CYDSA's Code of Conduct</li> </ul>   |  <ul style="list-style-type: none"> <li>• Deeds</li> <li>• Documents</li> <li>• Meetings</li> <li>• Audit and compliance reporting</li> </ul>   |
|  <p><b>Financial Institutions</b></p> <ul style="list-style-type: none"> <li>• Management and compliance with responsibilities and commitments</li> </ul>  |  <ul style="list-style-type: none"> <li>• Comply in a timely and appropriate manner with acquired responsibilities and commitments</li> </ul>  |  <ul style="list-style-type: none"> <li>• Periodic meetings</li> <li>• Financial and Sustainability Reports</li> <li>• Audit and compliance reporting</li> <li>• Events, calls, and email (ir@cydsa.com)</li> <li>• Investor Relations distribution list</li> </ul> |
|  <p><b>Communication Media</b></p> <ul style="list-style-type: none"> <li>• Information on the Group's relevant events and issues</li> </ul>   |  <ul style="list-style-type: none"> <li>• Provide clear and reliable information on the Group's relevant issues</li> </ul>   |  <ul style="list-style-type: none"> <li>• Interviews</li> <li>• Meetings</li> <li>• Press releases</li> <li>• Financial and Sustainability Reports</li> <li>• CYDSA's web page</li> </ul>   |
|  <p><b>NGOs</b></p> <ul style="list-style-type: none"> <li>• Support the causes of Non-Governmental Organizations in the region</li> </ul>   |  <ul style="list-style-type: none"> <li>• Focus strategy to drive Non-Governmental Organizations' projects that meet the needs of the region</li> <li>• Support ongoing dialogue</li> </ul>  |  <ul style="list-style-type: none"> <li>• Participation in international treaties</li> <li>• Direct contact</li> </ul>  |
|  <p><b>Suppliers/Distributors</b></p> <ul style="list-style-type: none"> <li>• Relationships based on transparency and ethics</li> </ul>   |  <ul style="list-style-type: none"> <li>• Share common objectives through transparent, ethical communications that align with the Code of Conduct</li> </ul>   |  <ul style="list-style-type: none"> <li>• Providing suppliers and distributors with CYDSA's Code of Conduct</li> </ul>  |
|  <p><b>Unions</b></p> <ul style="list-style-type: none"> <li>• Respect for the role of unions in representing team members in terms of labor rights, and occupational health and safety</li> </ul>   |  <ul style="list-style-type: none"> <li>• Respect agreements established with unions</li> <li>• Provide clear management of Internal Labor Regulation</li> <li>• Mixed training commissions</li> <li>• Occupational health, safety, and hygiene programs</li> </ul>  |  <ul style="list-style-type: none"> <li>• Union meetings</li> </ul>   |







# Contribution to **Sustainable Development Goals** (SDG)







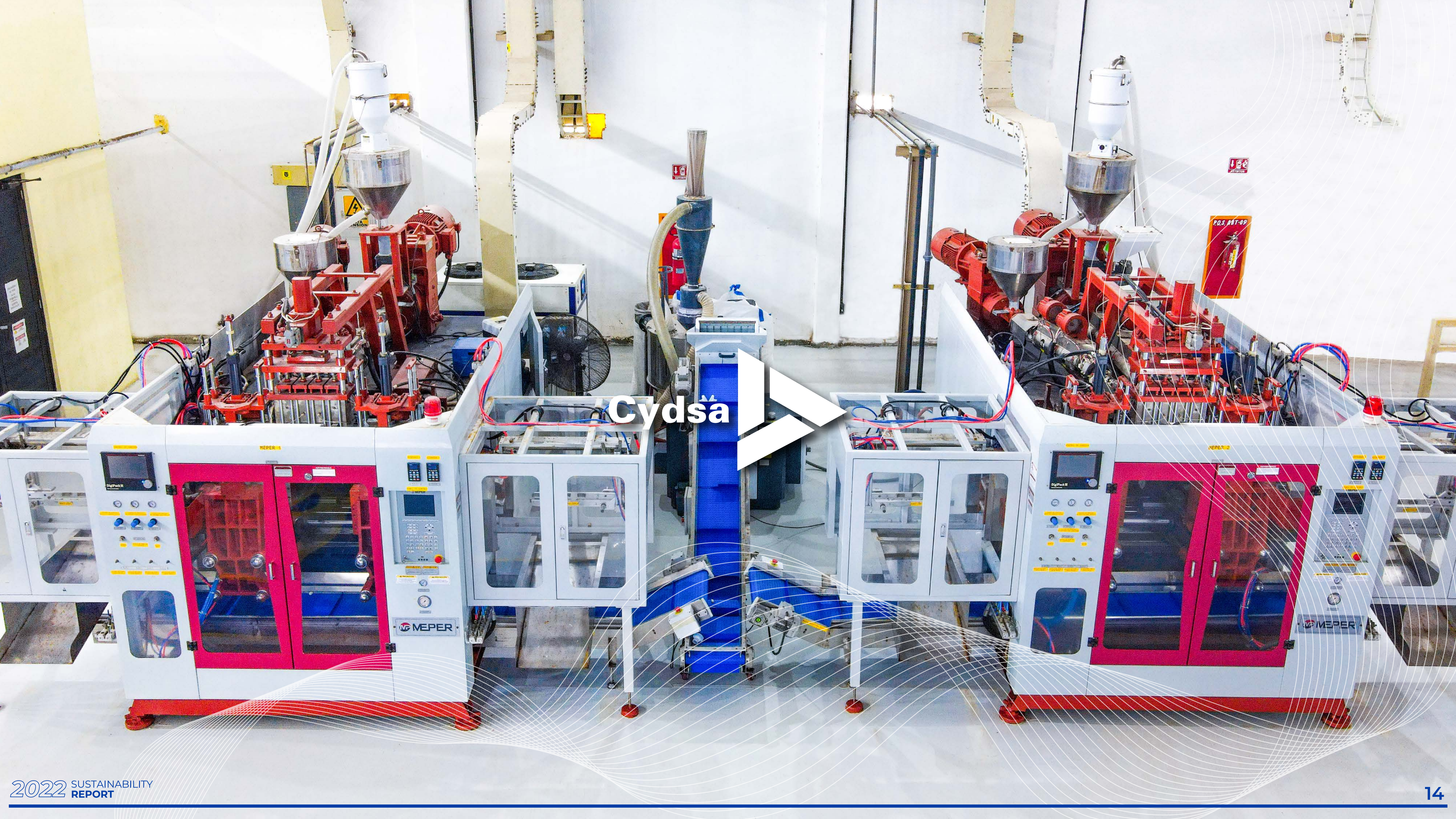
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CYDSA includes the Sustainable Development Goals (SDG) established by the United Nations as part of its commitment to sustainability. To contribute to these goals, CYDSA has developed a Sustainability Strategy, and implements specific activities that create value. In this process, the most relevant SDGs for both the Group and its Stakeholders are prioritized.

| SDG   | MATERIAL TOPIC   | GOALS                    | FOCUS   | 2022 STRATEGIC ACTIONS  |
|---|--|--------------------------|---|---|
|    | Community Relations<br>-<br>Pandemic<br>-<br>Human Capital | 3.5<br>3.7<br>3.8<br>3.9 | <ul style="list-style-type: none"> <li>Take preventive measures to prevent chemical contamination of the surrounding communities</li> <li>Offer affordable healthcare services to team members and communities, including different types of donations</li> <li>Implement both community and internal programs and campaigns to encourage and provide education on health and well-being</li> </ul> | <ul style="list-style-type: none"> <li>Included in operating areas at Quimobasicos and Iquisa Noreste, to minimize the possibility of chemical emissions into the community</li> <li>Ongoing team member programs: preventive medicine, industrial hygiene, epidemiological health monitoring, occupational health and safety</li> <li>Updated the occupational health and safety policy in 2022</li> <li>Provided 3,716 medical exams and doctor appointments for team members</li> <li>Continued the company-wide strategy to fight the COVID-19 pandemic</li> </ul>          |
|    | Community Relations  | 4.a<br>4.4               | <ul style="list-style-type: none"> <li>Provide maintenance for educational spaces and institutions in the local community</li> <li>Provide team members with adequate training to support their personal and professional development</li> </ul>  | <ul style="list-style-type: none"> <li>Provided maintenance personnel to make improvements and/or repairs that have been requested in school facilities</li> <li>CYDSA continued to donate funds to projects related to improving education in the communities where CYDSA has operations</li> <li>Safe School program in Coatzacoalcas, Veracruz that trains schools in civil protection and emergency response</li> </ul>   |
|  | Community Relations  | 6.3<br>6.4               | <ul style="list-style-type: none"> <li>Provide preventive instead of reactive solutions regarding water, to reduce and/or eliminate its use and contamination</li> <li>Offer solutions for use and access to potable water for the communities where CYDSA is present</li> </ul>  | <ul style="list-style-type: none"> <li>Invested in the development of a rainwater capture system at the LP Gas Storage facilities</li> <li>When fully operational, the Black Water Treatment Plant in the State of Mexico will replace use of well water with treated wastewater, reducing consumption of potable water from the aquifers in the region</li> </ul>  |
|  | Operating Quality and Efficiency                           | 7.3                      | <ul style="list-style-type: none"> <li>Allocate the funds necessary to develop initiatives to transition and implement energy that will allow the Company to continue its activities without negatively impacting the environment, and towards using and recycling energy sources</li> </ul>  | <ul style="list-style-type: none"> <li>Air cooling system for the turbines at the Electricity and Steam Cogeneration plants. This system allows capacity to be increased without increasing emissions of greenhouse gases</li> <li>Installed a capacitor bank to improve electricity efficiency at Iquisa Tlaxcala</li> <li>Program to recycle and destroy CFCs, HCFCs, HCFs, and ODSs. CFCs and ODSs are gases that impact the ozone layer, while HFCs create a greenhouse effect</li> <li>9% of the total energy consumed by CYDSA comes from clean energy sources</li> </ul> |

| SDG   | MATERIAL TOPIC  | GOALS                | FOCUS   | 2022 STRATEGIC ACTIONS  |
|---|---|----------------------|---|---|
|    | Safety in Operations and Compliance<br>-<br>Human Capital | 8.3<br>8.5<br>8.8    | <ul style="list-style-type: none"> <li>• Always prioritize the occupational health and safety of team members, in line with the industry's best practices and standards</li> <li>• Obtain the adequate and necessary certifications that guarantee and substantiate the Company's processes of identifying risk and safety</li> </ul> | <ul style="list-style-type: none"> <li>• Self-Management Program in Occupational Health and Safety based on national and international standards</li> <li>• Complied with the Equator Principles that serve as a baseline and reference framework to identify, assess, and manage environmental and social risks when financing projects</li> <li>• Since 2020, all contractors from the different business units have been asked to register their team members with the Mexican Social Security Institute (IMSS)</li> <li>• SARI (Comprehensive Responsibility Management System) accreditation granted by ANIQ at Iquisa Santa Clara, Tlaxcala, Coatzacoalcos, Hermosillo, and Quimobasicos</li> </ul> |
|    | Innovation<br>-<br>Operating Quality and Efficiency       | 9.4                  | <ul style="list-style-type: none"> <li>• Innovate to be able to implement new and alternative technologies that lead to a higher-quality and more efficient operation</li> </ul>  | <ul style="list-style-type: none"> <li>• New plant to manufacture chlorine and caustic soda using state-of-the-art technology in Coatzacoalcos, Veracruz, beginning operations in 2023, allowing energy savings and lower environmental impact due to reduced greenhouse gas emissions, and use of treated water</li> <li>• Replaced natural gas fuel in the boiler at Iquisa Santa Clara for a 50-50 fuel mix of hydrogen-natural gas</li> </ul>   |
|  | Community Relations<br>-<br>Sustainable Corporate Image   | 11.6                 | <ul style="list-style-type: none"> <li>• Support local initiatives and volunteering, and propose community activities that protect the environmental well-being of areas surrounding CYDSA's operations</li> </ul>  | <ul style="list-style-type: none"> <li>• Nearly 200 hours of volunteering by CYDSA's team members in Coatzacoalcos, and organized environmental and recycling campaigns</li> <li>• Supported the Chipinque Ecological Park trust</li> <li>• Program supporting nesting and protection of the Kemp's Ridley Sea Turtle in the state of Veracruz</li> </ul>   |
|  | Innovation  | 12.2<br>12.5<br>12.6 | <ul style="list-style-type: none"> <li>• Continue providing innovative solutions to reduce the Company's environmental footprint, and to offer products that support responsible consumption by CYDSA's customers</li> </ul>  | <ul style="list-style-type: none"> <li>• Started producing the oxodegradable canister and lid for 1-kg salt packages</li> <li>• Invested in equipment for reuse and refurbishment of refrigerant gases</li> <li>• Promoted use of latest-generation refrigerant gases that do not impact the ozone layer</li> <li>• Reused process water at Sales del Istmo, and the Electricity and Steam Cogeneration plant</li> <li>• Installed a new boiler at Iquisa Santa Clara, allowed a hydrogen/natural gas combination to be used as fuel</li> </ul>   |

| SDG   | MATERIAL TOPIC  | GOALS                        | FOCUS   | 2022 STRATEGIC ACTIONS  |
|---|---|------------------------------|---|---|
|    | Innovation<br>-<br>Operating Quality and Efficiency                                     | 13.1<br><br>13.2             | <ul style="list-style-type: none"> <li>Develop innovative production processes and technologies that are inherently sustainable, with the goal of reducing the Company's impact on the environment from the start of operations</li> <li>Obtain certifications in recycling, emissions reduction, and reuse of resources along the production chain</li> </ul>  | <ul style="list-style-type: none"> <li>Implemented membrane technology at the plants in the State of Mexico, Nuevo Leon, and soon Veracruz, reducing electricity consumption by 30% in comparison with the technology used previously</li> <li>Included process areas, plants for destroying gases, and refurbishing refrigerant gases (circular economy and reduction of CO<sub>2</sub> equivalent)</li> <li>Certified by The Chlorine Institute in the Safety Excellence Award for good safety results and zero emissions of chlorine into the environment</li> <li>Use and sale of refrigerant gases that do not impact the ozone layer</li> </ul>   |
|    | Sustainable Corporate Image   | 15.1<br><br>15.2<br><br>15.a | <ul style="list-style-type: none"> <li>Conduct reforestation campaigns and other initiatives that protect flora, fauna, and biodiversity in locations where CYDSA operates</li> <li>Undertake actions and projects that protect and/or remediate existing and future impacts to life on land</li> </ul>   | <ul style="list-style-type: none"> <li>The seventh year of reforestation work, with a total of 28.2 hectares established, with more than 37,000 trees planted since 2016, of which more than 6,000 were planted in 2022</li> <li>Germination of 17,700 plants in CYDSA's greenhouse located in the state of Veracruz</li> <li>Participated in the Metropolitan Environmental Fund of Monterrey (2030 Water and Air Quality Plan)</li> </ul>   |
|  | Regulatory Changes<br>-<br>Corporate Governance<br>-<br>Operating Safety and Compliance | 16.5<br><br><br>16.6         | <ul style="list-style-type: none"> <li>Comply with adequate certifications to evaluate CYDSA's ethical and responsible business practices, and be up-to-date on any regulatory changes that might arise, to be able to implement the necessary changes and keep the Company current in regulatory matters</li> <li>Have top-level certifications for quality management for all processes and products</li> </ul> | <ul style="list-style-type: none"> <li>CYDSA has ISO-9001:2015 certification, which is an international standard that establishes the requirements for a Quality Management System. As a result of its commitment to protect the environment, it has also obtained the ISO-14001:2015 certification on Environmental Management Systems (EMS). The Group was also certified in FSSC-22000, a complete certification program for food security management systems</li> <li>CYDSA's commercial practices in the Muslim and Jewish markets led to the Company obtaining Viva Halal and Kosher certifications</li> <li>Compliance with Achilles and Sedex standards, accrediting CYDSA as a trusted, world-class provider with responsible and ethical practices</li> </ul> |
|  | Regulatory Changes<br>-<br>Corporate Governance   | 17.7                         | <ul style="list-style-type: none"> <li>Form and maintain partnerships and collaborate with different domestic and international groups in the industry, to be able to analyze environmental and social situations, and to produce adequate and responsible solutions</li> </ul>   | <ul style="list-style-type: none"> <li>Strategic partnerships with domestic and international chambers, trade associations, and non-governmental organizations (NGOs) to ensure a sustainable future for everyone (including IPA, CESPEDDES, and ANIQ environmental committees)</li> <li>To protect the environment, and in compliance with the Paris Agreement and the Montreal Protocol, CYDSA established objectives to reduce greenhouse gas (GHG) emissions responsible for climate change, and to destroy Ozone-Depleting Substances (ODS)</li> <li>Partnership with CLOROSUR and the Chipinque Ecological Park</li> <li>United Nations Global Compact Signatory since 2022</li> </ul>  |



Cydsa



# MESSAGE FROM THE CHAIRMAN OF THE BOARD

2-22, 2-23, 2-24

In 2022, the companies in the CYDSA Group improved their operations, implementing programs to further initiatives to build a Business Portfolio focused on medium- and long-term Sustainable Profitability. Closely adhering to hygiene, safety, and efficiency standards, the Group kept procedures and protocols in place to prevent the risk of contagion from the COVID-19 virus.

**CYDSA's initiatives during the year to ensure the Group's operations and the products and services it provides contribute to building a healthy and sustainable world.** As part of its commitment to drive improvements in its areas of influence, in September CYDSA formalized its participation in the Global Compact, the United Nations' initiative that encourages environmental sustainability, social responsibility, and institutional governance as part of the global corporate community.



## Advances in Environmental Sustainability

In 2022, the Group implemented two key investment projects. The design of these undertakings included evaluations of economic and financial considerations, as well as how to positively impact the environment.

At the Industrial Center in Coatzacoalcos, Veracruz, operations began on the first of three stages to be completed in 2023, of a plant to manufacture cylindrical plastic, oxodegradable canisters used to package natural salt and several specialty products. These canisters, designed to diminish harmful environmental impacts, complement the biodegradable plastic bags CYDSA has been using for many years to sell edible salt. The formulation of the bags will also be changed to be more environmentally friendly. In parallel with the project's sustainable focus, excellent service is provided to clients, thus assuring competitive costs.

Construction advanced on a new state-of-the-art facility to manufacture chlorine and caustic soda located in Coatzacoalcos, Veracruz. While the initial annual capacity of this plant is 100,000 ECUs, production can be expanded to 150,000 ECUs with minor investments. Upon conclusion of this project in the middle of 2023, the majority of chloro-alkaline products CYDSA produces will be manufactured using the most

efficient energy technology available, and with less impact on the environment.

In addition to investing in sustainability-related projects, CYDSA prioritizes protecting the flora and fauna in its areas of operation. For example, the Group again provided equipment and instruments to the communities and organizations dedicated to protecting the nesting areas of the Kemp's Ridley Sea Turtle in the state of Veracruz.

Furthermore, the standards employed to store hydrocarbons in underground salt caverns located to the south of Coatzacoalcos, ensure biodiversity in the region will not be impacted. A greenhouse in Veracruz with capacity to grow 30,000 plants per year of species native to the area helps maintain this biodiversity. Campaigns over the past six years have reforested 28 hectares of land belonging to the Group.





## Advances in Sustainability with **Social Responsibility Activities**

CYDSA's corporate ethics guide its efforts to improve production processes and enhance the Company's relationship to the communities near its facilities. Pursuing these objectives, CYDSA is prioritizing wastewater treatment and using industrial water in its plants, replacing gas with hydrogen as a boiler fuel, focusing on efficient electricity and steam cogeneration, and optimizing energy resources across its activities.

As part of its commitment to protect the health of workers and their families, the Group kept sanitary protocols in place at its facilities, requiring employees' compliance with hygiene, safety, and efficiency guidelines intended to prevent the risk of contagion from COVID-19. These procedures exceeded the recommendations of federal, state, and local health authorities.

Another initiative to improve interactions with the areas near the Company's facilities included civil protection activities, with the Group providing courses and materials to teachers and students at a public school located in a community in Nanchital, Veracruz. CYDSA designed evacuation plans and simulations to prepare residents for earthquakes and other types of emergencies, while also providing training in firefighting and first aid.

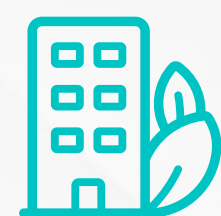
Similarly, all eligible production plants and trading companies renewed or updated their certifications assuring sustainable and responsible growth, in compliance with domestic and international standards. The Group maintained the recognitions awarded by the Secretary of the Environment and Natural Resources (SEMARNAT), the Mexican Center for Philanthropy, and The Chlorine Institute in the US.



## Presentation of the CYDSA 2022 Sustainability Report

It is a privilege to share CYDSA's progress and achievements in this 2022 Sustainability Report. Despite some challenges during the year, the Group improved its operations and implemented medium- and long-term sustainability initiatives.

CYDSA is deeply committed to Sustainable Profitability, improving the world by prioritizing sustainable development, excellent working conditions, and supporting environmental protection and biodiversity. The Company recognizes and values the dedication of its employees, as well as the support of its clients, suppliers, shareholders, investors, financial institutions, neighboring communities, and other stakeholders. **By working together, building a healthy and sustainable planet for future generations is within reach.**



## Advances in Sustainability through Institutional Governance

In 2022, CYDSA implemented two measures to consolidate its ESG management. First, the Group created a Sustainability Committee, comprised of executives from the different businesses and corporate areas. This Committee periodically monitors advances in Environment, Social Responsibility, and Governance matters.

Second, CYDSA implemented a project to improve the Group's sustainability strategy. This initiative, to be completed in 2023, establishes measurable ESG goals and objectives, and defines performance indicators and specific actions to achieve those goals and objectives. In addition, training and communication activities will focus on encouraging all members of the organization to participate in implementing the Group's sustainability strategy.

**Tomas Gonzalez Sada**

Chairman of the Board of  
Directors and Chief Executive  
Officer



Cydsa

ALMACENES DE  
REFRIGERANTES

# ESG FOCUS

3-3

CYDSA's company-wide Sustainability Strategy complements and furthers its business objectives. Through it, the Group is developing its vision of long-term sustainability, identifying areas of concern, and developing initiatives focused on Environmental, Social, and Governance (ESG) matters.

**The essence of CYDSA's Sustainability Strategy is reflected in its Sustainability Model, which is founded on three pillars: Natural Environment, Society, and Corporate Governance.** This three-pronged approach guides the Group's processes towards its sustainable goals and objectives, while creating value for its Stakeholders.



# **CYDSA's Sustainability Model**

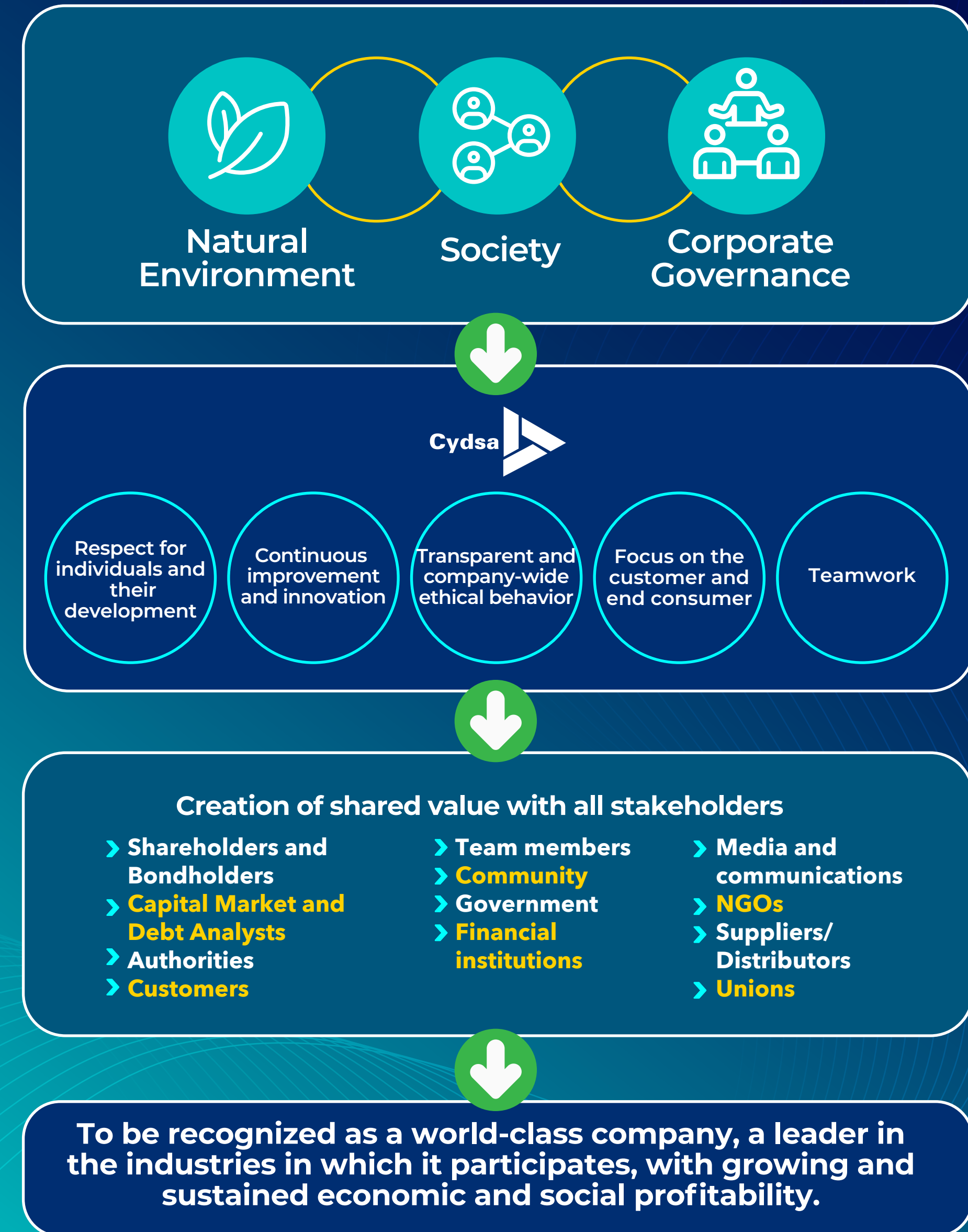
CYDSA has implemented objectives, sustainable practices, policies, and procedures, including a strict ethical framework, and audit and control systems to evaluate its Sustainability Model.

