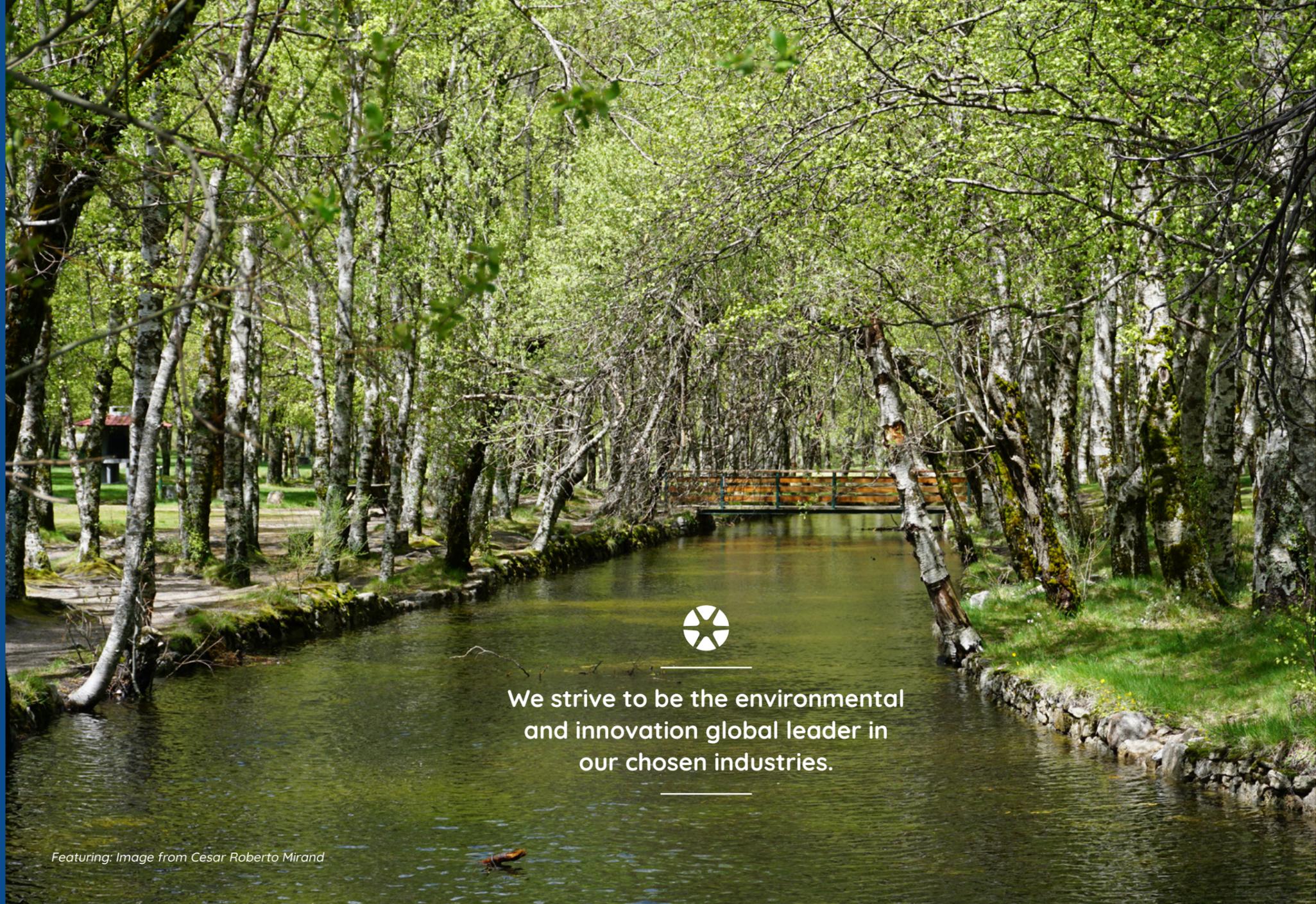


Committed to Sustainability



INTEGRATED SUSTAINABILITY REPORT
2021-2022



We strive to be the environmental and innovation global leader in our chosen industries.

Featuring: Image from Cesar Roberto Mirand

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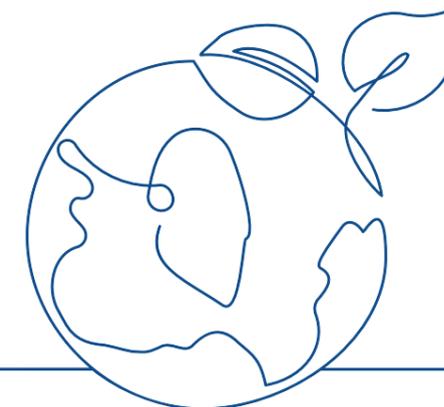
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Key Highlights of The Year



RESILIENT ECONOMIC PERFORMANCE		
<p>USD 982 million in revenue, an increase by 29.5% as compared to FY2020</p>	<p>USD 155 million economic value retained, doubled from FY2020</p>	<p>USD 110 million paid in global employee wages and benefits</p>

SUSTAINABLE PRODUCTION AND SUPPLY CHAIN			
<p>100% of new suppliers underwent ESG screening according to DyStar's supply chain policy</p>	<p>80% of suppliers assessed for environmental & social impacts</p>	<p>↑2% raw material intensity in FY2021 as compared to FY2011 baseline</p>	<p>54 textile dyes awarded the Cradle to Cradle Product Innovation Institute® Platinum Level C2C Certified Material Health Certificate™</p>

SUPPORTING AND DEVELOPING OUR PEOPLE						
<p>30% management roles held by women</p>	<p>20,258 staff training hours</p>	<p>0 discrimination reported</p>	<p>0 workplace fatalities, high-consequence injuries and work-related ill health</p>	<p>100% employees at manufacturing sites attended safety trainings</p>	<p>100% operations assessed for risks relating to corruption</p>	<p>0 corruption reported</p>

INNOVATIVE PORTFOLIO			
<p>500 regulated or restricted substances monitored through econfidence®</p>	<p>4000 ColourWall™ reference available for better right-first-time performance</p>	<p>1735 bluesign® approved DyStar products</p>	<p>28 "Positive Lists" on eliot®</p>
<p>2200 DyStar products are recommended for use on Oeko-Tex® Standard-compliant articles</p>	<p>450 substances registered according to EU REACH®</p>	<p>1,750 substances pre-registered according to KKDIK</p>	<p>2,300 products compliant with ZHDC MRSL 2.0</p>

ENVIRONMENTAL RESOURCE MANAGEMENT			
<p>↓40% emissions intensity 2021 vs. 2011</p>	<p>↑11% energy intensity 2021 vs. 2011</p>	<p>↓15% water intensity 2021 vs. 2011</p>	<p>↓37% wastewater intensity 2021 vs. 2011</p>
<p>↑25% non-hazardous waste generated 2021 vs. 2011</p>	<p>2.08 million m³ water reused</p>	<p>27% non-hazardous waste recycled</p>	<p>0 significant negative impact on local biodiversity or habitats</p>

Key Performance Indicators

Our Business and Purpose



Our Business and Services

The DyStar Group (referred to as “DyStar” or the “Group”) is a leading dyestuff and chemical manufacturer and solution provider, anchored by its core purpose to create sustainable value for stakeholders across the value chain – from communities, employees, retailers and industry partners.

DyStar offers a broad portfolio of colorants, specialty chemicals, and services globally. With a heritage of more than a century in product development and innovation in the textile industry, the Group has expanded its portfolio to the paint, coating, paper and packaging industries.



TEXTILE & LEATHER



PERSONAL CARE, PHARMA & HOUSEHOLD



FOOD & BEVERAGE



PAINTS, COATINGS, INDUSTRIAL & CONSTRUCTION



PRINTING, PAPER & PACKAGING



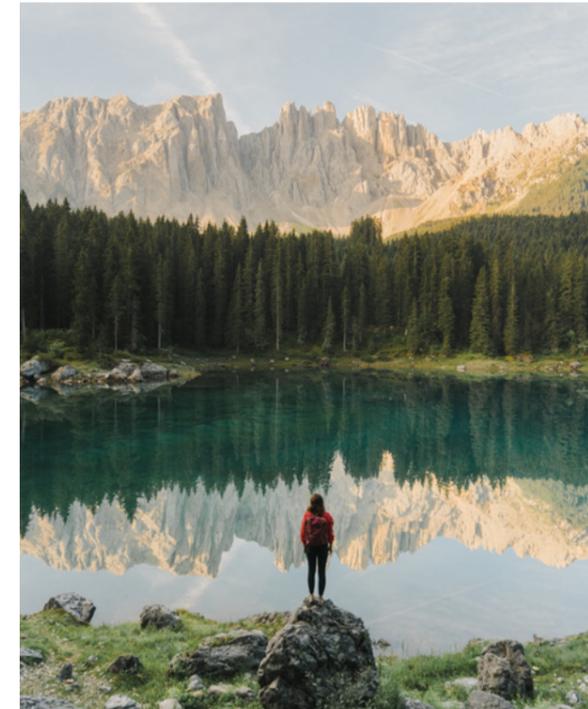
WATER TREATMENT & AGRICULTURE

Our Business and Purpose

Our Purpose to Create Sustainable Value

DyStar is guided by its core values – “Responsibility”, “Innovation” and “Excellence” in its effort to create economic, societal and environmental value for stakeholders in our value chain.

OUR PURPOSE



We strive to be the environmental and innovation global leader in our chosen industries.

OUR VALUES



RESPONSIBILITY

We are committed to conducting our business activities with the highest levels of integrity and ethical standards. We also ensure a safe and healthy environment for our employees and provide them with equal opportunities.



INNOVATION

We are committed to continuous innovation in products and services, as well as in manufacturing techniques and business processes. This helps us to deliver environmentally compatible products, minimizing our environmental footprint and those in the value chain.



EXCELLENCE

The quality of our products and services is a key factor in our company’s success and underpins the fulfillment of our corporate goals. We also aim to create an open and creative work environment to attract talented and service-oriented employees.

About This Report

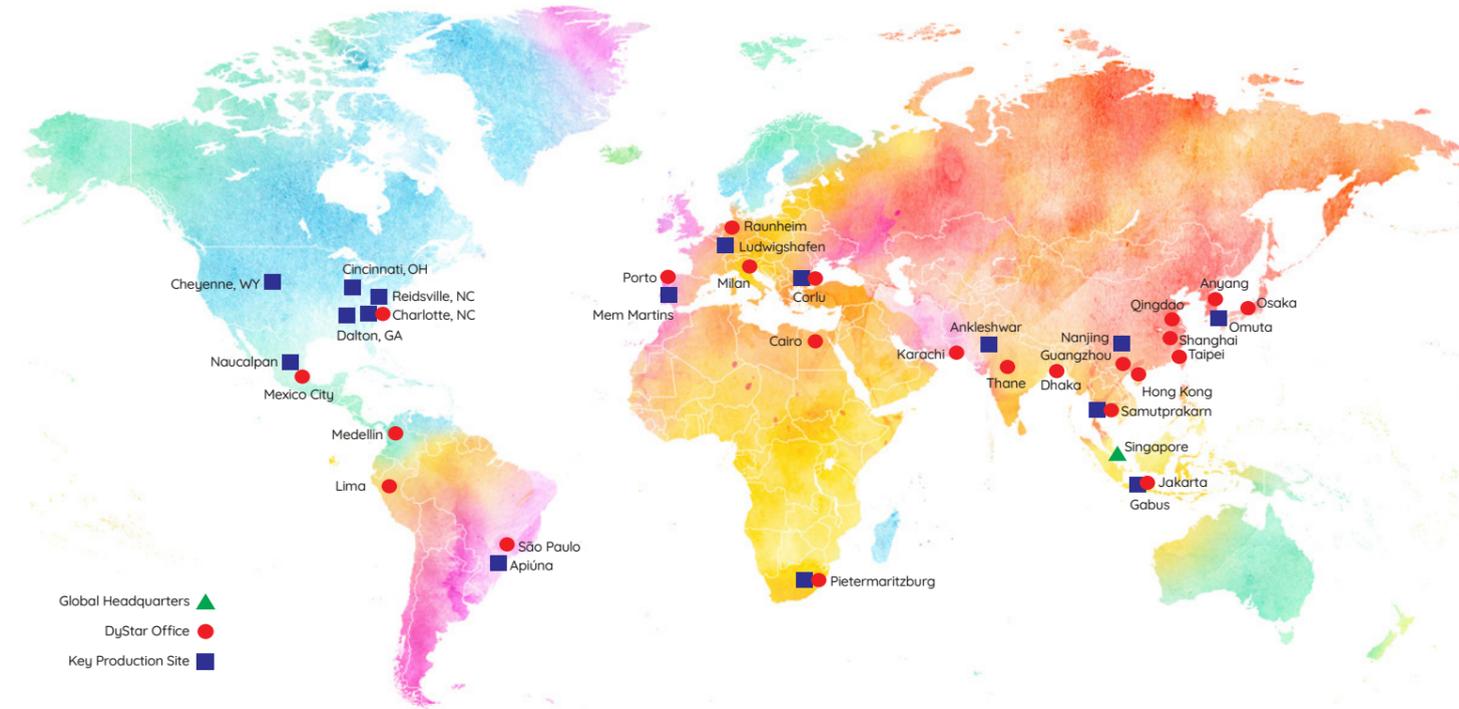
DyStar reaffirms its commitment towards global sustainability efforts¹ with the publication of its 12th annual Sustainability Performance Report.

This report communicates how DyStar is creating value for stakeholders by integrating sustainability into its policies, operations and value chain. The Group also discloses its economic, environmental, social and

governance (“EESG”) performance that are material to its customers and stakeholders.

Reporting Scope

This report covers DyStar’s global portfolio, including all production sites, warehouses, offices, and laboratories that are either owned or operated by DyStar in over 50 countries for the financial year 1 January 2021 to 31 December 2021.



Where relevant and available, this report provides comparative historical data. At DyStar, Sustainability Reporting (inclusive of Financial performance) is performed on an annual basis, with its last report – 2020 – 2021 Integrated Sustainability Report, published in October 2021. No significant changes in reporting scope were observed between reporting years.

Reporting Framework

This report has been prepared in accordance and updated with the Global Reporting Initiative (“GRI”) Standards 2021: Core Option, which provides a comparable and credible way to disclose the Group’s ESG performance.

The reporting principles of comparability, accuracy, timeliness, clarity, and reliability, as set out by the GRI Standards, were also adhered to in the development of this report. Please refer to the Annex & Content Index of this report.

This report also takes reference from the International Integrated Reporting Council’s (“IIRC”) Integrated Reporting Framework. The Group believes the IIRC framework provides stakeholders a holistic view of how the interrelation between ESG and financial performance can unlock value for stakeholders.

Lastly, this report is aligned with the United Nation’s Sustainable Development Goals (“UN SDGs”) and provides

an overview of how DyStar is contributing towards the UN SDGs which are most relevant to its business. It also showcases DyStar’s commitment in addressing the most pressing sustainability challenges and it is working towards achieving a more sustainable future.

Data and External Assurance

DyStar has engaged an external consultant to ensure data collection across all global operations is conducted in a consistent approach. An external data management system is used to collect and review sustainability performance data.

In collaboration with a global consulting partner, DyStar uses an external data management system to collect, analyze and review sustainability performance data from all its business entities in a standardized manner. The data disclosed in this report is not externally assured. However, DyStar is currently exploring options to externally assure highly material sections in subsequent sustainability reports.

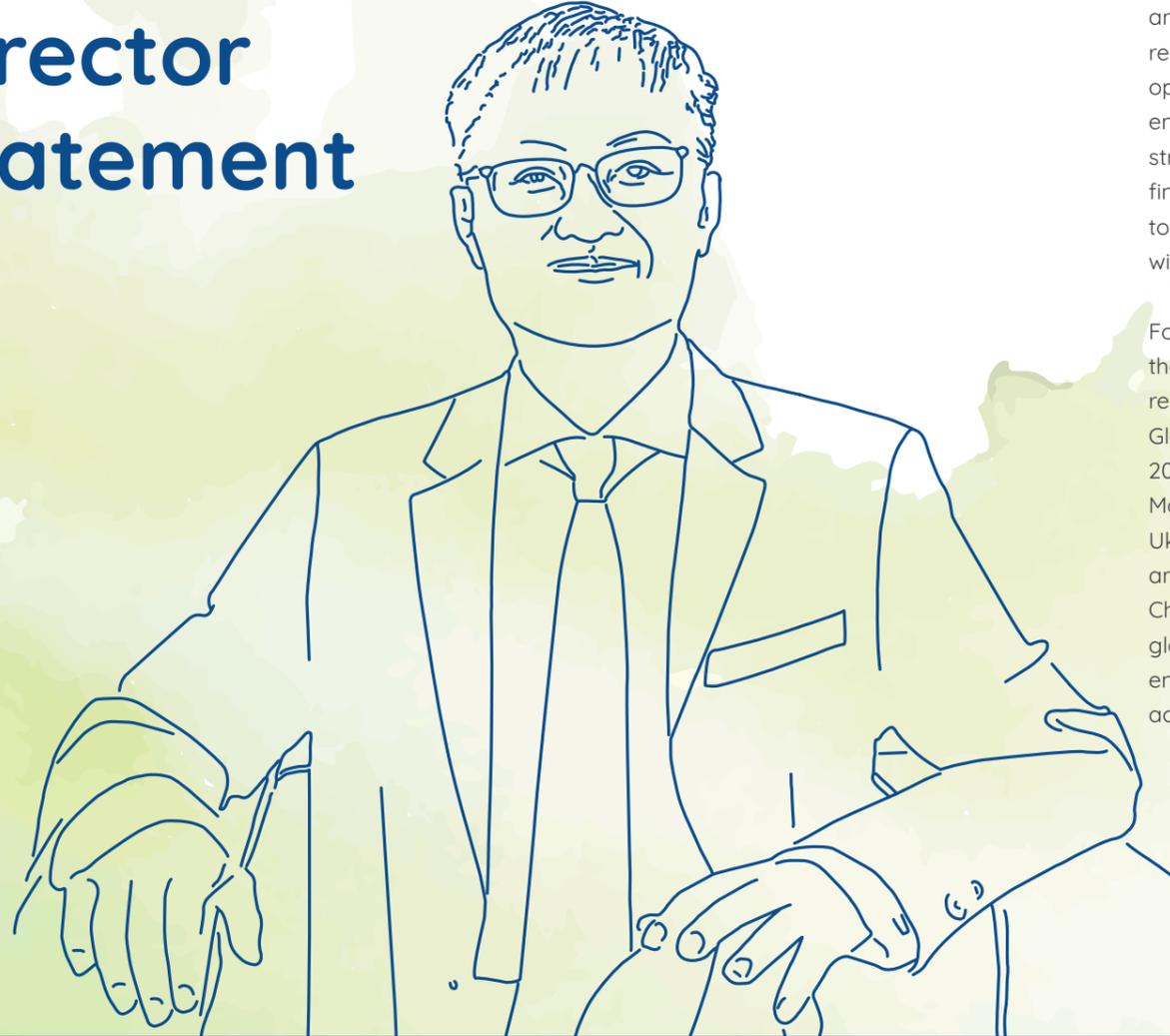
Feedback

DyStar welcomes feedback from all stakeholders as it seeks to continuously improve upon all aspects of its Sustainability journey. Please address any feedback or questions at www.dystar.com/contact-dystar/.

¹ The Group takes reference from the United Nation’s Sustainable Development Goals (UN SDGs) and relies on the science-based assessments of the Intergovernmental Panel on Climate Change (IPCC) to inform its sustainability commitments and efforts.

About This Report

Executive Board Director Statement



Growing from Strength-to-Strength

In 2021, there was a growing sense that economic and business outlook was improving. DyStar remained unwavering in our strategy to streamline operations and create value through innovative and environmentally friendly products. Our value creation strategies had paid off and DyStar delivered record financial results in 2021. We have gone from strength-to-strength, exceeding our pre-pandemic performance with the highest profit margin in five years.

For the coming years, we remain cautiously optimistic that the demand in our industry will hold despite relatively challenging macroeconomic headwinds. Global growth is expected to slow down to 3.2% in 2022 from 6.1% in 2021, according to the International Monetary Fund². This comes on the back of the war in Ukraine, rising inflations, tightening of labor markets and further lockdowns due to COVID-19 outbreaks in China. The cumulation of these issues could impede the global supply chain and demand in our markets. Higher energy prices would no doubt increase cost pressure across our industry.

DyStar is well placed to weather these challenges and expand in our markets. We have a robust Board of Directors who work closely with the Senior Management Committee. Together, we regularly review and adapt our strategies to meet the expectations of the market. We are confident that by being adaptable and innovative, we will continue to prevail against challenges and grow our business.

