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# ESG at a glance

Braskem is a global petrochemical company, leader in the production of thermoplastic resins in the Americas and 6th largest producer of thermoplastic resins in the world, pioneer and worldwide leader in biopolymers production from renewable feedstock (ethanol based). Also, commercialize chemicals and resins with recycled content.

## **Commitments to Sustainable Development**

Braskem has been committed to Sustainable Development principles since its creation in 2002, when informed its stakeholders, through a Public Commitment, about the principles, values, and commitments that would guide the company's performance from that moment on. In this sense, the company seeks, through its strategy, to prevent and mitigate risks as well as capture business opportunities related to environmental, social, and governance issues, with the objective of improving people's lives and the planet, by developing sustainable and innovative solutions from chemicals and plastic, with the involvement of its entire value chain. In this way, the Company seeks to provide all its stakeholders with economic, environmental and social results in line with the principles of sustainable development, with ethical and responsible performance, and with strengthened governance standards.



## Contribution to United Nations SDG<sup>1</sup>

Braskem understands itself as a relevant agent of transformation in solving the challenges of the petrochemical industry and the planet. In this way, its long-term strategy aims to address, as a priority, the following sustainable development objectives:



## **Indexes and ESG Ratings**

Agency	Rating/Score	Last Update
MSCI	В	Nov 2021
DJSI	66/100	Nov 2021
ISS ESG	39/100	Aug 2021
Vigeo Eiris	46/100	Oct 2021
CDP	A- (Climate) ; A (Water)	Dec 2021

Índice	Index Portfolio	Validity
ICO2	2022	Jan-Dec 2022
IGCT	2022	Jan-Aug 2022
IGCX	2022	Jan-Dec 2022
ISE B3	2022	Jan-Dec 2022
Gender Equality Index	2022	Jan-Dec 2022
FTSE4Good Index Series	2022	Jan-June 2022

## Associations and awards

#### **Global Associations**

- Global Compact Lead (UN)
- Alliance to End the Plastic Waste Member
- CFO Task Force (UN)
- CEO Water Mandate (UN)
- Water Resilience Coalition
- OCS Blue Member
- Blue Keepers

### Awards

- The Sustainability Yearbook S&P (2021)
- ISO 37001 (2021)
- ISCC Plus Certificate (2021)
- GHG Protocol Gold Category (2021)
- Ranking BloombergNEF (2021)





# ESG at a glance

## Sustainable Development strategy

Aims to reduce risks and maximize long-term opportunities for Braskem's operations by (i) researching and developing more sustainable sources and operations; (ii) developing and delivering a more sustainable product and service portfolio; and (iii) offering solutions to make society more sustainable in collaboration with Braskem's client chain. **For more information, click here.** 

## Materiality

Braskem evaluates its business matters from the perspective of corporate risk management, with the goal of lowering the company's exposure and loss levels on a corporate level, including environmental, social, and governance concerns. The Compliance Committee, which is made up of members of the Board of Directors, keeps track of this procedure.

Check <u>here</u> our Global Policy of Corporate Risks Management and <u>here</u> our Materiality Matrix.



## **Business Model**

Braskem interacts with many stakeholders in the petrochemical industry and uses its social, intellectual, and human capital, as well as its relationship, manufactured, and financial capital to develop a sustainable and innovative product portfolio that improves people's and planet's quality of life. **Check Braskem's generated value in <u>2020's Integrated Report.</u>** 

## **Macro Objectives**

### Commitments 2030 & 2050

Our new commitments are designed to increase positive impacts and reduce risks in Braskem's operations, while also adding value to the company through innovation and sustainability.



Health and Safety
 Economic and Financial Results
 Plastic Waste Elimination
 Climate Change Engagement
 Operational Ecoefficiency
 Social and Human Rights Responsibility
 Sustainable Innovation

Source: Braskem; Nota (1): Sustainable Development Goals; Nota (2): United Nations Organization

#### **Carbon Neutral Circular Economy**

In 2020, Braskem released its transition strategy for a Carbon Neutral Circular Economy, with the following goals:

- Climate Change: (i) By 2030, achieve a 15% reduction of greenhouse gases emission; (ii) By 2050, achieve carbon neutrality.
- Elimination of plastic Waste: (i) Expand Braskem's I'm green<sup>™</sup> portfolio to include 300 thousand tons of thermoplastic resins and chemical products with recycled content by 2025 and, 1 million tons by 2030; (ii) Work to prevent that 1,5 million tons of plastic waste from being destinated for incineration, landfills or disposal in the environment by 2030.