**Since October 2010, CYDSA has invested more than 530 million dollars in projects to drive sustainable development and improve the Company's Business Portfolio.** In the chloralkali business, notably, CYDSA acquired the Santa Clara Plant in October 2010, built the Noreste Plant in 2016, and the new plant in Iquiza Coatzacoalcos will begin operations in 2023. These projects were developed using highly energy-efficient technology with lower environmental impact. Furthermore, two twin Electricity and Steam Cogeneration plants have been built, which started operations in 2014 and 2016, and maintain their Energy Regulatory Commission (*Comisión Reguladora de Energía*) accreditation as efficient cogeneration systems. Additional investments made in recent years are expected to increase these plants' capacity starting in 2023. Other relevant projects contributing to sustainable development include the installation of boilers that replace part of the natural gas use with hydrogen, wastewater recycling systems to reduce discharges, and the production of plastic canisters created using oxodegradable materials to package products in the Salt Business.

The Group considers the results of several control systems and dialogue with stakeholders when it creates new strategies and actions intended to support compatible and sustainable development.

**CYDSA's vision underlies its culture of continuous improvement and fortifies its sustainable image, allowing the Group to progress constantly through concrete objectives and monitoring metrics.**

## Focus on Sustainable Management



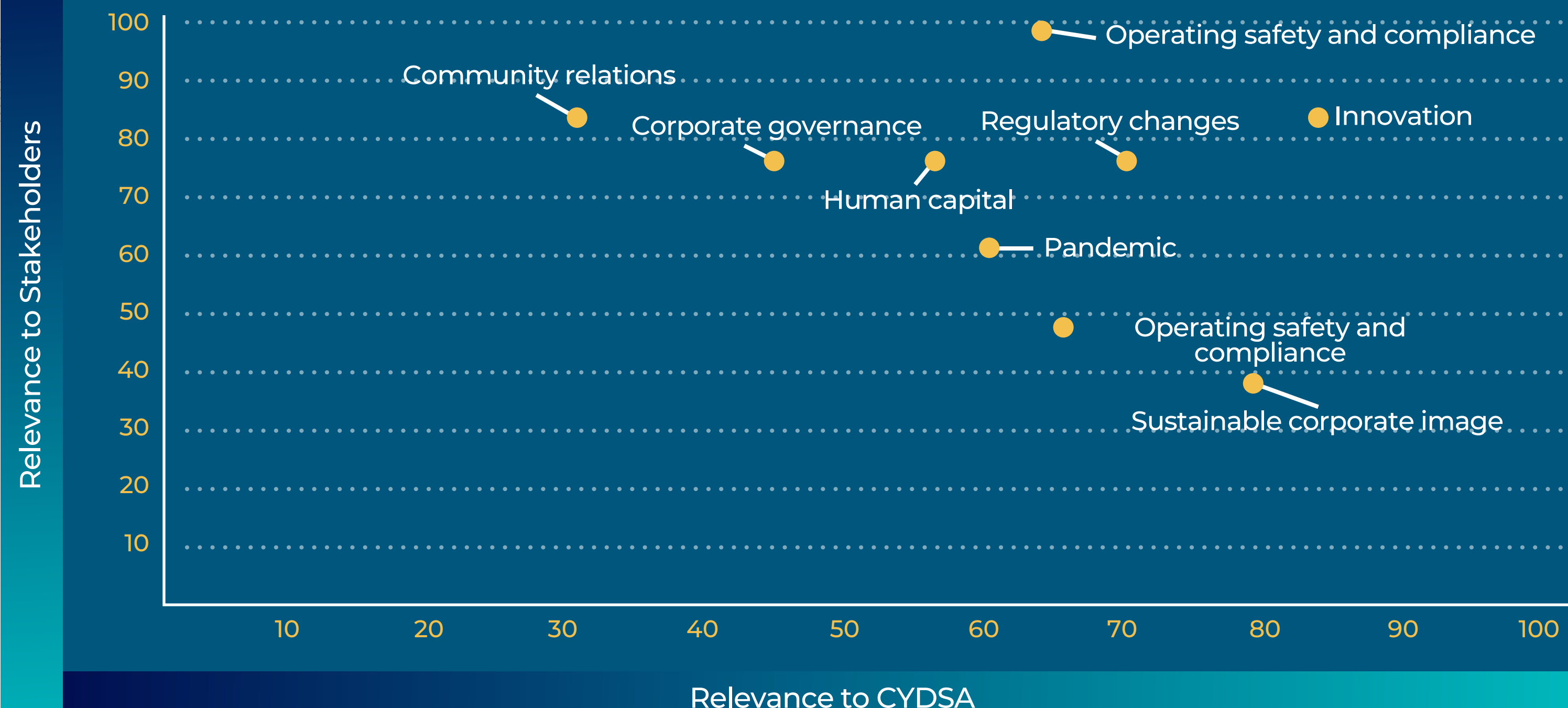
# Materiality

2-29, 3-1, 3-2

In 2020, the Group hired a sustainability consultant, McBride, to identify its most relevant sustainability issues in economic, social, environmental, and ethical matters. Following this analysis, the Sustainability Model was updated and integrated with the business strategy, thus creating more value for CYDSA's stakeholders. Subsequently, to report progress in 2021, in line with best global practices, CYDSA worked closely with Miranda ESG, another sustainability consultant. With their help, the indicators to be disclosed and the way to communicate the year's initiatives were further developed, an effort that continued during 2022.

CYDSA will present an updated version of its materiality matrix in its 2023 Sustainability Report, together with the ESG goals and actions on which it will focus. These advances will be key to properly understanding and adequately addressing the changing needs and concerns of internal and external stakeholders.

## Material Topics: Relevance for CYDSA and its stakeholders






















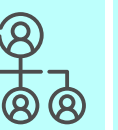





































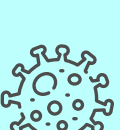




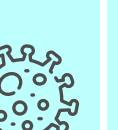






















### LIST OF MATERIAL TOPICS

1. Innovation
2. Sustainable corporate image
3. Regulatory changes
4. Operating safety and compliance
5. Operating quality and efficiency
6. Pandemic
7. Human capital
8. Corporate governance
9. Community relations



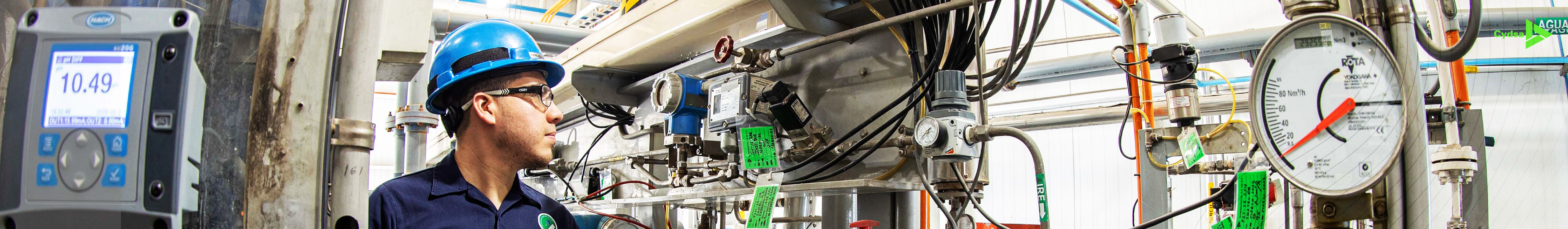
# Management Approach to Material Topics

2-12, 3-1, 3-2

| MATERIAL TOPIC  | MANAGEMENT APPROACH  | SHAREHOLDERS AND BONDHOLDERS  | CAPITAL MARKET AND DEBT ANALYSTS  | FINANCIAL INSTITUTIONS  | TEAM MEMBERS  | CUSTOMERS   | COMMUNITY   | SUPPLIERS/ DISTRIBUTORS   | MEDIA & COMMUNICATION   | GOVERNMENT/ AUTHORITIES   | UNIONS  | NGOs  |
|---|--|---|---|---|---|---|---|---|---|---|---|---|
|  <b>INNOVATION</b>                         | Innovation is a fundamental part of CYDSA's strategy. Through strategies, projects, and tools, process efficiency improves while also protecting the environment.  |    |    |    |    |    |    |    |    |    |   |   |
|  <b>SUSTAINABLE CORPORATE IMAGE</b>        | CYDSA's corporate operating excellence and its commitment to sustainability are a fundamental part of the Group's image. Its strategy, therefore, includes both implementing and communicating information (through annual reports and other means) to inform stakeholders of the Group's activities and progress.   |    |    |    |    |    |    |    |    |    |   |   |
|  <b>REGULATORY CHANGES</b>                 | CYDSA has solid corporate governance that oversees both internal and external issues that might impact its operations.   |    |    |    |    |    |    |    |    |    |    |    |
|  <b>OPERATING SAFETY AND COMPLIANCE</b>    | Due to the profile of the Group's activities, operating safety is paramount throughout its strategy, thus it adheres to the highest health and safety standards for team members, the community, and the environment. The Group's health and safety measures exceed the requirements of government entities. An example of this is the Company's index of high-consequence accidents, which is much lower than the industry average. |    |    |    |    |    |    |    |    |    |    |    |
|  <b>OPERATING QUALITY AND EFFICIENCY</b> | The Group has maintained its leading market position thanks to strict quality control, continuous improvement, and use of state-of-the-art technology in its processes.  |  |  |  |  |  |  |  |   |  |   |  |
|  <b>COVID-19 PANDEMIC</b>                | In 2022, the Group continued implementing protocols and procedures that exceeded recommendations of the health authorities, with the goal of protecting people from contracting COVID-19, and from epidemiological risks in general.   |  |  |  |  |  |  |  |   |   |  |   |
|  <b>HUMAN CAPITAL</b>                    | The professional and personal growth of team members is important for ensuring that CYDSA's operations and development continue. Training programs are therefore implemented and the necessary tools for team members provided.  |  |  |  |  |  |  |   |   |   |  |   |
|  <b>CORPORATE GOVERNANCE</b>             | CYDSA has solid and robust corporate governance that has allowed it to create successful development projects. Thanks to its experience and the adoption of new guidelines and strategies, the Group has grown based on strict ethical behavior that aligns with its values and principles.  |  |  |  |  |   |   |   |  |   |  |   |
|  <b>COMMUNITY RELATIONS</b>              | Relationships with the communities near CYDSA's plants are cordial, thanks to its procedures and strategies in areas of risk that the Group has implemented. It also promotes community development through projects that focus on improving health, education, leisure, and the environment.  |  |  |   |   |  |  |   |  |   |   |  |



Cydsa



# OPERATING ENVIRONMENT

CYDSA strives to operate sustainably, creating efficiencies through innovation and by developing new processes and technologies. The result is the highest-quality products in the market. These initiatives allow the Company to identify opportunities to mitigate its environmental impacts. Effective communication of these projects is key for customers to recognize CYDSA as a sustainable company.

## Innovation and Development

3-3

Strategic innovation is fundamental for CYDSA's growth. By seeking to improve operating efficiencies and the products offered, the Company can remain competitive sustainably.



## 2022 Key Actions

- ✓ Construction of a new plant to produce chlorine and caustic soda in Coatzacoalcos, Veracruz, with the most advanced production processes available in environmental and energy efficiency, to begin operations in 2023
- ✓ Production of plastic canisters created with oxodegradable materials to package salt products in the Salt Business
- ✓ Increased capacity in the Electricity and Steam Cogeneration business, through a turbine air-cooling system, beginning operations in 2023
- ✓ Construction of a natural gas compression system for the gas-fired turbines at the Electricity and Steam Cogeneration plants, beginning operations in 2023



Innovation is a fundamental part of CYDSA's culture that has allowed it to develop, grow, and position itself as a leading corporate group in different markets. Investment in new technologies has allowed it to improve its processes so they are more efficient and create less of an environmental impact.

CYDSA's adaptation of digital technology has helped it become more competitive and improve its customer service, even in light of adverse situations. The Company continued this strategy in 2022, using information technology, optimizing costs, and developing an internal digital culture. This was achieved by implementing new systems:



- **Customer and Commission Agent Portal:** Improves the online shopping experience in the Salt Business, providing customers with information and the status of their purchase orders and payments in real time. The system is easy to use and more secure.



- **Transport Management System:** Provides detailed information on the shipping process. Its objective is to improve timely decision-making in order to serve the market and manage costs more effectively.



- **Inventory Management System:** Offers ample visibility of the operation, controlling pallets and the location of products inside warehouses, improving logistics.





In the operating environment, and in line with this same objective of **reducing logistics costs and improving customer service**, in 2022, CYDSA concluded expansion of the Finished Salt Products Distribution Center, located at the Group's industrial center in Coatzacoalcos, Veracruz.

**Construction of the new chlorine and caustic soda production plant in the same location is under way.** Membrane technology will be implemented at that facility to replace mercury cells, which will result in greater safety for operators, and better protection of the environment. Additionally, closing the old plant in the next few years will contribute to complying with the Minamata Convention on Mercury, an international treaty established in 2013 with the objective of protecting human health and the environment from the detrimental effects of mercury.

With construction of this plant, 100,000 tons of chlorine and 112,000 tons of caustic soda will be manufactured annually. This is a huge step for CYDSA's production process, as its chlorine and caustic soda

production will be using state-of-the-art technology and more efficient equipment in its fabrication. This leads to up to 25% less electricity consumed during production, as compared to mercury technology.

A rainwater capture system was also developed at the LP Gas Underground Storage and handling facilities. The system contains three pools that store saturated brine. Due to the weather conditions at this site, large amounts of rainwater flow into the pools, leading to the chance of dilution and overflow. This project will prevent this from occurring, allowing 180 m<sup>3</sup> of rainwater to be reused every year at the Salt Business.

In the Electricity and Steam Cogeneration business, a turbine cooling system was built to increase electricity generation and keep it constant, regardless of the ambient temperature. With this system, CYDSA is increasing electricity generation at each plant from 49 to 62 MW on average. Furthermore, the heat recovery system that uses the hot gases emitted into the atmosphere at the turbine outlets was replaced.

A compression system was also built to raise the pressure of the natural gas used to generate electricity and steam. This mitigates any problems that could arise when gas pressure is low.

*The following are some of the technologies used within CYDSA's facilities to optimize processes and reduce environmental impact: Membrane Technology, Encapsulation Technology, Gas Destruction, and Refrigerant Gas Refurbishment Plants.*

RT-CH-410a.1

**The Iquisa Noreste plant was built in 2016 in response to demand in the regional market.** This plant, located in Garcia, Nuevo Leon, uses state-of-the-art technology to produce chlorine, caustic soda, and related specialty products, resulting in much more efficient and cleaner processes, and higher production. In 2021, the use of natural gas in the boilers at this plant was partially replaced with hydrogen generated through electrolysis.

The same process was also used at the Santa Clara plant in the State of Mexico. By using energy directly, this new, innovative system reduced emissions. Additionally, the project that will use treated wastewater instead of groundwater is in its stabilization phase. Both projects translate into savings and reuse of resources already in place at the operation.



# Operating Quality and Efficiency

3-3



The quality of the Group's products and services is the result of continuously improving operating efficiency and using state-of-the-art technology in its processes. This keeps CYDSA in its position as a market leader.

## 2022 Key Actions

- ✓ Sales del Istmo Distribution Center, whose capacity was increased during 2021, began operating in 2022
- ✓ Installation of a more efficient packaging system in the Salt Business
- ✓ Acquisition of strainers and installation of cleaning equipment to facilitate improvements at Iquisa Santa Clara



**The quality of products and the efficiency with which they are produced are of great importance to CYDSA, as they represent a competitive advantage for the Group.**

Customers trust CYDSA and its operations, and internally, delivering this level and product quality using optimized processes is always the goal.

The Group implements the best technology for each production line in order to achieve the greatest operating efficiency possible. Efforts are made not only to improve production and delivery times, but also to ensure that processes have an increasingly lower environmental impact. This goes hand in hand with the quality of the inputs used in the process, and therefore the quality of the resulting final product.

During 2022, several improvement projects were implemented at Iquisa Santa Clara. Notable among these projects were the installation of new boilers, the purchase of strainers to retain solids in the brine saturation pits, and the installation of inverse osmosis cleaning equipment. These improvements will play a fundamental role in producing a refined and better-quality product. Additionally, a

water softening system has been installed at Iquisa Hermosillo to produce sodium hypochlorite, which has led to a product with significantly superior quality.

At Sales del Istmo, a paper bag packaging system has been installed for products to be exported to the United States, resulting in improved operations. A new distribution center has also started operations, increasing storage capacity to approximately 23,000 tons. This new distribution center has eliminated the need for an alternate warehouse, thus reducing costs and handling involved in manual loading and unloading of shipments, transport, and renting auxiliary properties. The planning and control of product handling for this project is now coordinated using the SAP software program.

To find out more about the different quality certificates awarded to CYDSA's operations, please see the section entitled **Certifications and Recognitions** (page 83).



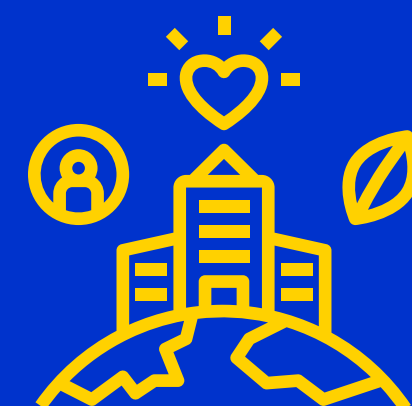


# Sustainable Corporate Image

2-29, 3-3



As a socially and environmentally responsible company, CYDSA communicates its ESG progress effectively and through the adequate channels. The Company intends to build on its reputation with the superior products and services it offers.



CYDSA's Corporate Image is built on its stakeholders' perceptions, beliefs, and attitudes. The Group knows it is paramount to show its trustworthiness and credibility in all its actions, striving for transparency and honesty in the processes of manufacturing and selling its products.



The Group prioritizes transparent and truthful communication within the framework of its sustainability strategy. Sufficient information from stakeholders is the key element for establishing trusting relationships. CYDSA regularly engages in dialogue with stakeholders, indicating the Company's willingness to learn about the expectations of its audiences and to include them in decision-making processes. Thus, CYDSA creates positive perceptions, strengthening its image as an organization committed to sustainability.

The channels CYDSA uses to communicate include its web page (external stakeholders), intranet (internal personnel), digital forms of communication such as webinars, the Company's LinkedIn page, contact with those in the financial environment, and in-person events with communities.

When communicating internally with team members, CYDSA places great importance on personal and direct engagement between supervisors and their teams. Every day before work begins at the operating facilities, five-minute meetings are held to discuss the latest issues, and counsel is provided on mental and financial health. These and other activities improve team members' well-being, provide a positive work environment, and sustain team members' perception of the Company's positive work culture, as shown by internal surveys.





Cydsa





# NATURAL ENVIRONMENT



To ensure a better future for everyone, CYDSA has incorporated sustainability into all its operations and processes. Its facilities are equipped with state-of-the-art technology, which, in addition to reducing its environmental footprint, prevents high-impact events from occurring in the community.

CYDSA's commitment to the environment is also reflected in its product design. For example, its leading salt brand, La Fina, has biodegradable packaging. This means that CYDSA is the only company in the salt market in Mexico with this type of packaging, which positions it as a leader in environmental solutions.

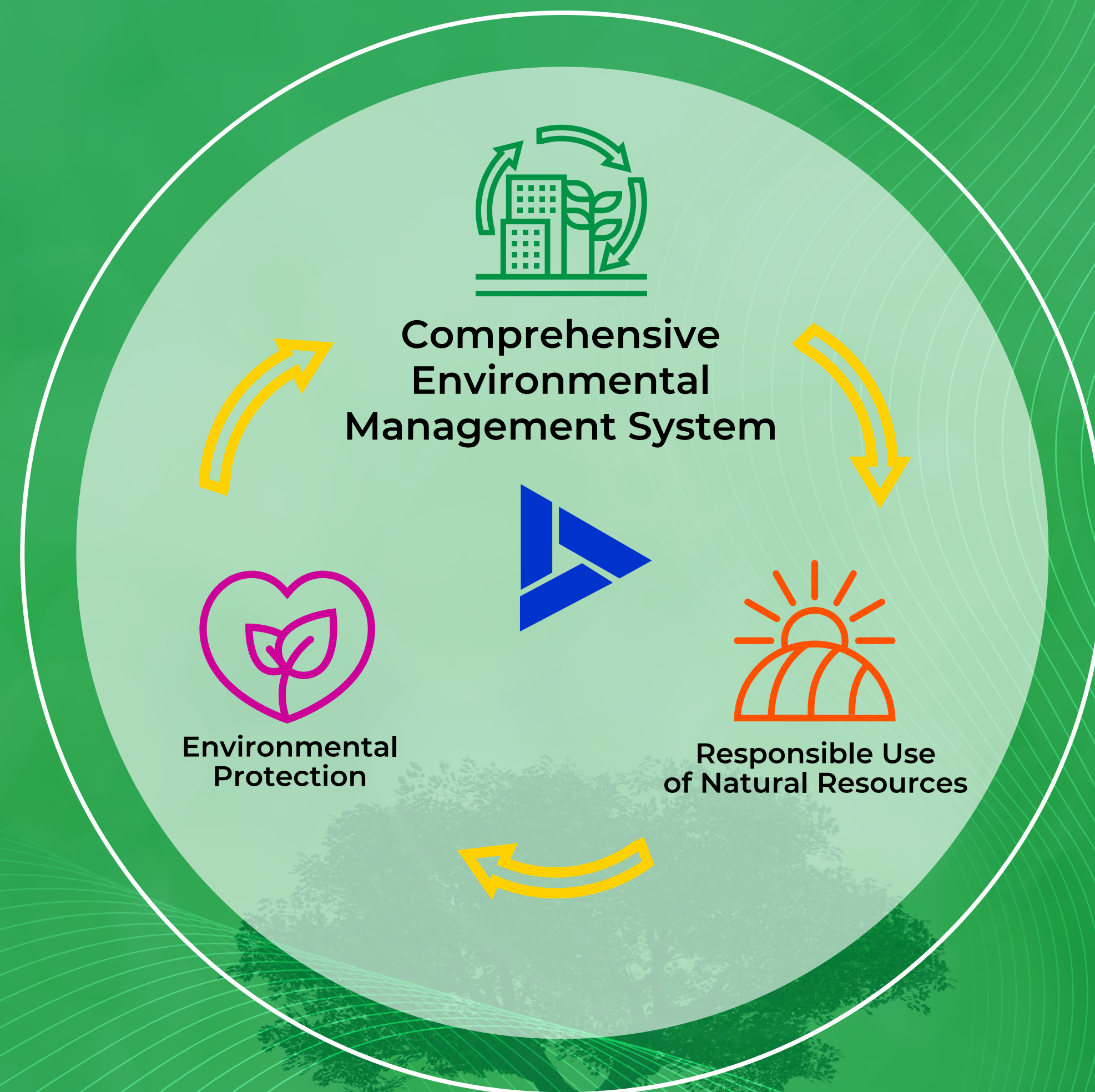
## 2022 Key Actions

- ✓ 64% reduction in direct emissions into the atmosphere compared to the 2018 baseline
- ✓ 13% reduction in water consumption compared to the 2018 baseline
- ✓ 15% reduction in total tons of waste generated compared to 2021
- ✓ 9% of the total energy consumed by CYDSA came from clean energy sources

# 1. Environmental Management

2-23, 2-24, 3-3  
RT-CH-410b.2

CYDSA has implemented a solid **Environmental Management System**, whose main objective is to protect the environment, while using natural resources responsibly. This system ensures that all operations at the Company's facilities have the technology necessary to reduce emissions and mitigate environmental impacts, while providing adequate training, and properly disposing of the waste generated. CYDSA also works closely with chambers, trade associations, and NGOs, and their environmental practices comply with both domestic and international standards. This collaboration strengthens communication with the Company's stakeholders and allows them to establish goals and objectives together.



2-28

**The Group is committed to important international protocols and conventions.** Aware of the significant impact greenhouse gas emissions have on the environment, CYDSA now backs the Paris Agreement of 2015, and the Montreal Protocol for Protection of the Ozone Layer. CYDSA has also committed to promoting the well-being of the communities where it operates, adhering to the Minamata Convention to eliminate the use of mercury in the chlorine and caustic soda production process, thus protecting human health and the environment from mercury emissions.

**At CYDSA, the precautionary principle is used in managing environmental risks,** meaning the Company does not postpone adopting effective measures to mitigate impacts if there is a risk of serious or irreversible damage.

As part of its contingency plans, the plants analyze the risks posed by the several disruptive agents described by Public Safety, which include hydrometeorological risks. These include natural disasters such as hurricanes, flooding due to rainfall, river, coastal and lake flooding, snow, hail, dust and lightning storms, freezes, droughts, as well as heat waves and cold snaps. This analysis showed that the plants are not located in areas that could be impacted by these factors.



## 2. Environmental Performance

3-3

CYDSA implemented numerous measures in 2022 to mitigate its environmental impact. The Company focused on reducing emissions and energy consumption at its plants, while prioritizing the use of clean energy generated internally in its production processes. Regarding emission reduction, in May 2022, the destruction of HFC-23 gas, a byproduct of HCFC-22 gas production, was initiated. This initiative resulted in a substantial decrease in the Group's direct emissions throughout the year 2022. It also complements the range of services the Company has been providing to external businesses for incinerating fluorinated gases since April 2016.

Water consumption was carefully managed, with a focus on extracting from sources experiencing less water stress. Efforts also continued to capture and treat rainwater and wastewater, both for reuse and discharge into bodies of water, ensuring better water quality. Elsewhere, measures were implemented to reduce waste generation, improving the processes to separate and manage hazardous and special waste. The objective of these activities was to avoid contaminating waste disposal sites.