Becoming Climate Resilient

Climate change and sustainability agendas continue to be the largest issues that a company faces today. We are no exception, and we take our role seriously in driving changes in DyStar and across our value chain.

We expect regulators around the world to take a more active role to shape sustainability practices in the coming years. This spells opportunity for us as a global industry leader in the chemical, textiles, and fashion industries. DyStar incorporates every aspect of sustainability in our business practices to generate value for stakeholders. We are steadfast in our mission

to create innovative and environmentally friendly products, conserving the environment and caring for our people.

At DyStar, we have a 2025 Target to reduce our environmental impact across the focus areas of energy, greenhouse gas emissions, water, and waste. We will continue to ensure that all our new products follow the highest and the latest environmental standards. For instance, 1,735 of our products are approved by bluesign®, a world-leading sustainability standard for textile products.

We believe our ESG-driven business strategies place us in a good position to capture new growth and markets in the textile and fashion industry. We will continue to work with our customers and other stakeholders toward driving sustainable outcomes across our industries.

Xu Yalin
Executive Board Director

² Refer to: www.imf.org/en/Publications/WEO/Issues/2022/07/26/world-economic-outlook-update-july-2022



Executive Board Director Statement

CEO Statement

Reflections on the Year in Review

2021 was an excellent year for DyStar. There was a growing sense of optimism that we were turning the corner on the COVID-19 pandemic and the demand was on an uptrend. Against this backdrop, DyStar delivered a strong financial performance with revenue increasing by 30% to USD 982.14 million. We achieved a record economic value retained at USD 155.36 million in 2021, which is doubled from the previous year.

DyStar's robust performance confirms that we have made the right business decisions to streamline our production and focus on cost discipline amid the volatility brought on by the COVID-19 pandemic and supply chain disruptions. Our strategy to continue expanding our line of innovative and environmentally friendly products and services has enabled us to capture new markets as the economy recovered in 2021.

Sustainable Value Creation

At DyStar, we create value for stakeholders by being an environmental and innovative global leader in our chosen industries. We want to carry out our mission by creating competitive, innovative and environmentally-friendly products, steering transformation in our industries towards a sustainable future.

We are cognizant that we cannot do this on our own. As a global chemical, textile and fashion industry leader, we are ambitious and deliberate in driving radical changes across our value chain to meet the global sustainability and climate agenda³.

In 2021, we have taken a more active approach to tackle Scope 3 Greenhouse Gas (GHG) emissions across our value chain. We also established a dedicated team to track and review the Group's Scope 3 emissions. By establishing baseline data, we can take strategic action and assist our suppliers and customers to reduce emissions, improve product efficiency, and reduce waste.

DyStar's 2025 Environmental Target

Climate change remains one of the biggest challenges for any company today. DyStar believes that we are addressing this issue at the right level and with the necessary pace. Apart from tackling value chain emissions to create a sustainable future for the industry, we are making concerted efforts to reduce our own environmental footprint.

Within DyStar, we are committed to meeting our 2025 Target by reducing our environmental footprint by 30%

for every ton of product against the baseline year of 2011. With good progress in FY2021 for some targets, we will continue to strive towards our goals.

In 2021, we streamlined our production processes, implemented energy conservation initiatives⁴ and gradually incorporated renewable energy into our energy mix. As a result, GHG emissions intensity per ton of production fell from 0.87 tCO₂e in 2020 to 0.60 tCO₂e in 2021. This translated to cost savings and improved productivity for the year. DyStar will continue developing and implementing energy conservation initiatives in the coming years. With our adaptable and innovative spirit, we can meet and exceed our environmental targets. This will further increase our competitiveness and enable us to grow in the market.

Outlook for 2022

Looking ahead, we are expecting global demand to continue at the same pace as the Year 2021 despite the macroeconomic headwinds. We are watching the situation in Ukraine closely, which is anticipated to continue impacting the energy prices and fuel supplies. We are cognizant of the economic slowdown in China⁵ amid its COVID zero measures. These factors will have impacts on our industry, supply chain and operations in the coming years.

Against the backdrop of an uncertain global economy, we will continue to focus on our value creation strategies to transform the industry to become more sustainable. To lead this transformation, we cannot slow down on our efforts to expand in the market. We see the current climate as an opportunity for transformation in the industry.

We are cautiously optimistic that DyStar will continue to deliver strong financial and environmental performance. We remain steadfast that our strategies are sound and resilient for the long term.

Eric Hopmann
Chief Executive Officer



⁵ The International Monetary Fund predicts that China's economy would slow to 3.3% growth in 2022, lower by 1.1 percentage points from the previous forecast amid China's COVID zero measures.

CEO Statement

Governance

Since its founding in 1995, DyStar has consistently upheld the highest standards of corporate governance, performance, and fair dealings in business processes across all its operations. The members of the Board and Senior Management are responsible to uphold DyStar's purpose of creating sustainable value for stakeholders across the value chain and protecting the long-term business viability of DyStar.

Board of Directors

At DyStar, there is a distinct separation of roles between the Chairman and the Chief Executive Officer (CEO)

BOARD OF DIRECTORS
Ruan Weixiang <i>Chairman</i>
Xu Yalin <i>Executive Director</i>
Yao Jianfang <i>Director</i>
Manish Kiri <i>Director</i>
Amit Mukherjee <i>Director</i>

roles to ensure a balance of authority and allow for independent decision-making.

The Board is responsible for providing oversight over the company and setting the tone for DyStar's long-term business objectives, organizational strategy, risk management and global dealings. Together, members of the Board will review and approve business plans to ensure DyStar is able to fulfill its purpose to create sustainable value. It is also the Board's responsibility to ensure that environmental and social factors are considered in the decision-making process.

DyStar's daily operations are overseen by Executive Board Director (EBD), Xu Yalin, who is based in Singapore. He is the primary link between the Board and Senior Management, working closely to ensure that Board's decisions and strategies are implemented across the Group.

Board Committees

The Board is supported by the Audit Committee and the Remuneration Committee, which meet periodically to discuss current and future developments, opportunities and assessment of new projects and policies.

The Audit Committee plays a crucial role in overseeing DyStar's internal control procedures and internal

audit function, assessing the objectivity and independence of external auditors, verifies the Group's financial statements and all financial performance announcements.

The Remuneration Committee oversees DyStar's policies and practices on human resources and advises the Board on remuneration practices, appointments and compensation matters.

Senior Management Team

Led by the Group's Executive Board of Director ("EBD") and Chief Executive Officer ("CEO"), the Senior Management team is responsible for implementing the strategies and objectives set forth by the Board, and places a strong emphasis on efficacy, transparency, and sustainability in carrying out their duties.

The Senior Management team is also responsible to foster a culture of ethical business conduct that is consistent with DyStar's mission and purpose. To do so, it has formed a Sustainability Committee, which consists of eight members - each from a key function in the Group.

Sustainability Committee

The Sustainability Committee, which is accountable to the CEO, is responsible to

implement the Board's Sustainability strategy in line with the Group's purpose. The Committee convenes each quarter to assess DyStar's Sustainability performance and progress as well as industry development which may affect the Group's risks and opportunities.

The Committee conducts stakeholder engagement to raise awareness and promote sustainability practices in the industry, strengthen sustainable product development within DyStar and monitor the Group's ESG performance. The Committee also reviews and recommends key ESG risks and opportunities to the Board periodically.

An internal Sustainability-themed newsletter is also circulated to major stakeholders within DyStar to keep them abreast of the latest industry developments, as well as relevant global news surrounding legislation, innovation and climate change.

A sustainability-related enquiry page is also available on the DyStar's website to anticipate any knowledge gaps and feedback from stakeholders.

Governance

DYSTAR SUSTAINABILITY COMMITTEE	
Eric Hopmann <i>Chief Executive Officer</i>	Fanny Vermandel <i>Vice President Global Marketing Coloration</i>
Hartmut Behnke <i>Director Global Marketing Auxiliaries</i>	Thorsten Huels <i>Director Global Marketing Denim</i>
Markus Dorer <i>Head Global Marketing Printing</i>	Ng Siew Boon <i>Vice President Global Finance</i>
Vera Huang <i>Vice President Global Procurement</i>	Clement Yang <i>Vice President Global Manufacturing</i>
David Tan <i>Senior Director Global SCM</i>	Clemens Grund <i>Senior Director Global Product Safety & Ecology and Global Intellectual Property</i>
Bernhard Knoche <i>Global Head of Brand & Retailer Management</i>	Adrian Ho <i>Senior Manager Global Communications</i>

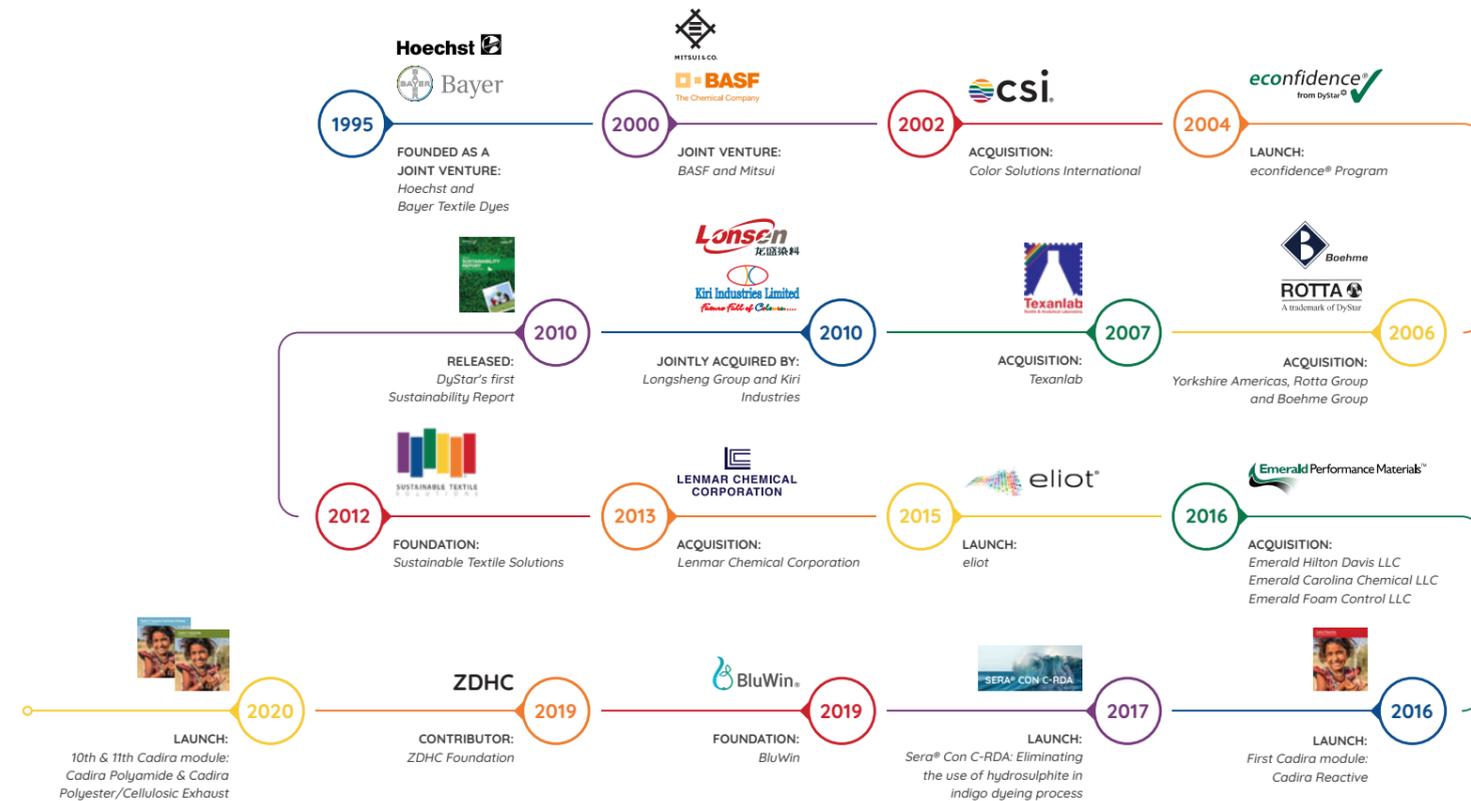


Our Approach to Sustainability

Our Sustainability Journey

With a legacy spanning more than a century, DyStar leverages the innovative work of its parent companies in the synthetic dyes chemistry industry, including Hoechst AG, Bayer AG Textile Dyes, Mitsubishi, BASF AG Textiles Dyes, and Mitsui. Since then, DyStar

has been innovating products and services with the highest product standards in quality, safety and the environment. By doing so, the Group can use its strengths and position in its value chain to influence and strengthen social and environmental performance across the industry.



Building upon its rich history, DyStar’s business continues to expand steadily, branching out into new markets and sectors such as plastic, paper, and many others.



Creating Sustainable Value

DyStar’s Sustainability strategy is aligned with the Group’s purpose to create value for stakeholders across the value chain

The Group’s purpose is “to become an environmental and innovation global leader in its chosen industries”. This is guided by its core values – Responsibility, Innovation and Excellence. To translate these values into actions, the Group has identified four key areas to focus, implement and strengthen its ESG efforts.

Our Approach to Sustainability

DYSTAR’S SUSTAINABILITY STRATEGY



Creating safer and better products

DyStar continuously innovates its products to ensure it is better, safer and environmentally preferable to create value for its stakeholders and the community.



Conserving the environment

DyStar adopts a two-fold sustainability approach – reducing its own environmental impact and helping customers reduce theirs. To that end, DyStar has set a 2025 target to reduce its environmental impact across the main focus areas of energy, greenhouse gas emissions, water and waste. Additionally, DyStar also established its organizational sustainability structure to optimize their operational impacts.



Caring for our people

Recognizing that employees are its most valuable asset, DyStar takes tangible steps to create a diverse workplace and invests in continuous learning for all employees to build a resilient organization.



Communicating our value creation

DyStar communicates a summary of its Sustainability Strategy and progress in managing ESG issues through its annual Integrated Sustainability Report. DyStar also advances sustainable development by aligning with the UN SDGs.



Our Approach to Sustainability

Sustainability is only impactful if it is driven across the Group's entire business operations and value chain

At DyStar, Sustainability is driven by the integration of sustainable practices into daily operations and the value chain. DyStar is committed to catalyzing Sustainability across the entire value chain. On top of reducing its own operational impacts, DyStar engages with upstream suppliers to optimise their ESG performance and uphold high standards of ethical conduct. The Group also actively promotes and supplies a diverse range of responsible products, tools and services to cater to the needs of customers, brands and retailers⁶.

Our Material Matters

Materiality review aims to identify environmental, social, governance and economic topics that could substantially impact DyStar's enterprise value. This includes the ability to influence stakeholders in evaluating its relationship and interactions with DyStar. This analysis contributes to the prioritization of material topics in the Group's business and financial decisions in line with its core purpose and Sustainability strategy.

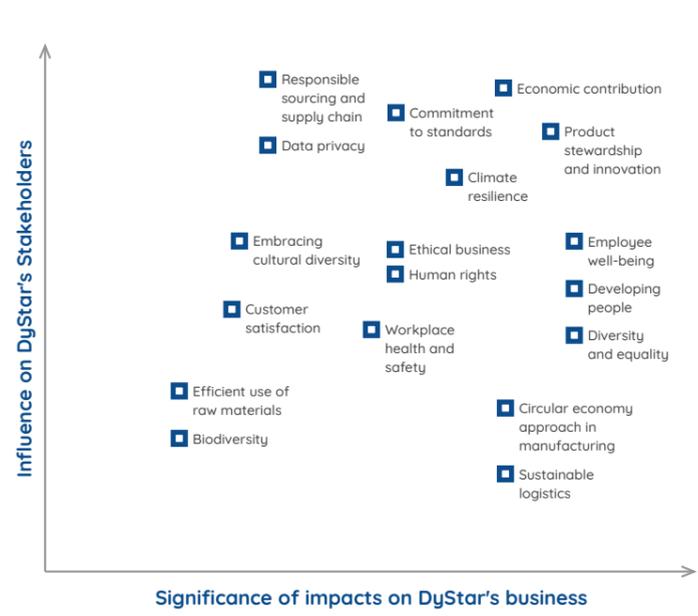
⁶ For more information, please see the Sustainable Production and Supply Chain and Innovative Portfolio chapters.

DyStar conducts an annual materiality review. In FY2021, the Group built on its materiality topics identified in FY2020. In FY2020, the Group focused was on identifying a comprehensive list of topics that significantly impacted the chemical manufacturing industry in line with emerging global climate and ESG trends. These topics were discussed with internal and external stakeholders with the most important topics incorporated into DyStar's material topics.

In the latest period, DyStar reviewed its material topics with internal and external stakeholders. A total of 412 stakeholders were surveyed, a 55.5% increase from the period before. These include 290 employees, 4 non-governmental organizations and industry associations, 22 suppliers, as well as 96 customers, brands and retailers. The major topics identified by all groups of stakeholders were largely aligned, focusing on value creation, product innovation and sustainable supply chain.

These topics were reviewed by DyStar's Senior Management, which validated that these topics are aligned with the Group's purpose and Sustainability strategy. DyStar incorporated the new material topics in FY2021, prioritizing factors impacting its supply chain and product quality.

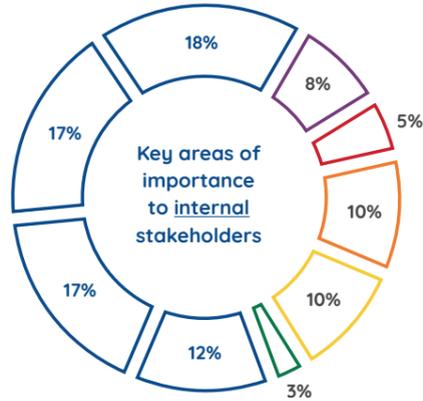
MATERIALITY MATRIX



STAKEHOLDER SURVEY

Top 4 areas of importance to DyStar's internal stakeholders

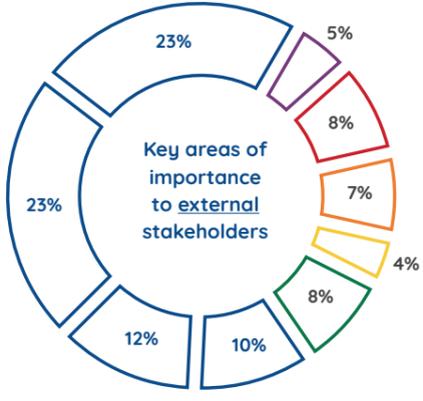
- Employee development and well-being (18%)
- Investing in innovative solutions to reduce DyStar's carbon footprint (17%)
- Creating value for our customers, brands, and retailers by addressing their needs (17%)
- Sourcing of sustainable materials from suppliers (12%)



- Setting short-term and long-term ESG targets
- Engagement and development of local communities
- Identifying and addressing climate-related risks and opportunities
- Good corporate governance
- ESG ratings

Top 4 areas of importance to DyStar's external stakeholders

- Sourcing of sustainable materials from suppliers (23%)
- Creating value for our customers, brands, and retailers by addressing their needs (23%)
- Investing in innovative solutions to reduce DyStar's carbon footprint (12%)
- Good corporate governance (10%)



- Engagement and development of local communities
- Identifying and addressing climate-related risks and opportunities
- ESG ratings
- Employee development and well-being
- Setting short-term and long-term ESG targets

Our Approach to Sustainability

Communicating Sustainability Performance

DyStar believes that Sustainability and business must be considered as interrelated elements to create value for

stakeholders. Taking a leaf from the IIRC framework, the Group considers six major capitals –financial, manufactured, intellectual, natural, human, and social in all business and

financial processes. The Group illustrates its value creation through the utilization and generation of these capitals.

The Group also communicates its financial, business and ESG performance through these six capitals to provide a more holistic overview to its stakeholders⁷.