For more information about 2030's Commitments, click here.



# **Braskem ESG at a glance**

# **Environmental Dimension**



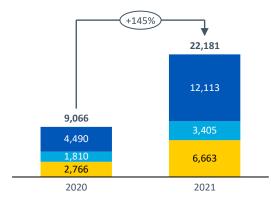
## Plastic Waste Elimination (macro-objective 3)

Braskem declared its support for the Circular Economy in 2018, proposing initiatives to change the plastic waste and manufacturing rationale. As a result, it aims to build a continuous process of reuse and recycling, converting plastic waste into feedstock and creating new products through collaborations. As a result, a goal was set to increase sales of recycled content-based products to 300,000 tons in 2025 and one million in 2030.

Click here to access Braskem's goals on Circular Economy and meet the ongoing projects.

#### Commercialization I'm Green<sup>™</sup> Recycled

- Brazil 📃 USA and Europe 📃 Mexico
- Due to the development of new applications in Brazil, increased product availability in the United States, and the signing of new recycled feedstock supply contracts in Mexico, sales of the I'm greenTM recycled portfolio increased in 2021 compared to 2020.



## Combat Climate Change (macro-objective 4)

Braskem complies with the Paris Agreement by implementing a climate change mitigation and adaptation strategy that aims to decrease, compensate, and capture emissions, as well as adjust its operations to potential climatic risks. As a result, it plans to (i) reduce emissions by 15% until 2030 by purchasing renewable energy and energy efficiency initiatives, and (ii) achieve carbon neutrality in 2050 by reducing, compensating, and capturing carbon emissions.

Click <u>here</u> to access Braskem objectives on the subject and meet the ongoing projects.

Climate Mitigation	2019	2020	2021
GHG Intensity Emission (Scope 1+2, tCO 2e/t)*	0.640	0.670	0.630
Volume of GHG Emissions (Scope 1+2, millions of tCO)*	10.839	10.749	11.080

Climate Adaptation	2019	2020	2021
Water Safety Index (%)	75%	83%	70%



### **Operational Eco Efficiency** (macro-objective 5)

The manufacture of thermoplastic resins depletes natural resources such as fossil and renewable raw materials, energy, and water, and produces environmental and effluent pollutants. As a result, Braskem is working to make its production more circular and efficient. **See here the certification of our operations.** 

Eco indicators	2019	2020	2021
Water Consumption (m <sup>3</sup> /t)	4.31	4.31	4.19
Generation of Liquid Effluents (m <sup>3</sup> /t)	1.310	1.220	1.21
Energy Consumption (Gj/t)	11.088	11.352	10.80
Waste Generation (Kg/t)	2.200	2.230	2.430



# **Braskem ESG at a glance**

# **|Social Dimension**



### Health and Safety (macro-objective 1)

Braskem's operation is and will always be focused on safety, which is a constant and non-negotiable element in the company's strategy. Therefore, Braskem has created the Human Reliability and Mechanical Integrity initiatives to increase worker safety.

Health and Safety (1MM/MWH)	2019	2020	2021
Tier 1 Accidents ratio	0.15	0.07	0.11
CAF+SAF Accident Rate	1.31	0.95	0.86

### Human Rights and Social Responsibility (macro-objective 6)

### People Management, Diversity, Equity e Inclusion

Braskem focuses on becoming closer to its members, with the goal of improving people's lives and providing a better experience in a more varied and inclusive environment. The voluntary turnover ratio in 2021 was 2.50%. The ratios for DEI are as follows:

Indicators (%)	2019	2020	2021
Voluntary turnover	2.50	2.50	3.70
Women in leadership	30	31	30
Black in leadership	13	13	13

#### **Private Social Investments and Donations**

The PSI in Braskem follows the following action pillars: (i) local development; (ii) sustainable consumption and post consumption; and (iii) innovation and sustainable entrepreneurship; with the goal of: (1) amplifying the positive socio-environmental impact; (2) promoting the Company as a provider of sustainable solutions; and (3) establishing trust relationships with communities and other publics of interest.

