

Transparency Act assessment at Dynea

This describes Dynea's process for due diligence assessments in accordance with the Norwegian transparency Act. According to paragraph 4, companies are required to perform due diligence assessments in line with the OECD Guidelines for Multinational Enterprises.

[OECD Guidelines for Multinational Enterprises on Responsible Business Conduct | OECD iLibrary \(oecd-ilibrary.org\)](https://oecd-ilibrary.org/) ¹⁾

- **Integrated into the business**

Dynea's work to ensure fundamental human rights and decent work in the supply chain is an integral part of Dynea's overall strategy, and the follow-up work is integrated into the business.

- **Anchored in Dynea's overall strategy and social mission**

Dynea will sell responsibly, and our social mission and existence are thus based on sustainability. Sustainability is part of Dynea's overall strategy and a central aspect of its operations.

We have committed ourselves to working towards achieving the UN Sustainable Development Goals. Given our position as a global market purchaser, it is essential that Dynea contributes to the global community's achievement of these goals. Our efforts in relation to our suppliers are particularly focused on Sustainable Development goal No. 8: Decent Work and Economic Growth. Dynea's goal is for all workers in our supply chain to have working conditions that comply with international conventions and to avoid any instances of human rights violations.

- **Imposing requirements through our Ethical Guidelines and supplier sustainability requirements**

We impose requirements through our [Code of Conduct](#) ²⁾ on how we conduct our business and how we treat employees, customers, and suppliers. Additionally, we have specific requirements for our suppliers to adhere to our [Supplier Sustainability Code of Conduct](#) ³⁾

- **Due diligence assessments in four steps**

Dynea's process for due diligence assessments consists of four steps:

- Identify and assess risks
- Stop, prevent, mitigate or reduce negative impacts
- Ensure, or collaborate on, remediation
- Monitor implementation and results

See the paragraph below in the article for more details on risks and actions

- **Identify and assessing risks**

Central to Dynea's due diligence assessments is the identification and assessment of risks related to violations of our Supplier Sustainability Code of Conduct. This is conducted in three phases:

- **First phase: Overall analysis**

Dynea conducts all its production and operations within the EU. This means that we are subject to regulations which ensure that we operate within legal frameworks.

Within procurement, chemical raw materials constitute the majority. From a health and environmental perspective, the extensive regulations surrounding REACH provide good support.

Dynea has also conducted a risk analysis of our total supplier base to determine if we have certain countries or product/service areas that may be particularly vulnerable (encl.1)

- **Second phase: Mapping and evaluation**

The analyses in the first phase provide an overview of the most significant risks and the countries/regions where they are most prominent. This forms the basis for assessing and prioritizing the mapping in the second phase.

Based on the analysis of the supplier base, we observe that deliveries of certain raw materials from high-risk countries, along with some risk-prone sectors within logistics and services, pose the greatest sustainability risk for us.

Raw material deliveries from high-risk countries are necessary, but it is also a fact that, in terms of working environment and conditions, the chemical industry in these countries characterized by a high degree of automation and professionalism. This reduces the risk compared to suppliers from the same country with more manual and labour-intensive processes.

Regarding challenges in the logistics industry, which are also applicable in Norway and Europe, we work closely with our transporters to ensure proper working conditions. It is worth mentioning that Dynea, at our facility in Lillestrøm, has established sanitary facilities for long-haul drivers who either pick up or deliver products at our site.

- **Third phase: Prioritization**

Based on information from the first and second phases, we are now able to prioritize the most significant risks for specific follow-up actions. Prioritization is based on severity and probability, our ability and capacity to achieve real improvements, including our influence, as well as our own available resources. In cases where our influence is low and/or due to resource limitations, we can seek to achieve effective measures through collaboration with partners and participation in networks.

- **Stop, prevent, or reduce negative impact**

Dynea's ambition is to actively contribute to ensure fundamental human rights and decent working conditions in the supply chain. We strive to work together with our suppliers towards continuous improvements and lasting solutions. To achieve this, we need to be in a contractual relationship; without it, our ability to demand improvements are diminished.

- **Follow-up measures: Ensure or collaborate on recovery**

If we have indications of violations of our "Code of Conduct" by a specific manufacturer or its subcontractors, or if we consider the risk to be high, we implement follow-up measures directly with the manufacturer and any subcontractors involved.

Relevant measures may include conducting audits to obtain a broader understanding of the situation, serving as a basis for developing specific action plans with improvement measures.

- **Monitor implementation and results**

If we have indications of more systematic challenges that may affect multiple manufacturers or an entire industry in a specific area, we seek to address this through our own special programs. Dynea's ambition is for all final audits to be passed, and we aim to be an active supporter and guide to the manufacturer during the improvement phase, ensuring their success in the follow-up audit.