CAPITAL	INPUTS	CAPITAL	BUSINESS STRATEGIES	OUTPUTS	STAKEHOLDERS OF INTEREST
 <p>Financial DyStar's financial capital is made up of its balance sheet, cash flow and investments which can grow the business and create value for stakeholders.</p>	<p>Global operating cost: USD 688.19 million Global employee wages & benefits: USD 109.81 million Payments to Government: USD 33.40 million</p>	 <p>Financial</p>	<ul style="list-style-type: none"> Prioritizing the hiring of local employees and relying on local suppliers Proactively invest in infrastructure and technology 	<p>Global revenue: USD 982.14 million Economic value retained: USD 155.36 million</p>	<ul style="list-style-type: none"> Employees Customers, Brands and Retailers Suppliers
 <p>Manufactured DyStar's manufactured capital focuses on strengthening the sustainability of its supply chain and ensuring a reliable supply of raw materials.</p>	<p>Raw material: 127.53 thousand tons Packaging material: 5.60 thousand tons All new suppliers are required to sign DyStar's Letter of Commitment</p>	 <p>Manufactured</p>	<ul style="list-style-type: none"> Strict supply chain policies to ensure responsible sourcing of materials and suppliers Continuously seek new ways to reduce supply chain disruptions and optimize material efficiency Enhance sustainability logistics by partnering with third-parties to collect, clean and re-distribute intermediate bulk containers 	<p>Total production: 125.22 thousand tons Core product range: Textile Dyes, Inks and Pigments, Colorants and Process Additives Applied in Consumer Products, Textile & Apparel Auxiliaries, Industrial Colorants and Performance Chemicals</p>	<ul style="list-style-type: none"> Customers, Brands and Retailers Suppliers
 <p>Intellectual DyStar's intellectual capital consists of its strengths to drive innovative solutions in its industry and partnerships with external associations.</p>	<p>Number of industry organisations/business associations: 37 Sustainability with technology: eliot® & Cadira® Textile effects and labels: Evo® finishing products</p>	 <p>Intellectual</p>	<ul style="list-style-type: none"> Innovate new products to meet the changing requirements of its customers and enhance product performance 	<p>500 regulated or restricted substances monitored through econfidence Conducted two public external webinars to explore optimization solutions with customers and brands 11 Cadira modules 450 substances registered according to EU REACH®</p>	<ul style="list-style-type: none"> Customers, Brands and Retailers NGOs and Industry Associations
 <p>Natural DyStar's natural capital builds upon its commitment to conserve resources, avoid waste and promote a circular economy.</p>	<p>Direct energy consumed: 645.00TJ Indirect energy consumed: 746.22TJ Water withdrawal: 7.85 million m³ Water reused: 2.08 million m³ Direct GHG emissions – Scope 1: 36.79 thousand tCO₂e</p> <p>Direct GHG emissions – Scope 2: 38.43 thousand tCO₂e Wastewater discharged: 1.43 million m³ Hazardous Waste: 8.13 thousand tons Non-hazardous waste: 4.90 thousand tons Numbers of spills, total amount spilled: 12 spills; 2.27 tons</p>	 <p>Natural</p>	<ul style="list-style-type: none"> Enhance energy efficiency through energy conservation initiatives Increase the proportion of renewable energy Practice responsible waste management Improve operational processes to enhance water efficiency 	<p>Energy consumption intensity: 11.11 GJ per ton of production Water withdrawal intensity: 62.68 m³ per ton of production GHG emissions intensity: 0.60 tCO₂e per ton of production Wastewater intensity: 11.44 m³ per ton production Overall waste intensity: 104.09 kg per ton production</p>	<ul style="list-style-type: none"> Employees Customers, Brands and Retailers Suppliers NGOs and Industry Associations
 <p>Human DyStar's human capital comprises of the skills and experience of its employees as well as ensuring the business is conducted with integrity and fairness.</p>	<p>Total number of workforce: 1,719 Total training hours: 20,258 100% of operation assessed for risks relating to corruption</p>	 <p>Human</p>	<ul style="list-style-type: none"> Create an inclusive work environment and ensure fair hiring practices Place emphasis on upskilling of employees' core competencies Provide training programs to attract capable managers Cultivate a strong safety-first culture 	<p>30% of Management roles held by women 0 cases of workplace fatality 0 cases of corruption and anti-competitive behavior</p>	<ul style="list-style-type: none"> Employees Customers, Brands and Retailers Suppliers NGOs and Industry Associations
 <p>Social DyStar's social capital is made up of its interaction with local communities to ensure its business generates positive outcomes for them.</p>	<p>Donated 200kg of cotton to Ukraine Donated USD 1719.84 to community projects</p>	 <p>Social</p>	<ul style="list-style-type: none"> Provide opportunities for employees to be part of various community outreach initiatives Prioritize locals in its hiring process 	<ul style="list-style-type: none"> Employees NGOs and Industry Associations 	<ul style="list-style-type: none"> Employees NGOs and Industry Associations

⁷ The six capitals are aligned to IIRC's framework and DyStar demonstrates its value creation through these six capitals in subsequent chapters.

Our Approach to Sustainability

Risks and Opportunities

Climate risks have the potential to affect DyStar's business portfolio valuation and stakeholders are incorporating these risks

as part of their decision-making process. DyStar takes an active approach towards identifying and managing climate risks as well as leveraging on opportunities within its operations.

RISK LANDSCAPE	IMPACT ON DYSTAR	BUSINESS STRATEGIES
 <p>Macroeconomic and business risks</p>	Energy and geopolitical risks can interrupt the supply chain and influence how the business will develop.	DyStar is placing emphasis on energy reduction by implementing technical measures to reduce its emissions and having a regular monitoring system in place to enhance energy efficiency.
 <p>Financial risks</p>	Unprecedented events such as the COVID-19 pandemic or political affairs can affect global operations and weaken global supply chains. This may lead to extensive economic impacts such as increased liquidity and credit risks.	At the end of FY2021, DyStar did not hold any external loans and continues to have ample cash reserve and/or cash equivalent. Additionally, DyStar also maintains sizeable credit lines at banks in the event where additional funds are required.
 <p>Climate change risks</p>	Climate-related physical and transition risks such as increased environmental regulations and more frequent extreme weather events can result in supply chain disruptions, increased energy costs and water scarcity.	DyStar consistently makes investments in cutting-edge technologies and operational enhancements to reduce its environmental impact. As consumers shift towards environmentally-friendly products, DyStar's environmental leadership uses this to its advantage by ensuring transparency and addressing the needs of end consumers. To ensure DyStar is adapted and thrives in a low-carbon future, DyStar's Management continuously seeks to better comprehend climate threats and demonstrates climate leadership.

RISK LANDSCAPE	IMPACT ON DYSTAR	BUSINESS STRATEGIES
 <p>Supply chain risks</p>	Supply chain disruptions and supply shortages may lead to significant cost increases and lack of raw materials.	DyStar has a comprehensive strategy to ensure Sustainability is embedded across its workflow from purchasing, production, and logistics operations. DyStar launched various initiatives such as a supplier audit program and a tool to evaluate the environmental performance of its key suppliers periodically.
 <p>Regulatory risks</p>	Stricter environmental regulations and the ensuing random factory inspections may reduce the supply of essential raw materials and limit industry output due to unscheduled supplier closure and small chemistry factory closure.	To ensure supply of raw materials are not affected and assurance over the products' environmental standards, DyStar produces essential raw materials and intermediates for the dyestuff industry at its integrated chemical industry park. Additionally, environmental performance metrics are closely monitored by DyStar to ensure compliance with all applicable laws.
 <p>Waste management risks</p>	A decline in production capacity may occur due to issues with on-site waste gas or water treatment facilities and/or vendors' inability to properly handle hazardous waste at their production sites.	DyStar is committed to reducing its overall waste generated and enhancing its effluent purification process through innovative solutions. This provides DyStar the chance to adopt more cutting-edge waste management technology and reduce the environmental impact of its operations.
 <p>Operation risks</p>	Production halts may occur as a result of critical equipment or unit faults.	The global project and engineering team at DyStar has measures implemented in place to minimise operational breakdown events. This includes selecting and procuring high-quality equipments, accompanied by preventive maintenance, vital spare parts and safety stock practices.





RISK LANDSCAPE	IMPACT ON DYSTAR	BUSINESS STRATEGIES
 <p>Safety risks</p>	<p>Safety mishaps and hazards such as severe fires, explosions, hazardous material leaks and explosions may harm people and violate safety and environmental laws and regulations. This can result in a halt in DyStar's business operations, property damage and loss of reputation.</p>	<p>Risk prevention, assessment, and mitigation procedures are part of DyStar's safety management system. This includes: 1) Selecting appropriate chemicals and working methods; 2) Knowledge of hazardous chemical materials existing at worksites; 3) Knowledge of occupational exposure limits for each chemical material; 4) Knowledge of risk identification procedures; 5) Establishing measures for risk mitigation; 6) Development of procedure instructions and occupational safety practices; 7) Setting instruments and procedures for emergency response; 8) Covering all hazardous processes and materials used with Process Hazard Analysis; 9) Regular internal and external safety audits and reviews of safety measures; 10) Periodic safety training for employees, contractors, and other relevant stakeholders; 11) Establishing safety performance KPIs for all employees</p>
 <p>Information security risks</p>	<p>Security lapses and data breaches could disrupt DyStar's operations and negatively affect its reputation.</p>	<p>DyStar has implemented data privacy measures and its Global Personal Data Protection Policy since 2018. DyStar also invests in IT security and continuously promotes awareness regarding IT security to all employees.</p>
 <p>Community risks</p>	<p>With DyStar's operations having significant impacts in the community and area it operates in, DyStar may face business and reputation risk if there is lack of communication and understanding with the local community.</p>	<p>DyStar invests significantly in local communities to develop scalable solutions which addresses challenges the community faces. DyStar employees also actively participate in Corporate Social Responsibility (CSR) programs by volunteering at various community outreach initiatives to reach out to the local community.</p>



Sustainability is only impactful if it is driven across the Group's entire business operations and value chain



FINANCIAL CAPITAL

At DyStar, we create financial value and sustainable business growth through our dynamic and resilient business model. Recognizing the synergy between financial capital and non-financial sustainability issues allow us to capitalise on a broader range of opportunities and mitigate non-financial risks that may have financial implications.

Featuring: Image from Ilker Acikgoz

Resilient Economic Performance

Financial Results

DyStar relies on global environmental and social resources to generate financial value and continues to explore new ways to enhance its resource efficiency

to achieve cost savings, product preference and brand enhancement. This enables DyStar to improve its financial flexibility and resilience, and ultimately generate economic value for stakeholders.

ECONOMIC (MILLION USD)	2019	2020	2021
Global Revenue			
Global Operating Costs			
Global Employee Wages and Benefits			
Net Payments/(Receipt) to/from providers of capital	(0.52)	(2.28)	(4.62)
Payments to Government	36.77	25.98	33.40
Economic Value Retained	99.45	77.10	155.34

Direct and indirect economic value

Asia

Europe

Americas



In FY2021, DyStar recorded the highest economic value retained in the last five years despite the global impact and challenges from the COVID-19 pandemic. The Group reported revenue of USD 982.14 million, up 29.5% from the year before amid an increase in business orders across all geographical regions following the easing of COVID-19 pandemic restrictions.

Operating cost rose 24.2% compared to the previous operating period, trailing behind revenue growth. This was due to growth in the global economy which significantly increased revenue faster than costs. To reduce operational costs, DyStar seeks to increase production efficiency and streamline manufacturing operations. For instance, DyStar develops high-quality and resource-efficient dyeing processes which resulted in an increase in the lifespan of garments and reduced resource consumption across the value chain.

Global employee wages and benefits rose to USD 109.81 million, up 5.9% from the year before as the Group updated its compensation packages and career development initiatives. In FY2021, DyStar met or exceeded legal requirements or industry minimum standards for fair employee wages in all operating markets.

The Group contributes to local economies by prioritizing the hiring of local employees and recruiting majority of its employees locally. This provides significant direct economic benefits to local communities through wages, as well as career and skills development, which will benefit the local workforce's future capabilities. DyStar also shifted its procurement practices to prioritize local suppliers in the same period. Relying on local suppliers will not only reduce the amount

of greenhouse gas ("GHG") emissions from transportation, but this initiative will also enhance local economies and reduce DyStar's supply chain risks.

Taxes

DyStar complies with all tax requirements in the jurisdictions it operates. To that end, DyStar has internal mechanisms in place to ensure that it complies with all tax obligations and regulations in the countries it operates in. DyStar contributed a total of USD 33.40 million in tax payments to governments in FY2021.

Investments

In FY2021, DyStar continues to invest proactively in infrastructure and technology as a Group. The key remains to continue supporting our network with maximum efficiency during the disruption of COVID-19.

The digital transformation initiatives that were rolled out in previous years, such as the SAP systems and DyStar University, have proven effective in supporting the organizational needs overtime in optimizing production planning to reduce inventory and wastage.

New investments are focused on strengthening the Group Technology infrastructure, system and security such as:

- Cloud strategy and migration for application servers
- Implementation of MS Teams as a collaboration tool for the Group
- New security tools (i.e. TrendMicro) to further protect cyber assets

In FY2021, DyStar recorded the highest economic value retained in the last five years despite the global impact and challenges from the COVID-19 pandemic.





MANUFACTURED CAPITAL

Our manufacturing processes focus on the creation of products with high standards of quality, cost savings, safety and eco-efficiency for customers. Various mechanisms are put in place to ensure an ethical and robust supply chain that prioritises resource efficiency from design to logistics.



Featuring: Image from Chua Pei Hong

Sustainable Production and Supply Chain



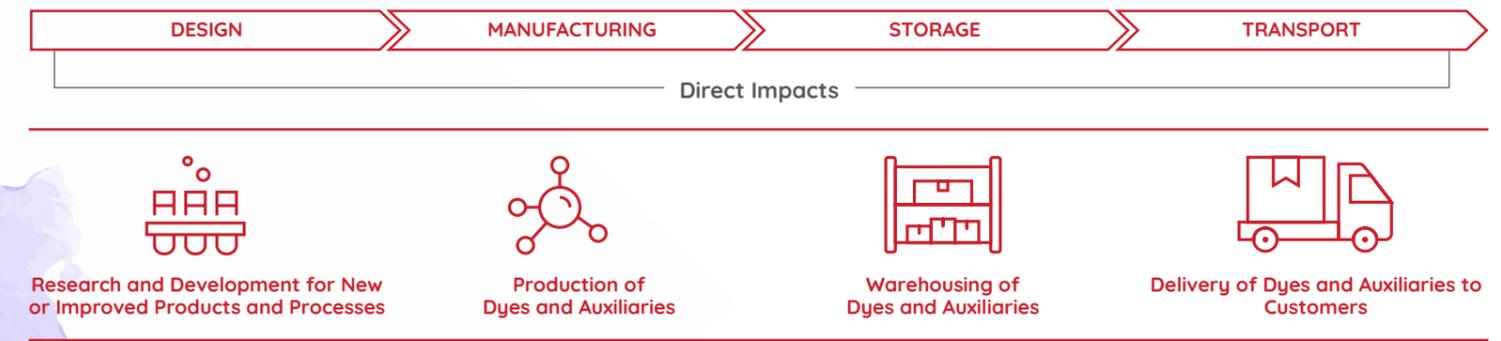
DyStar takes a holistic approach in implementing Sustainability across its Manufacturing and Logistics operations. The Group has strict supply chain policies to ensure responsible sourcing of materials and suppliers. During the manufacturing process,

resources are utilized at optimal efficiency to minimize wastage and maximize output. Efforts are made to ensure minimal waste and unnecessary packaging to reduce environmental footprint across the logistics process



Sustainable Production and Supply Chain

Creating Value Across Our Entire Value Chain



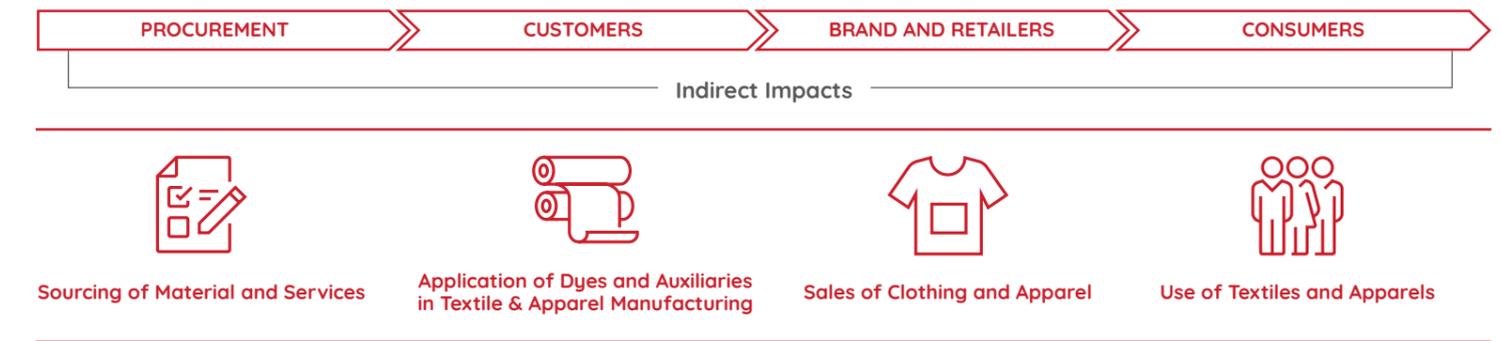
At DyStar, product stewardship begins in the design phase, where careful attention is given to green chemistry principles. The development of safer and more resource-efficient products benefit the environment and DyStar's stakeholders across the value chain.

DyStar eco-tests raw materials and ensures that contaminated substances do not enter the production process. In addition, production processes undergo rigorous risk assessment and mitigation measures to ensure that DyStar's products and processes are safe for human and ecosystem health and designed to optimize resource efficiency.

DyStar implements safety and environmental best practices for warehousing and transportation, which are also thoroughly assessed for environmental and health risks.

DyStar complies with the Globally Harmonized System (GHS) for labeling which promotes the safe handling of chemical products.

DyStar's logistics optimization minimizes space wastage, fuel consumption, and annual transport costs.



To protect human health and the environment, DyStar's econfidence® program prevents more than 500 restricted substances from entering the value chain. More details can be found in the econfidence® section.

DyStar passes its cost savings, resource-efficiency, and quality onto their customers through the innovative characteristics of DyStar products.

Product eco-testing and design phase precautions assure Brands & Retailers that it is safe to incorporate DyStar products.

DyStar's precautions and risk mitigation measures protect consumers from exposure to carcinogenic, mutagenic, and reprotoxic substances.

DyStar products extend the lifespan of clothing and apparel, which benefits the environment and the consumers simultaneously.

Responsible Sourcing and Supply Chain

Supply chain represents the largest concentration of DyStar's Environmental footprint. The Group recognizes its responsibility to play a role in reducing environmental impacts across the supply chain. It will also strive to promote and uphold ethical social practices in its interactions with suppliers. As such, DyStar has put in place a strict supply chain policy and various internal mechanisms to source ethically.



DyStar has a supply chain policy that sets out the environmental, social, governance and product safety standards that its suppliers must adhere to⁹. For starters, potential suppliers from all geographies must undergo an initial phase of ecological screening to ensure their products are eco-friendly, do not contain any prohibited substances, and meet industry standards. The shortlisted suppliers will be screened based on DyStar's supplier evaluation guidelines.

Upon the completion of DyStar's supplier quality control process, the supplier will be added to DyStar's qualified supplier pool, where they will be subjected to annual routine supplier evaluation and continuous eco-monitoring processes.

For existing suppliers contributing to at least 80% of their respective category's purchase value, an assessment is conducted annually

to ensure suppliers meet the rigorous commercial, social and environmental criteria set out by DyStar in its supply chain policy. The evaluation usually comprises of an on-site inspection and each supplier will be given a rating based on certain criteria such as their quality of service, pricing policies and ethics among others. Suppliers who score below 60% or exhibit non-compliance to relevant regulations will be suspended until correction has been made.

Due to the COVID-19 pandemic which resulted in various countries issuing entry and exit restrictions to contain the spread of the virus, this prevented DyStar's relevant technical team from conducting on-site assessments in FY2021. However, DyStar sought alternatives such as self-assessment tests by vendors, virtual site visits, and other initiatives. As the COVID-19 situation evolves and international restrictions continue to change, DyStar will proactively seek good alternative practices to ensure that both the Group and its suppliers continue to be guided by DyStar's sustainability principles.

In FY2021, all new suppliers underwent ESG screening in line with the Group's supply chain policy, while 80% of existing suppliers were assessed for environmental and social impacts. Suppliers were assessed on their availability of environmental systems and processes such as ISO14001 and having an internal process to track their emissions as well as policies such as having a Code of Conduct in place. Through the screening process conducted, no supplier was identified to have violated the Group's supply chain policy and were deemed to have no significant negative environmental and social impacts on local communities.



DyStar's Sustainability agenda extends upstream from its own operations, taking the initiative to promote ecological safety at the source. In line with this effort, DyStar has created an ECO letter based on applicable regulations, leading industry standards, and best practices. The letter specifies ingredients that are prohibited, discouraged or shall not exceed specified concentrations. The letter is distributed and communicated to the top 80% of DyStar suppliers by contract value. The project is imperative to avoid the risk of supply chain contamination.



DyStar is committed to a corporate culture that follows the guiding principles of professionalism, credibility, transparency, integrity, and fairness in its dealings. Likewise, DyStar has the same expectations of its suppliers.