Communities	2019	2020	2021
Number of recipients	206,502	211,000	800,000

#### Alagoas

In March 2018, an earthquake measuring 2.4 on the Richter scale struck certain neighborhoods in Maceio (AL), where Braskem has operated 35 rock salt extraction wells for at least 40 years as part of the operations of Salgema, a company that, in 2002, merged with a conglomerate of companies to form Braskem. As a result, fissures in houses and streets formed. From then on, studies were initiated through independent specialist institutions with the goal of identifying the causes of the geological phenomenon and measures to be taken; rock salt extraction activities were definitively halted, and we worked on cooperative actions for the evacuation of risk areas and the safety of people.



Relocated Families	
(Total of ~15,000 <sup>2</sup> familie	s)



Financial Compensation Proposals Presented (~10,400)





Acceptance Index of Submitted Proposals (96%)

phenomena in a responsible and cooperative manner with the authorities. We terminated two public civil proceedings against Braskem based on agreements with the authorities, and we have funded nearly R\$9.2 billion to far. See more information about the actions in Maceio here.

Braskem's activity is concerned with

people's safety and the knowledge of

See <u>here</u> some of the Braskem's Private Social Investment projects. See <u>here</u> Braskem's Human Rights risks managements.



# ESG at a glance

# **|Social Dimension**



## Financial and Economic (macro-objective 2)

Braskem has been a member of B3's level 1 Listing Segment since 2003 and has spontaneously met some of the level 2 and New Market requirements, such as a unified Board of Directors term of up to 2 years, with reelection permitted, at least 20% independent Board members, and 100% tag along concession for all stock.

- Overview
- <u>Ownership Structure</u>
- <u>Councils and Board</u>
- Bylaws and policies

- Board of Directors' Committee
- <u>Shareholders' Meetings, Minutes and Notices</u>
- IBGC 2020 report
- Long Term Incentive Plan

### Compliance

Compliance entails more than simply adhering to the laws, standards, and guidance documents and avoiding, detecting, and correcting any deviation or non-compliance that may occur; it also entails embracing the spirit of integrity, recognizing ethical behavior as a competitive advantage, and acting with conviction. Braskem's Compliance framework may be seen here.

### **Global Sustainable Development Policy**

It reaffirms and strengthens Braskem's commitment to promoting economic growth, environmental preservation, and social justice at the same time in order to ensure stakeholder satisfaction today and in the future, and it guides strategic, tactical, operational, and budgetary planning for the scope of this commitment. **Check more details <u>here</u>**.

#### **HSE Global Policy**

It is concerned with the integrated management of quality and productivity in HSE processes, ensuring the development of increasing sustainable outcomes in pursuit of Braskem's objective. It recognizes that continual business improvement, respecting the human being, and ethical behavior are required to achieve higher levels of business excellence. **Check more details <u>here</u>**.

## **Value Creation**

Braskem aspires to be one of the greatest firms in the Dow Jones Sustainability Index. It conducted a gap analysis regarding the needs of numerous ESG score providers, including MSCI, ISS, Vigeo Eiris, Sustainalytics, and B3's Corporate Sustainability Index, for this purpose. Braskem has been improving its ESG procedures as a result of this investigation.

### Sustainable Innovation (macro-objective 7)

Braskem is focused on developing the following levers that aim to create shareholder value. <u>Click here</u> and discover our projects.

- Transform for Value Program: intends to coordinate, accelerate and focus on the Company's primary improvement projects
  and initiatives. The program is structured in the manner of a Transformation Office, which is often used by Private Equity funds
  in their investee firms and has four goals: I to consolidate visions; (ii) to prioritize efforts; (iii) to expedite the capture of gains;
  and (iv) to communicate outcomes. The TFV Program advanced in the implementation of the targeted activities in 2020,
  finishing the year with a capture of US\$ 55 million/year<sup>1</sup>.
- Energy Efficiency and Capacity Increase Projects
- Projects in Economic and Financial Feasibility Study