**The results of the principal indicators obtained during this period are presented below:**



## Internal Recognition for Protecting the Environment and Energy Optimization

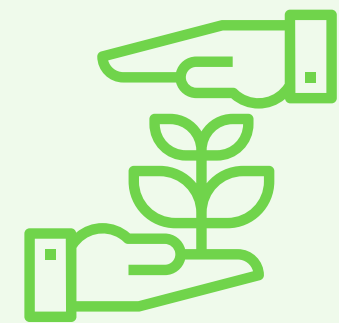
CYDSA's internal recognition program highlights achievements in environmental protection and optimization of energy resources. Within this context, in 2002, the award for best environmental project was given to the Underground Hydrocarbons Storage business, and the award for best energy project went to Iquisa Santa Clara. Efforts were also recognized in improving transformation efficiency at the Sales del Istmo plant, and for energy efficiency at Iquisa Noreste.



| Internal Progress  | Salt Processing and Distribution (CDMX) | Sales del Istmo | Cogeneration | Iquisa Coatzacoalcos | Iquisa Tlaxcala | Iquisa Hermosillo | Iquisa Santa Clara | Iquisa Noreste | Quimobasicos | Hydrocarbons Processing and Underground Storage |
|--|---|-----------------|--------------|----------------------|-----------------|-------------------|--------------------|----------------|--------------|---|
| Environmental Management System based on standard ISO 14001  |   | ✓               | ✓            | ✓                    | ✓               | ✓                 | ✓                  | ✓              | ✓            | Initiated                                       |
| Voluntary participation in SEMARNAT's Clean Industry program   | ✓                                       | ✓               | ✓            | ✓                    | ✓               | ✓                 | Initiated          | ✓              | ✓            | Initiated                                       |
| Improved rainwater capture system  | ✓                                       |                 |              |                      |                 |                   |                    |                |              |   |
| Implementation and use of hydrogen as an alternate fuel  |   |                 |              |                      |                 |                   | ✓                  | ✓              |              |   |
| Water treatment plant and responsible water extraction to reduce consumption of potable water        |   |                 |              |                      | ✓               |                   | ✓                  | ✓              | ✓            |   |
| Special and Hazardous Waste Management Plan  | ✓                                       | ✓               | ✓            | ✓                    | ✓               | ✓                 | ✓                  | ✓              | ✓            | ✓   |
| Electricity use for the plant's electricity distribution system                                      |   | ✓               | ✓            | ✓                    |                 |                   |                    | ✓              |              |   |
| Participation in the Comprehensive Responsibility Management System for the Chemical Industry (SARI) |   |                 |              | ✓                    | ✓               | ✓                 | ✓                  | ✓              | ✓            |   |
| Internal Emergency and Materials Transport Plans   | ✓                                       | ✓               | ✓            | ✓                    | ✓               | ✓                 | ✓                  | ✓              | ✓            | ✓   |
| Programs to rescue, relocate, or rehabilitate flora and/or fauna                                     |   | ✓               |              |                      |                 |                   |                    |                |              | ✓   |

Activities to protect biodiversity and encourage conservation also continued in 2022. CYDSA supported the **Kemp's Ridley Sea Turtle Conservation Program in Zapotitlan**, located 64 kilometers away from Coatzacoalcos, in the state of Veracruz. This included in-kind equipment donations, including lamps, raincoats, and safety shoes. CYDSA volunteers also helped release approximately one million turtle hatchlings during the most recent nesting season.

CYDSA continued its reforestation activities to offset some of its ecological impacts. Strategic reforestation offers a series of benefits, such as climate regulation, better air quality, capturing water in aquifers, and creating fertile soil.



A group of 40 volunteers from CYDSA participated in planting native pine trees as part of the **“Semillas de Esperanza”** (Seeds of Hope) campaign, in collaboration with the Chipinque Organization Conservation Team. This initiative aimed to preserve the ecosystem services provided by the natural reserve, and to benefit the metropolitan area of Monterrey. A total of 200 native pine trees were planted.





Additionally, 6,072 trees were planted on 4.6 hectares owned by CYDSA. The Company also continued working on its greenhouse, which has the capacity to cultivate up to 30,000 plants per year of species native to the region.

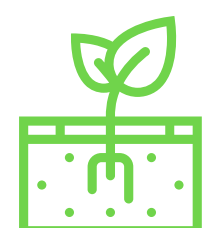
### Plants Grown in the Greenhouse

| Year       | 2019  | 2020   | 2021  | 2022   |
|------------|-------|--------|-------|--------|
| Production | 8,000 | 22,000 | 9,400 | 17,700 |



### Hectares Reforested

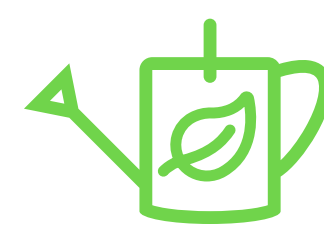
2016-2022



Hectares  
Reforested  
**28.2**



Trees/Hectare  
**1,320**



Trees  
Planted  
**37,224**



## 2.1 Energy

2-27, 302-5

To maintain sustainable internal operations, in 2022, CYDSA intensified its efforts to reduce energy consumption at its plants by implementing several cutting-edge technologies. Electricity generation at its facilities is subject to the regulations established by the Law on Public Electricity Service (LSPEE), and the Energy Regulatory Commission (CRE).

The chlorine and caustic soda plants that are equipped with membrane technology provide three major benefits: (1) they eliminate the use of mercury in production processes, (2) reduce the greenhouse gas emissions responsible for global warming, and (3) decrease electricity consumption by 30%. CYDSA currently has plants with installed membrane technology located in Garcia, Nuevo Leon, and Santa Clara, in the State of Mexico. A new plant in Coatzacoalcos, Veracruz, which will also be equipped with this advanced technology, is expected to start operations in 2023.

During 2022, an investment was made in the Iquisa Santa Clara plant to install an innovative boiler. This new boiler will perform a fundamental role in CYDSA's efforts to optimize energy consumption, as it operates through a combination of hydrogen and natural gas. It should be noted that the hydrogen used is a subproduct of chlorine production at Iquisa Santa Clara's facilities, resulting in significantly lower natural gas use.

The Electricity and Steam Cogeneration Plants I and II in Coatzacoalcos, Veracruz, generate electricity fired by natural gas (efficient cogeneration). Investments have been made in the turbine air-cooling systems at these plants, increasing their capacity in 2023 and producing cooling from excess steam.



At Sales del Istmo, a new type of plastic canister made of oxodegradable materials is now being produced. This innovative approach will reduce environmental impacts and achieve self-sufficiency in manufacturing one-kilogram salt canisters. Use of these special materials will decrease impacts to the environment, providing a more sustainable option for product packaging.

Generation from Clean Energy Sources (MW/hour)



\*Five-month plant shutdown to install turbine inlet air cleaning systems.

In 2022, clean-energy generation decreased by 44.1%, mainly due to replacing a heat recovery system at the Cogeneration operations. This resulted in less steam generation due to reduced gases exiting the turbine.





## 2.2 Emissions

305-1, 305-2, 305-5  
RT-CH-110a.1, RT-CH-110a.2



The technology CYDSA uses at its facilities has allowed it to reduce the emissions produced during its operations. To optimize its operating processes and to meet growing market demand, CYDSA will continue investing strategically to incorporate the best technologies into its facilities.

Quimobasicos has innovated by implementing new practices to destroy gases using argon plasma arc technology. The scope of this technology was expanded in 2022, by offering the fluorinated gas incineration as a service to third parties, in compliance with corresponding international standards. This plant also continues to offer latest-generation ecological products that do not damage the ozone layer.



At Iquisa Hermosillo, preventive maintenance services have been implemented for equipment that has the potential to generate emissions throughout the year, such as forklifts and cooling systems. These measures ensure that the highest operating standards are met, while preventing fugitive emissions. Such emissions can adversely impact team members' health and the environment.

At Iquisa Santa Clara, the year 2022 marked the start of continuous operations of the new boiler that uses a combination of natural gas and hydrogen as fuel. This innovation meant natural gas consumption was reduced and partially replaced with hydrogen, in a 50-50 proportion. As a result, there was a notable 40% decrease in direct plant emissions. This achievement led to SEMARNAT granting an operating extension of up to three days for the plant, which qualifies it to function in environmental emergencies. It should also be noted that boilers using dual-burner technology have been installed at the Iquisa Noreste operations, located in Garcia, Nuevo Leon.

Thanks to its outstanding safety results and the absence of chlorine emissions being released into the environment, CYDSA has once again obtained the Safety Excellence Award from The Chlorine Institute. The Iquisa Santa Clara, Tlaxcala, Hermosillo and Noreste plants have been recognized with Diamond Level. Finally, it should be highlighted that CYDSA has maintained a track record of having no leaks or high-consequence accidents related to the chlorine production process for more than five years.



305-1, 305-2, 305-5  
RT-CH-110a.1, RT-CH-110a.2



## Emissions

CO<sub>2</sub> equivalent (thousands of tons CO<sub>2</sub>eq)

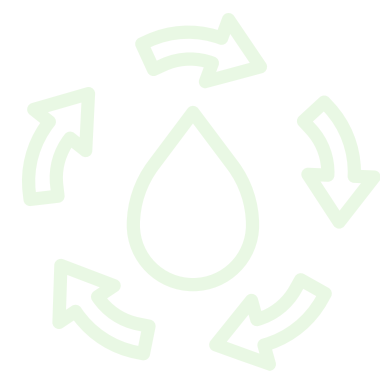
|  | 2018  | 2019   | 2020   | 2021   | 2022   | Variation<br>% 2022 vs<br>2021 |
|--|-------|--------|--------|--------|--------|--------------------------------|
| Direct GHG emissions<br>(scope 1)                        | 2,378 | 1,813  | 962    | 1,945  | 856    | -56.0%                         |
| Indirect GHG emissions in<br>generating energy (scope 2) | 377   | 424    | 422    | 482    | 391    | -18.8%                         |
| Total GHG emissions<br>(scopes 1 and 2)                  | 2,755 | 2,237  | 1,384  | 2,427  | 1,247  | -48.6%                         |
| Reduction of GHG emissions<br>(against base year 2018)   | N/A   | -18.8% | -49.8% | -11.9% | -54.7% |                                |

305-5

Compared to 2021, a year with much higher production activity following the end of preventive measures and lockdowns due to the pandemic, there was a 56.0% decrease in direct emissions in 2022. There was also a 64.0% reduction against the 2018 baseline, despite going back to a regular work schedule. These achievements were partly due to the HFC-23 gas destruction process, implemented in May 2022.

## 2.3 Water

303-1, 303-2  
RT-CH-140a.3



To learn more about the history, analysis, and identification of the regions with water stress where CYDSA is present, as well as its focus on managing water as a shared resource with the communities where it has operations, please see RT-CH-140a.3 of the SASB Index, or page 36 of the **2021 Sustainability Report**.

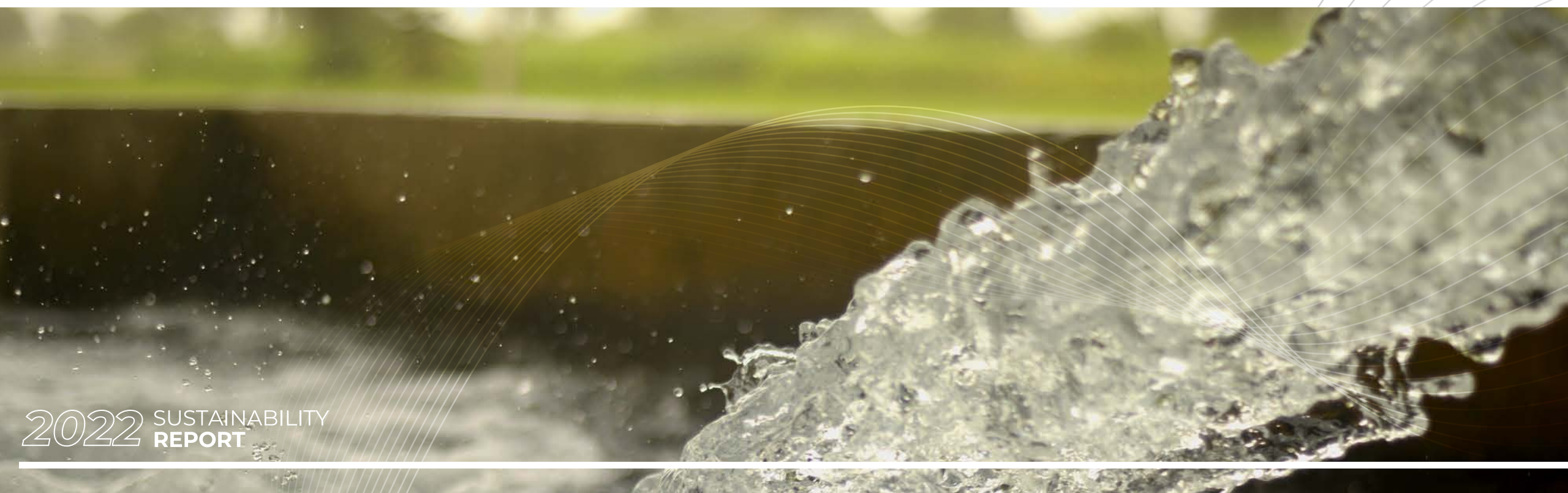
CYDSA is currently analyzing and implementing several projects intended to reduce water consumption and ensure that the wastewater it generates in its processes does not adversely impact receiving bodies of water. These initiatives will use treated wastewater in its operations, transforming it into industrial water and thus significantly reducing consumption of potable water extracted from aquifers in the State of Mexico and Nuevo Leon. The ultimate goal is to completely eliminate the use of potable water in production processes, focusing on physical processes to treat industrial water.

Iquisa Coatzacoalcos is in the planning phase of a new water treatment plant to meet the guidelines established in the new version of NOM-001-SEMARNAT-2021. This standard establishes allowable limits for contaminants in wastewater discharged into Mexico's receiving bodies of water.

A project to implement wastewater recycling at Iquisa Noreste was authorized and scheduled for 2023. With this project's implementation, triple-effect evaporation technology and a centrifugal separator will be used to eliminate wastewater discharge.

Several measures have been implemented at Iquisa Santa Clara to reduce and optimize water use. The wastewater treatment plant project is currently in the stabilization process. Once the plant is fully operational, there will be a significant reduction in water extracted from wells, as the water CYDSA requires will be replaced with treated water from the Grand Canal, and from the plant's own operations. Note that all wastewater generated in CYDSA's operations is submitted for analysis by accredited laboratories, thus ensuring compliance with the corresponding environmental standards.

In May 2022, a geohydrological study was performed to identify an adequate site to drill a well to extract groundwater to be used at the Iquisa Hermosillo plant.



In summary, the capture, treatment, storage, and demineralization of water are essential components in CYDSA’s environmental management system. The Company’s principal objective is to reduce the impacts associated with discharging water into the sources that supply surrounding communities, considering the importance of this limited resource.



In 2022, the water used in operating processes decreased by 13% over 2018.

Total water consumption in thousands of cubic meters

303-5  
RT-CH-140a.1



Variation % 2018-2022: -13.0%



Total water consumed and extracted by all plants:

4,182,826 m<sup>3</sup>

Total recycled water consumed:

389,700 m<sup>3</sup>





## 2.4 Waste

306-1 to 306-5  
RT-CH-150a.1



As part of its commitment to sustainability and environmental protection, CYDSA has implemented a Hazardous Waste Management Plan and a Special Waste Management Plan to prevent adverse impacts to society and the environment. These plans focus on reducing both hazardous waste and waste that requires special handling. In 2022, the Underground Storage plant decreased its amount of hazardous waste by 16.6% over the prior year.

Encapsulation technology has been implemented at the Iquisa Noreste and Quimobasicos plants, and at the Iquisa facilities in Atotonilco de Tula, Hidalgo, as part of the Group's initiatives. The purpose of this technological advance is to reduce chemical emissions that might impact the community as much as possible.



306-3, 306-4, 306-5  
RT-CH-150a.1

| Waste in total tons                             | 2022         |
|---|--------------|
| Total waste generated (tons)                    | 7,013        |
| Liquid hazardous waste                          | 120          |
| Solid hazardous waste                           | 957          |
| <b>Hazardous waste</b>                          | <b>1,077</b> |
| Waste requiring special handling                | 5,617        |
| Solid urban waste (non-hazardous)               | 319          |
| <b>Non-hazardous waste</b>                      | <b>5,936</b> |
| Waste diverted from disposal [recycling] (tons) | 2,105        |
| % of total waste recycled                       | 30%          |
| Total weight of hazardous waste                 | 7            |
| Total weight of NON-hazardous waste             | 2,098        |
| Waste directed to disposal (tons)               | 4,908        |
| % of total waste eliminated                     | 70%          |
| Total weight of hazardous waste                 | 1,070        |
| Total weight of NON-hazardous waste             | 3,838        |

306-1, 306-2

There are some variations in the hazardous waste generation data that require an explanation. One case is the Iquisa Santa Clara plant, where the disparity between the years 2018 and 2021-2022 is mainly attributed to remediation work performed at sites in 2018 that had been contaminated with hydrocarbons. These activities resulted in a considerable amount of waste that was properly confined.

However, between May and July 2021, a new well was drilled for brine production at Sales del Istmo. As part of the normal drilling process, oil-based mud was added, resulting in more hazardous waste being generated.

The increased hazardous waste between 2018 and 2021-2022 at Iquisa Coatzacoalcos is attributed in part to the construction of a new plant at those facilities.

Finally, at Quimobasicos the useful life of antimony pentachloride, a substance used as a catalyst, was extended. This resulted in higher waste generation in a specific year, followed by lower waste generation in the subsequent year. This circumstance explains the variations seen in waste generation between the years 2021 and 2022.



### 3. Environmental Management Certifications and Recognitions

Based on international environmental standards, the Integrated Environmental Management System establishes the guidelines that all facilities and operating processes must meet to ensure correct Group operations.

One of CYDSA's priorities is to voluntarily comply with national and international initiatives to certify its environmentally responsible practices, in accordance with each operating area. The Company is also always looking for new solutions to mitigate environmental impacts.

Below are some of the most important achievements in environmental certifications and recognition:

**A.** The water treatment plants at Iquisa Tlaxcala have NOM-001 SEMARNAT-1996 certification (maximum allowable limits of contaminants in wastewater discharges into water and government-owned properties).

**B.** ISO-14001:2015 certification, Environmental Management Systems (EMS) standard: due to its commitment to protect the environment, the Sales del Istmo, Iquisa Coatzacoalcos, Tlaxcala, Hermosillo, Santa Clara, Noreste, and Quimobasicos plants were certified. In 2022, the Underground Hydrocarbons Storage business began the process to obtain this certification.

**C.** The Electricity and Steam Cogeneration business maintains its Efficient Cogeneration System Accreditation, granted by the CRE (Energy Regulatory Commission).

**D.** Comprehensive Responsibility Management System (SARI). Granted by Asociación Nacional de la Industria Química, A.C. (ANIQ), this certificate is related to safety and environmental management systems for the chemicals industry. Iquisa Coatzacoalcos, Tlaxcala, Hermosillo, Santa Clara and Quimobasicos plants have been certified.

**E.** Clean Industry: The Clean Industry Performance Level I Certificate is given to companies that comply with applicable environmental standards. The plants that maintain this certification are Sales del Istmo, Iquisa Hermosillo, Iquisa Coatzacoalcos, Iquisa Noreste, and the Electricity and Steam Cogeneration plant. The Clean Industry Performance Level II Certificate is granted for exceeding applicable environmental standards, and the plants that maintain this certification are Quimobasicos and Iquisa Tlaxcala. In 2022, the underground hydrocarbons storage plant began the certification process.

**F.** Environmental Excellence: The highest recognition that PROFEPA awards for showing deep commitment, the maximum level of compliance in performance, and being certified with Environmental Performance Level 2 (NDA2).

**G.** Industrial Safety, Operating Safety, and Environmental Protection Management System (SASISOPA): The guiding principle used by the Safety, Energy, and Environmental Agency (ASEA) to manage risks from regulated activities in the hydrocarbons sector. The Electricity and Steam Cogeneration and Underground Hydrocarbons Storage businesses have been certified.

**H.** Socially Responsible Company (SRC): Recognition granted by the Mexican Center for Philanthropy (CEMEFI) to Iquisa Coatzacoalcos, Tlaxcala, Hermosillo, Santa Clara, and Noreste for their good social and environmental practices with their stakeholders.

**I.** NSF Certificates: Quality certificates given to Sales del Istmo, Iquisa Coatzacoalcos, Iquisa Santa Clara, and Iquisa Noreste.

**J.** ECOVADIS (Chemours): Certificate obtained by Iquisa Noreste covering a wide range of non-financial management systems, including environmental impacts, labor practices and human rights, ethics, and sustainable procurement.



Cydsa



# COMMUNITY



## 1. Human Capital

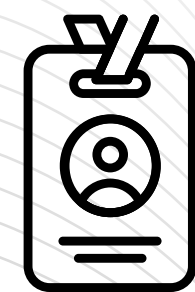
3-3

**CYDSA implements training programs and provides the necessary tools for team members to develop professionally and personally. This is considered a key ingredient in guaranteeing the business' resilience and operations.**

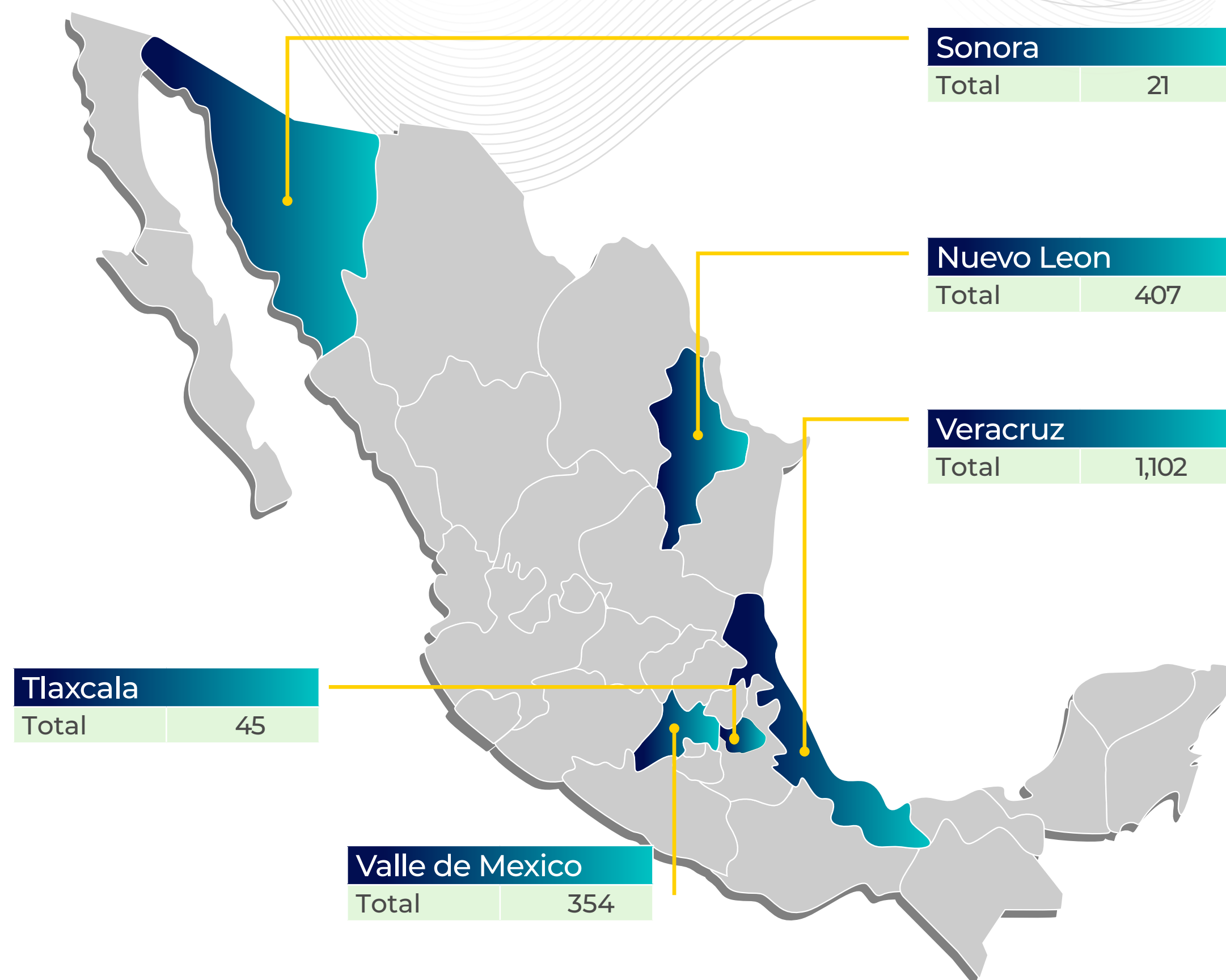
Team members' talent and commitment are key to CYDSA's strength and growth; therefore, programs focused on encouraging their professional and personal growth, and guaranteeing their safety, have been implemented.

## 2022 Key Actions

- ✓ 110,890 hours of training during the year
- ✓ 90 hours of training during the year for unionized workers, and 25 hours for non-unionized workers
- ✓ 70% increase in course attendance to improve team member skills, compared to the previous year
- ✓ Zero work-related fatalities or accidents
- ✓ 3,716 medical exams given to workers



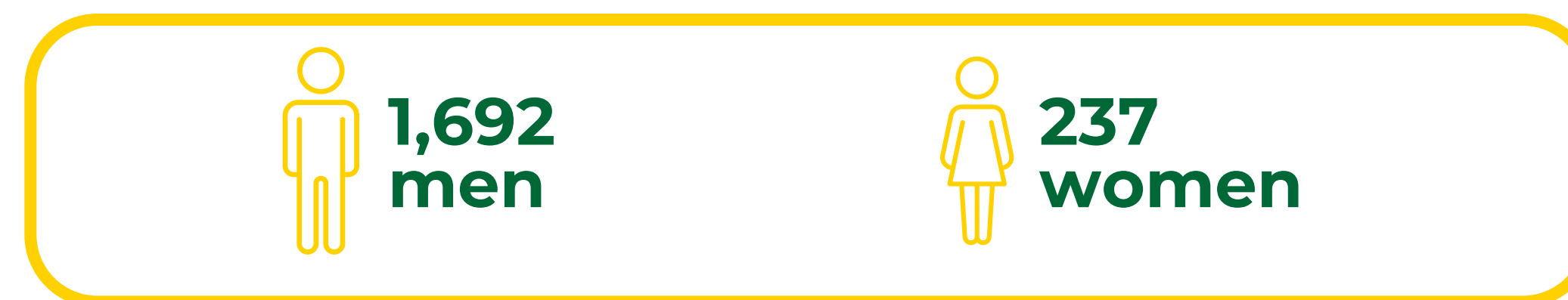
## Total Team Members per Region



2-6, 2-7

Throughout its history, CYDSA has encouraged an optimal working environment and teamwork, as well as respect for its values, fairness, and equal opportunities, recognition of effort, and growth within the Group.