DyStar has created the Letter of Commitment to Professional Integrity to ensure that DyStar's business dealings with its suppliers uphold fair, efficient, mutually beneficial and legal practices. Previously, suppliers with annual purchases of more than \$1 million (at contract value) are required to sign and regulate the commercial activities and performance of the contracts between DyStar and its suppliers, including legal and regulatory violations. From FY2021, it was made mandatory for all new suppliers to sign the Letter of Commitment.



In FY2018, DyStar launched a more comprehensive and in-depth supplier audit program called "DOLPHIN". Created by DyStar's technology experts, the "DOLPHIN" program helps provide a comprehensive range of core suppliers' potential strengths and risks – including sustainability, occupational safety and environmental performance. Moving forward, DyStar has plans to include Tier-2 dye providers, suppliers in the auxiliary category, as well as potential suppliers as part of the program.

Due to the COVID-19 pandemic which negatively impacted various industries and posed a restriction on inter-country transportation, the DOLPHIN project was suspended in FY2021. However, in FY2022, with the easing of travel restrictions, DyStar plans to reinstate the project and roll out DOLPHIN to tier-2 dyes suppliers, auxiliary category suppliers, and promising new players.



Sustainable Production and Supply Chain





DRIVING SUSTAINABILITY & GREENING THE SUPPLY CHAIN WITH IPE TOOL

Since FY2019, DyStar has been utilising a tool developed by the Institute of Public and Environmental Affairs (IPE) to evaluate the environmental performance of its key suppliers and to have visibility over suppliers' environmental violation. The tool creates a 'Blue Map' of shortlisted suppliers and enables DyStar to monitor the environmental performance and instances of non-compliances of these suppliers. Suppliers who have been identified for any form of non-compliance will be prompted by DyStar to address these violations and take the appropriate corrective action.

In FY2021, DyStar was ranked third in its industry category on IPE's CITI Index. The CITI Index was developed to dynamically assess brands' performance in five areas: Responsiveness and transparency, Compliance and corrective action, Extended green supply chain practices, Energy conservation and emissions reduction, as well as Performance disclosure. DyStar seeks to continue working with IPE to improve the environmental and climate impacts of its upstream supply chain.



MITIGATING SHIPPING DISRUPTIONS

In FY2021, DyStar has robust strategies for mitigating shipping disruptions to minimize disruptions to its supply chain. These strategies will ensure DyStar's supply chain becomes more resilient in the face of shipping disruptions and continue to function smoothly. These strategies include:



Efficient Use of Raw Materials

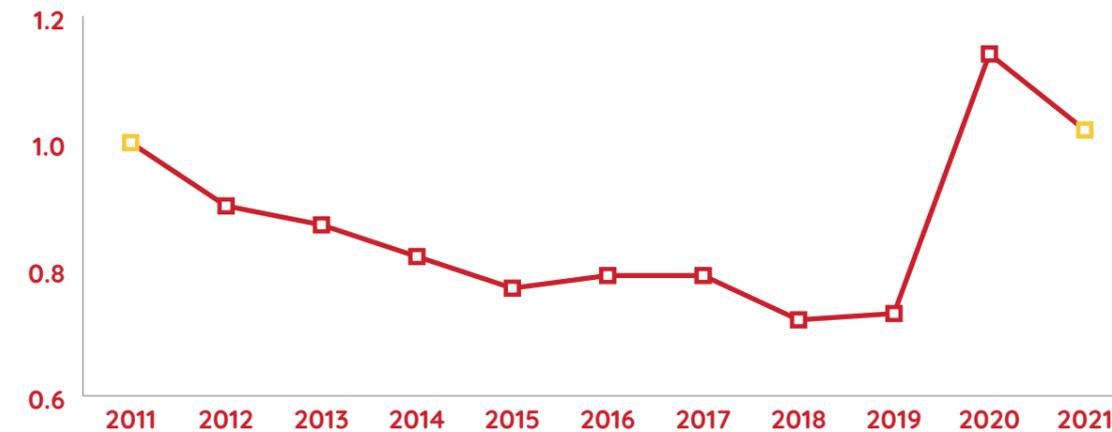
DyStar purchases more than 700 raw materials and crude/semi-finish products every year for the production of finished products. Recognizing that raw and associated materials are non-renewables, DyStar seeks new ways to optimize material efficiency through real-time communication between the production and procurement team to reduce inventory wastages.

In FY2021, the top 20 purchased items included Indigo crude, disperse and Vat dye press cakes. These raw

materials accounted for approximately 50% of DyStar's purchases during the year.

DyStar's production plants consumed a total of 127,531 tons of raw materials and intermediates in FY2021. Utilization intensity was 1.02 tons of raw material per ton of production, representing a 2% increase compared to the 2011 baseline and an 11% decrease from FY2020. This was due to the increased production of Auxiliaries and Performance Chemicals products, which generated a higher output per raw material consumption compared to equivalent dyes.

Raw Material Usage Intensity (tons of raw material per ton of production)



Sustainable Production and Supply Chain

Circular Economy Approach in Manufacturing

DyStar cooperates with Cradle to Cradle Product Innovation Institute®.

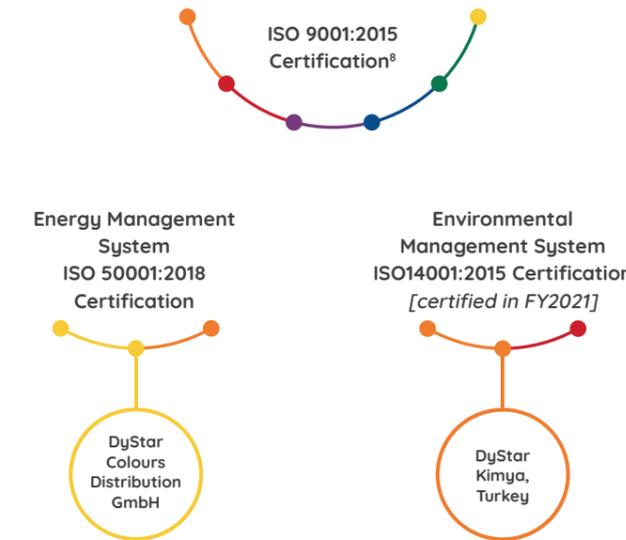
To date, the Group has 54 textile dyes that have been assessed in the Material Health category and were awarded the Cradle to Cradle Product Innovation Institute® Platinum Level C2C Certified Material Health Certificate™.

The Group's effort in championing this circular economy has also paid off. In FY2021, several DyStar customers decided to launch textile products with Cradle to Cradle Product Innovation Institute® certification. DyStar was able to contribute to their success in obtaining the certifications by providing additional detailed chemical product information to the certifiers.

VAT Dyes	Reactive Dyes	Reactive Dyes	Reactive Dye for Wool	Acid Dyes	Disperse Dyes	Disperse Dyes
Indanthren® Brilliant Orange GR Coll	Levafix® Amber CA-N	Remazol® Golden Yellow RGB 01	Realan® Black MFPV	Telon® Blue AFN	Dianix® Blue XF	Dianix® Red AM-SLR
Indanthren® Red FBB Coll	Levafix® Brilliant Yellow CA	Remazol® MAP Black NN		Telon® Navy AMF	Dianix® Yellow AM-SLR 200%	Dianix® Red XF2
Indanthren® Brilliant Green FBB Coll	Levafix® ECO Forest	Remazol® Navy RGB 01 150%	Acid Dyes	Telon® Orange AGT 01	Dianix® Yellow S-3G	Dianix® Rubine XF2
Indanthren® Olive Green B Coll	Levafix® ECO Black	Remazol® Red RGB 02	Telon® Blue BRL micro	Telon® Rubine A5B 01	Dianix® Yellow Brown XF2	Dianix® Turquoise S-BG
Indanthren® Scarlet GG Coll	Levafix® Fast Red CA	Remazol® Ultra Carmine RGB	Telon® Blue T-4R	Telon® Yellow ARB	Dianix® Yellow XF2	
	Remazol® Brilliant Blue RN	Remazol® Ultra Orange RGB	Telon® Brown 3G 200%	Telon® Blue M-GLW	Dianix® Orange AM-SLR	
Indigo Dye	Remazol® Brilliant Red F3B	Remazol® Ultra Orange RGBN	Telon® Red T-2B	Telon® Green M-6GW	Dianix® Blue S-BG	
DyStar® Indigo Vat 40% Solution	Remazol® Brilliant Yellow GL 150%	Remazol® Ultra Rubine RGB	Telon® Yellow T-3R	Telon® Red M-BL	Dianix® Brilliant Violet R	
	Remazol® Luminous Yellow FL	Remazol® Ultra Navy Blue RGB	Telon® Blue A2R	Telon® Yellow M-4GL	Dianix® ECO Black HF	

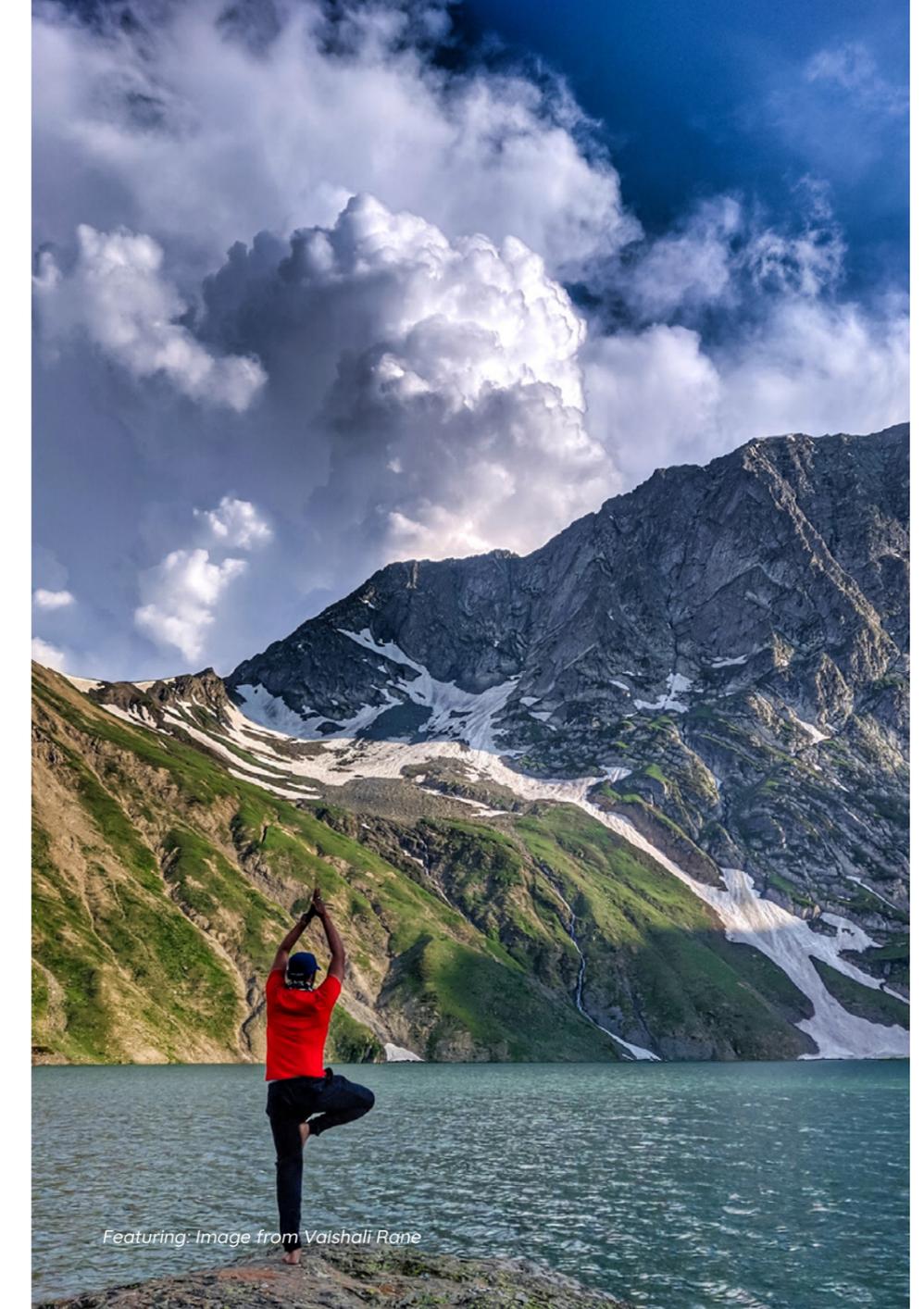
Meeting Global Standards

DyStar provides customers with the highest quality products by implementing management frameworks and systems which comply with international standards such as the International Organization for Standardization (ISO). Across our operations, DyStar adopts the following international standards:



Being certified by international standards ensure DyStar's products meet market expectations, as well as provide the Group confidence that its suppliers are taking appropriate steps to manage the quality of their product.

⁸ Refer to DyStar website for list of certified entities www.dystar.com/about-dystar-group/



Featuring: Image from Vaishali Rane



Sustainable Logistics



PACKAGING

At DyStar, packaging is used to protect its products en route to customers, as well as to withstand weather conditions. To reduce the amount of waste generated by packaging, DyStar engages specialized service providers to collect, clean and re-distribute the company's Intermediate Bulk Containers (IBCs) for reuse.

In FY2021, DyStar used 5,598 tons of packaging material including cardboard boxes, plastic drums, bulk containers and plastic wrapping. 32% of packaging materials were recycled. The overall packaging intensity has increased by 29% in FY2021 as compared to FY2020 due to the change in ratio of bulk supply of finished goods to small containments and high consumption of packaging materials for waste disposal.

Packaging Usage Intensity (kg of packaging material per ton of production)



TRANSPORTATION

Safe transportation of dyes, auxiliaries, and other chemicals is crucial due to the risk of spillage caused by mishandling. Unsafe chemical transportation of chemicals could result in significant health, science and environmental implications.

To mitigate these risks, multiple precautionary measures are implemented to ensure that DyStar products arrive safely and intact, and this begins with the careful selection of experienced and licensed transportation contractors. DyStar's in-house logistics team takes the necessary steps to minimize indirect environmental impacts by working closely with customers, transport companies and warehouse operators to optimize efficiency. For instance, DyStar ensures that its containers and trailers are at Full Container Load or Full Truck Load before embarking on a delivery trip. This helps in reducing the total amount of greenhouse gases generated per unit of cargo. DyStar is also looking at reducing its overall airfreight shipments, due to the large proportion of emissions attributed to air travel.

Regionally, the Group maintains a distribution center as well as a network of smaller local warehouses that are strategically located near clusters of textile producers. The strategic placement of warehouses helps to minimize the number of partial truckload trips required to reach customers. In areas where purchase volumes are consistently high, DyStar also provides on-site consignment stocks. These initiatives not only minimize the Group's environmental footprint but reduce overall operating cost.



Being certified by international standards ensure DyStar's products meet market expectations, as well as provide the Group confidence that its suppliers are taking appropriate steps to manage the quality of their product.



INTELLECTUAL CAPITAL

We promote a culture of innovation to continuously build on our intellectual capacity and optimise processes and products to be more sustainable, efficient, and profitable. It is crucial to constantly improve and be responsive to the changing market needs, for DyStar to stay as a leader in its industry.

Innovative Portfolio

Production Stewardship and Innovation

Product stewardship is part of DyStar's Environmental Guidelines and DyStar is committed to ensuring its products are safe for human and the environment. DyStar constantly monitors its products to identify environmental, health and safety risks. As part of product stewardship, DyStar looks to lower each product lifecycle impact, from cradle to grave

by extending its sustainability efforts and values across its value chain.

DyStar imbeds considerations of sustainability in the early stages of design and sourcing to minimize the impacts. This also provides value for DyStar customers by ensuring the quality of products alongside positive impacts on communities and the environment.



Innovative Portfolio

External Webinars

In October and November 2021, DyStar organized two external webinars which saw a total of more than 500 global participants in attendance, comprising a good mix of customers, brands and retailers. Both sessions explored various optimization solutions for reducing resource use and carbon footprint in the textile dyeing processes, in efforts to engage the supply chain to work towards common sustainability goals in the industry.

BETTER BLACK



For the “Better Black” webinar, DyStar shared on how to dye black – the most common color in fashion and sports apparel – on cellulosic and synthetic textiles in an optimal process that requires lesser resources.

DYE FOR LESS



Featuring: Image from Ogun Burduroglu

In the “Dye for Less” webinar, solutions on how to optimize textile dyeing and simultaneously reduce GHG and carbon footprint in textile processing were discussed and shared with attendees.

Collaboration and Memberships

DyStar recognizes the importance of using industry insights and up-to-date resources when innovating its products to ensure it meets the changing requirements of its customers. To that end, DyStar joined various organizations which enabled it to readily access industry information and seek professional development. In FY2021, DyStar remained as a member of the following 37 organizations:



INDUSTRY ORGANIZATIONS

- Asia Dyestuff Industry Federation (ADIF)
- American Association of Textile Chemists and Colorists (AATCC)
- Associação Brasileira das Indústrias Químicas (ABIQUIM), Brazilian Chemical Industry Association
- The Association of Thai Textile Bleaching Dyeing Printing and Finishing Industries (ATDP)
- Basic Chemicals, Cosmetic & Dyes Export Promotion Council, India (CHEMEXCIL)
- China Dyestuff Industry Association (CDIA)
- Disaster Prevention & Management Center (DPMC), Ankleshwar
- German Chemicals Industry Association (VCI)
- Gujarat Dyestuffs Manufacturers Association (GDMA)
- Japan Dyestuff & Industrial Chemical Association (JDICA)
- Society of Dyers and Colourists, United Kingdom (SDC)
- Society of Leather Technologists and Chemists (SLTC)
- South African Dyers & Finishers Association (SADFA)
- Sindicato das Indústrias de Produtos Químicos (SINPROQUIM), Brazilian Chemical Industry Association
- Taiwan Dyestuffs & Pigments Industrial Association
- Association of Manufacturers of Process and Performance Chemicals (TEGEWA)



BUSINESS ASSOCIATIONS

- Ankleshwar Industries Association
- Corlu Chamber of Commerce and Industry
- Directorate General of Foreign Trade, India (DGFT) Greater Dalton Chamber of Commerce
- Employers' Association of Indonesia (APINDO)
- Importers and Exporters Association of Taipei (IEAT)
- Indian Merchant Chamber of Commerce
- Pietermaritzburg Chamber of Business (PCB)
- Raigad Chamber of Commerce & Industry
- Reidsville Chamber of Commerce (RCCI)
- Singapore Business Federation (SBF)
- National Committee of Responsible Care, Indonesia (KNRCI)
- Responsible Care®



TEXTILE STANDARDS AND ORGANIZATIONS

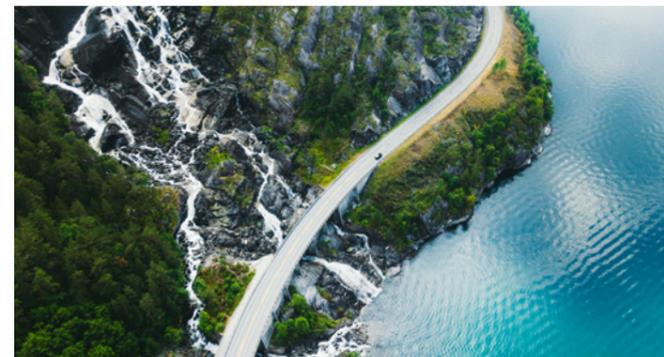
- American Apparel & Footwear Association (AAFA)
- Associação Brasileira da Indústria Têxtil de Confecção (Abit), Brazilian Textile and Apparel Industry Association
- bluesign®
- Cradle to Cradle®
- Global Organic Textile Standard (GOTS®)
- Oeko-Tex®
- Textile Exchange
- Zero Discharge of Hazardous Chemicals (ZDHC)

New Processes and Products

Certain new products were introduced in FY2021 to comply with the newest quality standards and some alternative products were launched to overcome supply issues. In FY2021, Global Marketing Coloration launched the following new products:

Realan® Amber EHF 01	Dianix® Navy AM-G 01
Dianix Blue HLA 01	Dianix Flavine XF New
Sirius® Black P-G liq.	Sirius Blue P-2RL liq.
Telon® Red M-GWL	Supralan® Red GWL

DyStar is also partnering with customers to implement 11 Cadira® modules in the textile industry, which will help in saving valuable resources.



Eco-performance Program

econfidence®

DyStar's econfidence® program assures customers that its dyes and chemicals are safe for people and the environment. The econfidence program considers all applicable legislations and is one of the most extensive eco-testing programs for textile dyes and chemicals.