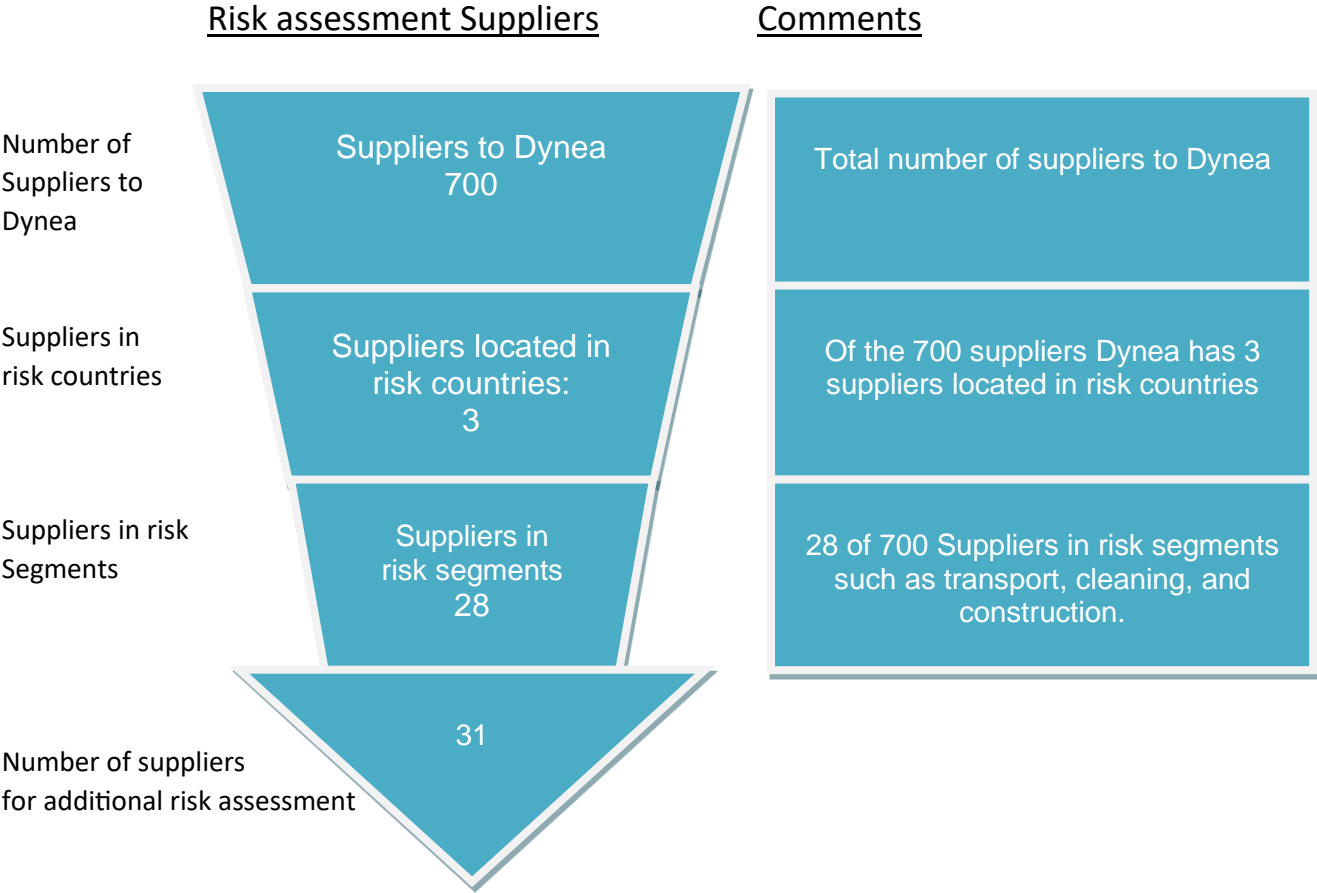
Risk mapping of DYNEA's suppliers correlating to the Norwegian Transparency Act

Norwegian Transparency Act

The Norwegian Transparency Act came into effect on July 1, 2022. This means that both Dynea and other companies need to be transparent about how our operations affect the world around us.

The purpose of the Transparency Act is to help us reduce the risk of businesses causing or contributing to human rights violations. It also means that we must do our part to ensure decent working conditions for our suppliers, our owners, as well as ourselves.

This applies, among other things, to promote companies' respect for fundamental human rights and decent working conditions in their own operations, and in the value chain of suppliers. The Act requires enterprises to conduct so-called due diligence assessments to understand the risk of any breaches - and implement measures where necessary.



Dynea's risk assessment has been carried out based on risk associated with specific countries and segments. Our evaluation of risk countries is based on a combination of risk factors and evaluations from organisations like UN and OECD. We have one country in our supply base high up on these lists. The list of risk supplier segments is based on our knowledge of the market and reports in media.

Our suppliers have been asked to confirm and sign "Dynea's Supplier Sustainability Code of Conduct" which is in compliance with the Norwegian Transparency Act. Alternatively, where the suppliers have their own code of conduct, Dynea have evaluated their code of conduct with focus on fundamental human rights and decent working conditions. For suppliers who do not meet these requirements, Dynea will re-evaluate the business relationship.

After finalizing our risk mapping of DYNEA's suppliers correlating to the Norwegian Transparency Act during 1st half 2023, we conclude that our risk related to our suppliers is low and within acceptable levels.