In 2022, CYDSA had **1,929 total team members**, of whom **1,018 were unionized** (52.7%). This workforce includes:



As a result of various actions that have been implemented, the Group has maintained a relatively low rate of annual turnover, and has reduced the turnover rate of its unionized personnel.

|                              | 2021 | 2022  | 2022 Layoffs | 2021 Turnover Rate | 2022 Turnover Rate | Variation |
|------------------------------|------|-------|--------------|--------------------|--------------------|-----------|
| Unionized plant team members | 992  | 1,018 | 68           | 7.10%              | 6.67%              | -0.43%    |
| Plant team members           | 893  | 911   | 76           | 4.87%              | 8.34%              | +3.47%    |

The direct economic value generated and distributed by CYDSA directly impacts the communities where it operates, as well as its team members.



201-1

| Economic value generated and distributed (EVGD) (millions of pesos) | 2021    | 2022    | Variation % 2022 vs 2021 |
|---|---------|---------|--------------------------|
| <b>EVG</b>  | 11,339  | 13,612  | 20%                      |
| Sales to external customers   | 11,339  | 13,612  | 20%                      |
| <b>EVD</b>  | -10,916 | -12,542 | 15%                      |
| Dividends paid to majority shareholders                             | -200    | -200    | 0%                       |
| Dividends paid to minority shareholders                             | -9      | -42     | 367%                     |
| Cost of Sales   | -6,950  | -8,157  | 17%                      |
| Sales expenses  | -1,689  | -1,877  | 11%                      |
| Administrative expenses   | -876    | -1,053  | 20%                      |
| Other operating income (expenses)                                   | 149     | -43     | -129%                    |
| Net financial expenses  | -1,116  | -594    | -47%                     |
| Income tax  | -225    | -576    | 156%                     |
| <b>Economic Value Retained (EVR)</b>                                | 423     | 1,070   | 153%                     |

## 1.1 Work Environment



CYDSA believes it is fundamental to ensure a positive work environment. It has therefore implemented several activities to guarantee respect for human and labor rights, compliance with laws and ethical principles, and to promote inclusion and equal opportunities. CYDSA recognizes the importance of its workers' mental health, and strictly complies with Official Mexican Standard NOM-035-STPS-2018, "Psychosocial risk factors at work." This standard seeks to prevent psychosocial risks and violence at work through identification, analysis, and prevention, in line with the Company's objectives. Furthermore, feedback mechanisms are used, such as surveys and reports on the working environment.

CYDSA's remuneration and benefits plan is designed to meet its workers' needs and to motivate their performance. Personnel receive salaries and benefits in accordance with their profiles and responsibilities, without any gender distinctions.

## Benefits

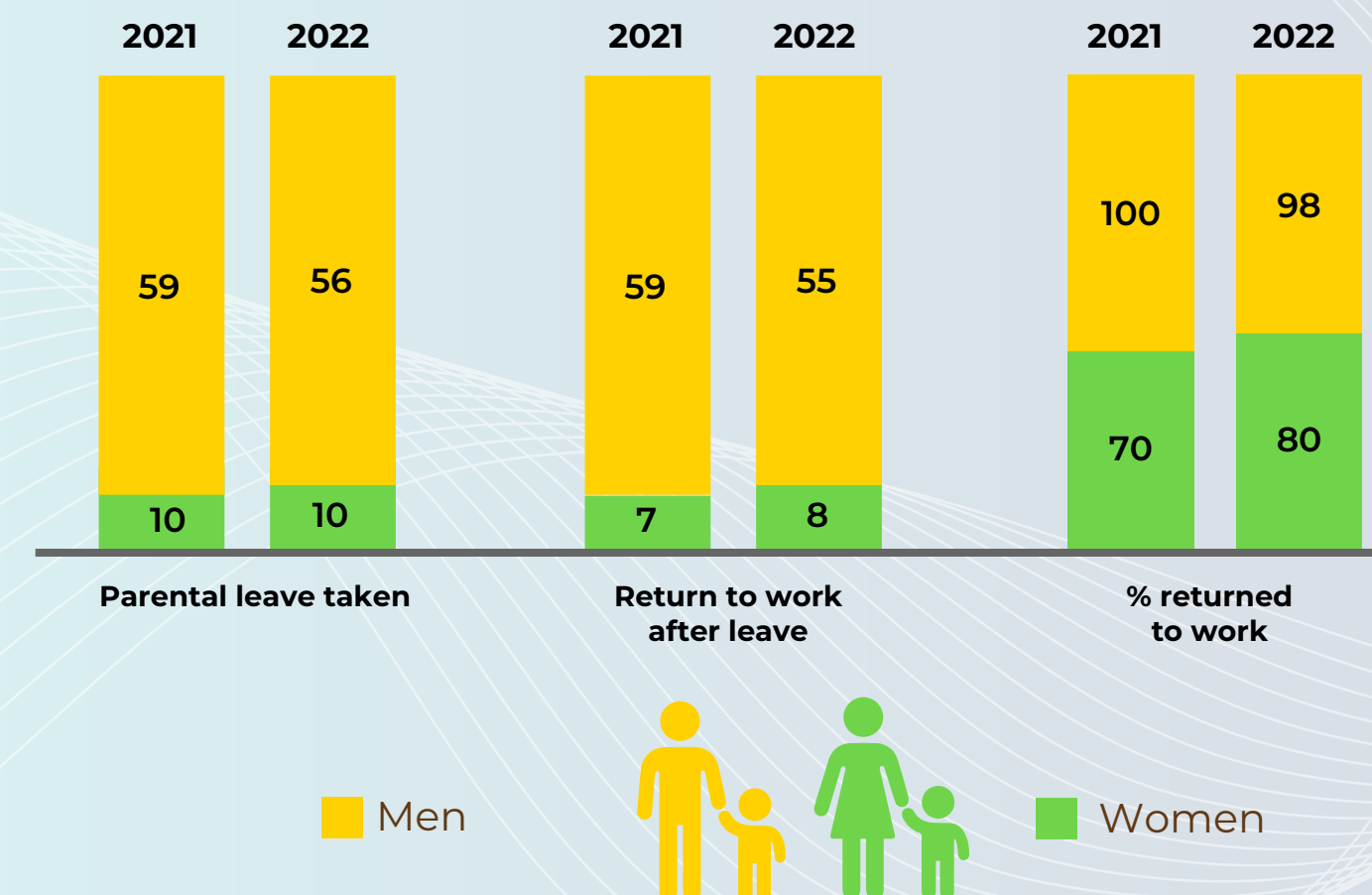
401-2, 401-3

CYDSA provides numerous benefits to its team members, including:

- Savings plan and financial training
- Healthcare assistance
- Disability coverage
- Parental leave
- Life insurance
- Grocery vouchers
- Recognition for years of service
- Disability subsidy
- Bonus
- Vacation pay
- Retirement and protection plan<sup>(1)</sup>

(1) Available only for certain team members. See GRI Index disclosures 2-19 and 401-2 for more information.

### Parental Leave



## 1.2 Training and Development

404-2



Supporting the development of team members' skills and abilities through training programs is of vital importance to ensure their professional and personal growth. Improving skills not only has a direct impact on team members' individual growth; it has also been fundamental in creating a highly qualified workforce that has enabled CYDSA to secure its position as an industry leader.

The Company provides training to master the skills required for each position, with the objective of guaranteeing the physical integrity of team members. Furthermore, in cases in which positions within the organization are being eliminated, personnel are provided with the support and training necessary to prepare them for the next step in their career plan, both inside the organization, and outside, if they choose to leave.

During 2022, performance evaluation and professional development processes were implemented, supported by leading-edge tools like the SAP Success Factors software. This program facilitates managing administrative tasks related to each team member, in line with the Group's strategy and directives, with the goal of managing individual goals and documenting team member progress and development.

404-1

Training was provided with a focus on health and safety matters, environmental control, leadership development, gender equality, protecting family finances, and emergency response and first aid training. An average of 59 hours of training per team member was provided in 2022.

Webinars such as the following were provided from the Group's corporate offices, training and developing 330 team members:

- Believe in yourself... and other career lessons from powerful women
- World Environment Day
- Driving emotional intelligence in the organization
- The mindset to start innovating
- The Big Data revolution in my organization. How do I get it going?
- Start to use Agile Methods in your day to day



## 2. COVID-19 Pandemic

3-3  
RT-CH-320a.2



Despite strong economic recovery and adapting to a new normal after experiencing the COVID-19 pandemic, the Group continued to implement protocols and procedures that exceeded the health authorities' recommendations to maintain the highest health standards.

Throughout 2022, strategies were revised in response to the COVID-19 pandemic. The Preventive Corporate Plan, developed in 2020 by a multidisciplinary team, continued to be a key prevention strategy. As a result, the following initiatives were implemented:

**The experience of facing the challenge of the COVID-19 pandemic improved CYDSA's ability to respond to numerous risks, both in terms of their nature and their magnitude. Looking to the future, the Company believes it is better prepared to face a similar scenario, if one should arise.**

## 2022 Initiatives

- ✓ Vaccinations were still offered, providing facilities to workers to get vaccinated, and assuring their compliance.
- ✓ Area managers continued to give five-minute talks Monday through Friday, sharing current news about the COVID-19 pandemic, to raise awareness and create a feeling of responsibility to comply with hygiene and safe-distancing measures issued by CYDSA Corporate.
- ✓ There is a 24/7 COVID Call Center where team members can ask questions and receive recommendations on diagnostic testing, medications, protective equipment, and hygiene on surfaces.
- ✓ Sanitary protocols at plants: COVID-19 tests, vaccination questionnaires, temperature-taking points, home office, and doctor participation on the COVID-19 Committee.
- ✓ Medical team specialized in epidemiological detection and implementation of a comprehensive strategy on site.
- ✓ Use of symptom questionnaires for suppliers and visitors, monitoring suspected cases.

### 3. Operating Safety and Compliance

2-23, 3-3, 403-1, 403-2, 403-4, 403-5, 403-7, 416-1  
RT-CH-410b.1, RT-CH-320a.2



**The Group has the highest health and safety standards for team members, the community, and the environment. Its measures, which exceed the sector's legal requirements, are sufficient to address sector-specific operating risks that might arise.**

403-1, 403-2

CYDSA has implemented a rigorous Industrial Safety, Operating Safety, and Environmental Protection Administrative System (SASISOPA) to ensure safety in the hydrocarbon processing and storage areas. This system complies with current legislation, and is intended to identify, reduce, and control health and safety risks, according to the Occupational Health, Security, and Environment Protocol (SSOMA), which protects team member safety across operations.

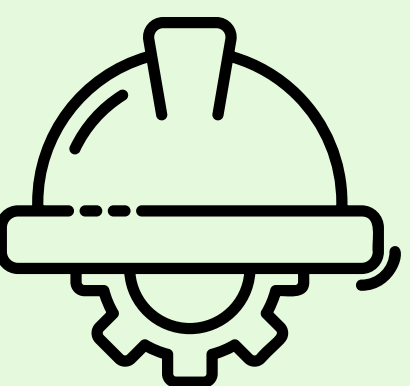
Internal and external monitoring mechanisms have been established for those systems at Iquisa Santa Clara, Tlaxcala, and Quimobasicos. Team members are encouraged to participate in risk evaluations by being on mixed committees that investigate accidents. These committees use risk assessment tools such as AST, What-If, and HAZOP. Hazardous work is performed following systems and procedures with different authorization levels.

There are protocols for investigating accidents, and corrective actions are implemented to prevent recurrences. In all plants a safety administration system is used that is based on Process Safety Management (PSM), which includes following up on accident investigations using the Technique for Systematic Analysis of Causes (TASC) methodology.

There is also an Occupational Health and Safety Policy, updated in 2022, which establishes the commitment to protect the physical integrity and health of all personnel and facilities, prevent impacts to the neighboring communities and the environment, monitor Health, Safety, and Environmental management systems, and comply with applicable legislation with the participation of each and every member of the Company.

An example of implementation and active management of these safety policies are the periodic inspections of facilities and processes at all plants, in compliance with NOM-019-STPS-2004. It should be noted that these inspections are supervised by the Group's Risks Analysis Committee, which is a central element of administering CYDSA's operating safety.

The Group also has internationally recognized certifications in environmental and safety systems, such as the Comprehensive Responsibility Management System for the Chemical Industry (SARI), and the Occupational Health and Safety Self-Management Program (PASST) of the Secretary of Labor and Social Security.



**Public safety authorities trust CYDSA's experience in handling chlorine and its industrial safety practices. To support this work, innovative tools such as the Safer software are used, which allows leaks of hazardous materials to be simulated in real time.**



# **Internal Recognition for Industrial Safety, Protecting the Environment and Energy Optimization** 2022

CYDSA awards internal recognition of performance in these areas. This year the awards went to the following plants:



## Best performance in years without high-consequence accidents:

- 17 years without high-consequence accidents: Iquisa Tlaxcala
- 18 years without high-consequence accidents: Iquisa Santa Clara
- 12 years without high-consequence accidents: Quimobasicos
- 7 years without high-consequence accidents: Hydrocarbons Processing and Underground Storage
- 4 years without high-consequence accidents: ASERTEC
- 2 years without high-consequence accidents: Iquisa Hermosillo



## Recognition of improvements:

- Improvement in the accident rate: Sales del Istmo
- Improvement in transformation efficiency: Sales del Istmo
- Improvement in safety audits: Iquisa Tlaxcala
- Improvement in vulnerability index: Quimobasicos and Iquisa Tlaxcala
- Improvement in energy efficiency: Iquisa Noreste



## Development of the best project:

- Best environmental project: Hydrocarbons Processing and Underground Storage
- Best energy project: Iquisa Santa Clara

403-5



## In 2022, 12 distinct occupational health and safety initiatives or training programs were implemented.

CYDSA holds periodic occupational health and safety training sessions for workers at its plants and divisions. During 2022, courses were given at Quimobasicos regarding compliance with the current STPS standards (NOM-035 and NOM-036), as well as training in cardiopulmonary resuscitation (CPR) and first aid for chemical burns and high temperatures.

Regular training is provided at Iquisa Santa Clara and Tlaxcala on safety, protecting health, and improving labor skills, following SSOMA and PREVENIMSS protocols. An assessment to identify team members' needs is performed annually, and together with the Evaluation Committee and a worker representative, possible improvements to existing processes are evaluated.

The Group also establishes specific requirements regarding information and labeling of its products and services. To ensure safety, publicly accessible portals and safety data sheets prepared in accordance with the Chemical Risk Identification Standard are provided. These sheets comply with the Global Harmonized System and are available for clients and end users.

The safety data sheets contain information about risk characteristics, precautions, and emergency measures or final disposal. This information is also provided to vehicle operators, who transmit this information directly to clients. In addition, an emergency protocol for transporting products is included in the dispatched vehicle. This risk-information protocol is meant to coordinate a safe response in the event of an emergency. All actions comply with Secretary of Communications and Transport regulations.

Training in contracting procedures, entry and dispatch of vehicles, as well as the technical service provided by sales personnel, are intended to ensure that customers are provided with the necessary information regarding product labeling requirements, as well as the requirements for operators involved in transporting and handling them.

CYDSA also voluntarily participates in emergency simulations as part of the National Chemical Emergency Preparedness and Response Day, including leak management simulations. These simulations are performed using the Safer software.



# 2022 Case Studies




The total number of hours of in-person training courses covering occupational health and safety matters during 2022 was 11,966 hours with 3,659 participants.

Health and safety webinars were also offered to 630 team members, including subjects such as:

- World Tuberculosis Day
- Nutrition, immune system, and COVID-19
- World Day for Safety and Health at Work
- Detox and miracle products. Do they really work?
- Let's talk about cancer
- World Hypertension Day
- Drugs in our food: Sodas, alcohol, and sugars
- Severe Traumatic Events: Everyone has a part to play
- Diets are good for nothing
- Preventing and detecting breast cancer
- Influenza webinar

## Quimobasicos

At Quimobasicos, courses were provided on using personal protective equipment, adjusting and testing breathing equipment, occupational health risks, protective systems, handling hazardous chemicals, preventing and fighting fires, and performing hazardous activities in the workplace. The average number of training hours per team member at Quimobasicos was as follows:

|   | Unionized team members | Team members | TOTAL         |
|---|------------------------|--------------|---------------|
|  <b>Total Training Hours</b>         | <b>8,361</b>           | <b>1,844</b> | <b>10,205</b> |
|  <b>Personnel Registered</b>         | <b>60</b>              | <b>71</b>    | <b>131</b>    |
|  <b>Avg. Hrs. of Training/Person</b> | <b>139</b>             | <b>26</b>    | <b>78.1</b>   |

# Operating Safety

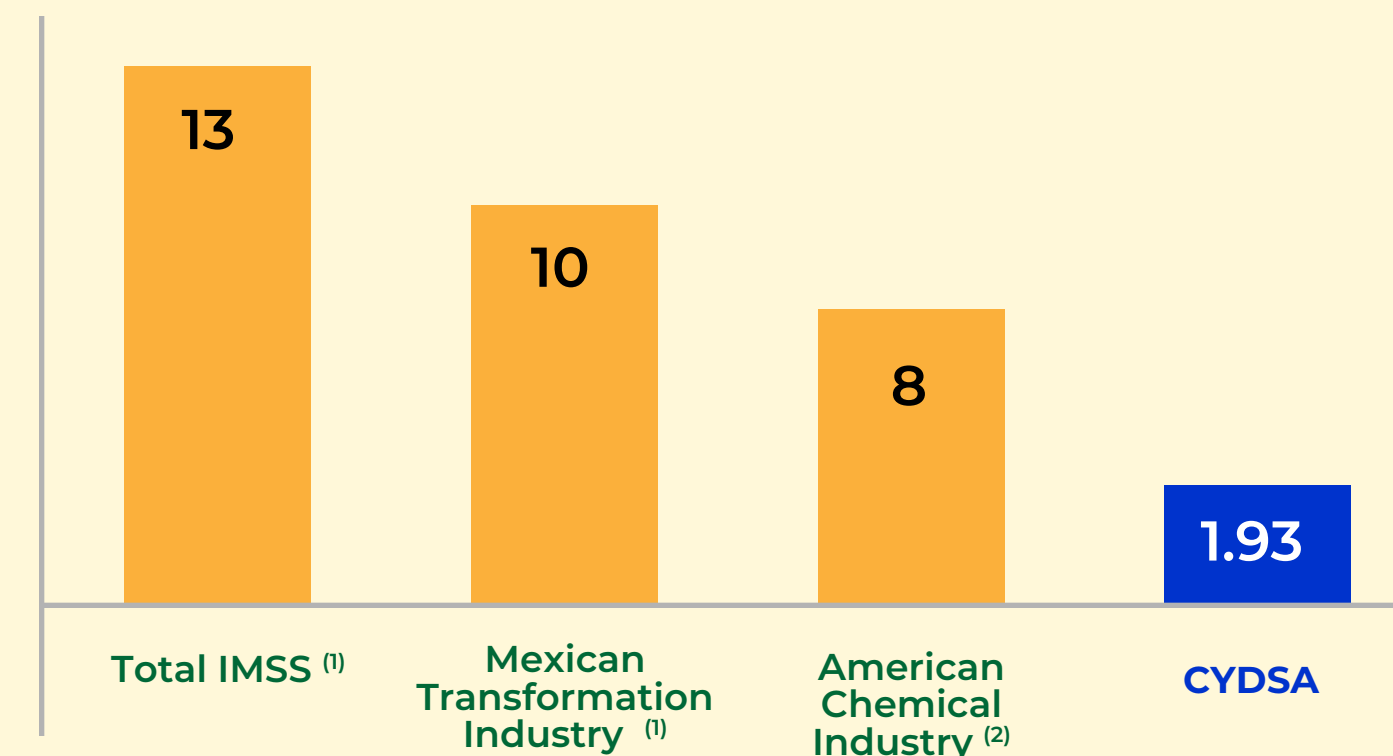
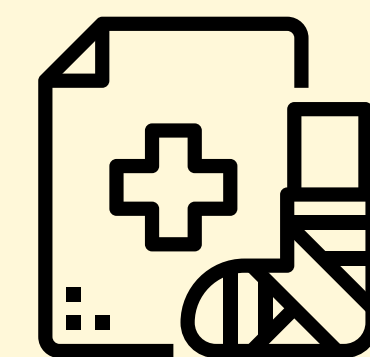


The corporate objective is to have no more than one accident per every 1,000 workers. This target is backed by safety programs at each plant where, as part of the updates to the SSOMA Protocol, a specific element was added for the Systematic Control of Human Error according to the Process Safety Management standards of the Process Improvement Institute.

The main types of recordable injuries per work-related accident were:

- Electricity and Steam Cogeneration: Muscle spasm (1)
- Sales del Istmo: Electricity discharge (1)
- Iquisa Noreste: Fall with fracture (1)
- Iquisa Coatzacoalcos: Kneecap injury (1)
- Salt Distribution Facility in Mexico City: Ankle sprain (1), blow to arm (2)

## High-Consequence Accidents X 1000 Workers 2022



(1) Source: STPS Occupational Risks Report – IMSS 2022

(2) Source: 2022 OSHA Work Statistics Bureau

403-7, 416-1  
RT-CH-410b.1



**In 2022, no health and safety violations were recorded in the products and services categories at any CYDSA plant.**

403-7, 416-1  
RT-CH-410b.1

Specific programs have been implemented in each area of the organization to achieve the highest safety indicators. These programs include implementing internal emergency plans and materials transport plans, allowing teams to prevent and monitor any incident that might occur. Iquisa Coatzacoalcos, Noreste, Tlaxcala, Santa Clara, and Quimobasicos are part of the Chemical Industry Emergency Transport System (SETIQ), which is responsible for providing immediate telephone response in the event of incidents related to transporting chemical products, and to serve as a link to other emergency response groups.

Furthermore, a risk evaluation has been performed on 100% of the products and plants, including anyone involved through a commercial relationship.

Every year product safety data sheets are updated in conformance with the Global Harmonized System. These data sheets provide information on the risk characteristics of the products, as well as the precautions necessary to handle and transport them. This information is provided both to the vehicle operators in charge of transporting the products, as well as plant personnel.



# Risk Management

2-23



Risk studies are performed on operating production processes as part of risk management. Their objective is to improve compliance with international standards in occupational health and safety matters. All business units implement the “Dutch Line” methodology to establish a social risk profile following the strictest Dutch standards. This methodology allows possible risks to be identified, and preventive, control, and mitigation measures to be established. Social risk profiles must be renewed every five years, or when there are changes in production processes.

**To show that the impacts on health and safety have been evaluated in the various businesses, each plant is asked to provide the following:**

- The most recent “Dutch Line” graphs
- All updated Environmental, Safety, and Innocuousness Certificates (for example: Clean Energy, SARI, NSF, recognitions from The Chlorine Institute)

To learn more about the status of renovations, studies, and principal activities at all plants, please see page 55 of the **2021 Sustainability Report**. There were no significant changes in this area between 2021 and 2022.

If any parameter or deviation is found with respect to the maximum allowed levels, an action plan is created to mitigate or eliminate conditions that present risks to team members’ health and safety.

CYDSA’s plants also have their own health and safety risk management systems and procedures, such as:

**Quimobasicos:** performs admission exams on newly hired personnel, annual medical check-ups that include anti-doping and stress tests, nutritional programs, PREVENIMSS, lung function and hearing tests, vaccination campaigns, and COVID-19 tests.

**Iquisa Santa Clara:** has policies and procedures that are communicated in a timely manner to team members to identify material risks in the workplace. Santa Clara also has a performance evaluation process coordinated by the safety and supply area. Safe occupational behavior qualifications impact the final rating.

In 2022, risk analyses using the Hazard and Operability (HAZOP) methodology were conducted for the chlorine liquefaction and storage system, and for the steam boiler package of the mercury-to-membrane cell conversion project. As part of its risk management system, hazardous work procedures include a safety analysis to identify risks at each stage of work, and to develop controls to eliminate and/or minimize those risks.

2-23, 403-4

Team members can report any hazardous or risky working conditions by means of a specific form developed internally in the SAP (Systems, Applications and Products) system. This way the root causes of the event can be analyzed, and with it the actions to be taken in response. The data collected on events with the highest incidence are reported and distributed in the Internal Safety Bulletin every month to keep personnel informed, attentive, and trained.

Team members participate in these matters through publication on dashboards, distribution on electronic screens and bulletins, and a monthly health chat for Group members and contractors, in which employed and unionized personnel participate voluntarily in health and safety matters.

Furthermore, all plants have a Risk and Process Analysis Committee, as well as a Safety and Hygiene Commission. This Commission is comprised of unionized personnel and representatives from management, healthcare, safety and administrative teams. Both Committees have meetings at least quarterly and are required to undertake verification and inspection rounds.

**Every year a corporate audit is performed by personnel with experience in occupational health and safety matters to verify the degree of compliance with CYDSA's Occupational Health, Safety, Management, and Environmental Management System policies.**



Health and Safety recognitions and certifications at each plant are listed in the section entitled Certifications and Recognitions, and include, but are not limited to:

## INTERNAL

- **AST:** Labor Safety Analysis, a monthly evaluation to find and prioritize the risks associated with tasks performed, and the corresponding preventive measures.
- **SSOMA:** Corporate Occupational Health, Safety, and Environmental Protocol.

## EXTERNAL

- **ISO 9001:2015:** Quality Management.
- **ISO 14001:2015:** Environmental Management.
- **NOM-010-STPS-2014:** For contaminant chemical agents present in work areas.
- **NOM-011-STPS-2001:** For noise level assessment in different areas of the work site.
- **NOM-017-STPS-2008:** For Personal Protective Equipment for workers, including an analysis per work position following established guidelines.

- **NOM-019-STPS-2011:** Creation, formation, organization, and operation of health and safety committees.
- **NOM-025-STPS-2008:** Recognition and evaluation of lighting levels.
- **NOM-030-STPS-2009:** For each physical agent such as noise, lighting, and vibration, an assessment is done in accordance with current industrial hygiene standards in Mexico.
- **NOM-035-2018:** To identify and prevent psycho-social risk factors.
- **PASST:** Program for Self-Management in Occupational Health and Safety, certification granted by STPS.
- **SARI:** Environment and Safety certification granted by the National Chemical Industry Association.
- **SASISOPA:** Management System for Industrial and Operating Safety, and Environmental Protection, certification granted by ASEA (Safety, Energy, and Environmental Agency).
- **Dutch Line Technique:** Risk management model that also covers social risks for the community.
- **HAZOP Technique:** Hazard and Operability, through Imperial Chemical Industries (ICI).
- **Compliance with REPSE** (Registry of Specialized Service Suppliers).