Led by a diverse team of experts, the program meticulously monitors the sourcing and production of DyStar's products to ensure that our products achieve the highest level of product quality and environmental responsibility. econfidence allows DyStar to build partnerships along the textile supply chain to foster a more sustainable textile production.

Modules Making an Impact

Saving Valuable Resources

DYSTAR CADIRA® MODULES

DyStar's Cadira® Modules help to lower carbon footprints and optimize productivity through the optimal utilization of machinery.

We now offer 11 Cadira Modules which serve to improve energy and water efficiency, significantly reduce wastewater, and reduce the quantities of chemicals used.

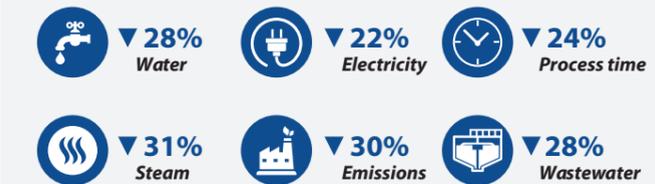
Essentially, the Cadira Modules are developed to reduce greenhouse gas emissions in the textile industry.



CADIRA® REACTIVE

Conserve valuable resources while lowering reactive dyeing costs

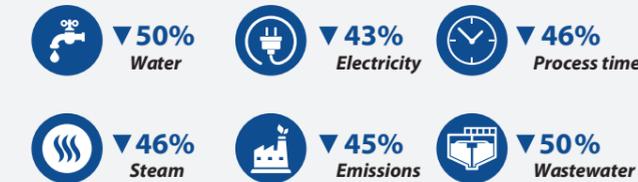
Cadira® Reactive Dyeing > Compared to Conventional Reactive Dyeing



CADIRA POLYESTER

Optimize resource-efficient exhaust processing

*Fully Optimized Cadira Polyester Dyeing > Compared to Conventional Polyester Dyeing**



CADIRA® REACTIVE/DISPERSE CONTINUOUS

Optimize resource efficiency in continuous dyeing of Polyester/ Cellulosic blends

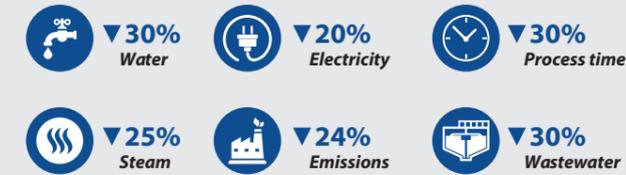
Cadira® Reactive /Disperse Continuous Dyeing > Compared to Conventional Continuous PDTPS process



CADIRA® VAT

Improve the resource-efficiency of exhaust processing of cellulosic fibers

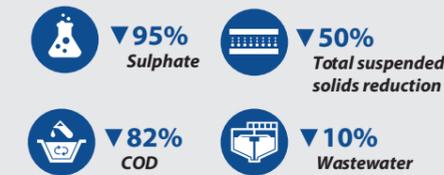
*Cadira® Vat Dyeing > Compared to Conventional Vat Dyeing**



CADIRA® DENIM

Adopt the ultimate sustainable solution for clean denim production

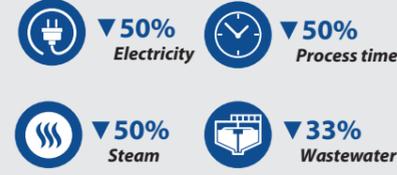
Cadira® Denim vs standard Indigo dyeing process using Hydrosulphite



CADIRA® PRINTING PX

Conserve resources during the wash-off process

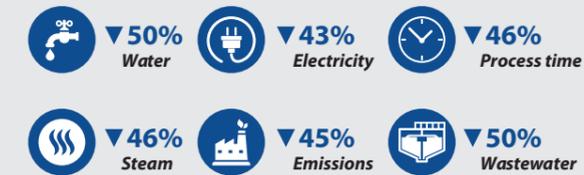
Cadira® Printing PX vs conventional wash-off



CADIRA® RECYCLED POLYESTER

Minimize the impact of the rPET dyeing process with Gold Level Material Health certified Dianix Dyes by the Cradle to Cradle Products Innovation Institute

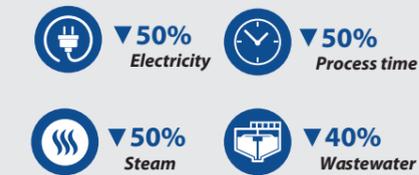
Cadira® Recycled Polyester vs dyeing virgin polyester with standard dyes



CADIRA® WOOL

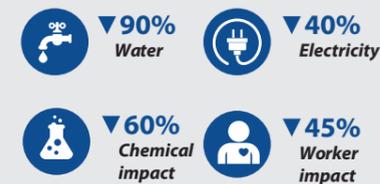
Protect the environment with clean and more efficient dyes for the wool dyeing process

Cadira® Wool vs Mordant Black 9 dyeing process



CADIRA® LAUNDRY

Innovative product range for ultra-low liquor ration machines



New Modules

CADIRA® POLYAMIDE:

Environmentally friendly scour-dyeing process for Nylon, Nylon blends and recycled Nylon

Savings with Cadira® Polyamide



CADIRA® POLYESTER/ CELLULOSIC EXHAUST

Combining Cadira Polyester and Cadira Reactive for increased productivity with even greater resource efficiency and cost savings

Combining Cadira® Polyester and Cadira® Reactive for medium shades for rapid two-bath process



Technology and Processes

ENHANCING SUSTAINABILITY WITH ELIOT®

DyStar has developed and deployed eliot®, an information platform that provides straightforward guidance on sustainable product selection and process optimization. The tool helps clarify DyStar's sustainable products and processes through its user-friendly online platform. Customers have direct access to the system to get the information they need quickly and conveniently.

The eliot® tool consists of seven modules: Positive Lists, Product Finder, Information, eliot manuals, Optidye®, Cadira® modules, and the newly added Paper folder.



Moving forward, DyStar seeks to use product innovation as a key tool to mitigate the impacts of its products on the environment. DyStar aims to be the global leader in innovation, within its chosen industries. DyStar believes that leading other industry players in innovation is the key to achieving sustainable business growth and creating value for its stakeholders.

* Actual reductions may vary. Figures presented in the diagram represent the best-known performance results.

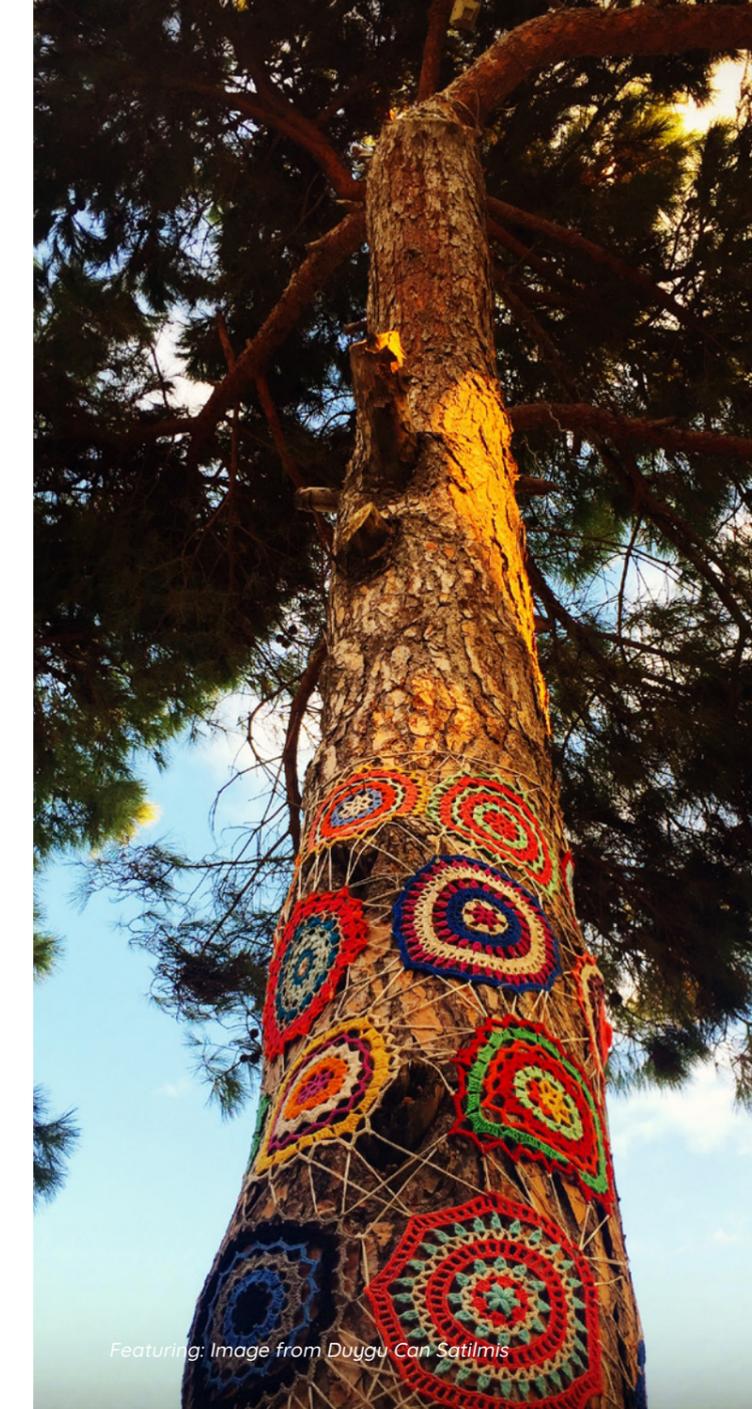
Commitment to Standards

As a leading dyestuff and chemical manufacturer, DyStar is committed to ensuring its products follow voluntary and regulated safety standards to maximize the reliability

of its products and safeguard consumer safety. This demonstrates DyStar’s commitment and accountability to safety and quality, as well as credibility amongst stakeholders.

STANDARDS	DESCRIPTION
 <p>bluesign®</p>	<p>The bluesign® standard was established to provide a comprehensive production control system to limit the human health and environmental impacts of textile manufacturing. It is based on five principles of sustainability – resource productivity, consumer safety, air emission, water emission, and occupational health and safety. The standard defines specific criteria applied to each phase within the production chain to ensure compliance with the given principles.</p> <p>DyStar has been a system partner since 2008, and in FY2021, a total of 1735 products were bluesign® approved.</p>
 <p>econfidencE®</p>	<p>DyStar’s econfidencE program considers all applicable legislations and has an extensive eco-testing program for all textile dyes and chemicals. Through this program, DyStar assures its customers that its dyes and chemicals are safe for both people and the environment. At DyStar, a total of 500 regulated or restricted substances are monitored through econfidencE.</p>
 <p>eliot®</p>	<p>eliot® was introduced by DyStar in 2015 and is an internet-based tool for product selection and process optimization in the dyeing process. It is an information data base for DyStar’s customers and offers various modules for customers to select products based on various criteria. The tool has 28 “Positive Lists”, which is a selection of recommended DyStar products that are compliant with the Brands and Retailers’ Restricted Substances Lists or the selected eco standard.</p>

STANDARDS	DESCRIPTION
<p>Standard 100 by Oeko-tex®</p> <p>Oeko-Tex®</p>	<p>Oeko-tex is one of the world’s best-known labels for textiles tested for harmful substances and ensures that every component of the product is certified harmless for human health through testing of regulated and non-regulated substances. Currently, about 2200 DyStar products are recommended for use on Oeko-Tex Standard-compliant articles.</p>
 <p>EU REACH®</p>	<p>REACH applies to all chemical substances and is a regulation of the European Union aimed at improving the protection of human health and the environment from risks posed by chemicals.</p> <p>In FY2021, about 450 substances were registered under REACH.</p>
 <p>Turkish REACH (KKDIK)</p>	<p>The Turkish regulation on chemicals registration, evaluation authorization and restriction (KKDIK) is closely aligned with the EU REACH provisions and requires companies to pre-register or register substances manufactured or imported into Turkey.</p> <p>DyStar has 1,750 substances pre-registered according to KKDIK.</p>
 <p>ZDHC Gateway</p>	<p>The ZDHC Manufacturing Restricted Substances List (ZMRS) is a list of chemical substances banned from intentional use in facilities. DyStar has about 2300 products compliant with ZMRS 2.0 and supports the implementation of best practices to protect the environment.</p>



Featuring: Image from Duygu Can Satilmis



NATURAL CAPITAL

DyStar recognizes that the financial capital we create through our operations are derived from the finite natural resources. We are committed to keeping our environmental footprint to a minimum throughout our production processes and support the transition to a more sustainable and circular textile industry.

Featuring: Image from Annette Tan Pei Yeng

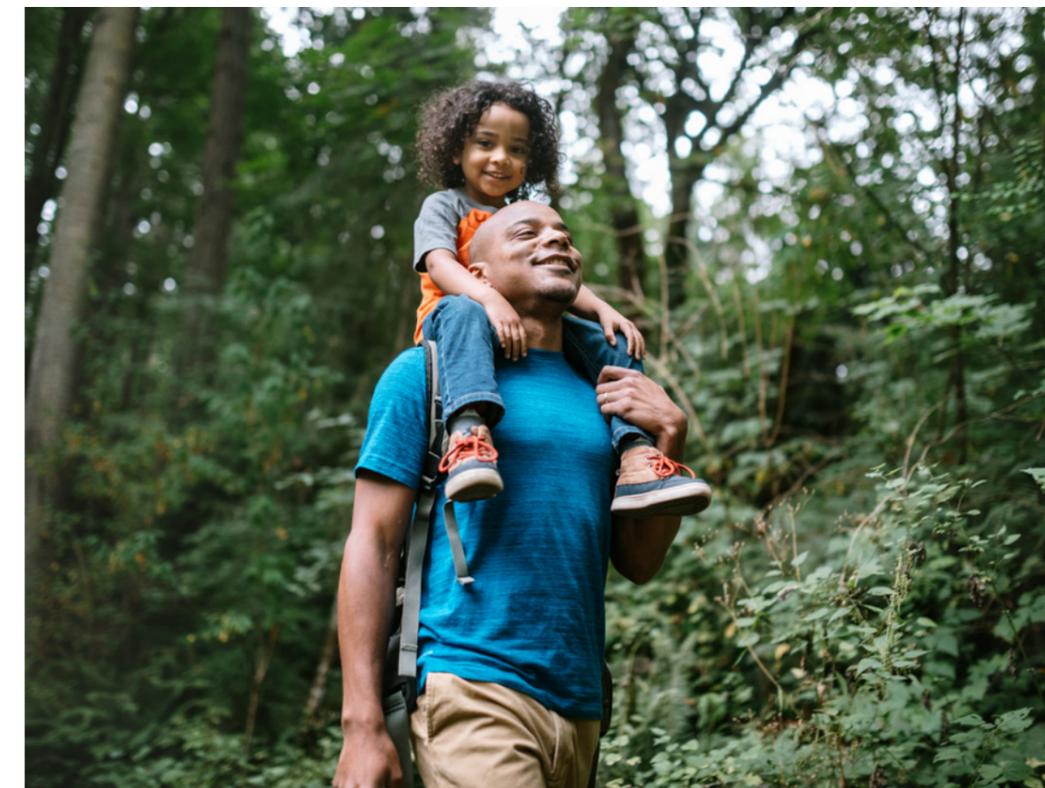
Environmental Resource Management

Climate Resilience

As a responsible dyestuff and chemical manufacturer, the Group adopts practices and policies that drive positive outcomes for the environment and substantially reduce GHG emissions within its operations and along its

value chain in line with global consensus⁹. This is particularly important to the Group as global warming could pose threat to its manufacturing process which relies on natural resources and supply chain that can be disrupted by extreme weather events.

⁹Climate resilience is particularly crucial amid the sober outlook of the latest Intergovernmental Panel on Climate Change ("IPCC") assessment. Active and substantial efforts are needed to curb emissions and limit global warming to well below 2 Degree Celsius. More details on the IPCC Report: www.ipcc.ch/report/ar6/wg2/.



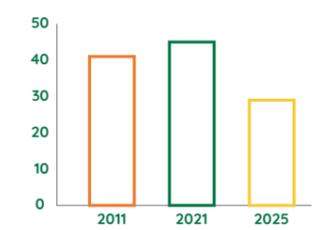
Environmental Resource Management

DyStar 2025 Target

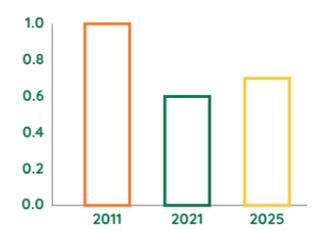
DyStar has set an ambitious target to reduce its environmental footprint by 30% for every ton of product by 2025 against the baseline year of 2011. The 2025 target includes reduction in energy, water, raw materials, GHG emissions (Scope 1 and 2), waste and wastewater in the Group's owned or operated sites. These focus

areas were chosen as they are the main resources used by DyStar in its production process. DyStar believes that improvements in these areas will not only benefit the environment but lead to long-term cost savings as prices of natural resources continue to rise. The Group will continue to review and assess the targets on an annual basis and will continue to refine its approach to meet its targets.

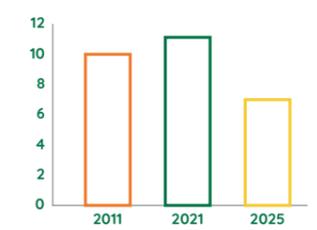
Packaging Usage Intensity
(kg of packaging material per ton of production)



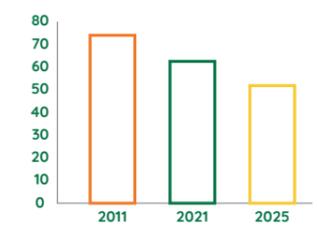
Greenhouse Gas Emissions Intensity
(tCO₂e emitted per ton of production)



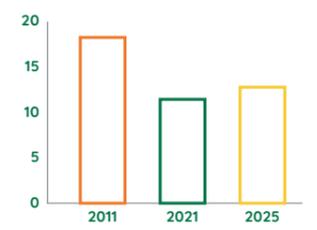
Non-Renewable Energy Intensity
(GJ used per ton of production)



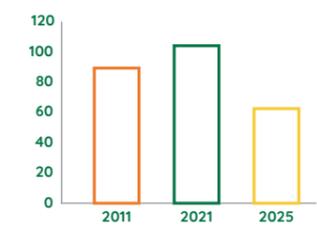
Water Consumption Intensity
(m³ of water consumed per ton of production)



Wastewater Production Intensity
(m³ of wastewater discharged per ton of production)



Waste Production Intensity
(kg of waste per ton of production)



Measuring Our Footprint

REPORTING SCOPE

DyStar measures all environmental impact data in owned and operating sites (Refer to the Environmental Performance Table on the following page). This includes all production facilities, laboratories, warehouses and office locations globally that contribute to the Group's business.

REPORTING METHODOLOGY

The methodology used to assess, track and disclose emissions is based on the World Resource Institute/ World Business Council for Sustainable Development Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised edition).

REPORTING PERIOD

The Group tracks environmental data for the reporting period on an annual basis from 1 January to 31 December. DyStar uses a centralized reporting platform to measure and monitor environmental impacts across all its global operations. The platform enables DyStar to easily coordinate, consolidate and align data across all business units as well as track its progress towards meeting its 2025 targets.

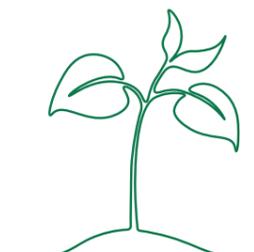
OPERATIONAL BOUNDARIES (FOR EMISSIONS)

For Scope 1 and 2 emissions, the Group uses an operational boundary approach. Emissions arising from the direct consumption of energy within its operating sites or owned properties are included in Scope 1. This consists of natural gas, fuel oil, diesel, LPG, ethanol, gasoline and refrigerants used on sites and combustion of fuel in vehicles operated by DyStar. Scope 2 emissions, which arise from indirect energy sources, include purchased electricity and steam on site.

The Group only accounts for selected key material Scope 3 emissions – business travel and transportation of goods and services. These streams represent a significant portion of emissions arising from DyStar's core operations. DyStar is continuously reviewing its emission data and will disclose more details in due course.

CONVERSION FACTORS

The Group uses the Department for Environment, Food & Rural Affairs ("DEFRA") conversion factors to calculate emissions, unless stated otherwise. Where applicable, the Group updates its emission calculations based on the latest DEFRA standards.