## 4. Health and Well-Being

403-3, 403-6, 403-10  
RT-CH-320a.2



CYDSA promotes the overall well-being of its team members through three ongoing programs that focus on industrial medicine: Preventive Medicine, Industrial Hygiene, and Epidemiological Health Monitoring. Best practices have been implemented to preserve team member health and facilities, continually analyzing operating risks and communicating what those risks are. Process audits are also performed to ensure legal compliance and continuous improvement.

As with work safety conditions, health conditions in work areas are always monitored. Every year an Occupational Health and Safety Diagnostic is run, which identifies:

- Hazardous or unsafe physical conditions that might pose a risk in facilities, processes, machinery, equipment, tools, means of transport, materials, and energy
- Physical, chemical, and biological agents capable of modifying environmental conditions in the workplace which, due to their properties, concentration, level, and time of exposure or action, can alter worker health, and the sources that generate them
- Workplace hazards that pose a risk, and the applicable regulatory requirements in occupational health and safety matters

## Preventive Medicine



The importance of developing, protecting, and maintaining team member health is recognized through actions that help prevent the appearance or propagation of diseases. To this end, CYDSA has a Preventive Medicine Program, which includes a complete health evaluation. During 2022, stress tests using the Bruce Protocol were performed as part of this program, allowing early diagnosis of cardiovascular risks.

The medical check-up includes: clinical exams (complete blood count, blood chemistry, Widal test, VDRL, HIV, Coproparasitoscopic Simple test, urine panel, and anti-doping), chest x-ray, resting EKG, hearing test, lung function test, and stress test using the Bruce Protocol.

In addition to annual medical exams, medical reviews are performed prior to performing high-risk work, such as work at height, in confined spaces, and operating heavy machinery. Workers with chronic-degenerative diseases such as hypertension and diabetes are also monitored to keep their symptoms under control and to prevent complications.

**100% OF CYDSA'S TEAM MEMBERS HAVE ACCESS TO MEDICAL EXAMS. IN 2022, 3,716 MEDICAL EXAMS WERE GIVEN, AN AVERAGE OF 1.9 EXAMS PER TEAM MEMBER.**

## **\*Preventing Obesity, and Encouraging Good Nutrition**

During 2022, Quimobasicos participated in PREVENIMSS campaigns related to preventing obesity, diabetes, and hypertension among team members, and it hired a nutrition service staffed by nutrition experts.

## **\*Prevention Campaigns**

At Iquisa Santa Clara and Iquisa Tlaxcala, good worker health is encouraged through epidemiological prevention, addiction and vaccination campaigns, mammograms, visual health checks, and brief talks. Campaigns were held at Iquisa Coatzacoalcos to raise worker awareness regarding breast cancer, prostate cancer, and the fight against mosquitoes that carry Dengue fever.

## **\*Industrial Hygiene**

Through this program, team members are ensured optimal quality of life within CYDSA's facilities. The Company complies with health-related legal requirements, including the amendments made in 2015 to Articles 42 and 43 of the Federal Labor Law in relation to ergonomics and psychosocial risks, as well as Official Mexican Standard NOM-010-STPS-2014, which regulates chemical agents that might cause contamination in the workplace. On this last point, CYDSA carries out a process to recognize, evaluate, and control those chemical agents. During 2022, the Group fully complied with all of these legal provisions.

## **\*Absenteeism Program**

The Absenteeism Control Program improved ties between the Mexican Social Security Institute (IMSS) and CYDSA. Through this program, prompt care was provided to team members, decreasing recovery times.

## **\*Ongoing Medical Training Program**

Ongoing training is provided in occupational health and safety matters. In 2022, for example, CYDSA once again participated in several courses and workshops within the Occupational Medicine Certificate Framework offered by the School of Medicine at Universidad Autónoma de Nuevo Leon (UANL).

## **\*Activities to Encourage Occupational Health**

- Training personnel in cardiopulmonary resuscitation (CPR)
- Zero occupational illnesses reported
- Use of spirometry and audiometry tests in all work locations
- Flu vaccination campaign extended to team members' families
- First aid training and talks
- Implementation of a nutrition program for consultation, and advice for team members at risk of contracting chronic degenerative diseases and obesity

## 5. Community Relations

3-3, 203-1, 203-2, 413-1, 413-2  
RT-CH-210a.1



**CYDSA's relationships with the communities near its plants are cordial thanks to the procedures and strategies the Group has implemented to address risks. In addition, as part of the Group's commitment to sustainable development, community ties are strengthened through projects that focus on improving health, education, leisure, well-being, and community development.**

Despite cancellation of sporting, social, and family events in prior years due to the preventive measures put into place to fight the pandemic, during 2022, projects were implemented in social infrastructure, environmental protection, hospital support, promoting health, education, and ecological culture in collaboration with neighbors, authorities, and organizations.

One of the mechanisms CYDSA employs to minimize negative impacts from operations is a system for handling complaints from neighboring communities. A complaint from a neighboring community is defined as any disturbance, demand, denouncement, complaint, or disagreement raised by a neighbor, a government body, or the media on the Company's operations. The protocol for addressing complaints requires that they be addressed and fully resolved.

**To solve issues adequately, CYDSA classifies them as follows:**

- **Serious:** presence of authorities, neighbors, or media at a plant or in the community; meetings, marches, or strikes against the Company; two or more telephone calls from neighbors for the same issue.
- **Minor:** call from a neighbor to express their disagreement.
- **Incidents:** call from a neighbor to express their disagreement, in which the complaint does not originate with the Company, or the issue is within current standards or regulations.

Several activities were held at Iquisa Santa Clara, including the annual communication meeting with community representatives, the simulation program, and the health, safety, and environment week. There is also a community service center that offers medical services to the community, and rounds with neighbors are coordinated to ensure compliance with the regulations on perimeter noise.



**Quimobasicos has gone 20 consecutive years without receiving complaints from the neighboring communities about its procedures or operations.**

## Donations and Community Events (Pesos)



**574,000** - Iquisa, Sales del Istmo, Electricity and Steam Cogeneration (Coatzacoalcos)  
**145,000** - Iquisa Santa Clara  
**500,000** - Iquisa Noreste  
**150,000** - Iquisa Tlaxcala  
**661,000** - Quimobasicos  
**218,000** - Underground Hydrocarbons Storage Business

*Of which...*

**234,000** donated to education  
**221,000** donated to community health  
**710,000** donated to community recreational activities  
**1.1 million** invested in internal events at plants

**Total donations and events investment: \$2.2 million**

## Relevant numbers and achievements in community relationships



➔ **More than 5.1 million pesos** invested in providing community medical services

➔ **More than 2.2 million pesos** invested in events and donations to the community

➔ **200 volunteering hours** by Coatzacoalcos personnel



## 5.1 Supporting Health



One of CYDSA's most important initiatives is protecting the health of the surrounding communities. In **2022**, the Company continued offering **general health and safety programs to the communities**.

As it has done for more than 22 years, CYDSA continued supporting the surrounding communities, participating in community ecological committees, and helping patients with medical consultations. Additionally:

- The cogeneration plant donated demineralized water to the Ixhuatlán del Sureste community hospital
- The Underground Storage plant donated 60 cleaning and food kits to at-risk communities in the municipality of Ixhuatlán del Sureste
- Iquisa Coatzacoalcos donated food to children with disabilities, in support of the Heroes in Action association
- The Quimobasicos plant continued investing in providing community medical services. Medications were donated and consultations provided with a well-respected allergy specialist. Additionally, allergy vaccinations were donated to the community, and clinical laboratory exams provided to community members



The companies located near CYDSA's facilities are considered to be part of the community. Iquisa Hermosillo has established a partnership with an ambulance service that handles emergencies at no charge in the local industrial park. This ambulance is available 24 hours a day to handle emergencies at companies affiliated with the Local Mutual Aid Committee, known as CLAM. Furthermore, the Company participated in the PREVENIMSS Campaign, which invited neighboring companies to perform general medical check-ups and receive flu vaccines. During this period there was constant communication with the community to handle any complaint or disagreement related to plant operations, and notably no complaints were received from the community.

## 5.2 Education



**Supporting education is another of the Group's relevant projects.**

For example, 20 school supply kits were given to children in the municipality of Nanchital, where the underground storage plant is located. Additionally, a series of talks was given at a high school discussing how to handle waste and prevent illnesses.

During 2022, the Salt Business in Coatzacoalcas, Veracruz, continued supporting the Safe School program, which is one of the public safety subcommittee's activities in support of the Local Mutual Aid Committee (CLAM). The objective of this program is to establish close ties with the community to provide information about the activities that CLAM and its associated companies conduct. Training is also provided to the school in public safety and emergency response issues.

Every company associated with CLAM adopts a nearby community school and works with it to develop a work program that includes training, signage, maintenance of fire extinguishers, and advisory services in preparing a public safety school program.

## 5.3 Leisure Activities and Well-Being



Monterrey's facilities include the Salon Polivalente (Multipurpose Room), which is a space that provides the community of the Bernardo Reyes Subdivision with different activities for personal and family growth. In 2022, plans were reinitiated to use that space to offer activities promoting health, such as aerobics classes (Latin dance, yoga, Pilates, and Zumba). The intention is to continue these activities in the future.

RT-CH-210a.1

### Community Care Center in Monterrey

The Community Care Center and the Salon Polivalente are part of the facilities of the Ruiz Cortines Industrial Center in Monterrey, Nuevo Leon. These spaces have been in operation for nearly 33 years, implementing community development and community ties programs. The Group's ongoing communication through these spaces has solidified a cordial relationship between the Company and the neighboring communities. During the 2019-2022 period, no complaints from the community were registered. In addition, neighbors were asked to participate in social risk perception studies to analyze the impact of the various types of community support provided by CYDSA.

## 5.4 Community Development



In collaboration with authorities and neighbors, CYDSA supports projects that improve the communities' surroundings through reforestation, maintenance, and training programs, such as:

- Sales del Istmo donated asphalt concrete to repair Highway 180 in Coatzacoalcas
- Iquisa Coatzacoalcas won the SRC Award® 2022 for the fourth consecutive time for its environmental and recycling campaigns
- Iquisa Noreste participated in the Camezpo Local Committee 2022, focused on cleaning up contaminated areas
- Iquisa Hermosillo collaborated in the Local Mutual Aid Committee 2022 to improve roadway communications
- Iquisa Santa Clara performed integration activities, including drawing competitions, providing uniforms for sports teams, raffles, and gifts
- Quimobasicos provided community support, safety, perimeter cleaning, donation of industrial water, and coordinated actions for the 2022 National Chemical Emergency Preparedness Day
- Hydrocarbons Processing and Underground Storage supported SEDENA, made donations to the public safety authority in Ixhuatlán del Sureste, and helped in reforestation of the municipality of Nanchital

### 5.4.1 Community Safety



Since 1992, CYDSA has performed studies to determine its social risk profile, which has led to harmonious coexistence between industry and the community. During this period, notably, the Group has had the most rigorous safety standards in the industry. Besides complying with the standards and studies required by the authorities regarding environmental risk and accident prevention plans, CYDSA implements an internationally recognized risk management model that also covers social risks to the community, known as the “Dutch Line” methodology, which is known for being one of the strictest.







3-3

# CORPORATE GOVERNANCE

**CYDSA has a solid and resilient corporate governance system, which has enabled the successful implementation of several development projects. Thanks to the skills of its leaders and the incorporation of new directives and tactics, the Group has experienced sustained growth through rigorous ethical conduct and observance of its fundamental values and principles.**

2-9, 2-10, 2-12

CYDSA's Corporate Governance is a normative framework that establishes the structures and processes that guide the Company. The experienced Board of Directors assures Management's accountability, fairness, and transparency with all its stakeholders. CYDSA also considers corporate governance to be one of its material topics, since having well-rounded, prepared, and ethical Management is fundamental for ensuring that the decisions being made at the Company are the best ones possible and that benefit all stakeholders.

CYDSA's Corporate Governance is in compliance with the Securities Markets Law, The General Law of Corporations, the General Provisions Applicable to Securities Issuers Law for Business, and to other Stock Market Participants, The General Provisions Applicable to Entities and Issuers Overseen by the National Banking and Securities Commission that Contract External Audit Services to Audit Basic Financial Statements, the Internal Regulation of the Mexican Stock Exchange, and the Code of Best Corporate Practices, whose degree of compliance is reported annually to the National Banking and Securities Commission, to the Mexican Stock Exchange, and to the investing public.

The highest governing body at CYDSA is the Board of Directors, which focuses on and directs the selection of objectives, values, and strategy by which the Group operates. The members of the Board of Directors were appointed by the Annual General Ordinary Shareholders Meeting, and have vast experience in areas such as strategic planning, business, finance, sales, and marketing.

## The Principal Functions of the Board of Directors are:

- A) To define the strategic direction
- B) To ensure honest and responsible conduct of the Company
- C) To ensure the creation of economic and social value for shareholders
- D) To evaluate and approve the management of the chief executive officer and the Company's senior management
- E) To promote responsible disclosure of information
- F) To establish mechanisms to identify, analyze, administer, and control strategic risks
- G) To drive the Company to be socially responsible, protecting the natural environment and driving personnel development
- H) To support ethical and transparent management

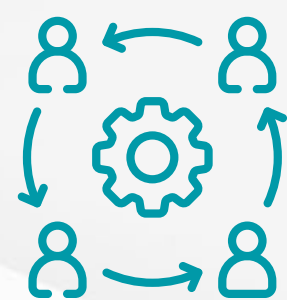
The independence of the Board Members identified as Independent was approved by the General Shareholders Meeting, with no objections from the National Banking and Securities Commission, which is the regulatory body.

2-11

■ INDEPENDENT ■ NOT INDEPENDENT






| NAME  | GENDER | AGE | TENURE   | COMMITTEES   | EXPERIENCE  | PARTICIPATION ON OTHER BOARDS |
|---|--------|-----|----------|--|---|-------------------------------|
| <span style="color: red;">■</span> <b>Tomas Gonzalez Sada</b><br>President  | M      | 79  | 28 years | Planning and Finance                                   | Administration and Finance<br>Strategic Planning                    | 8 boards                      |
| <span style="color: green;">■</span> <b>Herminio Blanco Mendoza</b>         | M      | 72  | 8 years  | Compensation Policies<br>Corporate Practices and Audit | International Relations<br>Government                               | 2 boards                      |
| <span style="color: green;">■</span> <b>Alvaro Fernandez Garza</b>          | M      | 54  | 11 years | Corporate Practices and Audit                          | Administration and Finance<br>Strategic Planning                    | 6 boards                      |
| <span style="color: green;">■</span> <b>Eugenio Garza Herrera</b>           | M      | 66  | 6 years  | Corporate Practices and Audit                          | Administration and Finance<br>Strategic Planning<br>Art and Culture | 15 boards                     |
| <span style="color: green;">■</span> <b>Francisco Javier Garza Zambrano</b> | M      | 67  | 10 years | Corporate Practices and Audit                          | Administration and Finance<br>Strategic Planning<br>Art and Culture | 15 boards                     |

405-1



- ➔ **16 executive members** on the Board of Directors in 2022
- ➔ **6 board members are independent** representing **37.5%**
- ➔ **3 female board members** on the Board of Directors, representing **18.8%**
- ➔ **4 board members** are part of senior management **75.0%** are non-executive board members

| AGE  | GENDER | AGE | TENURE   | COMMITTEES   | EXPERIENCE  | PARTICIPATION ON OTHER BOARDS |
|--|--------|-----|----------|--|---|-------------------------------|
|  <b>Gabriela Gonzalez Casas</b>     | F      | 49  | 9 years  | Planning and Finance                                   | Administration<br>Education<br>Civil Organizations      | 4 boards                      |
|  <b>Laura Gonzalez Casas</b>        | F      | 53  | 10 years | Planning and Finance                                   | Administration<br>Education                             | 3 boards                      |
|  <b>Veronica Gonzalez Casas</b>     | F      | 52  | 8 years  | Planning and Finance                                   | Administration<br>Strategic Planning<br>Art and Culture | 11 boards                     |
|  <b>Tomas Gonzalez Casas</b>      | M      | 52  | 18 years | Planning and Finance                                   | Administration  | 3 boards                      |
|  <b>Mario Laborin Gomez</b>       | M      | 70  | 18 years | Corporate Practices and Audit<br>Compensation Policies | Administration and Finance<br>Health                    | 9 boards                      |
|  <b>Humberto F. Lozano Vargas</b> | M      | 65  | 5 years  | Planning and Finance                                   | Finance   | 1 board                       |

| AGE   | GENDER | AGE | TENURE   | COMMITTEES                                    | EXPERIENCE   | PARTICIPATION ON OTHER BOARDS |
|---|--------|-----|----------|---|--|-------------------------------|
|  <b>Abelardo Morales Puron</b>       | M      | 67  | 16 years | Planning and Finance                          | Administration and Finance<br>Strategic Planning<br>Real Estate<br>Art and Culture   | 7 boards                      |
|  <b>Roberto B. Rubio Barnes</b>      | M      | 67  | 9 years  | Planning and Finance<br>Compensation Policies | Administration and Finance<br>Sustainable Development<br>International Relations     | 6 boards                      |
|  <b>Adrian G. Sada Gonzalez</b>      | M      | 78  | 37 years | Planning and Finance<br>Compensation Policies | Administration and Finance<br>Strategic Planning                                     | 3 boards                      |
|  <b>Alejandro von Rossum Garza</b> | M      | 75  | 17 years | Planning and Finance                          | Administration<br>Strategic Planning<br>Chemicals and Manufacturing                  | 1 boards                      |
|  <b>Carlos Salazar Lomelin</b>     | M      | 71  | 1 year   | Corporate Practices and Audit                 | Administration and Finance<br>Economy<br>Discretionary Consumption<br>Food and Drink | 2 boards                      |

\*The board members who are not independent are related.

# 1.1. The Committees that Support the Board of Directors

2-9, 2-13, 3-3



The Board of Directors has three committees to support the Board's functions that meet periodically: the Corporate Practices and Audit Committee, the Compensation Policy Committee, and the Planning and Finance Committee.

The Board of Directors is at a hierarchically higher level than the Board's Committees; these Committees help the Board of Directors, directors, and executives in their functions. Through frequent meetings, the Board of Directors and the Group's Strategic Directors analyze and manage ESG matters and the regulatory changes that are most relevant to CYDSA's operations. They also inform the Board of the needs and expectations of its stakeholders, so that such matters can be monitored and resolved. Another means that minority shareholders use to communicate with the Board of Directors is through the Investor Relations area.

## Committee Responsibilities



### Corporate Practices and Audit Committee

This committee constantly monitors the transparent and ethical functioning of the committees, executives, and directors.



### Compensation Policies Committee

(Board Consultative Committee)

This committee considers the performance of executives and directors with respect to the established goals they must meet during the fiscal year. These goals are productive, economic, and might also be linked to performance in environmental and social matters.



### Planning and Finance Committee

(Board Consultative Committee)

One of the main objectives of this committee is to administer the Company's funds, to ensure they are used as efficiently as possible, and in the areas that need them the most.

# Board and Committee Performance Evaluations

2-17, 2-18

The processes to evaluate the performance of the highest governing body with respect to managing environmental, social, and corporate governance matters, occurs during the first and second quarters of each year. This assessment of the achievements and results of the Office of the President is performed by a council comprised of external advisors.

There is also a Competitiveness and Growth Strategic Plan. This Plan is used to define the measures that will be taken in response to evaluating the performance of the highest governing body. This may include, at a minimum, changes to the Board's composition or in the organization's practices.

It also seeks to improve the collective knowledge of the highest governing body in economic, environmental, and social matters, to thus improve performance in these areas. During 2022, some of the webinars and training to which the Board Members were invited included different topics, such as: diversity and inclusion, innovation, response to cyberattacks, adapting the business to hybrid schemes after the pandemic, Big Data, and more.



## 2. Ethics and Compliance

2-16, 2-23, 2-26, 3-3



CYDSA has a Code of Conduct whose purpose is to ensure its Value Creation Philosophy is fully applied to benefit its clients, personnel, shareholders, suppliers, and the communities where it is present.

This document outlines the desired behavior of CYDSA's personnel (board members, managers, directors, team members, and contractors) in the event of situations that could arise while performing their functions. It is based on observing and fully complying with applicable laws in the different municipalities, states, and countries where CYDSA operates, as well as in the principles of its Corporate Policies.

Each Business or Corporate Unit Director is responsible for distributing the content of the Code of Conduct, either directly or through their Human Resources department.

2-16

Personnel have three mechanisms for reporting any potential violation of the principles of the Code of Conduct, policies, procedures, standard practices, and regulations of the Organization. These mechanisms include a transparency mailbox, conveniently located in each Organizational Unit so team members can leave their comments or feedback for the Company, a designated e-mail, and a telephone hotline.

An Oversight Committee has been established to evaluate, resolve, and take appropriate actions in cases that arise. This Committee also informs the Corporate Practices and Audit Committee of the Board of Directors about cases presented, together with their respective resolutions.

A new platform managed by a third party is currently being implemented; this platform will be able to receive and handle anonymous complaints. This platform will ensure the integrity of the information received, build trust through anonymity, and provide greater control over the investigation and resolution of cases.

Regarding consumer transparency, the Group meets the most rigorous standards in the chemical and food industries. This includes Food Safety Certification FSSC-22000, the public health standards of NSF International, and suitable labeling on all products.



### 3. Conflict of interest

2-15, 2-23

In all its activities CYDSA requires honest practices and transparent operations. The Group has a Conflict of Interest Policy, whose objective is to decrease the risks of fraud and corruption. It also has an annual visitation program to the different Business Units with the objective of monitoring and evaluating compliance, and distribution of the Code of Conduct, as well as the Conflict of Interest Policy.

Team members must avoid any situation that represents, or might represent, a conflict of individual interest with the interests of the Organization. CYDSA believes there is a Conflict of Interest when the personal situation of any member of the Organization, whether they are a board member, manager, team member, or contractor, due to circumstances of their position, time, resources, or information, place them in a position in which a decision made



on behalf of the Company might benefit their personal interests, those of their family members, or those of a related third party, to the detriment of the Organization's interests.

For cases that violate the by-laws and legal regulations of the stock market, the procedure consists of obtaining approval from various bodies within the Company, such as the Corporate Practices and Audit Committee, and the Board of Directors, to manage dispute resolution. The stock market regulation also establishes the process that transactions between related parties must follow to obtain approval from one or more of the Company's governance bodies. For example, the Company's related parties are required to communicate with the Company when there is a conflict of interest in any operation.

### 4. Remuneration Policies

2-19, 2-20, 2-23



The remuneration policies for the highest governing body and senior management are in line with industry best practices, and meet local regulations on executive compensation. These standards are based both on local legislation as well as on information provided by specialized firms, such as Mercer, and on participation of compensation groups, such as ATECO and G18.

CYDSA's Post Assessment Methodology is used to determine remuneration. This methodology considers various factors such as level of responsibility, scope, and impact on the business, as well as relationships, among other metrics. Specific tabulators by region and position are used at all business units.

There is also a Compensation Policy Committee, which is comprised of external advisors. This committee receives information on the salary market and determines the percentage for general increase, and bonus amounts for the members of the Office of the President, based on their performance. Please see the 2022 Annual Report for more information.

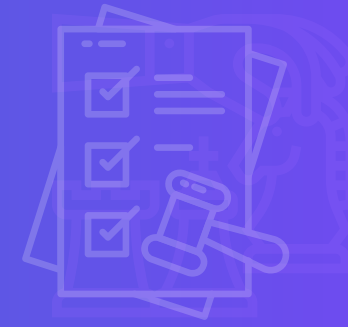
## 5. Regulatory Changes

3-3

**CYDSA has a solid Corporate Governance system that monitors both internal and external issues that might impact its operations.**

The Mexican government could implement significant changes to laws, public policies, and/or regulations, which could impact the political and economic situation in Mexico, which could also adversely affect CYDSA's businesses. Furthermore, the timing and scope of such modifications are unpredictable. The Mexican government's activities in relation to the economy and the regulation of certain industries, including the specialty chemicals and energy sectors, may have a material impact on the Company and on market conditions in Mexico. CYDSA strives to be prepared so it can adapt business unit operations to changes that might occur in the future.

For example, during 2021, the Electricity Industry Law was issued, which changed the rules regarding Self-Supply Permits in Mexico, and several regulations that make transmitting electricity more costly, and limits permit modifications for partner entry. Consequently, the electricity the Company generates was threatened and limited.



Another example of this is the update to NOM-001-SEMARNAT on water discharges. During 2022, the parameters described in the original law were updated; CYDSA is in compliance with the new requirements. Although this requires time and investment, the Group has adequate mechanisms to be able to adapt to these changes.

Within the Safety Management System, which is administered using the 22 Elements of the Safety, Occupational Health, and Environmental Protocol, the practice of monitoring and evaluating the impact of regulatory changes that impact CYDSA's operations has been implemented in Element 2 of Legal Requirements. This is done through a matrix of legal requirements in safety and environmental matters.

CYDSA also participates actively in the Environmental and Safety Committees of the National Association of the Chemical Industry, which holds monthly meetings to go over regulatory changes in the industry.



# Corporate Citizenship: Chambers, Trade Associations, and NGOs

2-28

CYDSA participates actively in different national and international chambers, trade associations, and NGOs, seeking better sector development that will benefit its different stakeholders.

## Domestic

- A)** National Chemical Industry Association (ANIQ)
- B)** Confederation of National Chambers of Commerce, Services and Tourism (CONCANACO)
- C)** American Chamber of Commerce of Mexico AC (AMCHAM)
- D)** Mexican-German Chamber of Commerce (CAMEXA)
- E)** Commission of Private Sector Studies for Sustainable Development (CESPEDES)
- F)** Employee Confederation of the Mexican Republic (COPARMEX)
- G)** Corporate Coordination Council (CCE)
- H)** Consejo Empresarial Mexicano de Comercio: Exterior, Inversion y Tecnologia, A.C. (COMCE).
- I)** National Consultation Board for Integral Management of Chemical Substances, Persistent Organic Pollutants, and Hazardous Waste Subject to International Conventions in Environmental Matters
- J)** Mexican Business Council (CMN)
- K)** CAINTRA Nuevo Leon

- L)** Local Committee for Mutual Aid (CLAM): Sales del Istmo, Iquiza Tlaxcala plant, Iquiza Coatzacoalcos plant, Iquiza Hermosillo plant, Iquiza Noreste and Quimobasicos
- M)** Industrial Mutual Aid Plan (PAMI): Iquiza Santa Clara
- N)** Municipal Alliance for a Culture of Public Safety
- O)** Metropolitan Monterrey Environmental Fund (FAMM)
- P)** Institute for Environmental Protection of Nuevo Leon (IPA)
- Q)** Water and Drainage Services of Monterrey
- R)** Chipinque Ecological Park

## International

- A)** United Nations Environment Programme (UNEP)
- B)** Global Environmental Fund (GEF)
- C)** United Nations Framework on Climate Change
- D)** United Nations Industrial Development Organization (UNIDO)

# Domestic and International Partnerships

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CYDSA recognizes the importance of having high and innovative standards, therefore it has established partnerships with several domestic and international organizations that allow it to implement best practices in various areas:

## Domestic

- A)** CAINTRA, a corporate entity that represents industrial companies in Nuevo Leon
- B)** Council for Citizen Participation of the Secretary of Sustainable Development in the State of Nuevo Leon

## International

- A)** UN Montreal Protocol on Substances that Deplete the Ozone Layer
- B)** COP UNCCC (United Nations Framework Convention for Climate Change)
- C)** COP II (Convention of Environmental Biological Biodiversity)
- D)** GRULAC Latin American and Caribbean Group for COP 1 Minamata
- E)** Salt Institute USA
- F)** The Chlorine Institute USA
- G)** Clorosur (Latin American Association for the Chlorine, Alkalis, and Derivatives Industry)
- H)** Climate Action Reserve (California)
- I)** COP Meetings for the Minamata Convention IETA (International Emissions Trading Association)



## Participation in Forums

CYDSA also participates in different national and international corporate forums where, through its leadership, it drives actions for economic, social, and environmental influence:

## Domestic

- A)** AMCHAM Forum
- B)** Monthly meetings of the COPARMEX and CCE Commissions
- C)** CAMEXA commission meetings and sessions
- D)** ANIQ National Forum Environmental Commission of ANIQ
- E)** COMCE National Forum
- F)** MASH Forum (Environment, Health, and Safety)
- H)** National Day for Preparation and Emergency Response – PROFEPA
- I)** Energy and Climate Change Forum of Nuevo Leon
- J)** Chipinque Ecological Park
- K)** System Consultative Board
- L)** Environmental Protection Institute of Nuevo Leon
- M)** Emissions Trading in Mexico
- N)** Pacto Global Red Mexico

## International

- A)** Minamata Conference of the Parties (COP)

# Certifications and Recognitions

| Recognition, Certifications, and Awards by Plant                                   |   |                        |               |         |        |               |                |            |             |         |     |                |
|--|---|------------------------|---------------|---------|--------|---------------|----------------|------------|-------------|---------|-----|----------------|
| Certificate  | Granted by:                                   | ASSE<br>LP Gas Storage | SISA          |         | SAÑUDO | IQUISA        |                |            |             |         | SES | Quimobasicos   |
|  |   |                        | Plant         | Wells   |        | Coatzacoalcos | Tlaxcala       | Hermosillo | Santa Clara | Noreste |     |                |
| ISO-9001   | Certifying Entity                             |                        |               |         |        |               |                |            |             |         |     |                |
| ISO-14001  | Authorized Certifying Entity                  |                        |               |         |        |               |                |            |             |         |     |                |
| FSSC 22000   | Certifying Entity                             |                        |               |         |        |               |                |            |             |         |     |                |
| Viva Halal   | CCIM (Islamic Cultural Center of Mexico)      |                        |               |         |        |               |                |            |             |         |     |                |
| Kosher   | Certifying Entity                             |                        |               |         |        |               |                |            |             |         |     |                |
| NSF  | National Sanitation Foundation USA            |                        |               |         |        |               |                |            |             |         |     |                |
| National Chemical Industry Association   | Asociacion Nacional de la Industria Química   |                        |               |         |        |               |                |            |             |         |     |                |
| Clean Industry   | PROFEPA                                       |                        | <br>(Level I) |         |        |               | <br>(Level II) |            |             |         |     | <br>(Level II) |
| Environmental Excellence   | PROFEPA                                       |                        |               |         |        |               |                |            |             |         |     |                |
| PASST  | STPS  |                        |               |         |        |               |                |            |             |         |     |                |
|  |   |                        | Level I       | Level I |        |               | (Level III)    | (Level I)  |             |         |     | (Level I)      |
| SASISOPA   | ASEA (Safety, Energy, and Environment Agency) |                        |               |         |        |               |                |            |             |         |     |                |
| Recognition of Participation in the National Chemical Emergencies Preparedness Day | PROFEPA                                       |                        |               |         |        |               |                |            |             |         |     |                |
| Safety Excellence Award  | The Chlorine Institute USA                    |                        |               |         |        |               |                |            |             |         |     |                |
| Efficient Cogeneration   | Regulatory Energy Commission                  |                        |               |         |        |               |                |            |             |         |     |                |
| Socially Responsible Company - SRC   | Centro Mexicano para la Filantropía A.C.      |                        |               |         |        |               |                |            |             |         |     |                |
| EcoVadis   | Chemours                                      |                        |               |         |        |               |                |            |             |         |     |                |

- Quality Certificate
- Environmental Certificate
- Food Certificate
- Safety Certificate
- Clean Energy Certificate
- Social Responsibility Certificate
- In process of certification/recognition

# About this Report

2-1, 2-3, 2-4, 2-5, 2-14



This report provides CYDSA's most important sustainability results obtained from January 1 to December 31, 2022. This report was developed in conformance with GRI Standards and was written in compliance with content and quality reporting principles. It is also reporting in compliance with SASB standards, responding to content for the Chemical Industry.

The information presented in this Report includes the most relevant matters for stakeholders, which were identified through the materiality study. The details of this study are in the section entitled "Materiality" on page 22. The highest governing body of CYDSA is indirectly involved in preparing this Report, as it supervised the approval, management, and performance of the activities reported in the document. A Corporate Sustainability Committee was established in 2022, comprised of representatives from the different businesses and corporate areas, and that Committee has participated in reviewing the Report.

This **Sustainability Report** was verified by an independent third party, Redes Sociales en Línea Timberlan, and the information presented was based on ethical and transparent procedures. Preparation of this Report was supervised by the areas responsible for the different content.

The information presented in this document follows the latest report presented in 2021. Details on updates or modifications in the presentation of the information with respect to what was reported during the previous reporting period can be reviewed in content 2-4 of the attached GRI content index.

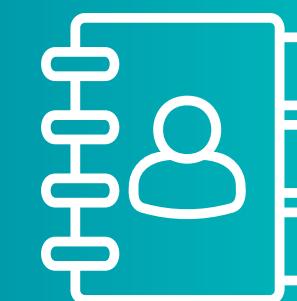
**For more information on CYDSA's 2022 Sustainability Report, please contact the following individuals at the e-mails provided below:**

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# Verification Letter

2-5



## Verification Letter of the 2022 Sustainability Report

To the Board of Directors of CYDSA, S.A.B. de C.V. :

Be informed that Redes Sociales en línea Timberlan was hired to perform a limited, independent verification of a sample of GRI Disclosures and Indicators of Sustentability Reporting Standards Board (SASB), contained in the “2022 Sustainability Report” the business group that makes up CYDSA S.A.B. de C.V. corresponding to the period from January 1st to December 31st, 2022.

CYDSA’s Directorship is responsible for the preparation and publication of the information contained in the "2022 Sustainability Report", "and that presented in the verification process, which implies, but is not limited to, the identification of the material topics, the selection and publication of the GRI Standards Disclosures and SASB indicators, as well as providing true and sufficient documentary and/or visual evidence to verify the selected sample of indicators.

Our mission is to issue impartial and objective opinions about the quality of non-financial information, accuracy, traceability and reliability of the GRI Disclosures and SASB indicators (Chemical), selected as a sample to verify, published in the "2022 Sustainability Report". It was validated that the information report complied with the methodological requirements in accordance with the GRI Standards. Our work is based on the activities of the International Standard on Assurance Engagements (ISAE) 3000.

Among the activities carried out during the verification process are listed:

- Comparison of information presented in previous reports,
- Review of methodological compliance in accordance with the GRI Standards
- Verification of qualitative and quantitative data through visual, documentary and public evidence,
- Analysis of quantitative data.
- Validation of methodological compliance.

Therefore, we can conclude that we did not find any aspect that makes us think that the data presented in the "2022 Sustainability Report" of the reviewed sample contain significant errors and that the implementation of the GRI Standards does not comply with the Reporting Principles.

An internal report of recommendations is delivered separately, exclusively for CYDSA, which contains the opportunity áreas detected for a future report.

Alma Paulina Garduño Arellano  
[paulina@redsociales.com](mailto:paulina@redsociales.com)

### Declaration of independence and competence of Redes Sociales en Línea Timberlan

Employees of Redes Sociales en Línea Timberlan have the necessary level of competence to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, complying with the principles of independence, integrity , objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, therefore no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on **August 4th, 2023** and is valid as long as no subsequent and substantial modifications are made to CYDSA's "2022 Sustainability Report".

| GRI Standards Disclosures |  | Sustentability Reporting Standards Board<br>SASB - CHEMICALS  |
|---------------------------|--|---|
| ENVIRONMENTAL             |  |   |
| 203-1                     | Infrastructure investments and services supported  |   |
| 302-1                     | Energy consumption within the organization   | RT-CH-130a.1:<br>(1) Total energy consumed,<br>(2) Percentage of electricity from the grid,<br>(3) Renewable percentage,<br>(4) Total self-generated energy   |
| 302-4                     | Reduction of energy consumption  |   |
| 302-5                     | Reductions in energy requirements of products and services   |   |
| 305-1                     | Direct (Scope 1) GHG emissions   | RT-CH-120a.1: Emissions into the atmosphere of the following pollutants<br>(1) NOX (excluding N2O),<br>(2) SOX,<br>(3) volatile organic compounds (VOCs) and<br>(4) hazardous air pollutants (HAPs) |
| 305-2                     | Energy indirect (Scope 2) GHG emissions  |   |
| 305-5                     | Reduction of GHG emissions   |   |
| 305-7                     | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions                                |   |
|                           |  | RT-CH-140a.1: (1) Total water withdrawn,<br>(2) Total water consumed, Percentage of each in regions with high baseline water stress or extremely high   |
|                           |  | RT-CH-150a.1: Amount of hazardous waste generated, Percentage recycled  |
| SOCIAL                    |  |   |
| 2-1                       | Organizational details   |   |
| 2-7                       | Employees  |   |
| 401-1                     | New employee hires and employee turnover   |   |
| 402-1                     | Minimum notice periods regarding operational changes   |   |
| 403-8                     | Workers covered by an occupational health and safety management system   |   |
| 403-9                     | Work-related injuries  |   |
| 403-10                    | Work-related ill health  |   |
| 404-1                     | Average hours of training per year per employee  |   |
| 405-1                     | Diversity of governance bodies and employees   |   |
| 406-1                     | Incidents of discrimination and corrective actions taken   |   |
| 407-1                     | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk |   |
| 416-1                     | Assessment of the health and safety impacts of product and service categories                                  |   |
| GOVERNANCE                |  |   |
| 2-2                       | Entities included in the organization's sustainability reporting   |   |
| 2-30                      | Collective bargaining agreements   |   |
| 201-1                     | Direct economic value generated and distributed  |   |
| 201-3                     | Defined benefit plan obligations and other retirement plans  |   |
| 413-1                     | Operations with local community engagement, impact assessments, and development programs                       |   |
| 417-1                     | Requirements for product and service information and labeling  |   |
| 417-2                     | Incidents of non-compliance concerning product and service information and labeling                            |   |
| 417-3                     | Incidents of non-compliance concerning marketing communications  |   |



# ESG Data Summary

| ENVIRONMENTAL |  |       |       |       |           |           |              | SASB<br>EQUIVALENT |
|---------------|--|-------|-------|-------|-----------|-----------|--------------|--------------------|
| GRI 302       | Energy – 2016*   | 2018  | 2019  | 2020  | 2021      | 2022      | VARs % A-c-A |                    |
| 302-1         | Energy consumption within the organization (gigajoules)  | -     | -     | -     | 7,932,185 | 8,122,961 | 2.4%         | RT-CH-130a.1       |
|               | Total electricity consumption (gigajoules)   | -     | -     | -     | 2,196,910 | 2,449,403 | 11.5%        |                    |
|               | Non-renewable sources (gigajoules)   | -     | -     | -     | 411,394   | 377,172   | -8.3%        |                    |
|               | Electricity purchased (outside the organization)   | -     | -     | -     | 499,388   | 454,444   | -9.0%        |                    |
|               | Gas purchased (outside the organization)   | -     | -     | -     | 6,852,895 | 7,153,779 | 4.4%         |                    |
|               | Diesel fuels (outside the organization)  | -     | -     | -     | 0         | 0         | 0.0%         |                    |
|               | Renewable or clean sources (gigajoules)  | -     | -     | -     | 484,697   | 393,349   | -18.8%       |                    |
|               | Hydrogen generated (within the organization)   | -     | -     | -     | 95,205    | 121,388   | 27.5%        |                    |
|               | Steam generated (within the organization)  | -     | -     | -     | 4,857,565 | 5,232,301 | 7.7%         |                    |
|               | Clean electricity purchased (outside the organization)   | -     | -     | -     | 87,993    | 77,273    | -12.2%       |                    |
|               | Electricity sales (outside the organization)   | -     | -     | -     | 220,766   | 219,880   | -0.4%        |                    |
| 302-4         | Reduction in energy consumption  |       |       |       |           |           |              |                    |
|               | Total reduction in energy consumption (megawatt-hours)   | -     | -     | -     | -         | -         | 190,775      |                    |
| GRI 303       | Water and effluents - 2018   | 2018  | 2019  | 2020  | 2021      | 2022      | VARs % A-c-A |                    |
| 303-5         | Water consumption  |       |       |       |           |           |              | RT-CH-140a.1       |
|               | Total water consumption by type (thousands of m <sup>3</sup> )   | 4,815 | 4,862 | 3,548 | 3,366     | 4,183     | 24.3%        |                    |
|               | Treated water  | -     | -     | -     | 86        | 390       | 355.2%       |                    |
|               | Drinking water   | -     | -     | -     | 37        | 41        | 10.7%        |                    |
|               | Water as a national asset  | -     | -     | -     | 2,912     | 3,666     | 25.9%        |                    |
|               | Industrial water   | -     | -     | -     | 332       | 86        | -74.2%       |                    |
|               | Other  | -     | -     | -     | 0.06      | 0.32      | 416.1%       |                    |
| GRI 305       | Emissions - 2016   | 2018  | 2019  | 2020  | 2021      | 2022      | VARs % A-c-A |                    |
|               | Total GHG emissions (scopes 1 and 2), CO <sub>2</sub> equivalent (thousands of tons CO <sub>2</sub> e) | 2,755 | 2,237 | 1,384 | 2,427     | 1,247     | -48.6%       | RT-CH-110a.1       |
| 305-1         | Direct GHG emissions (scope 1)   | 2,378 | 1,813 | 962   | 1,945     | 856       | -56.0%       |                    |
| 305-2         | Indirect GHG emissions from energy generation (scope 2)  | 377   | 424   | 422   | 482       | 391       | -18.8%       |                    |

\*Please see GRI 2-4 content for more detail about restating energy values from the 2021 report to the 2022 report.

|                |  | 2018        | 2019        | 2020        | 2021        | 2022        | VARs % A-c-A      |              |
|----------------|--|-------------|-------------|-------------|-------------|-------------|-------------------|--------------|
| 305-5          | GHG emissions reduction (% vs. base year (2018))                                     |             |             |             |             |             |                   |              |
|                | Total GHG emissions (scopes 1 and 2)   | N/A         | -18.8%      | -49.8%      | -11.9%      | -54.7%      | NA                |              |
|                | Direct GHG emissions (scope 1)   | N/A         | -23.8%      | -59.5%      | -18.2%      | -64.0%      | NA                |              |
|                | Indirect GHG emissions from energy generation (scope 2)                              | N/A         | 12.5%       | 11.9%       | 27.9%       | 3.8%        | NA                |              |
| 305-7          | Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions (ton) | -           | -           | -           | 238         | 396         | 66.7%             | RT-CH-120a.1 |
|                | Nitrogen oxides (NOx)  | -           | -           | -           | 28          | 106         | 278.2%            |              |
|                | Carbon monoxide (CO)   | -           | -           | -           | 203         | 282         | 39.1%             |              |
|                | Sulfur dioxide (SO <sub>2</sub> )  | -           | -           | -           | 1           | 1           | 71.4%             |              |
|                | Total suspended particles (TSP)  | -           | -           | -           | 6           | 6           | 6.8%              |              |
| <b>GRI 306</b> | <b>Waste - 2020</b>  | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>VARs A-c-A</b> |              |
| 306-3          | Total waste generated (ton)  | -           | -           | -           | 8,283       | 7,013       | -15.3%            | RT-CH-150a.1 |
|                | Hazardous liquid waste   | -           | -           | -           | 211         | 120         | -43.1%            |              |
|                | Hazardous solid waste  | -           | -           | -           | 743         | 957         | 28.8%             |              |
|                | Hazardous waste (total)  | -           | -           | -           | 954         | 1,077       | 12.9%             |              |
|                | Special Handling Waste   | -           | -           | -           | 7,119       | 5,617       | -21.1%            |              |
|                | Municipal Solid Waste (non-hazardous)  | -           | -           | -           | 210         | 319         | 51.9%             |              |
|                | Non-hazardous waste (total)  | -           | -           | -           | 7,329       | 5,936       | -19.0%            |              |
| 306-4          | Waste destined for valorization (ton)  |             |             |             |             |             |                   | RT-CH-150a.1 |
|                | % of waste recycled  | -           | -           | -           | -           | 30%         | NA                |              |
|                | Total tons of waste recycled   | -           | -           | -           | -           | 2,105       | NA                |              |
|                | Total weight of <b>hazardous</b> waste not destined for disposal                     | -           | -           | -           | -           | 7           | NA                |              |
|                | Total weight of <b>non-hazardous</b> waste not destined for disposal                 | -           | -           | -           | -           | 2,098       | NA                |              |
| 306-5          | Waste destined for disposal (ton)  |             |             |             |             |             |                   |              |
|                | % of total waste disposed of   | -           | -           | -           | -           | 70%         | NA                |              |
|                | Total tons of waste disposed   | -           | -           | -           | -           | 4,908       | NA                |              |
|                | Total weight of <b>hazardous</b> waste destined for disposal                         | -           | -           | -           | -           | 1,070       | NA                |              |
|                | Total weight of <b>non-hazardous</b> waste destined for disposal                     | -           | -           | -           | -           | 3,838       | NA                |              |

| SOCIAL    |   |              |              |              |              | SASB EQUIVALENT |
|-----------|---|--------------|--------------|--------------|--------------|-----------------|
| GRI 2     | General disclosures - 2021              | 2020         | 2021         | 2022         | VARs % A-c-A |                 |
| 2-7       | Employees                               |              |              |              |              |                 |
|           | <b>Total employees (No.)</b>            | <b>1,878</b> | <b>1,885</b> | <b>1,929</b> | <b>2.3%</b>  |                 |
|           | Employees by gender (total)             |              |              |              |              |                 |
|           | Women                                   | 210          | 226          | 237          | 4.9%         |                 |
|           | Men                                     | 1,668        | 1,659        | 1,692        | 2.0%         |                 |
|           | Employees by region (total)             |              |              |              |              |                 |
|           | State of Mexico                         | 97           | 97           | 94           | -3.1%        |                 |
|           | Hermosillo                              | 20           | 19           | 21           | 10.5%        |                 |
|           | Mexico City                             | 287          | 265          | 260          | -1.9%        |                 |
|           | Nuevo Leon                              | 394          | 393          | 407          | 3.6%         |                 |
|           | Tlaxcala                                | 47           | 45           | 45           | 0.0%         |                 |
|           | Veracruz                                | 1,033        | 1,066        | 1,102        | 3.4%         |                 |
|           | Employees with permanent contract (No.) |              |              |              |              |                 |
| By gender | Women                                   | 163          | 195          | 180          | -7.7%        |                 |
|           | Men                                     | 1,422        | 1,451        | 1,418        | -2.3%        |                 |
| By region | State of Mexico                         | 92           | 92           | 90           | -2.2%        |                 |
|           | Hermosillo                              | 18           | 17           | 16           | -5.9%        |                 |
|           | Mexico City                             | 279          | 254          | 259          | 2.0%         |                 |
|           | Nuevo Leon                              | 375          | 376          | 389          | 3.5%         |                 |
|           | Tlaxcala                                | 42           | 44           | 44           | 0.0%         |                 |
|           | Veracruz                                | 779          | 863          | 800          | -7.3%        |                 |
|           | Employees with temporary contract (No.) |              |              |              |              |                 |
| By gender | Women                                   | 47           | 31           | 57           | 83.9%        |                 |
|           | Men                                     | 246          | 208          | 274          | 31.7%        |                 |
| By region | State of Mexico                         | 5            | 5            | 4            | -20.0%       |                 |
|           | Hermosillo                              | 2            | 2            | 5            | 150.0%       |                 |
|           | Mexico City                             | 8            | 11           | 1            | -90.9%       |                 |
|           | Nuevo Leon                              | 19           | 17           | 18           | 5.9%         |                 |

|                |   | 2020        | 2021        | 2022        | VARs % A-c-A      |  |
|----------------|---|-------------|-------------|-------------|-------------------|--|
|                | Tlaxcala                                | 5           | 1           | 1           | 0.0%              |  |
|                | Veracruz                                | 254         | 203         | 302         | 48.8%             |  |
|                | Employees with full-time contract (No.) |             |             |             |                   |  |
| By gender      | Women                                   | 210         | 226         | 237         | 4.9%              |  |
|                | Men                                     | 1,668       | 1,659       | 1,692       | 2.0%              |  |
| By region      | State of Mexico                         | 97          | 97          | 94          | -3.1%             |  |
|                | Hermosillo                              | 20          | 19          | 21          | 10.5%             |  |
|                | Mexico City                             | 287         | 265         | 260         | -1.9%             |  |
|                | Nuevo Leon                              | 394         | 393         | 407         | 3.6%              |  |
|                | Tlaxcala                                | 47          | 45          | 45          | 0.0%              |  |
|                | Veracruz                                | 1,033       | 1,066       | 1,102       | 3.4%              |  |
|                | Employees with part-time contract (No.) |             |             |             |                   |  |
| By gender      | Women                                   | 0           | 0           | 0           | 0.0%              |  |
|                | Men                                     | 0           | 0           | 0           | 0.0%              |  |
| By region      | State of Mexico                         | 0           | 0           | 0           | 0.0%              |  |
|                | Hermosillo                              | 0           | 0           | 0           | 0.0%              |  |
|                | Mexico City                             | 0           | 0           | 0           | 0.0%              |  |
|                | Nuevo Leon                              | 0           | 0           | 0           | 0.0%              |  |
|                | Tlaxcala                                | 0           | 0           | 0           | 0.0%              |  |
|                | Veracruz                                | 0           | 0           | 0           | 0.0%              |  |
| <b>GRI 401</b> | <b>Employment - 2016</b>                | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>VARs A-c-A</b> |  |
| 401-1          | New employee hires (No.)                | 120         | 135         | 181         | 34.1%             |  |
|                | Employee hires                          | 48          | 36          | 100         | 177.8%            |  |
|                | Union hires                             | 72          | 99          | 81          | -18.2%            |  |
|                | New employee hires by gender (No.)      | 48          | 36          | 100         | 177.8%            |  |
|                | Women                                   | 24          | 10          | 28          | 180.0%            |  |
|                | Men                                     | 24          | 26          | 72          | 176.9%            |  |
|                | New unionized hires by gender (No.)     | 72          | 99          | 81          | -18.2%            |  |
|                | Women                                   | 7           | 0           | 1           | NM                |  |
|                | Men                                     | 65          | 99          | 80          | -19.2%            |  |
|                | New employee hires by age (No.)         | 48          | 36          | 100         | 177.8%            |  |
|                | Younger than 30                         | 31          | 19          | 49          | 157.9%            |  |
|                | Between 30 and 50                       | 9           | 17          | 49          | 188.2%            |  |

|  |   | 2020 | 2021 | 2022 | VARs % A-c-A |  |
|--|---|------|------|------|--------------|--|
|  | Older than 50                                     | 8    | 0    | 2    | NM           |  |
|  | New unionized hires by age (No.)                  | 72   | 99   | 81   | -18.2%       |  |
|  | Younger than 30                                   | 54   | 78   | 54   | -30.8%       |  |
|  | Between 30 and 50                                 | 17   | 20   | 27   | 35.0%        |  |
|  | Older than 50                                     | 1    | 1    | 0    | -100.0%      |  |
|  | New employee hires by region (No.)                | 48   | 36   | 100  | 177.8%       |  |
|  | State of Mexico                                   | 0    | 1    | 1    | 0.0%         |  |
|  | Hermosillo  | 2    | 2    | 3    | 50.0%        |  |
|  | Mexico City                                       | 11   | 7    | 15   | 114.3%       |  |
|  | Nuevo Leon  | 18   | 11   | 21   | 90.9%        |  |
|  | Tlaxcala  | 2    | 0    | 3    | NM           |  |
|  | Veracruz  | 15   | 15   | 57   | 280.0%       |  |
|  | New unionized hires by region (No.)               | 72   | 99   | 81   | -18.2%       |  |
|  | State of Mexico                                   | 0    | 0    | 0    | NM           |  |
|  | Hermosillo  | 1    | 6    | 7    | 16.7%        |  |
|  | Mexico City                                       | 26   | 22   | 12   | -45.5%       |  |
|  | Nuevo Leon  | 6    | 32   | 25   | -21.9%       |  |
|  | Tlaxcala  | 0    | 4    | 4    | 0.0%         |  |
|  | Veracruz  | 39   | 35   | 33   | -5.7%        |  |
|  | Total number of departures (No.)                  | -    | 114  | 144  | 26.3%        |  |
|  | Number of employee departures                     | -    | 43   | 76   | 76.7%        |  |
|  | Number of union member departures                 | -    | 71   | 68   | -4.2%        |  |
|  | Number of departures by gender (No.)              | -    | 43   | 76   | 76.7%        |  |
|  | Women   | -    | 10   | 19   | 90.0%        |  |
|  | Men   | -    | 33   | 57   | 72.7%        |  |
|  | Number of union member departures by gender (No.) | -    | 71   | 68   | -4.2%        |  |
|  | Women   | -    | 5    | 0    | -100.0%      |  |
|  | Men   | -    | 66   | 68   | 3.0%         |  |
|  | Number of employee departures by age (No.)        | -    | 43   | 76   | 76.7%        |  |
|  | Younger than 30                                   | -    | 11   | 29   | 163.6%       |  |
|  | Between 30 and 50                                 | -    | 18   | 31   | 72.2%        |  |
|  | Older than 50                                     | -    | 14   | 16   | 14.3%        |  |
|  | Number of union member departures by age (No.)    | -    | 71   | 68   | -4.2%        |  |