Environmental Performance

DATA OVERVIEW	2019	2020	2021
Raw Material (thousand tons)	93.95	99.16	127.53
Raw Material Usage Intensity (tons per ton production)	0.73	1.02	1.02
Packaging Material (thousand tons)	4.06	3.37	5.60
Direct Energy Consumed (TJ)	542.68	585.84	645.00
Indirect Energy Consumed (TJ)	711.37	510.48	746.22
Energy Consumption Intensity (GJ per ton production)	9.45	11.19	11.11
Water Consumption (million m ³)	7.46	6.57	7.85
Water Consumption Intensity (m ³ per ton production)	57.60	68.10	62.68
Water Reused (million m ³)	1.95	1.74	2.08
Direct GHG Emissions - Scope 1 (thousand tCO ₂ e)	38.09	40.48	36.67
Indirect GHG Emissions - Scope 2 (thousand tCO ₂ e)	69.79	45.44	38.43
GHG Emissions Intensity (tCO ₂ e per ton production)	0.81	0.87	0.60
Wastewater Discharged (million m ³)	1.32	1.17	1.43
Wastewater Intensity (m ³ per ton production)	14.08	12.94	11.44
Hazardous Waste (thousand tons)	8.29	7.25	8.13
Non-hazardous Waste (thousand tons)	3.35	6.87	4.90
Overall Waste Intensity (kg per ton production)	104.16	142.36	104.09
Number of Spills, Total Amount Spilled (tons) ¹⁰	8 spills, 11.0	10 Spills, 23.25	12 spills, 2.27

¹⁰ The data for 2019 and 2020 are restated after review.



As a responsible dyestuff and chemical manufacturer, DyStar adopts practices and policies that drive positive outcomes for the environment and substantially reduce GHG emissions within its operations and along its value chain in line with global consensus.

Environmental Resource Management

Greenhouse Gas ("GHG") Emissions

In FY2021, DyStar's Scope 1 and Scope 2 GHG emissions totaled 75,218 tCO₂e, representing a 42% decrease from 2011's baseline year and 13% decrease compared to FY2020. Amidst an increase in production output (~97% of emissions were from production facilities) due to an improving business environment and more employees gradually returning to working from office in FY2021, energy efficient initiatives adopted across the Group resulted in a significant decrease in GHG emissions.

DyStar tracks its GHG emission improvements by measuring emissions from production sites against total production. Although more production plants resumed operation during the year and DyStar recorded an increase in production outputs as the global economy recovers from the COVID-19 pandemic, DyStar's GHG intensity declined by 31% in FY2021 compared to the year before at 0.60 tCO₂e per ton production due to the implementation of energy conservation initiatives and the use of renewables.

DyStar implemented energy conservation initiatives and increased the use of renewable energy in 2021:

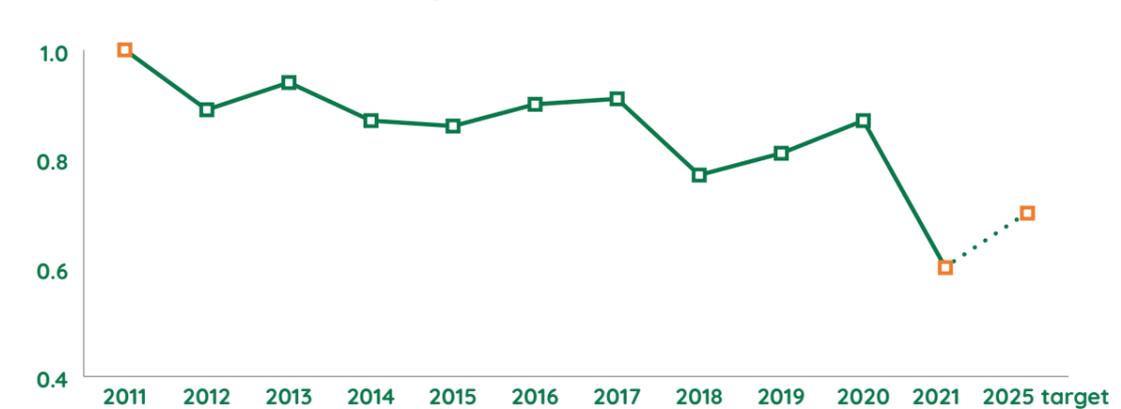
- Substitution of standard lamps against LED lamps at Corlu site in 2021
- Substitution of standard horizontal bead mills against vacuum mill at Cincinnati site in 2021

- Recycling of hydrogen (process off-gas) for reuse in the hydrogenation process (under feasibility study) at Ludwigshafen site as part of the Energy Management Program DyStar Colours Distribution GmbH - *Carrying out feasibility studies*
- Identification of leakages in the compressed air and condensate systems at Ludwigshafen and Cincinnati sites to reduce power, natural gas or steam consumption by ultrasonic measurements - *Ongoing*
- Insulation of reactors and formulation vessels for hot formulations at several Auxiliaries sites (Corlu, Reidsville, Samutprakarn) to reduce steam consumption (and therefore natural gas consumption) - *Ongoing*
- Improvement of the insulation of steam lines, condensate lines and heat transfer oils systems at Cincinnati, Ludwigshafen, Omuta sites to reduce steam, LPG and power consumption - *Ongoing, almost completed*

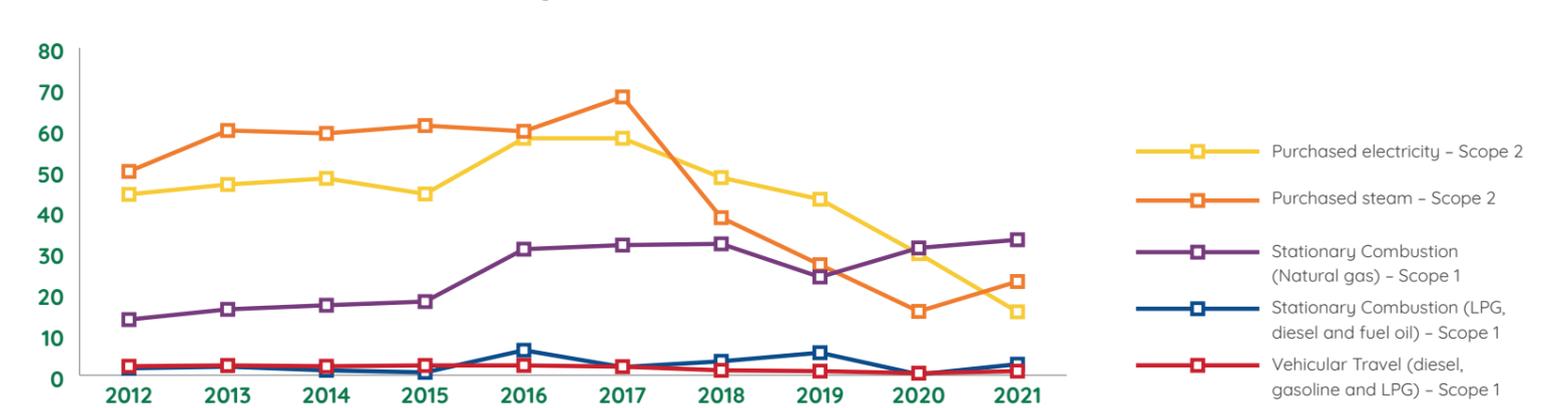
Natural gas made up 90% of Scope 1 emissions in the reporting period and purchased steam made up 60% of Scope 2 emissions.

Scope 3 emissions, totaling 9,932 tCO₂e, accounted for 11.7% of DyStar's total emissions profile. Nearly 92% of Scope 3 emissions came from the transportation of goods and services. To reduce the company's indirect Scope 3 emissions, DyStar will engage its stakeholders and focus on partnering with upstream and downstream suppliers to minimize its emissions.

Greenhouse Gas Emissions Intensity (tCO₂e emitted per ton of production)



Greenhouse Gas Emissions by Source (thousand tCO₂e)



Environmental Resource Management

Ozone-Depleting Chemicals (ODCs)

Although ODCs are not a direct result of DyStar's products or processes, DyStar tracks the amount of ODCs consumed on-site. The group includes any ODC that is used as refrigerants on-site and the global warming potential (GWP) for refrigerants are derived from the Intergovernmental Panel on Climate Change's Fifth Assessment Report. In FY2021, DyStar did not produce any ODCs as it only relied on the use of R717 refrigerant, which is a non-ODS and has a GWP of 0.

Standard refrigerants used in chilled water systems, chillers for ice flakers and brine generation include R717, R507, R1234ze, R410A, R404A and R407C. While usage for these standard refrigerants is not measured, no refrigerant leakage has been reported in FY2021.

Energy Management

DyStar's Energy portfolio consists of purchased electricity, steam, natural gas, liquefied petroleum gas (LPG) and gasoline. Electricity consumption mainly arises from the use of plant machinery, IT systems, and air conditioning, while steam is either generated on-site or purchased from external providers, which is used for process heating.

In FY2021, DyStar's energy consumption rose 27% from the year before to 1391.22 TJ. However, energy intensity declined to 11.11 GJ per ton of production in FY2021 from 11.19 GJ per ton of production in FY2020 due to the implementation of energy conservation initiatives and the use of renewable energy.

Indirect energy from purchased electricity and steam accounted for approximately 54% of DyStar's total energy consumption in FY2021,

a 7% increase as compared to FY2020. As for the proportion of direct energy sources, it accounted for 46% of total energy, a decrease of 7% as compared to FY2020.

DyStar recognizes the significant benefits and cost-savings that may arise from a reduction in energy consumption. Hence, DyStar taps on innovative technologies and opportunities, including fuel-efficient combustion units to reduce its energy usage. Additionally, at its production sites, production heads are given specific reduction targets which are reviewed annually and the following checks are conducted to ensure each production site implements appropriate measures to reduce its energy consumption:

- Check for opportunities at all sites to establish independent power supply by use of renewable sources (solar power, wind power)
- Check that all lamps have been substituted with LED lamps
- Review large power consumers by checking the feasibility to operate them with variable frequency drives
- Ensure energy-efficient motors are used when new machines are installed
- Check leakages in compressed air and condensate systems and eliminate leakages to reduce power and steam consumption
- Continue the program for Ludwigshafen and Raunheim based on the certified Energy Management System ISO50001:2018

During the reporting period, members of senior management also routinely review resource consumption data and engage in discussions on identifying opportunities for boosting energy-efficiency.

Apart from optimizing resource efficiency, DyStar also taps on the use of renewable energy, which includes solar energy, hydroelectric power,

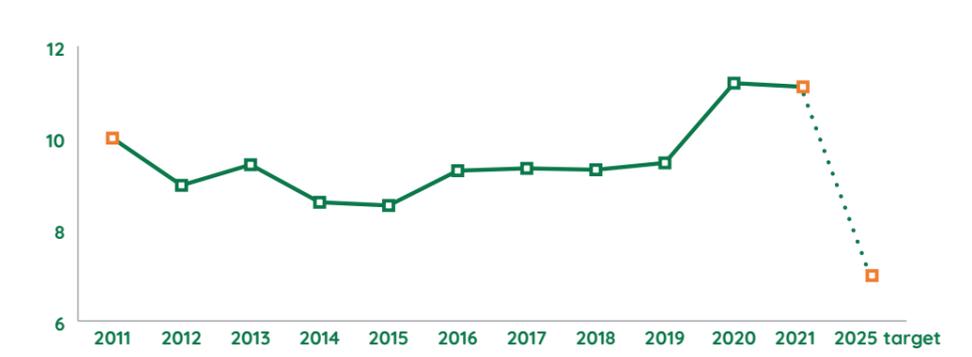
wind energy, and geothermal energy, to reduce its reliance on energy produced from fossil fuels. This is aligned DyStar's commitment in driving the transition towards a cleaner energy future. During the year 2021, DyStar made notable achievements in transitioning towards renewable energy:

- The first solar power plant with a capacity of 15 kW is approved for a warehouse in Pakistan
- A 240 kW solar power plant is under evaluation for Ankleshwar Plant
- A solar power plant with a grid capacity of 1,000 kW is under review to substitute electricity at Corlu Plant

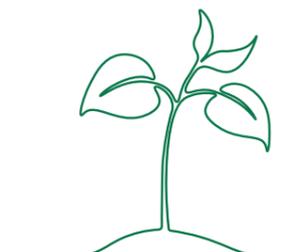
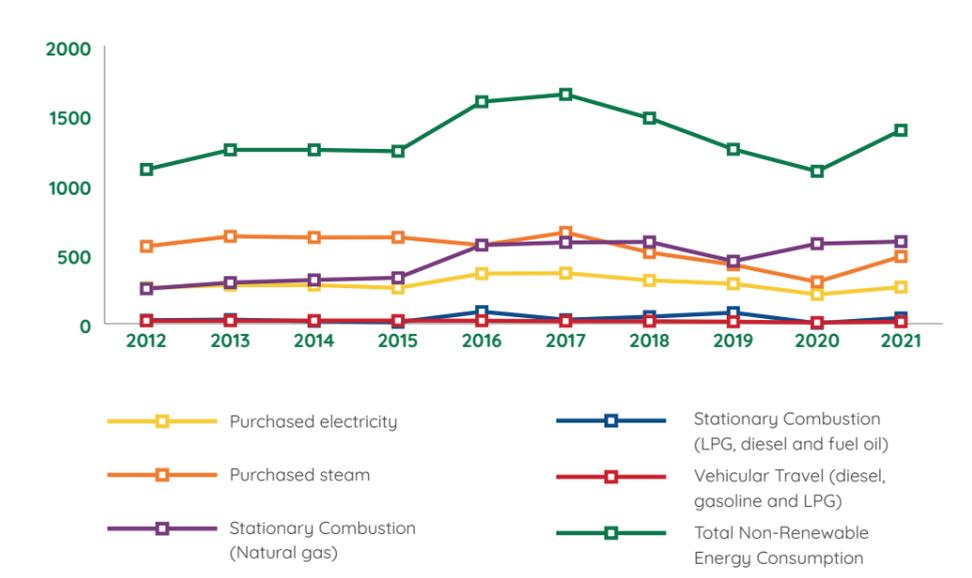
DyStar renewable energy consumption totaled to approximately 29.6TJ in FY2021, a 1187% increase from FY2020. This was due to a change in the methodology used in the calculation of renewable energy consumption, where the energy mix of third-party energy suppliers across all DyStar's geographical locations were accounted for. DyStar will continue to explore opportunities to further boost the share of renewable energy among its total energy needs.

DyStar Turkey has committed to using electricity generated from renewable resources through the redemption of Renewable Energy Certificates, throughout the period of FY2021 to FY2022.

Non-Renewable Energy Intensity (GJ used per ton of production)



Non-Renewable Energy Consumption by Source (TJ)



Environmental Resource Management

Water

Water plays a critical role in DyStar's daily operations. From being used in the process of manufacturing liquid dyes and its related products, to cleaning its equipment, water is an integral part of DyStar's business. Given the essential role of water in DyStar's operations and it being a scarce resource, DyStar is committed to the conservation of the planet's water resources and monitors the consumption of water across its operations.

In FY2021, DyStar consumed a total of 7.85 million m³ of water, representing a 19% increase compared to FY2020. However, water consumption intensity in FY2021 decreased by 8.0% compared to FY2020 due to higher production efficiency.

DyStar remains committed to mitigating the impacts of its operations on the environment and meeting its 2025 goal of reducing its production footprint by 30% from 2011 levels. Throughout the year, DyStar sought opportunities to enhance its water efficiency and made improvements to its operational processes to reap further efficiencies and savings. This includes the following:

- Installation of high-pressure cleaners for equipment cleaning
- Installation of liquid ring vacuum systems with cooling circulation or substitution of liquid ring vacuum pumps with dry running vacuum pumps to reduce water consumption

In areas where water supply is constrained, DyStar has identified rainwater as a potential source of water, to reduce the amount of water withdrawn in such areas. At DyStar's Ankleshwar site, plans have been made to harvest rainwater directly. Rainwater has also been utilized in cooling towers at DyStar's manufacturing sites, helping to make up for water shortages.

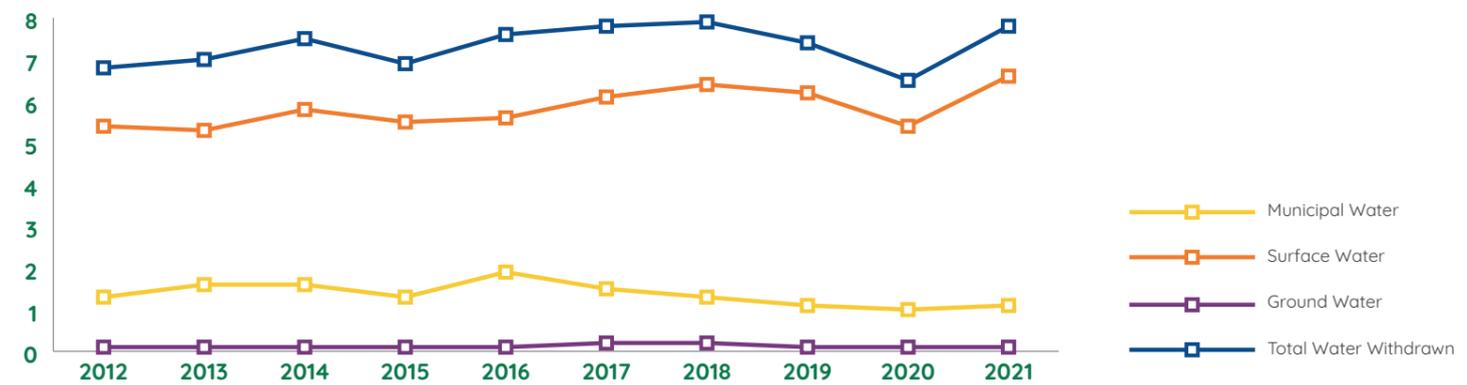
To further improve its water efficiency, DyStar seeks to identify new opportunities in reusing water. In FY2021, Ankleshwar and Gabus sites reused recovered water from sewage for gardening purposes. Additionally, multi-effect evaporation of wastewater was carried out to produce condensate, which is used as process water at Gabus site, and there are plans to carry out this initiative at Ankleshwar site in FY2022.

In FY2021, DyStar reused 2.07 million m³ of water, the equivalent of approximately 27% of the company's total water consumption.

Water Consumption Intensity (m³ of water consumed per ton of production)



Water Withdrawal by Source (million m³)



Wastewater

DyStar employs industry best standards in managing wastewater to protect local communities and water resources. To treat wastewater, DyStar utilizes both onsite and offsite wastewater treatment methods. The Group treats wastewater on-site using chemical treatment, flocculation, dissolved air flotation or biological treatment – depending on the physical and chemical composition of the wastewater.

DyStar works with certified external contractors for the final treatment of wastewater after on-site treatment. All wastewater produced by DyStar operations was discharged according to applicable regulations and local permits.

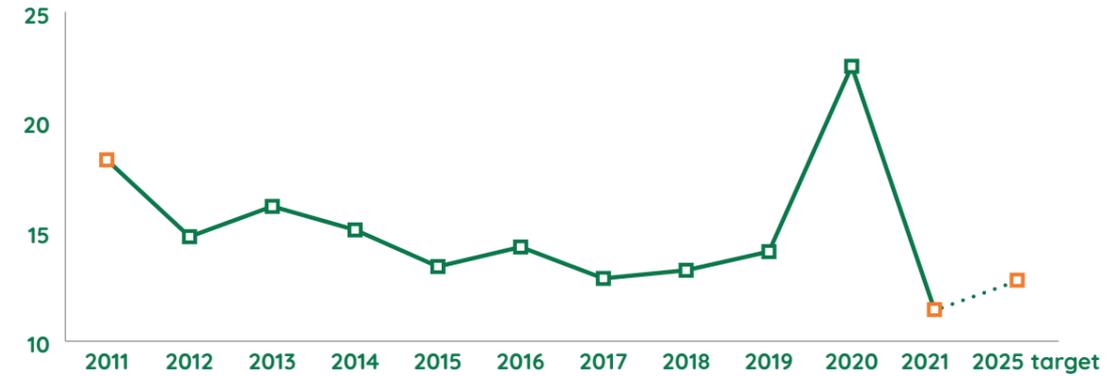
The Group also monitors wastewater on its sites to ensure threshold limits stated in contracts or regulations are not exceeded. Wastewater is being monitored regularly before discharge using samples from the buffer tank to ensure compliance. Sites have in place spectrophotometers to analyse several discharge parameters. The same precautions are applied for wastewater bound for final treatment at municipal plants and wastewater handled by certified

external contractors. At DyStar, strict measures are in place to ensure the prohibition of the reuse of wastewater by other organizations.