|       |  | 2020 | 2021  | 2022  | VARs % A-c-A |  |
|-------|--|------|-------|-------|--------------|--|
|       | Younger than 30  | -    | 34    | 31    | -8.8%        |  |
|       | Between 30 and 50  | -    | 26    | 25    | -3.8%        |  |
|       | Older than 50  | -    | 11    | 12    | 9.1%         |  |
|       | Number of employee departures by region (No.)                  | -    | 43    | 76    | 76.7%        |  |
|       | State of Mexico  | -    | 1     | 2     | 100.0%       |  |
|       | Hermosillo   | -    | 2     | 3     | 50.0%        |  |
|       | Mexico City  | -    | 16    | 10    | -37.5%       |  |
|       | Nuevo Leon   | -    | 12    | 21    | 75.0%        |  |
|       | Tlaxcala   | -    | 1     | 1     | 0.0%         |  |
|       | Veracruz   | -    | 11    | 39    | 254.5%       |  |
|       | Number of union member departures by region (No.)              | -    | 71    | 68    | -4.2%        |  |
|       | State of Mexico  | -    | 0     | 1     | NM           |  |
|       | Hermosillo   | -    | 5     | 5     | 0.0%         |  |
|       | Mexico City  | -    | 21    | 22    | 4.8%         |  |
|       | Nuevo Leon   | -    | 25    | 14    | -44.0%       |  |
|       | Tlaxcala   | -    | 5     | 6     | 20.0%        |  |
|       | Veracruz   | -    | 15    | 20    | 33.3%        |  |
|       | Employee turnover rate (%)                                     |      |       |       |              |  |
|       | Turnover rate by gender (%)                                    |      |       |       |              |  |
|       | Women  | -    | 6.9%  | 8.3%  | 1.4 pp       |  |
|       | Men  | -    | 6.0%  | 7.4%  | 1.4 pp       |  |
|       | Turnover rate by region (%)                                    |      |       |       |              |  |
|       | Valle de Mexico  | -    | 10.0% | 9.9%  | -0.1 pp      |  |
|       | Hermosillo   | -    | 36.0% | 38.1% | 2.1 pp       |  |
|       | Nuevo Leon   | -    | 9.0%  | 8.6%  | -0.4 pp      |  |
|       | Tlaxcala   | -    | 13.0% | 15.6% | 2.6 pp       |  |
|       | Veracruz   | -    | 2.0%  | 5.4%  | 3.4 pp       |  |
| 401-3 | Parental leave   |      |       |       |              |  |
|       | Women  |      |       |       |              |  |
|       | Employees who have taken parental leave (No.)                  | -    | 10    | 10    | 0.0%         |  |
|       | Employees who have returned to work after parental leave (No.) | -    | 7     | 8     | 14.3%        |  |
|       | Return to work rates of employees who took parental leave (%)  | -    | 70%   | 80%   | 10.0 pp      |  |

|                |  | 2020        | 2021        | 2022        | VARs % A-c-A      |              |
|----------------|--|-------------|-------------|-------------|-------------------|--------------|
|                | Men  |             |             |             |                   |              |
|                | Employees who have taken parental leave (No.)  | -           | 59          | 56          | -5.1%             |              |
|                | Employees who have returned to work after parental leave (No.)                       | -           | 59          | 55          | -6.8%             |              |
|                | Return to work rates of employees who took parental leave (%)                        | -           | 100%        | 98%         | -1.8 pp           |              |
|                | Total  |             |             |             |                   |              |
|                | Employees who have taken parental leave (No.)  | -           | 69          | 66          | -4.3%             |              |
|                | Employees who have returned to work after parental leave (No.)                       | -           | 66          | 63          | -4.5%             |              |
|                | Return to work rates of employees who took parental leave (%)                        | -           | 95%         | 95%         | 0.5 pp            |              |
| <b>GRI 403</b> | <b>Occupational health and safety - 2016</b>   | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>VARs A-c-A</b> |              |
| 403-9          | Work-related injuries  |             |             |             |                   | RT-CH-320a.1 |
|                | Deaths due to occupational accidents (No.)   | -           | 0           | 0           | NM                |              |
|                | Fatality rate (fatalities per million hours worked)                                  | -           | 0           | 0           | 0.0 pp            |              |
|                | High-consequence work-related injuries (No.)   | -           | 11          | 7           | -36.4%            |              |
|                | High-consequence work-related injuries (per 200,000 hours worked)                    | -           | 0.6         | 0.4         | -18.9 pp          |              |
|                | Recordable occupational injuries (No.)   | -           | 23          | 24          | 4.3%              |              |
|                | Recordable occupational injuries rate (per 200,000 hours worked)                     | -           | 1.3         | 1.4         | 15.3 pp           |              |
|                | Hours worked   | -           | 3,673,265   | 3,415,856   | -7.0%             |              |
| 403-10         | Work-related ill health  |             |             |             |                   | RT-CH-320a.2 |
|                | Number of fatalities as a result of work-related ill health                          | -           | 0           | 0           | NM                |              |
|                | Number of cases of recordable work-related ill health                                | -           | 0           | 1           | NM                |              |
| <b>GRI 404</b> | <b>Training and education - 2016</b>   | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>VARs A-c-A</b> |              |
| 404-1          | Average hours of training per year per employee (No.)                                | -           | 76          | 59          | -22.4%            |              |
|                | Union members (man-hours/person)   | -           | 103         | 90          | -13.0%            |              |
|                | Employees (man-hours/person)   | -           | 47          | 25          | -46.3%            |              |
| 404-2          | Programs for upgrading employee skills and transition assistance programs (No.)      |             |             |             |                   |              |
|                | # assistants provided to upgrade employee skills                                     | -           | 566         | 960         | 69.6%             |              |
| 404-3          | Percentage of employees receiving regular performance and career development reviews |             |             |             |                   |              |
|                | Men (%)  | -           | -           | 3.7%        | NA                |              |
|                | Employees  | -           | -           | -           | -                 |              |
|                | Professionals  | -           | -           | -           | -                 |              |
|                | Officers   | -           | -           | -           | -                 |              |

|                |   | 2020        | 2021        | 2022        | VARS % A-c-A      |  |
|----------------|---|-------------|-------------|-------------|-------------------|--|
|                | Managers  | -           | -           | 100%        | NA                |  |
|                | Women (%)   | -           | -           | 1.3%        | NA                |  |
|                | Employees   | -           | -           | -           | -                 |  |
|                | Professionals   | -           | -           | -           | -                 |  |
|                | Officers  | -           | -           | -           | -                 |  |
|                | Managers  | -           | -           | 100%        | NA                |  |
| <b>GRI 405</b> | <b>Diversity and equal opportunity - 2016</b>   | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>VARS A-c-A</b> |  |
| 405-1          | Diversity of governance bodies and employees  |             |             |             |                   |  |
|                | Men (%)   |             |             |             |                   |  |
|                | Employees   | -           | 89%         | 91%         | 2.0 pp            |  |
|                | Professionals   | -           | 78%         | 76%         | -2.0 pp           |  |
|                | Officers  | -           | 96%         | 96%         | 0.0 pp            |  |
|                | Managers  | -           | 98%         | 97%         | -1.0 pp           |  |
|                | Women (%)   | -           |             |             |                   |  |
|                | Employees   | -           | 11%         | 9%          | -2.0 pp           |  |
|                | Professionals   | -           | 22%         | 24%         | 2.0 pp            |  |
|                | Officers  | -           | 4%          | 4%          | 0.0 pp            |  |
|                | Managers  | -           | 2%          | 3%          | 1.0 pp            |  |
|                | By age (%)  | -           |             |             |                   |  |
|                | Younger than 30   | -           | 28%         | 28%         | 0.0 pp            |  |
|                | Between 30 and 39   | -           | 32%         | 33%         | 1.0 pp            |  |
|                | Between 39 and 49   | -           | 19%         | 19%         | 0.0 pp            |  |
|                | Older than 50   | -           | 21%         | 20%         | -1.0 pp           |  |
| <b>GRI 416</b> | <b>Customer health and safety - 2016</b>  | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>VARS A-c-A</b> |  |
| 416-1          | Assesment of the health and safety impacts of product and service categories                        |             |             |             |                   |  |
|                | Significant product categories for which health and safety impacts are assessed for improvement (%) | -           | 100%        | 100%        | 0.0 pp            |  |

| CORPORATE GOVERNANCE |   |                |                |               |
|----------------------|---|----------------|----------------|---------------|
| GRI 201              | Economic performance - 2016                     | 2021           | 2022           | VARS % A-c-A  |
| 201-1                | Direct economic value generated and distributed |                |                |               |
|                      | <b>EVG&amp;D (million pesos)</b>                | <b>11,339</b>  | <b>13,612</b>  | <b>20.0%</b>  |
|                      | Sales to external customers                     | 11,339         | 13,612         | 20.0%         |
|                      | <b>EVG&amp;D (million pesos)</b>                | <b>-10,916</b> | <b>-12,542</b> | <b>15.0%</b>  |
|                      | Dividends paid to majority shareholders         | -200           | -200           | 0.0%          |
|                      | Dividends paid to minority shareholders         | -9             | -42            | 367.0%        |
|                      | Cost of sales                                   | -6,950         | -8,157         | 17.0%         |
|                      | Sales expenses                                  | -1,689         | -1,877         | 11.0%         |
|                      | Administrative expenses                         | -876           | -1,053         | 20.0%         |
|                      | Other administrative income                     | 149            | -43            | -129.0%       |
|                      | Net financial expenses                          | -1,116         | -594           | -47.0%        |
|                      | Income taxes                                    | -225           | -576           | 156.0%        |
|                      | <b>EVG&amp;D (million pesos)</b>                | <b>423</b>     | <b>1,070</b>   | <b>153.0%</b> |
| GRI 405              | Diversity and equal opportunity - 2016          | 2021           | 2022           | VARS % A-c-A  |
| 405-1                | Diversity of governance bodies and employees    |                |                |               |
|                      | Male board members (%)                          | 80%            | 80%            | 0.0 pp        |
|                      | Female board members (%)                        | 20%            | 20%            | 0.0 pp        |
|                      | By age (%)                                      |                |                |               |
|                      | Younger than 30                                 | 0%             | 0%             | 0.0 pp        |
|                      | Between 30 and 49                               | 20%            | 20%            | 0.0 pp        |
|                      | Older than 50                                   | 80%            | 80%            | 0.0 pp        |

# GRI Content Index

| Disclosure   | Disclosure name  | Answer in table, omission, and/or modification  | Page(s)         |
|--|--|---|-----------------|
| CYDSA has prepared the report in accordance with the GRI Standards for the period from January 1 to December 31, 2022. |  |   |                 |
| <b>GRI 1: Foundation 2021</b>  |  |   |                 |
| <b>GRI 2: General Disclosures 2021</b>   |  |   |                 |
| 1. The organization and its reporting practices  |  |   |                 |
| 2-1  | Organizational details   | <p>CYDSA<br/>Avenida Ricardo Margain Zozaya No. 335, Torre 2 Piso 6, Col. Valle del Campestre, in San Pedro Garza García, Nuevo Leon, Mexico</p> <p><b>Nature of ownership and its legal form:</b><br/>CYDSA, S.A.B. de C.V. is a Variable Capital Stock Public Company established on September 1, 1965. The Company has 600,000,000 common series "A" shares with no par value, listed on the Mexican Stock Exchange (BMV) since 1973 and registered in the National Securities Registry, identified with the ticker symbol "CYDSASA."</p>  | 1-5, 84         |
| 2-2  | Entities included in the organization's sustainability reporting | Sales del Istmo, S.A. de C.V.; Industria Quimica del Istmo, S.A. de C.V.; Iquisa Santa Clara, S.A. de C.V.; Iquisa Noreste, S.A. de C.V.; Sistemas Energeticos SISA, S.A. de C.V.; Almacенamientos Subterraneos de Mexico, S.A. de C.V.; Tenedora Almacenamiento LP 206, S.A. de C.V.; Almacенamientos Subterraneos del Sureste, S.A. de C.V.; Quimobasicos, S.A. de C.V.   | Answer in table |
| 2-3  | Reporting period, frequency and contact point                    | <p>Period: January 1, 2022 to December 31, 2022</p> <p>Frequency: Annual</p> <p>Point of contact: Mario Luis Gonzalez Cruz, Hans Edgar Fritz Cea, Alberto Balderas Calderon</p>   | 84              |
| 2-4  | Restatements of information                                      | <p>On the date the 2021 report was published, there was an error in the units used for reporting total hazardous waste at certain plants. It was reported that SISA generated 176,074.95 kgs of hazardous waste. The correct number is 176.0 tons. Similarly, it was reported that Iquisa Noreste generated 8,120 kgs. The correct number is 8.12 tons. CYDSA is therefore not reporting GRI 306-4 and 306-5 for 2021 in this report, as this information was previously published based on erroneous information.</p> <p>There were also changes in the calculation of the Group's energy consumption in order to meet all the GRI 302-1 disclosure requirements and to consider all energy sources, not only electricity, as had been done in the previous year's report (2021). Therefore, a different figure is reported for that year in this report (2022).</p> | 84              |
| 2-5  | External assurance   | Please see verification letter on pgs. 84-85  | 84-85           |

| 2. Activities and workers           |   |   |                             |
|-------------------------------------|---|---|-----------------------------|
| 2-6                                 | Activities, value chain and other business relationships                    |   | 1-5, 51                     |
| 2-7                                 | Employees   | Please refer to the Social Performance table on pgs. 88-89 for a detailed breakdown   | 51, 88-89                   |
| 2-8                                 | Workers who are not employees   | CYDSA currently does not have workers who are not its direct employees.   | Answer in table             |
| 3. Governance                       |   |   |                             |
| 2-9                                 | Governance structure and composition  | Implementation and meetings of the Sustainability Committee were formalized in 2022.  | 73, 76                      |
| 2-10                                | Nomination and selection of the highest governance body                     |   | 73                          |
| 2-11                                | Chair of the highest governance body  | Tomás Gonzalez Sada acts as both Chairman of the Board of Directors, as well as Chief Executive Officer of CYDSA.   | 74                          |
| 2-12                                | Role of the highest governance body in overseeing the management of impacts |   | 7-9, 23, 73                 |
| 2-13                                | Delegation of responsibility for managing impacts                           | CYDSA currently has a Sustainability Committee that is responsible for the Company's economic, environmental, and social matters. However, the Board of Directors and its committees manage the Company's risks, opportunities, and strategies. They are also involved in, and assume responsibility for those matters.   | 76                          |
| 2-14                                | Role of the highest governance body in sustainability reporting             |   | 84                          |
| 2-15                                | Conflicts of interest   |   | 79                          |
| 2-16                                | Communication of critical concerns  |   | 78                          |
| 2-17                                | Collective knowledge of the highest governance body                         |   | 77                          |
| 2-18                                | Evaluation of the performance of the highest governance body                |   | 77                          |
| 2-19                                | Remuneration policies   |   | 79                          |
| 2-20                                | Process to determine remuneration   | Currently, employees and other stakeholders are not involved in these types of remuneration decisions.  | 79                          |
| 2-21                                | Annual total compensation ratio   | Confidentiality Issues<br><br>The annual total remuneration coefficient, the percentage increase coefficient in annual total remuneration, and any contextual information supporting these data have been omitted. These details are confidential for the safety of CYDSA personnel. Publishing their remuneration would jeopardize their security and privacy. | Answer in table             |
| 4. Strategy, policies and practices |   |   |                             |
| 2-22                                | Statement on sustainable development strategy                               | Please refer to the letter from the CEO, pgs. 15-18.  | 15-18                       |
| 2-23                                | Policy commitments  | CYDSA applies the precautionary principle to manage environmental risks. If a risk or serious or irreversible damage is generated, adopting effective measures to mitigate impacts cannot be delayed, due to the costs and degradation of the environment that might otherwise occur.   | 15-18, 35, 55, 62-63, 78-79 |
| 2-24                                | Embedding policy commitments  |   | 15-18, 35                   |

|                             |  |  |  |
|-----------------------------|--|--|--|
| 2-25                        | Processes to remediate negative impacts            | <p>As part of the mechanisms through which we aim to minimize the negative impacts of our operations, CYDSA has implemented a system for addressing neighborhood complaints. We define a neighborhood complaint as any annoyance, lawsuit, complaint, grievance, or disagreement expressed by a neighbor regarding the Company's industrial operations, authorities, or media. According to our complaint handling protocol, all complaints must be addressed and resolved thoroughly.</p> <p>To appropriately handle them, we classify complaints as:</p> <ul style="list-style-type: none"> <li>•Serious: when there is a presence of authorities, neighbors, or media at the plant or community; a meeting, rally, or protest against the Company; or when two or more neighbors make calls regarding the same issue.</li> <li>•Minor: when a neighbor calls to express their dissatisfaction.</li> <li>•Incidents: when a neighbor calls to express their dissatisfaction, and the grievance does not originate from the Company, or the complaint is within the existing regulations or legislation.</li> </ul> | Answer in table  |
| 2-26                        | Mechanisms for seeking advice and raising concerns | The Group maintains open communication with its employees through several channels, both physical and digital, and employs strategies that meet the specific needs of its different internal groups. "Transparency mailboxes" have been set up in plants and offices in accessible areas. In addition, the Suggestions System has a telephone line and e-mail for personnel to make complaints and offer suggestions. Complaints from employees using the mentioned channels are reviewed by the Human Resources Director, the Labor Director, and the Manager or Internal Corporate Audit, if necessary. Actions are established to resolve any issues that might arise.  | 78   |
| 2-27                        | Compliance with laws and regulations               | In 2022, all of CYDSA's business units complied with all applicable social, economic, environmental laws, and there are no open adminisitrative proceedings with any official bodies.  | 40-41  |
| 2-28                        | Membership associations                            | See annual report: <a href="https://cydsa.com/annual-reports/?lang=en">https://cydsa.com/annual-reports/?lang=en</a>   | 10, 36, 81-82  |
| 5. Stakeholder engagement   |  |  |  |
| 2-29                        | Approach to stakeholder engagement                 |  | 7-9, 22, 31-32   |
| 2-30                        | Collective bargaining agreements                   | The right of employees to freedom of association and collective bargaining is respected. In 2022, the percentage of unionized staff was 53%.   | Answer in table  |
| GRI 3: Material Topics 2021 |  |  |  |
| 3-1                         | Process to determine materal topics                |  | 22-23  |
| 3-2                         | List of material topics                            |  | 22-23  |
| 3-3                         | Management of material topics                      |  | 7-9, 20-21, 25-32, 35-39, 50, 54-56, 67-68, 73, 76, 78, 80 |

| Disclosure                                      | Disclosure name   | Answer in table, omission, and/or modification  | Página(s)        |
|---|---|---|------------------|
| <b>MATERIAL TOPICS</b>                          |   |   |                  |
| <i><b>Innovation</b></i>                        |   |   |                  |
| <b>GRI 3: MATERIAL TOPICS 2021</b>              |   |   |                  |
| 3-3   | Management of material topics   |   | 25-28            |
| <i><b>Sustainable corporate image</b></i>       |   |   |                  |
| <b>GRI 3: MATERIAL TOPICS 2021</b>              |   |   |                  |
| 3-3   | Management of material topics   |   | 31-32            |
| <b>416: COSTUMER HEALTH AND SAFETY 2016</b>     |   |   |                  |
| 416-1   | Assessment of the health and safety impacts of product and service categories                 | Please also refer to the SASB RT-CH-410b.1 content to learn more about products containing hazardous substances. Please refer to the Social Performance table, pg. 93 for a detailed breakdown  | 55-56, 60-61, 93 |
| 416-2   | Incidents of non-compliance concerning the health and safety impacts of products and services | There were no cases of non-compliance related to health and safety impacts of CYDSA's product and service categories during 2022.   | Answer in table  |
| <b>417: MARKETING AND LABELLING 2016</b>        |   |   |                  |
| 417-1   | Requirements for product and service information and labelling                                | 100% of our products comply with and are evaluated against the regulatory requirements of the Secretaría de Comunicaciones y Transporte (Ministry of Communications and Transportation) and the official standards of the Secretaría de Trabajo y Previsión Social (Ministry of Labor and Social Welfare) that regulate these issues in product transportation and delivery to our suppliers at their facilities. | Answer in table  |
| 417-2   | Incidents of non-compliance concerning product and service information and labeling           | No cases related to non-compliance regarding information and/or labeling were recorded for any of the products in 2022.   | Answer in table  |
| 417-3   | Incidents of non-compliance concerning marketing communications                               | No cases related to non-compliance regarding marketing communications were recorded in 2022.  | Answer in table  |
| <i><b>Regulatory changes</b></i>                |   |   |                  |
| <b>GRI 3: MATERIAL TOPICS 2021</b>              |   |   |                  |
| 3-3   | Management of material topics   |   | 80               |
| <i><b>Operational safety and compliance</b></i> |   |   |                  |
| <b>GRI 3: MATERIAL TOPICS 2021</b>              |   |   |                  |
| 3-3   | Management of material topics   |   | 55-66            |

| 403: OCCUPATIONAL HEALTH AND SAFETY 2018 |   |   |                 |
|--|---|---|-----------------|
| 403-1                                    | Occupational health and safety management system  | CYDSA implements an Industrial Safety, Operational Safety, and Environmental Protection Management System (SASISOPA) to identify, reduce, and control health and safety risks in its hydrocarbon processing and storage areas. Joint commissions are established to assess risks, and safety protocols are followed to investigate and prevent accidents, using tools such as AST, What-if, HAZOP, and TASC. Occupational Safety and Health policies are followed, and regular inspections are conducted in accordance with NOM-019-STPS-2004. The Group holds international certifications such as SARI and PASST and utilizes innovative technologies like the Safer software for simulating hazardous material leaks. Civil Protection authorities trust CYDSA's expertise in chlorine handling and its industrial safety practices. | 55-56           |
| 403-2                                    | Hazard identification, risk assessment, and incident investigation  |   | 55-56           |
| 403-3                                    | Occupational health services  |   | 65-66           |
| 403-4                                    | Worker participation, consultation, and communication on occupational health and safety                       | <p>The Group maintains open communication with its employees through various channels, both physical and digital, and with strategies tailored to the specific needs of our different internal groups. 'Transparency mailboxes' have been established in plants and offices in accessible areas. Additionally, the Suggestions System provides a telephone line and email for employees to raise complaints and suggestions.</p> <p>Complaints issued by employees through the mentioned channels are reviewed by the Director of Human Resources, the Labor Area Director, and the Corporate Internal Audit Manager, if necessary. In this way, actions are taken to address any concerns that have been raised.</p>   | 55-56, 63-64    |
| 403-5                                    | Worker training on occupational health and safety   | In 2022, 12 different initiatives and training sessions were conducted regarding occupational health and safety.  | 55-56, 58-60    |
| 403-6                                    | Promotion of worker health  |   | 65-66           |
| 403-7                                    | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships |   | 55-56, 60-61    |
| 403-8                                    | Workers covered by an occupational health and safety management system  | 100% of the workers are covered by CYDSA's health and safety system. No worker has been excluded from this coverage.  | Answer in table |
| 403-9                                    | Work-related injuries   | <p>In 2022, there were 24 recordable accidents, and 7 incapacitating work-related accidents:</p> <ul style="list-style-type: none"> <li>- Cogeneration: Muscle spasm (1)</li> <li>- Sales del Istmo: Electricity discharge (1)</li> <li>- Iquisa Noreste: Fall with fracture (1)</li> <li>- Iquisa Coatzacoalcos: Kneecap injury (1)</li> <li>- Distribuidora de Sal CDMX: Ankle sprain (1), blow to arm (2).</li> </ul> <p>Comparison of Debilitating Accidents for every thousand workers 2022</p> <ul style="list-style-type: none"> <li>- Total IMSS: 13.0</li> <li>- Mexican Transformation Industry: 10.0</li> <li>- American Chemical Industry: 8.0</li> <li>- CYDSA: 1.93</li> </ul> <p>Please see the Social Performance Table on pg. 92 for details</p>   | 92              |
| 403-10                                   | Work-related ill health   | Please refer to the Social Performance table, pg. 92, for a detailed breakdown  | 65-66, 92       |
| Operational quality and efficiency       |   |   |                 |
| GRI 3: MATERIAL TOPICS 2021              |   |   |                 |
| 3-3                                      | Management of material topics   |   | 29-30           |

|   |  |   |                 |
|---|--|---|-----------------|
| <b>Pandemic</b>                                   |  |   |                 |
| <b>GRI 3: MATERIAL TOPICS 2021</b>                |  |   |                 |
| 3-3   | Management of material topics  |   | 54              |
| <b>Human Capital</b>                              |  |   |                 |
| <b>GRI 3: MATERIAL TOPICS 2021</b>                |  |   |                 |
| 3-3   | Management of material topics  |   | 50-53           |
| <b>GRI 201: ECONOMIC PERFORMANCE 2016</b>         |  |   |                 |
| 201-3   | Defined benefit plan obligations and other retirement plans  | The Retirement Plan is a Defined Benefit plan, not a defined contribution plan. This means that the employee is not required to make contributions to receive the benefit once they meet age and seniority requirements.  | Answer in table |
| <b>GRI 202: MARKET PRESENCE 2016</b>              |  |   |                 |
| 202-1   | Ratios of standard entry level wage by gender compared to local minimum wage                       | At CYDSA, all workers earn competitive salaries that exceed the legally mandated minimum wage in the regions where the Company operates. There are entry categories in the salary scales based on the region, and it is not dependent on the employee's gender.   | Answer in table |
| <b>GRI 401: EMPLOYMENT 2016</b>                   |  |   |                 |
| 401-1   | New employee hires and employee turnover   | Please refer to the Social Performance table on pgs. 88-90 to find the detailed information.  | 88-90           |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or part-time employees | In Coatzacoalcos, temporary unionized workers do not receive the benefit of the Savings Fund and grocery vouchers.  | 52              |
| 401-3   | Parental leave   | Parental leave is granted to all employees in the organization, with 84 days for mothers and 5 days for fathers. In 2022, 66 employees took advantage of their parental leave, representing 3.4% of the workforce.<br><br>Please refer to the Social Performance table on pg. 92 for a detailed breakdown | 52, 91-92       |
| <b>GRI 402: LABOR / MANAGEMENT RELATIONS 2016</b> |  |   |                 |
| 402-1   | Minimum notice periods regarding operational changes   | Depending on the workplace, the minimum number of weeks to notify employees varies between 1 and 4 weeks.   | Answer in table |
| <b>GRI 404: TRAINING AND EDUCATION 2016</b>       |  |   |                 |
| 404-1   | Average hours of training per year per employee  | The average training hours per employee during 2022 was 59 hours.<br>Please refer to the Social Performance table on pg. 92 for a detailed breakdown  | 53, 92          |
| 404-2   | Programs for upgrading employee skills and transition assistance programs                          | Please refer to the Social Performance table, pg. 92 for a detailed breakdown.  | 53, 92          |
| <b>405: DIVERSITY AND EQUAL OPPORTUNITY</b>       |  |   |                 |
| 405-1   | Diversity of governance bodies and employees   | 16 regular board members comprised the Board of Directors in 2022<br>6 board members are independent, representing 37.5%<br>3 female directors on the Board of Directors, representing 18.8%<br>4 board members are part of the management team. 75.0% are non-executive                                  | 74, 93          |