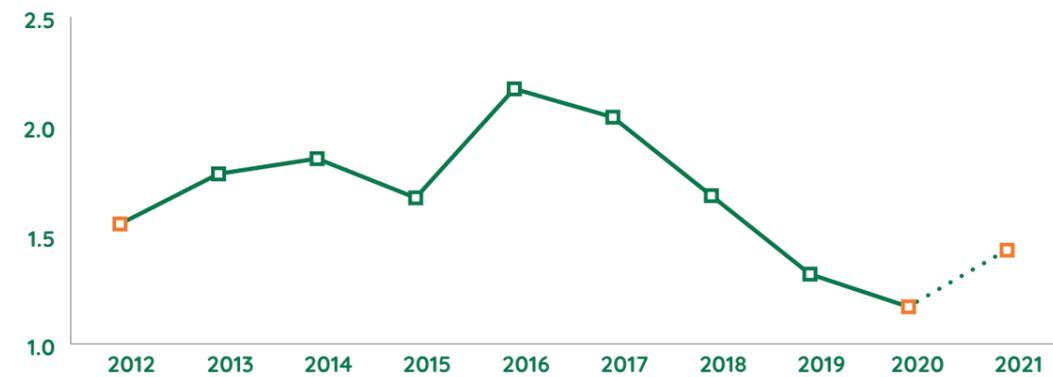
In FY2021, DyStar discharged 1.43 million m³ of wastewater, an increase of approximately 22% as compared to FY2020. However, wastewater intensity has improved to 11.44m³ per ton of production, well below DyStar’s 2025 target of 12.78m³ per ton of production. This change was due to the partial diversion of wastewater to wastewater treatment plant as liquid waste disposal or incineration due to the capacity limitation to handle wastewater on site.

The Ankleshwar and Gabus sites are currently part of a “Zero Liquid Discharge Scheme” under the local authorities’ initiative due to environmental impact assessments conducted or the nature of production license. These sites are prohibited from discharging any wastewater. Instead, the wastewater goes through a treatment process to be converted to a concentrate or solid residue, for disposal via landfill or incineration. Water recovered in the process is then reused as makeup water for cooling towers or process water.

Wastewater Production Intensity (m³ of wastewater discharged per ton of production)



Wastewater Discharged (million m³)



Featuring: Image from Ogun Burduroglu

Environmental Resource Management

Air Emissions

DyStar is committed to ensuring that air pollutants emitted from its manufacturing sites and operations are within approved limits. DyStar's main air pollutants include particulate matters (dust), total organic carbon (TOC), volatile organic compounds (VOC), sulfuric oxides, ammonia, hydrochlorides, and nitrous dioxide.

At DyStar's Ludwigshafen and Gabus manufacturing sites, the various nitrous oxides and methane are measured, as these exhaust gas compounds are a part of the local discharge limits. To reduce the amount of air pollutants emitted, DyStar is exploring new exhaust gas treatment systems with higher efficiency, while optimizing existing systems to reduce TOC and dust emissions.

Waste Management

Waste at DyStar comprises of both hazardous and non-hazardous waste. DyStar is mindful that the increased volume of waste generated may pose serious threats to the ecosystem as well as human health. Hence, the company is committed to reducing its overall waste generated and ensuring the proper treatment of waste.

At DyStar, hazardous waste such as contaminated waste packaging, product residues, residues resulting from the distillation recovery of solvents, solutions and other liquids that cannot be disposed of as wastewater, and residues that may remain after wastewater evaporation at certain plants are produced as a result of its manufacturing activities. In FY2021, DyStar generated 8,134 tons of hazardous waste.

As for non-hazardous waste, it comprises mostly office waste, uncontaminated packaging material, and pallets. DyStar remains

steadfast in managing its waste efficiently and seeks to reuse and recycle as much of its non-hazardous waste as possible. In FY2021, DyStar generated 4,900 tons of non-hazardous waste, of which 27% were recycled or reused and the remaining sent to landfills.

The overall waste intensity for FY2021 was 104.09 kg per ton of production, with hazardous waste intensity at 64.96 kg per ton of production. In FY2021, there were no major hazardous waste spillages across all DyStar locations.

In total, DyStar disposed 13,193 tons of hazardous and non-hazardous waste in FY2021, with 73% categorized as hazardous. The total waste disposed was higher than the total waste generated during the year due to accumulated hazardous waste as a result of product transfers from sites which were closed being disposed from DyStar sites in USA to avoid exceeding the storage limits. This also accounts for the increase in hazardous waste disposed during the year. The majority of waste sent to landfills was non-hazardous. Hazardous waste was mainly disposed of via incineration and was converted to energy at vendor-located waste-to-energy incineration plants. As for those sent to the landfill, hazardous waste was properly contained on licensed sites dedicated to stabilized industrial waste.

DyStar Africa has received a Gold certificate for its implementation of an onsite waste minimization program, leading to the successful recycling of 82% of its generated waste volume in FY2021.

DyStar implements strict measures and controls to ensure hazardous waste is properly handled and disposed of. The company's HSE

management system adopts a precautionary approach to ensure the handling and disposal of hazardous waste will not pose harm to the local communities, employees, and the environment. Only permitted licensed waste management contractors can handle and dispose of DyStar's hazardous waste and all DyStar external partners are required to adhere to all applicable laws and regulations as well as participate in external audits. Additionally, the transportation of company waste across national borders is prohibited.

To address the improper use or treatment of DyStar's products by customers, it ensures proper communication with customers on the proper safe-handling practices and technical advice regarding wastewater treatment.

Biodiversity

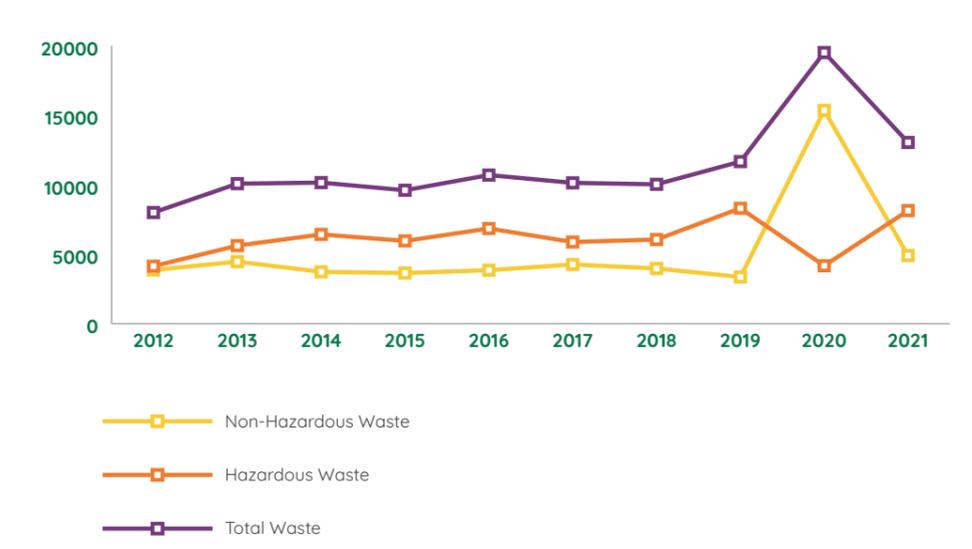
DyStar's operations do not take place near protected, highly biodiverse, or critically important ecosystems or habitats and the company takes necessary precautions to ensure that there are no significant impacts of its operations on the surrounding ecosystems. New manufacturing sites are subjected to rigorous environmental and social impact assessments as part of these precautions. These assessments are also extended to hazardous waste, wastewater, and certified disposal companies DyStar works with.

Currently, no significant impacts on local biodiversity or habitats resulting from DyStar's production activities have been identified at any of its operating locations.

Waste Production Intensity (kg of waste per ton of production)



Waste Production by Category (tons)





HUMAN CAPITAL

At DyStar, the development and well-being of our employees are a top priority. Mechanisms are put in place to ensure ethical conduct of our workforce, and provide a fair, inclusive and diverse workplace for all.

Featuring: Image from Stephen Limantoni

Supporting and Developing Our People

Employee Well-being

With employees being the cornerstone of DyStar's success, DyStar continues to place a high focus on building a purpose-driven organization and creating an inclusive work environment where employees can thrive and drive the company's growth.

DYSTAR'S WORKFORCE

As of 31 December 2021, DyStar's workforce comprises of 1,719 employees in FY2021, of which 93.6% are permanent full-time employees and around 1.5% are permanent part-time employees. Temporary employees, including employees with fixed-term or temporary employment contracts, account for about 4.9% of DyStar's workforce. For FY2021, 100% of DyStar's eligible permanent employees received a performance review, comprising of 851 males and 457 females.



Supporting and Developing Our People

MANAGING THE COVID-19 PANDEMIC

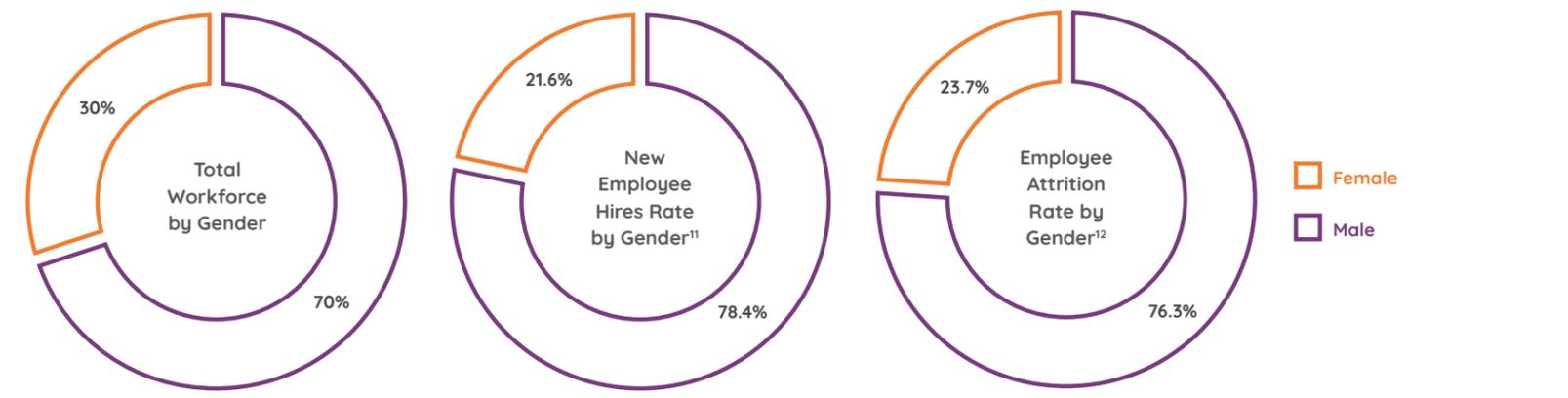
For a good part of FY2021, COVID-19 pandemic restrictions were still in place in most of the Group's operating markets. To safeguard the health and safety of employees, most of DyStar's offices globally have been adopting "work from home" arrangements. As the world moves towards a new normal and with the easing of the pandemic, employees are encouraged to return to the office gradually with support from the Regional Vice Presidents and Regional Human Resource department.

Given the dynamic COVID-19 situations in different markets and countries, DyStar adjusted its resumption of workplace activities in accordance to the local regulatory requirement and is guided by its Health and Safety protocols. As part of DyStar's global transition plan, DyStar introduced hybrid working mode for some countries to support employees' re-integration back into the workplace environment. Newsletters comprising of essential updates on economic landscape and responses to COVID-19 development were also regularly shared with employees. Additionally, DyStar also highlighted the importance of mental wellbeing by reminding and encouraging employees to speak out whenever they need help.

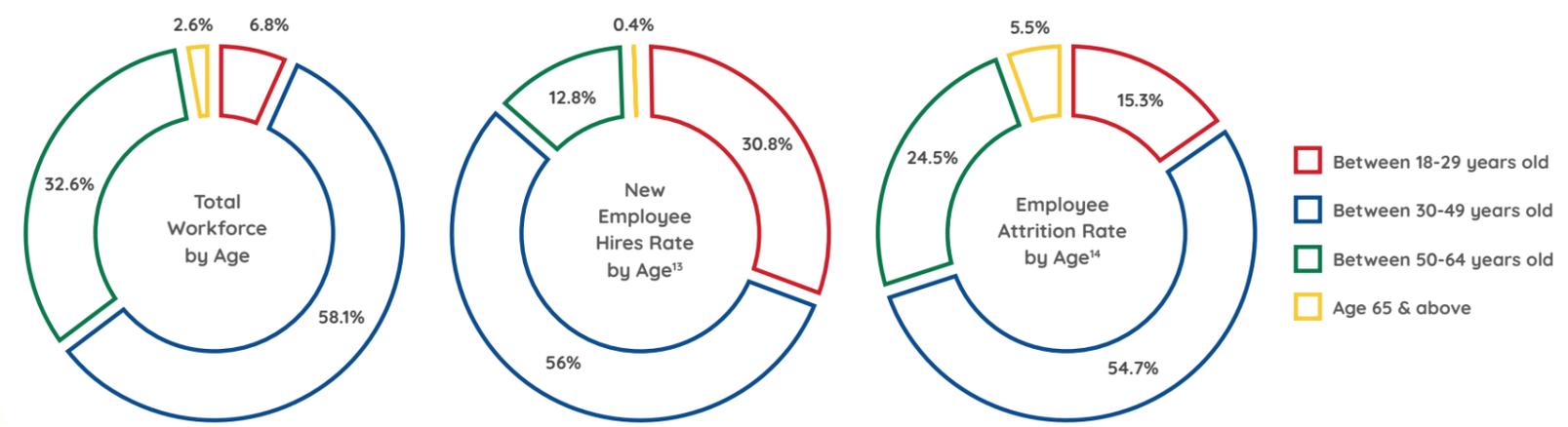
COMPETITIVE BENEFITS

DyStar complies with the respective social security and pension plan contribution in the country it operates in as well as provides permanent full-time and part-time employees with a comprehensive benefits package:

- Pension plans – either defined benefit or defined contribution plans
- Medical plans – often including prescription drug coverage and dental
- Life insurance
- Disability protection
- Accident insurance
- Business travel accident insurance
- Paid vacation, holiday, and leave programs



¹¹ New Employee Hires Rate by Gender = New hires by gender/ Total no. of new hires
¹² Employee Attrition Rate by Gender = Turnover by gender/ Total no. of turnover



¹³ New Employee Hires Rate by Age = New hires by age/ Total no. of new hires
¹⁴ Employee Attrition Rate by Age = Turnover by age/ Total no. of turnover



Developing People

DyStar empowers its employees by placing emphasis on upskilling through the enhancement of employees' core competencies. To nurture a diverse and empowered talent pool, DyStar invests in training and development opportunities to provide effective skill development opportunities for employees. This includes Health, Safety and Environment (HSE) and technical training.

Constant improvement of employees' knowledge, skills, and capacity is critical for DyStar's employees to respond to future challenges and contribute to DyStar's long-term growth. In FY2021, DyStar sponsored 20,258 training hours for employees to enhance their skills. During the year, various HSE training and a total of 7367 training hours were committed to HSE topics to ensure employees' health and safety and full compliance with the increasing regulatory requirements. In view of the COVID-19 regulations, many in-person trainings were cancelled or postponed. However, DyStar continued to encourage employees to attend more trainings via online platforms such as Coursera and LinkedIn and explored new ways for employees to gain knowledge and skills by transitioning training courses to be available online and reducing training hours for each course.

To facilitate the exchange of knowledge and resources across DyStar's global operations, all employees are encouraged to learn and use English as a common language. Annual performance appraisals and career planning workshops are also provided to aid employees in career advancement. In FY2021, 100% of permanent full-time and part-time employees underwent the annual performance review.

GLOBAL TRAINING PROGRAM

To coordinate the training outcomes for all employees, DyStar's HR staff works with regional offices throughout its global operations to implement and execute DyStar's Global Training Program. These trainings include mandatory training for regulatory, safety, quality, and certification work, technical training to improve job competencies, and soft skills training for supervisory, interpersonal, and leadership skills. The Global Training Program at DyStar seeks to increase each employee's capacity and performance on the job while enhancing the efficacy and efficiency of the company at the same time.



Aside from training opportunities, DyStar provides internship programs for aspiring young textile professionals, oversees employee referral programs to hire talented members from employees' networks, and recognizes its top performers in the form of awards.

MANAGEMENT TRAINEE PROGRAM (MTP)

DyStar launched the global Management Trainee Program (MTP) to attract and retain capable managers who are well-prepared to meet DyStar's current and future challenges as well as enhance its reputation as an employer of choice. Tailored to everyone's abilities and needs, the program consists of sequenced assignments and the gradual acquisition of important leadership competencies to develop young talent within DyStar into future leaders. In FY2021, DyStar groomed a total of 6 Management Trainees.

PRODUCT MARKETING TRAINING

As part of DyStar's University (DSU) platform, various courses and training materials are continually created and provided to Business Managers, and sales personnel for the respective products offered by DyStar. DyStar believes in equipping their workforce with the necessary skills and knowledge, to foster more fruitful working relationships with the respective stakeholders. Courses and trainings currently offered at DSU are focused on familiarizing employees with DyStar's product offerings, operations and protocols. In FY2021, 44 employees completed the training modules offered by DSU in its soft launch.

Diversity and Equality

DyStar embraces diversity, equity, and inclusivity and strives to provide equal opportunities for all. The Group has a workplace policy to ensure fair hiring practices¹⁵, selecting employees and contractors purely based on merit.

DyStar adopts a zero-tolerance stance towards workplace discrimination, in any form based on ethnicity, religion, ideology, gender, age, disability, or sexual orientation¹⁶. DyStar has an internal mechanism to address any reported incidents of harassment or discrimination. In FY2021, DyStar recorded zero cases of discrimination and zero identified incidents of violations involving the rights of indigenous peoples.

DyStar aims to increase the role of women in its workforce, and actively seeks to provide more women with excellent career opportunities. As of FY2021, DyStar's production team is made up of approximately 5% female, with 30.3% female representation in the management, and 29.7% across DyStar's whole workforce. Women are better represented at DyStar's non-production sites, accounting for 50% of DyStar's administration staff. Due to the nature of the production jobs, most of its applicants continue to be men, as roles requiring manual labor and machinery are generally less appealing to women.

Moving forward, DyStar is dedicated to increasing the proportion of women and non-binary employees in its workforce and continues to seek opportunities to reduce the gender gap in its operations.

Supporting and Developing Our People

¹⁵ For more information on DyStar's hiring policies, please see the Social Accountability Declaration at dystar.com/corporate-social-responsibility/.

¹⁶ For more information on DyStar's anti-discrimination approach, please see the Social Accountability Declaration at dystar.com/corporate-social-responsibility/.



Global Employee Recognition Award

DyStar recognizes outstanding employees who have gone above and beyond in their work by awarding them with the

company's annual Global Employee Recognition Awards. The following employees were lauded for their efforts and hard work in 2021:



From Left to Right:

YOSHIYUKI MAKINO

Production and Quality Management Manager - JAPAN

This is a small success, but the accumulation of small success with steady efforts by our team makes big and fruitful success. I would like to thank Dr. Asao and the global team for nominating me for this award and thank you to our team in Omuta also.

SEAW YEN MEE

Senior Customer Service Executive - SINGAPORE

Yen Mee is appreciated for her initiative and timely follow-through on several joint Finance and Customer Service projects. Through her efforts, she was quick to act upon the Covid-19 impact at the workplace and managed to coordinate with others to minimise any business interruptions. Often, she demonstrates willingness to listen and comes up with solutions to many of the CS queries from a Finance perspective.

DR THUY LE

Business Manager Textile Chemicals Europe - GERMANY

It is a pleasant surprise to see my name on the list of DyStar's 2021 Global Employee Recognition Awards. I am honoured and humbled to get nominated and receive the bronze award. Such recognition surely keeps my spirit and motivation high and allows me to contribute further to the success of DyStar. Thank you!

CECILE WANG

Finance and Administrative Assistant Manager - CHINA

Looking back on my career path, I realized that without the platform and opportunities provided by DyStar and support from all colleagues, I would not be able to get where I am. I'd like to thank you all again and wish all of us an even brighter future with DyStar

ANGELA ZHU

Senior Customer Service Specialist - CHINA

We work hard together, overcome difficulties one by one, especially since COVID-19 in 2019. The Gold Award belongs to the whole team not only me, I would like to share the honour with all the team members.

SAGAR SALUNKHE

Officer, Supply Chain Management - INDIA, Ankleshwar Plant

Thank you very much for all your guidance and support. I wish all members of the DyStar family to stay safe, healthy and happy. I will assure to contribute my best to DyStar to achieve great milestones in the upcoming years.

AYGUT USTA

Office Boy, Supply Chain Management - TURKEY

I am very satisfied to be part of the DyStar Turkey family. That's why I recommended some employees for open positions in DyStar Turkey and they started to work here. I will continue to do the duties that I've been carrying out since 2018 at the same excitement, determination and attention as on my first day of DyStar Turkey.