| GRI 406: NON-DISCRIMINATION 2016                               |  |   |                 |
|--|--|---|-----------------|
| 406-1  | Incidents of discrimination and corrective actions taken   | No cases of discrimination were recorded within the operations of CYDSA's Business Units during 2022.   | Answer in table |
| GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016 |  |   |                 |
| 407-1  | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Currently, no operation or supplier at CYDSA's Business Units face any risk of breach or privation of the right to associate freely and bargain collectively.   | Answer in table |
| <b>Corporate governance</b>                                    |  |   |                 |
| GRI 3: TEMAS MATERIALES 2021                                   |  |   |                 |
| 3-3  | Management of material topics  |   | 73-82           |
| <b>Community relations</b>                                     |  |   |                 |
| GRI 3: MATERIAL TOPICS 2021                                    |  |   |                 |
| 3-3  | Management of material topics  |   | 67-71           |
| GRI 202: MARKET PRESENCE 2016                                  |  |   |                 |
| 202-2  | Proportion of senior management hired from the local community   | During 2022, only one new managerial-level executive was hired, originating from operations located in Nuevo Leon. As of today, 99% of the executive management team are natives of the communities where they operate. | Answer in table |
| GRI 203: INDIRECT ECONOMIC IMPACTS 2016                        |  |   |                 |
| 203-1  | Infrastructure investments and services supported  |   | 67-71           |
| 203-2  | Significant indirect economic impacts  |   | 67-71           |
| GRI 413: LOCAL COMMUNITIES 2016                                |  |   |                 |
| 413-1  | Operations with local community engagement, impact assessments, and development programs                       |   | 67-71           |
| 413-2  | Operations with significant actual and potential negative impacts on local communities                         |   | 67-71           |

| OTHER TOPICS ANSWERED WITHIN THE REPORT         |   |  |           |
|---|---|--|-----------|
| <b>Environmental Management and Performance</b> |   |  |           |
| <b>GRI 3: MATERIAL TOPICS 2021</b>              |   |  |           |
| 3-3   | Management of material topics   |  | 34-48     |
| <b>Energy</b>                                   |   |  |           |
| <b>GRI 302: ENERGY 2016</b>                     |   |  |           |
| 302-1   | Energy consumption within the organization                                      | 2018 was the base year for measurement, as CYDSA began publishing this metric in its Sustainability Reports in that year.  | 86        |
| 302-4   | Reduction of energy consumption   | Please see the Environmental Performance Table on p.86 for more details  | 86        |
| 302-5   | Reductions in energy requirements of products and services                      |  | 40-41     |
| <b>Water</b>                                    |   |  |           |
| <b>GRI 303: WATER AND EFFLUENTS 2018</b>        |   |  |           |
| 303-1   | Interactions with water as a shared resource                                    |  | 44-45     |
| 303-2   | Management of water discharge- related impacts                                  |  | 44-45     |
| 303-5   | Water consumption   | 2018 was the base year for measurement, as CYDSA began publishing this metric in its Sustainability Report in that year. Monitoring and reporting this metric is a formal and fundamental part of the Group's sustainable management system.<br><br>Please see the Environmental Performance Table on pg. 86 for more details  | 45, 86    |
| <b>Emissions</b>                                |   |  |           |
| <b>GRI 305: EMISSIONS 2016</b>                  |   |  |           |
| 305-1   | Direct (Scope 1) GHG emissions  | 2018 was the base year for measurement, as CYDSA began publishing this metric in its Sustainability Report in that year. Articles 7 and 8 of the regulation of the General Law on Climate Change in matters of the national registry of emissions, issued by SEMARNAT, is used as the calculation methodology.   | 42-43, 86 |
| 305-2   | Indirect (Scope 2) GHG emissions  | Please see the Environmental Performance Table on pg. 86 for more details  | 42-43, 86 |
| 305-5   | Reduction of GHG emissions  | 2018 was the base year for measurement, as CYDSA began publishing this metric in its Sustainability Report in that year. Monitoring and reporting this metric is a formal and fundamental part of the Group's sustainable management system.<br><br>Please see the Environmental Performance Table on pg. 87 for more details  | 42-43, 87 |
| 305-7   | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | Steam is required in several of the plants' processes, thus natural gas-fired boilers are used. These boilers emit NOx and TSP (Total Suspended Particulates). Quimobasicos uses steam to maintain the temperature of cooling gases, Iquisa uses steam to solidify soda, and Sales del Istmo uses steam to evaporate water from brine (water with salt) to obtain the final product, which is salt.<br><br>Please see the Environmental Performance Table on pg. 87 for more details | 87        |

# SASB Content Index: Chemical Industry

| CODE                           | ACCOUNTING METRIC   | UNIT OF MEASURE   | Answer in table, omission, and/or modification  |           | Page(s)         |
|--------------------------------|---|---|---|-----------|-----------------|
| (GHG) Greenhouse Gas Emissions |   |   |   |           |                 |
| RT-CH-110a.1                   | Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations   | Metric tons (t) CO <sub>2</sub> -e, Percentage (%)      | CUMULATIVE  |           | 42-43, 86       |
|                                |   |   | Ton Eq CO <sub>2</sub> Direct emissions (scope 1)   | 856       |                 |
|                                |   |   | Ton Eq CO <sub>2</sub> Indirect emissions (scope 2)   | 391       |                 |
|                                |   |   | Ton Eq CO2 Total (scopes 1 and 2)   | 1,247     |                 |
| RT-CH-110a.2                   | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets    | N/A   | As of the end of 2022, CYDSA had not established formal objectives for the reduction of Scope 1 emissions. Therefore, when discussing the emission results for 2022, there is no mention of whether a specific target was achieved or not. However, starting from 2023, CYDSA will be working on the development of a comprehensive sustainability strategy that will include indicators and objectives. These objectives may include the reduction of Scope 1 emissions in the future. Details on emissions can be found in the 'Environmental Performance' section. |           | 42-43           |
| Air Quality                    |   |   |   |           |                 |
| RT-CH-120a.1                   | (Air emissions of the following pollutants: (1) NOX (excluding N <sub>2</sub> O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs) | Metric tons (t)   | CUMULATIVE  |           | 87, 102         |
|                                |   |   | Tons of nitrogen oxides (NOx):  | 106       |                 |
|                                |   |   | Tons of carbon monoxide (CO):   | 282       |                 |
|                                |   |   | Tons of sulfur dioxide (SO <sub>2</sub> ):  | 1         |                 |
|                                |   |   | Tons of total suspended particles (TSP):  | 6         |                 |
| Energy Management              |   |   |   |           |                 |
| RT-CH-130a.1                   | (1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable, (4) Total self-generated energy 2   | Gigajoules (GJ), Percentage (%)                         | (1) Total energy consumed   | 8,122,961 | 86, 102         |
|                                |   |   | (2) Percentage of electricity from the grid   | 454,444   |                 |
|                                |   |   | (3) Percentage renewable  | 77,273    |                 |
|                                |   |   | (4) Total self-generated energy   | 5,353,690 |                 |
| Water Management               |   |   |   |           |                 |
| RT-CH-140a.1                   | (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress                                      | Thousand cubic meters (m <sup>3</sup> ), Percentage (%) | During 2022, CYDSA consumed 4,183 cubic meters of water for its operations. Out of this figure, 9% came from treated water, 1% from potable water, 88% from national resources, and 2% from industrial water. Details of water consumption can be found in the 'Water' section as well as in the 'Environmental Performance' section.   |           | 45, 86, 102     |
| RT-CH-140a.2                   | Number of incidents of non-compliance associated with water quality permits, standards, and regulations   | Number  | There were no incidents of this kind reported for CYDSA during 2022.  |           | Answer in table |
| RT-CH-140a.3                   | Description of water management risks and discussion of strategies and practices to mitigate those risks  | N/A   | The city of Monterrey is the geographic area of the Group's operations where the main risk of water shortage has been identified, as opposed to the operations in the southeast. As of the end of 2022, CYDSA had not yet conducted any diagnostic assessment of climate risks (including water stress) for its operations. Details on water management can be found in the "Water" section.  |           | 44-45           |

| Hazardous/Non-hazardous Waste Management |  |                                 |   |            |                  |
|--|--|---------------------------------|---|------------|------------------|
| RT-CH-150a.1                             | Amount of hazardous waste generated, Percentage recycled   | Metric tons (t), Percentage (%) | Total Tons  | CUMULATIVE | 46-47, 87        |
|  |  |                                 | Hazardous liquid waste  | 120        |                  |
|  |  |                                 | Hazardous solid waste   | 957        |                  |
|  |  |                                 | Hazardous waste   | 1,077      |                  |
|  |  |                                 | Waste requiring special handling  | 5,617      |                  |
|  |  |                                 | Municipal solid waste (non-hazardous)   | 319        |                  |
|  |  |                                 | Non-hazardous waste   | 5,936      |                  |
|  |  |                                 | WASTE GENERATED   | 7,013      |                  |
|  |  |                                 | % of waste recycled   | 30%        |                  |
|  |  |                                 | Total tons of waste recycled  | 2,105      |                  |
| Community Relations                      |  |                                 |   |            |                  |
| RT-CH-210a.1                             | Discussion of engagement processes to manage risks and opportunities associated with community interests                             | N/A                             | The CYDSA Group has a Community Care Center (CAC) that handles every type of report, disagreement, complaint, demand, or need that the community might make in regard to the factory operations of its companies. To this end, the Company has a telephone line that is open to the community at the guard stations, which can receive telephone calls from neighbors 24 hours a day, to then forward it to the CAC.<br><br>The Company conducts surveys in which neighbors have the opportunity to freely and anonymously state individual or collective needs, which, if they had them, would improve their quality of life.<br><br>The following are main complaints the Company has historically received from the community:<br>• Lack of safety<br>• Poor roads<br>• Poor primary services (trash collection)<br>The CAC acts as a solutions manager between the community and the Company area involved. |            | 67-71            |
| Workforce Health and Safety              |  |                                 |   |            |                  |
| RT-CH-320a.1                             | (1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees                  | Rate                            | There were 24 recordable incidents across all of CYDSA's business units, with a TRIR rate of 1.4, taking all hours worked and all incidents that occurred at the different plants. This is equal to 12.4 Incapacitating Accidents per thousand workers. There were no fatal accidents at any CYDSA business unit in 2022.   |            | 92               |
| RT-CH-320a.2                             | Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks | N/A                             | CYDSA has a comprehensive strategy to evaluate, control, and reduce the exposure of its employees and contracted workers to chronic health risks, built upon a rigorous System of Industrial Safety Management, Operational Safety, and Environmental Protection (SASISOPA). This strategy, always in compliance with current legislation, aims primarily at identifying, reducing, and controlling long-term health and safety risks.<br><br>The details of these efforts can be found in the "Operation Safety and Compliance" section.   |            | 54-56, 65-66, 92 |

| Product Design for Use-Phase Efficiency                  |  |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|--|--|--|--|---|---------|--|--|---|-------------------------|------------------------|--|-----|--|---------------|--|--|-----|---------------|-----|--|--|--------------------------|--|--|-----------------------|--|--|----------------------|----------|-----|--|-----|---------------------|--|--|------------------|--|--|----------------|-------------------|--|-----|--|----------|--|--|-----|----------|-----|--|--|---------------------|--|--|-----------------------|------------------|--|--|-------------------|--|-----|--|----------|--|--|-----|----------|-----|--|--|---------------------|--|--|--------------------|------------------|--|--|----------|--|--|-----|---------------------|-----|--|--|--------------|------------------|--|--|--|--|------|--|--|--------------|
| RT-CH-410a.1   | Revenue from products designed for use phase resource efficiency   | Reporting currency                                 | The Group continued recording savings resulting from the boiler projects at Iquisa Santa Clara and Iquisa Noreste following the incorporation of advanced technology to optimize production of chlorine, caustic soda, and their specialty byproducts. The use of byproducts as sources of own energy led to a decrease in operating costs.The Company has also generated revenues from the production and sale of hydrogen.   | Answer in table   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| Safety and Environmental Management of Chemical Products |  |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| RT-CH-410b.1   | (1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) Percentage of such products that have undergone a hazard assessment   | Percentage (%) by revenue, Percentage (%)          | <table><tr><th>PLANT</th><th>PRODUCT</th><th>% CATEGORY 1<br/>(PRODUCT<br/>PORTFOLIO BY<br/>PLANT)</th><th>% CATEGORY 2<br/>(PRODUCT<br/>PORTFOLIO BY<br/>PLANT)</th><th>% CATEGORIES<br/>1 AND 2<br/>(PRODUCT<br/>PORTFOLIO BY<br/>PLANT)</th></tr><tr><td rowspan="5">IQUISA<br/>COATZACOALCOS</td><td>Hydrochloric acid 100%</td><td></td><td>20%</td><td></td></tr><tr><td>Chlorine 100%</td><td></td><td></td><td>20%</td></tr><tr><td>Hydrogen 100%</td><td rowspan="3">60%</td><td></td><td></td></tr><tr><td>Sodium hypochlorite 100%</td><td></td><td></td></tr><tr><td>Sodium hydroxide 100%</td><td></td><td></td></tr><tr><td rowspan="3">IQUISA<br/>HERMOSILLO</td><td>Chlorine</td><td rowspan="3">67%</td><td></td><td>20%</td></tr><tr><td>Sodium hypochlorite</td><td></td><td></td></tr><tr><td>Sodium hydroxide</td><td></td><td></td></tr><tr><td rowspan="4">IQUISA NORESTE</td><td>Hydrochloric acid</td><td></td><td>20%</td><td></td></tr><tr><td>Chlorine</td><td></td><td></td><td>20%</td></tr><tr><td>Hydrogen</td><td rowspan="3">60%</td><td></td><td></td></tr><tr><td>Sodium hypochlorite</td><td></td><td></td></tr><tr><td rowspan="5">IQUISA SANTA<br/>CLARA</td><td>Sodium hydroxide</td><td></td><td></td></tr><tr><td>Hydrochloric acid</td><td></td><td>20%</td><td></td></tr><tr><td>Chlorine</td><td></td><td></td><td>20%</td></tr><tr><td>Hydrogen</td><td rowspan="3">60%</td><td></td><td></td></tr><tr><td>Sodium hypochlorite</td><td></td><td></td></tr><tr><td rowspan="3">IQUISA<br/>TLAXCALA</td><td>Sodium hydroxide</td><td></td><td></td></tr><tr><td>Chlorine</td><td></td><td></td><td>20%</td></tr><tr><td>Sodium hypochlorite</td><td>67%</td><td></td><td></td></tr><tr><td rowspan="2">QUIMOBÁSICOS</td><td>Sodium hydroxide</td><td></td><td></td><td></td></tr><tr><td>Genetron® 22, Genetron® AZ 20, Genetron® 404A, Genetron® AZ 50, Genetron® 1341a, Genetron® MP39, Genetron® 422D, Genetron® Performax LT, Genetron® 408A, Genetron® HP 80, Genetron® HP 81, Genetron® MP 66, Genetron® 409A, Genetron® 407C, Genetron® 23, Genetron® 508B, SOLSTICE® 1234yf, SOLSTICE® 1233zd, Genetron® 124, Genetron® 141b, Evanote® (R-254fa), Genetron® 123, SOLSTICE® 1234ze, ECOFLUSH 1233zd, AQUION 507, AQUION 600a</td><td>100%</td><td></td><td></td></tr></table> | PLANT   | PRODUCT | % CATEGORY 1<br>(PRODUCT<br>PORTFOLIO BY<br>PLANT) | % CATEGORY 2<br>(PRODUCT<br>PORTFOLIO BY<br>PLANT) | % CATEGORIES<br>1 AND 2<br>(PRODUCT<br>PORTFOLIO BY<br>PLANT) | IQUISA<br>COATZACOALCOS | Hydrochloric acid 100% |  | 20% |  | Chlorine 100% |  |  | 20% | Hydrogen 100% | 60% |  |  | Sodium hypochlorite 100% |  |  | Sodium hydroxide 100% |  |  | IQUISA<br>HERMOSILLO | Chlorine | 67% |  | 20% | Sodium hypochlorite |  |  | Sodium hydroxide |  |  | IQUISA NORESTE | Hydrochloric acid |  | 20% |  | Chlorine |  |  | 20% | Hydrogen | 60% |  |  | Sodium hypochlorite |  |  | IQUISA SANTA<br>CLARA | Sodium hydroxide |  |  | Hydrochloric acid |  | 20% |  | Chlorine |  |  | 20% | Hydrogen | 60% |  |  | Sodium hypochlorite |  |  | IQUISA<br>TLAXCALA | Sodium hydroxide |  |  | Chlorine |  |  | 20% | Sodium hypochlorite | 67% |  |  | QUIMOBÁSICOS | Sodium hydroxide |  |  |  | Genetron® 22, Genetron® AZ 20, Genetron® 404A, Genetron® AZ 50, Genetron® 1341a, Genetron® MP39, Genetron® 422D, Genetron® Performax LT, Genetron® 408A, Genetron® HP 80, Genetron® HP 81, Genetron® MP 66, Genetron® 409A, Genetron® 407C, Genetron® 23, Genetron® 508B, SOLSTICE® 1234yf, SOLSTICE® 1233zd, Genetron® 124, Genetron® 141b, Evanote® (R-254fa), Genetron® 123, SOLSTICE® 1234ze, ECOFLUSH 1233zd, AQUION 507, AQUION 600a | 100% |  |  | 55-56, 60-61 |
| PLANT  | PRODUCT  | % CATEGORY 1<br>(PRODUCT<br>PORTFOLIO BY<br>PLANT) | % CATEGORY 2<br>(PRODUCT<br>PORTFOLIO BY<br>PLANT)   | % CATEGORIES<br>1 AND 2<br>(PRODUCT<br>PORTFOLIO BY<br>PLANT) |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| IQUISA<br>COATZACOALCOS                                  | Hydrochloric acid 100%   |  | 20%  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Chlorine 100%  |  |  | 20%   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Hydrogen 100%  | 60%  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hypochlorite 100%   |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hydroxide 100%  |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| IQUISA<br>HERMOSILLO                                     | Chlorine   | 67%  |  | 20%   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hypochlorite  |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hydroxide   |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| IQUISA NORESTE   | Hydrochloric acid  |  | 20%  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Chlorine   |  |  | 20%   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Hydrogen   | 60%  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hypochlorite  |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| IQUISA SANTA<br>CLARA                                    | Sodium hydroxide   |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Hydrochloric acid  |  | 20%  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Chlorine   |  |  | 20%   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Hydrogen   | 60%  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hypochlorite  |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| IQUISA<br>TLAXCALA                                       | Sodium hydroxide   |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Chlorine   |  |  | 20%   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Sodium hypochlorite  | 67%  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
| QUIMOBÁSICOS   | Sodium hydroxide   |  |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |
|  | Genetron® 22, Genetron® AZ 20, Genetron® 404A, Genetron® AZ 50, Genetron® 1341a, Genetron® MP39, Genetron® 422D, Genetron® Performax LT, Genetron® 408A, Genetron® HP 80, Genetron® HP 81, Genetron® MP 66, Genetron® 409A, Genetron® 407C, Genetron® 23, Genetron® 508B, SOLSTICE® 1234yf, SOLSTICE® 1233zd, Genetron® 124, Genetron® 141b, Evanote® (R-254fa), Genetron® 123, SOLSTICE® 1234ze, ECOFLUSH 1233zd, AQUION 507, AQUION 600a | 100%   |  |   |         |  |  |   |                         |                        |  |     |  |               |  |  |     |               |     |  |  |                          |  |  |                       |  |  |                      |          |     |  |     |                     |  |  |                  |  |  |                |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                       |                  |  |  |                   |  |     |  |          |  |  |     |          |     |  |  |                     |  |  |                    |                  |  |  |          |  |  |     |                     |     |  |  |              |                  |  |  |  |  |      |  |  |              |

| RT-CH-410b.2  | Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact                            | N/A                                      | · The strategy to eliminate sanitary water discharges into federal bodies, as well as the treatment of water for reuse in production processes is detailed in the "Water" section.  | 35                                      |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|---|--|--|---|---|---------|---------|---------|--|--|--|--|------|------|------|------|--|---------|---------|---------------|---|--|---------|---------|--------|---|--|---------|---------|-------------|---|--|---------|---------|---------|---|--|---------|---------|--------------|-------------|--|-------|-------|-----------------|
|   |  |  | · The reduction of emissions of harmful chemicals into the atmosphere is detailed in the "Emissions" section.   |   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  | · Plants with ISO 14001 and SSOMA certifications, which oversee environmental management systems, are detailed in the table in the "Certifications" section.  |   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| Genetically Modified Organisms                            |  |  |   |   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| RT-CH-410c.1  | Percentage of products by revenue that contain genetically modified organisms (GMOs)   | Percentage (%) by revenue                | No CYDSA products contain GMOs as CYDSA produces and markets only inorganic products.   | Answer in table                         |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| Legal and Regulatory Environment Management               |  |  |   |   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| RT-CH-530a.1  | Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry | N/A                                      | <p>CYDSA's corporate governance has always established, as mandatory and non-negotiable, regulatory compliance in all areas: economic, legal, social and environmental. When particular issues hinder compliance, CYDSA seeks to mediate with governmental agencies or with the support of business chambers to mitigate the negative impacts of such non-compliance, as well as the appropriate sanction in response to such non-compliance.</p> <p>Please also refer to GRI Indicator 2-27 to learn more details about CYDSA's compliance during 2022.</p>  | Answer in table                         |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| Operational Security, Emergency Preparedness and Response |  |  |   |   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| RT-CH-540a.1  | Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)                             | Number, Rate                             | See the responses for content RT-CH-320a.1 for more information about recordable incidents reported in 2022. There were no accidents related to process safety, and all recorded accidents were classified as seriousness level 1.  | Answer in table                         |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| RT-CH-540a.2  | Number of transport incidents  | Number                                   | There were no transport incidents at any of CYDSA's business units in 2022.   | Answer in table                         |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| ACTIVITY METRICS  |  |  |   |   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| RT-CH-000.A   | Production by reportable segments  | Cubic meters (m³) and/or Metric tons (t) | <table><tr><th>Business Unit</th><th>Product</th><th>Units</th><th colspan="2">Amount</th></tr><tr><th></th><th></th><th></th><th>2021</th><th>2022</th></tr><tr><td>SISA</td><td>Salt</td><td></td><td>669,750</td><td>707,103</td></tr><tr><td>Chlorine-Soda</td><td>Chlorine, soda and specialty byproducts</td><td></td><td>792,086</td><td>824,094</td></tr><tr><td>Iquisa</td><td>Chlorine, soda and specialty byproducts</td><td></td><td>284,183</td><td>285,140</td></tr><tr><td>Santa Clara</td><td>Chlorine, soda and specialty byproducts</td><td></td><td>297,018</td><td>302,193</td></tr><tr><td>Noreste</td><td>Chlorine, soda and specialty byproducts</td><td></td><td>210,885</td><td>236,761</td></tr><tr><td>Quimobasicos</td><td>Genetron 22</td><td></td><td>6,524</td><td>7,808</td></tr></table> | Business Unit                           | Product | Units   | Amount  |  |  |  |  | 2021 | 2022 | SISA | Salt |  | 669,750 | 707,103 | Chlorine-Soda | Chlorine, soda and specialty byproducts |  | 792,086 | 824,094 | Iquisa | Chlorine, soda and specialty byproducts |  | 284,183 | 285,140 | Santa Clara | Chlorine, soda and specialty byproducts |  | 297,018 | 302,193 | Noreste | Chlorine, soda and specialty byproducts |  | 210,885 | 236,761 | Quimobasicos | Genetron 22 |  | 6,524 | 7,808 | Answer in table |
|   |  |  | Business Unit   | Product                                 | Units   | Amount  |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  |   |   |         | 2021    | 2022    |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  | SISA  | Salt                                    |         | 669,750 | 707,103 |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  | Chlorine-Soda   | Chlorine, soda and specialty byproducts |         | 792,086 | 824,094 |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  | Iquisa  | Chlorine, soda and specialty byproducts |         | 284,183 | 285,140 |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  | Santa Clara   | Chlorine, soda and specialty byproducts |         | 297,018 | 302,193 |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
|   |  |  | Noreste   | Chlorine, soda and specialty byproducts |         | 210,885 | 236,761 |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |
| Quimobasicos  | Genetron 22  |  | 6,524   | 7,808                                   |         |         |         |  |  |  |  |      |      |      |      |  |         |         |               |   |  |         |         |        |   |  |         |         |             |   |  |         |         |         |   |  |         |         |              |             |  |       |       |                 |

**NOTES TO:**

- **RT-CH-130a.1** – The entity will comment on its efforts to reduce energy consumption and/or to improve energy efficiency in all production processes.
- **RT-CH-150a.1** – The entity will disclose the legal or regulatory framework or frameworks used to define hazardous waste and recycled hazardous waste, as well as the amounts of waste defined according to each applicable framework.
- **RT-CH-540a.1** – The entity will describe the incidents with a seriousness rating of 1 or 2, including the root cause, the results, and corrective measures applied in response.
- **RT-CH-540a.2** – The entity will describe significant transport incidents, including their underlying causes, results, and corrective measures applied in response.
- **RT-CH-000.A** – Production must be disclosed for each segment on which the entity must report, where the products and services segments are determined in accordance with standard FASB ASC 280-10, and production is reported by weight for solid products, and by volume for liquid and gaseous products.



# 2022 SUSTAINABILITY REPORT