CARLOS NAVARRO

Head of Business Development, Printing/Dyes - BRAZIL

The constant study, the day-to-day in the factories and the knowledge exchanged with colleagues brought all the expertise I have today, which I take great pleasure in passing on, helping my colleagues as I was once helped.

Supporting and Developing Our People

Supporting and Developing Our People

Workplace Health and Safety

Safeguarding the health and safety of its employees has always been a top priority for DyStar. The Group is committed to providing a safe workplace and cultivating a strong safety-first culture. To that end, the Group has an Occupational Health, Safety and Environmental Protection framework to guide its approach:

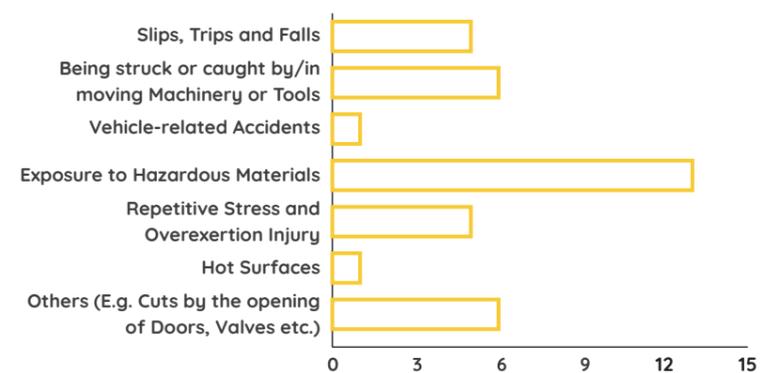
1. Adequate personal protective equipment (“PPE”) for employees to protect from direct and long-term health risks related to the handling of hazardous materials or hazardous processes. A PPE Matrix related to such hazards is under implementation at all sites.
2. Regular and rigorous site inspections by interdisciplinary teams are essential to identify potential health and safety risks. Any gaps are remediated within a set timeframe with appropriate follow-up actions. In addition, based on the ease of travel restrictions, it is planned to restart the dedicated safety audits at selected manufacturing sites.
3. Investigation of all incidents and accidents by onsite management with HSE experts to address root causes, define right corrective actions and prevent recurrences.

Apart from the above, DyStar also has strict policies to ensure safe handling of hazardous materials, handling chemicals under pressure, working at elevated temperatures, and dealing with the release of hazardous byproducts among other protocols. For instance, the Group has put in place the Emergency Response Plan (“ERP”), which provides step-by-step guidance on handling hazardous chemical incidents on manufacturing sites. In such situations, special actions are to be taken, as prescribed by the Standard Operating Procedures (“SOP”) or operation manuals.

Going forward, DyStar plans to obtain the ISO450001 certification in FY2023 to further strengthen its occupational safety standards.

To support safety measures throughout the company, DyStar has established a global network of Health, Safety and Environmental Protection (“HSE”), Regional and local HSE Managers to ensure that all employees and contractors adhere to applicable laws, regulations and DyStar policies. The HSE Team develops vigilance-related guidelines and training programs as well as reviews the efficiency on a regular basis together with the Regional and Global HSE Managers.

In FY2021, DyStar is pleased to report zero cases of workplace fatalities, high-consequence injuries, and work-related ill health. However, 37 cases of workplace injuries were reported, with 35 cases involving employees, and another 2 cases involving non-employees. The most common workplace injury was related to “Exposure to Hazardous Materials”, with a total of 13 cases reported (11 employees, 2 non-employees). The breakdown of the type of injuries is as follows:



HAZARD RISK IDENTIFICATION AND ASSESSMENT

As part of its efforts to mitigate risks arising from work-related hazards, DyStar has implemented a detailed Job Hazard Analysis on all sites. All potential hazards that may negatively affect employees are reviewed during hazard analysis, alongside the implementation of additional technical or organizational measures to guarantee a safe environment. Respective site managers have the responsibility to ensure that employees adhere to defined safety procedures and best practices outlined for work sites, such as manufacturing plants, laboratories or warehouses, and review the efficiency of measures that have been implemented.

For example, at DyStar’s Germany worksites, the analysis is prepared in accordance with the procedures described in the German Workplace Ordinance, which serves to ensure the safety and protection of the health of employees at the workplace. In the event of any changes to the working environment, immediate technical (modification of current equipment, installing new equipment) or organizational actions (adjustments of standard operation procedures) are taken to mitigate potential health and safety risks.

Risk assessments related to the handling of hazardous chemical is conducted separately as part of the Process Hazard Analysis (HAZOP). The HAZOP principle includes all potential misoperations and technical deviations which may result in an impact on people, property or environment. The principle is a “one failure principle” which ensures limited impacts arise from all deviations identified. There is also a dedicated procedure considering potential deviations, their impacts and related organizational and/or technical measures to minimise the impact.

INCIDENT REPORTING

For all near misses or work-related accidents, they are logged in the report system “Incident Tracker”, which includes the description of the incident, root cause investigation, and corrective and preventive actions taken to avoid a repeat of similar cases.

For work-related hazard or hazardous situation, they are also reported as “near miss” in the Incident Tracker. When such incidents are reported, immediate corrective actions will be taken to prevent an “unsafe” situation, that may potentially result in a work-related accident, or negatively affect the health and safety of DyStar’s employees.

OCCUPATIONAL HEALTH SERVICES

DyStar regularly monitors its operations, for potential negative health impacts on its employees and considers ergonomic reviews resulting in technical improvements, such as the installation of vacuum lifters at workplaces with regular demand to lift loads, and the reduction of the load of single containments. Additionally, DyStar also provides medical services at all its manufacturing sites to ensure employees have access to regular consultations with an on-site physician. DyStar employees are also covered by work insurance programs. For example, at DyStar’s Ankleshwar site, it has an Occupational Health Centre which can be accessed by all employees.



Supporting and Developing Our People

HEALTH AND SAFETY TRAINING AND EMPLOYEE PARTICIPATION
Occupational Health and Work Safety trainings are conducted regularly on all sites. This includes trainings on work-related hazards and the implementation of new hazardous materials, as well as the use of safety data sheets and PPE procedures to ensure safe handling of these materials. DyStar also conducts mandatory first aid and safety training to arm employees with the necessary knowledge to detect, deter and respond to any safety issues that may arise across operations. In FY2021, 100% of DyStar’s employees working at manufacturing sites attended safety trainings.

As part of DyStar’s Process Safety Management initiative, employee participation is one major element to improving Occupational Health, Work and Process Safety. At several of DyStar’s manufacturing sites, Employee Health and Safety (EHS) Committees have been set up. The EHS Committee oversees the implementation and monitoring of defined action plans to create a safer work environment for DyStar’s employees. This includes having a HSE improvement plan with annual targets at each manufacturing site. These targets are reviewed regularly through meetings, where each site will have to present their current progress against the targets. By the end of 2022, DyStar aims to set up EHS Committees within all its manufacturing sites.

Internal Week for the Prevention of Accidents and Environment at DyStar Brazil
From 18th to 22nd October 2021, DyStar Brazil’s Apiuna site held its 20th Prevention of Accidents and Environment Week internally, with the motto “Sewing Safety to Harvest Quality of Life”. Topics such as “Mental Health and Well-being During the Pandemic”, “Handling, Storage and Transport of Hazardous Products”, and “Process Safety Management” were discussed. The Apiuna Site also celebrated the milestone of 2000 days without accidents with no lost working days.



Restart “5S” Activity in DyStar Japan Omuta Factory
On 20th October 2021, DyStar Japan restarted its “5S” Activity involving all its employees, to help clean up the gate of its Omuta facilities. The event was suspended due to the COVID-19 pandemic and was only reinstated in 2021. Apart from fostering camaraderie among employees, the event served to raise awareness around health and safety issues at the workplace, as well as provide workers with the peace of mind to move forward from the COVID-19 pandemic.



Ethical Business

DyStar recognizes its societal responsibilities and is committed to building a strong foundation for its corporate governance. DyStar has implemented strong ethics and compliance mechanisms to prevent unethical behavior and strengthen existing safeguards. In addition to the Code of Conduct which has eight principles and sets out the framework for employees on ethical values, DyStar also has a Fraud Policy to protect whistleblowers, a Supplier and Third-Party Service Provider Code of Business Conduct, and a Sales Related Service Partners Code of Business Conduct. These principles and policies, combined with the vigilance of DyStar's managers and employees, serve to ensure business integrity and the highest ethical and compliance standards are upheld to maintain trust among stakeholders.



ANTI-CORRUPTION AND ANTI-COMPETITION

With operations across multiple geographical locations and engagements with various stakeholders, DyStar's business is exposed to risks of corruption and bribery. To that end, 100% of DyStar operations were assessed by the Global Internal Audit Team for risks relating to corruption. In FY2021, no significant risks relating to corruption were identified through the risk assessment conducted. The company has a zero-tolerance stance towards any form of bribery and corruption. At DyStar, anti-corruption policies are communicated to 100% of all employees across the organization, including governance body members, Managers, Directors and Vice Presidents. Additionally, to ensure employees adhere to these policies and are prepared in addressing matters relating to ethical business conduct, all employees receive training on anti-corruption annually. In FY2021, DyStar reported zero confirmed anti-corruption cases and zero public legal cases regarding corruption brought against the organization or its employees.

As for anti-competition behavior, DyStar strictly follows all laws and regulations and does not tolerate such behavior from its employees. It is imperative and part of DyStar's policy for all employees to abide by the laws, and legal counselling is also available for employees who may have queries relating to anti-competition behavior. In FY2021, zero cases regarding anti-competitive behavior and violations of anti-trust and monopoly legislation were reported.

Human Rights

DyStar adopts a zero-tolerance stance towards child, forced and compulsory labor and is committed to operating its business responsibly. DyStar's Human Rights Policy is embedded as part of the organization's Code of Conduct and all contracts signed by external parties require them to abide by human rights' laws and regulations in their respective jurisdiction.

No sites are allowed to employ children and only those above the age of 18 are hired due to safety reasons. To ensure suppliers uphold human rights principles and maintain the basic standards of business conduct, DyStar engages in supplier engagement processes and regular on-site visits to monitor for signs of human rights abuses in its supply chain. For example, all significant suppliers are audited onsite either annually or biannually to ensure they comply with DyStar's stance against the employment of children and both internal and external audits are conducted to ensure no forced labor takes place.

To date, there has been no reported case relating to child or forced labor, and DyStar has not been charged any fines or penalties in this area.

DyStar respects work's rights to exercise freedom of association or collective bargaining agreements. In FY2021, 22% of DyStar employees are covered under collective bargaining agreements. In the event of significant operational changes that could substantially affect employees, employees are provided a notice period. However, this varies based on the collective bargaining agreement signed and location regulations.



Data Privacy

In a digital age, DyStar recognizes cyber threats as a risk and the need to strengthen data protection to safeguard its customer's data. The company is committed to protecting its corporate data and that of its customers with the highest standards of data security and privacy.

With the aim of safeguarding its stakeholders' personal data, DyStar has implemented data privacy measures and works closely with global regulators and investor-related bodies to meet requirements

such as the European Union General Data Protection Regulation (GDPR) and Personal Data Protection Act 2012 (PDPA). Additionally, DyStar also introduced its Global Personal Data Protection Policy in 2018, which clearly denotes practices relating to the collection, processing, use and disclosure of personal data, to comply with various data privacy requirements.

To prevent the loss of customer data, DyStar Singapore carries out a personal data protection internal audit annually and follows a data breach procedure.

DyStar's Data Breach Procedure

DATA BREACH RESPONSE PROCESS	ACTIONS TAKEN TO CONTAIN THE DATA BREACH
<p>Step 1: Contain Staff should report all suspected/confirmed data breaches to a specific individual immediately. Data breach management team to conduct an initial assessment of the data breach to assess the severity.</p>	<ol style="list-style-type: none"> 1. Isolate the compromised system from the Internet or network, or shut down the compromised system if necessary. 2. Prevent further unauthorised access to the system - e.g. reset passwords if accounts and passwords have been compromised. 3. Isolate the causes of the data breach in the system, and where applicable, change the access rights to the compromised system. 4. Stop the identified practices that led to the data breach. 5. Establish whether the lost data can be recovered and steps that can be taken to minimise any harm or impact caused by the data breach (e.g. remotely disabling a lost notebook containing personal data of individuals).
<p>Step 2: Assess An in-depth assessment of the data breach will be conducted to understand the risks posed by the data breach and how these risks can be addressed.</p>	
<p>Step 3: Report Notification of PDPC and affected individuals</p>	
<p>Step 4: Evaluate Review and take action to prevent future breaches.</p>	



In FY2021, DyStar reported zero case of identified losses of customer data as well as zero substantiated complaints received concerning breaches of customer privacy.

DyStar embraces diversity, equity, and inclusivity and strives to provide equal opportunities for all.





SOCIAL CAPITAL

DyStar acknowledges the importance of ensuring healthy interaction with local stakeholders and generating positive outcomes for the local communities around where we operate.

Featuring: Image from Fiji Tio

Contributing to the Community

DyStar is committed to being a responsible citizen and recognizes that its operations have significant impacts on the towns and villages that surround them. The company seeks to incorporate sustainable practices in its operations to create value for the stakeholders, while still generating positive outcomes for the local communities.

To help strengthen local communities, DyStar pledged to invest in the education and training of the local workforce. As part of its efforts, DyStar prioritizes locals in its hiring process.

In FY2021, DyStar reported one case of actual or potential negative impacts on the local community. During the year, feedback from one resident relating to high noise levels arising from DyStar's USA production plant was received. To remediate the situation, DyStar's local team diagnosed the problem and put in place buffer measures, as well as followed up promptly with the affected resident. DyStar will continue to collaborate with stakeholders such as local authorities and non-government organizations to enrich the lives of local communities wherever it operates.



Contributing to the Community

Embracing Cultural Diversity

DyStar is committed to creating an inclusive work environment, where employees of different cultural backgrounds feel welcomed to contribute their unique perspectives, and drive innovation within the company. Traditional practices are frequently featured in DyStar-sponsored events, while local traditions and cultures are encouraged and celebrated.



Independence Day Celebration at DyStar India

On 15th August 2021, DyStar India held a virtual event to celebrate the 75th Independence Day of India. Activities included an India-themed crossword puzzle, as well as a Family Photo competition, where employees had to don attire showcasing all colors of the India Flag.



DyStar Japan Omuta Factory: New Year Starts with the Annual Safety Ceremony in New Style

On 4th January 2021, the first working day of 2021 in Japan, a 25-minute Annual Safety Ceremony was conducted at DyStar Japan's Omuta factory. Due to the restrictions brought about by the COVID-19 pandemic, only 8 representatives across the different departments were able to attend. Attendees present prayed for the continued good health of DyStar's employees, and the safety of the factory as well.

CORPORATE SOCIAL RESPONSIBILITY

Throughout the year, DyStar participated in various corporate social responsibility ("CSR") programs to support the local community and environment as well as provide opportunities for its employees to be part of various community outreach initiatives.

Supporting Pandemic Relief Efforts in Gabus, Indonesia

As part of its CSR program in Indonesia, DyStar's Gabus team has donated USD 317.25 (4,750,000 IDR) worth of equipment to local communities, to aid them in their efforts in dealing with the COVID-19 pandemic. Items donated included masks, hand sanitizers, thermometer guns etc.



Donation to Sardar Patel Hospital

DyStar India has pledged USD 1402.59 (21,000,000 INR) worth of donations to the Shree Sardar Vallabhbai Patel Rotary General Hospital, located in Ankleshwar. The donations are meant to help fund the purchase of a navigation system for hip and knee replacement surgeries, and Minimal Invasive Cardiac surgery instruments sets.

War Relief Efforts in Ukraine

In light of the ongoing conflict between Russia and Ukraine, DyStar Germany has donated over 200kg of cotton to Ukraine as part of its care packages.

Customer Satisfaction

DyStar places customer satisfaction and experience at the forefront to ensure customer retention and sustainable business growth. To deliver better products to our customers, it is imperative to understand their satisfaction levels and the concerns they have. At DyStar, customer satisfaction surveys are conducted at each local site. However, due to the COVID-19 pandemic, not all sites were surveyed in FY2021. At DyStar Singapore, 100% of customers surveyed during the year reported a satisfaction level greater than 70% based on customer service provided.

In FY2021, DyStar experienced 373 justified and non-justified complaints from customers, 2 more than in FY2020. The complaints received were of various natures, ranging from logistics issues such as wrong labelling to product quality. Each complaint was resolved by the DyStar subsidiary site Quality Control team according to its nature. Despite the number of complaints remaining relatively constant across the years, DyStar strives to be committed to providing a satisfactory experience for all its customers and seeks to minimize the complaints received annually.

As part of the efforts to improve customer satisfaction, DyStar implemented the use of anti-slip paper on pallets for all global shipments from its Mem Martins production site in FY2021, resulting in a decrease in spillage rate from 1% to 0%. Previously, DyStar utilized the Medium-density Fibreboard pad on pallets for all global shipments, and the shift to anti-slip paper helped to avoid damage and leaking of drums during transportation.



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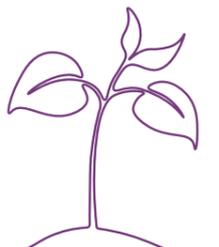
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UN SDGS	MATERIAL TOPIC	HOW DYSTAR SUPPORTS THE UN SDGS
 Targets 3.8 & 3.9	<ul style="list-style-type: none"> Workplace health and safety 	<ul style="list-style-type: none"> Provide permanent full-time and part-time employees with medical plans, life insurance and accident insurance Ensure a safe workplace by adhering with its Occupational Health, Safety and Environmental Protection Framework All employees working at manufacturing sites to undergo safety trainings Ensure proper treatment of hazardous and non-hazardous waste to reduce air, water and soil contamination
 Target 4.4	<ul style="list-style-type: none"> Developing people 	<ul style="list-style-type: none"> Invest in training and development opportunities to improve employees' knowledge and skills Engage with customers, brands and retailers via webinars to reduce resource use in the textile dyeing processes
 Target 5.5	<ul style="list-style-type: none"> Employee well-being 	<ul style="list-style-type: none"> Adopts a zero-tolerance stance towards any form of discrimination at the workplace Continuously seek opportunities to increase the role of women in its workforce and reduce the gender gap
 Targets 6.3 & 6.4	<ul style="list-style-type: none"> Climate resilience 	<ul style="list-style-type: none"> Ensure proper measures are in place to treat and manage wastewater Responsible consumption of water across its operations Reuse water and tap on alternative sources of water such as rainwater to reduce improve water efficiency
 Targets 7.2 & 7.3	<ul style="list-style-type: none"> Climate resilience 	<ul style="list-style-type: none"> Increasing the proportion of renewable energy Leveraging on innovative technologies and opportunities to reduce energy usage
 Target 8.1	<ul style="list-style-type: none"> Resilient economic performance 	<ul style="list-style-type: none"> Explore new ways to enhance resource efficiency to improve its financial flexibility and resilience Prioritize hiring from the local community

UN SDGS	MATERIAL TOPIC	HOW DYSTAR SUPPORTS THE UN SDGS
 Target 10.3	<ul style="list-style-type: none"> Employee well-being Human rights 	<ul style="list-style-type: none"> Adopts a zero-tolerance stance towards any form of discrimination at the workplace Creating an inclusive work environment
 Target 11.6	<ul style="list-style-type: none"> Production stewardship and innovation Climate resilience 	<ul style="list-style-type: none"> Leverage on innovation to ensure products are safe for human and the environment, and free from environmental, health and safety risks Proper management of waste and wastewater
 Targets 12.2, 12.4, 12.5 & 12.7	<ul style="list-style-type: none"> Climate resilience Responsible sourcing and supply chain Efficient use of raw materials Circular economy approach in manufacturing 	<ul style="list-style-type: none"> Reduce energy, waste and waste intensity across its operations Responsible sourcing of materials and suppliers Ensure resources are utilized at optimal efficiency to minimize wastage and maximize output Increase proportion of recycled packaging materials
 Target 13.2	<ul style="list-style-type: none"> Climate resilience 	<ul style="list-style-type: none"> Optimize transport and logistics to minimise environmental footprint Adopt new technology to reduce energy and GHG intensity Engage with customers, brands and retailers via webinars to reduce resource use in the textile dyeing processes
 Targets 16.5 & 16.6	<ul style="list-style-type: none"> Ethical business Human rights 	<ul style="list-style-type: none"> Conduct business with the highest standard of corporate governance and transparency Zero-tolerance stance towards child, forced and compulsory labor Implementation of a strong ethics and compliance mechanisms, including a Code of Conduct

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Committed to Sustainability

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Global Headquarters DyStar Singapore Pte Ltd

Tel: +65 6671 2800

Fax: +65 6659 1328

DyStar.Singapore@DyStar.com

www.DyStar.com

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