



ESG Report

4Q23 and 2023



CONTENTS

1. Long-term Objectives to 2020-2030	2
2. Environmental	3
3. Social	4
4. Governance and compliance	5

ABOUT THIS REPORT

In the quest to make its actions more transparent, Braskem discloses its **4Q23 ESG Report**, which traces the advances made by the Company in its sustainability pillar, as well as the key projects and initiatives on the issue.

ESG INITIATIVES

INTEGRATED REPORT 2022

Access Braskem's achievements within its sustainable development strategy in 2022, in accordance with the GRI, SASB and IIRC frameworks.

ESG DASHBOARD

Access all environmental, social, economic and governance indicators based on GRI and SASB standards.

ESG Day 2022

Access the presentation of Braskem's management, strategy and main advances in the Company's long-term objectives to sustainable development.

FAQ ESG

Frequently asked questions about Braskem's strategy, practices and performance in sustainable development

CORPORATE GOVERNANCE

[LEARN MORE](#) about the structure of our Board of Directors, Board of Executive Officers, and committees.

[CLICK HERE](#) to access Braskem's Bylaws and Policies

ESG RATING

ESG Agencies and Indexes	Rating	Last Update
ISS ESG	40.63 (out of 100)	June, 2023
MSCI	BBB (out of AAA)	June, 2023
Vigeo Eiris	51 (out of 100)	June, 2023
Sustainalytics	25.3 (out of 0)	November, 2023
CSA S&P	59 (out of 100)	March, 2024*
ISE B3	79.47 (out of 100) Not listed	December, 2023
CDP Water Security	B (out of A)	December, 2023
CDP Climate Change	B (out of A)	December, 2023

*Rating reviewed

1. Long-term Objectives to 2020-2030

Since its creation in 2002, Braskem has been committed to the principles of sustainable development. Through its strategy, Braskem strives to prevent and mitigate risks and to capture business opportunities associated with environmental, social and governance aspects, in order to improve people's lives and the planet by creating sustainable and innovative solutions working jointly with its entire value chain.

Approved by the Board of Directors in 2020, Braskem's long-term objectives¹ for 2025, 2030 and 2050 are aligned with the Sustainable Development Goals of the United Nations 2030 Agenda (SDG-UN) and are part of the strategy for its sustainable development pillar. These are:

1. **Health and safety:** safe operations is a permanent and nonnegotiable value for Braskem and is one of the foundations of its Corporate Strategy. Thus, the commitments established for 2030 are: (i) to reduce reportable and lost-time injury rate to 0.5 accidents per million hours worked; and (ii) to reduce accident rates in Tier 1+Tier 2 processes to 0.32 accidents per million hours worked.
2. **Economic and Financial results:** the Company strives to maintain its financial health and disciplined capital allocation in creating ESG value. In this regard, the commitments for 2030 in this dimension are: (i) be in the 1st quartile of shareholder returns in the petrochemical sector; (ii) be among the best companies in the DSJI²; (iii) achieve corporate leverage of 2.0x; and (iv) achieve excellent reputation among clients.
3. **Elimination of plastic waste:** Braskem aims to be recognized as a company that develops the recycling value chain, for which its commitments are: (i) increase sales of products with recycled content to 300,000 tons/year by 2025 and 1 million tons/year by 2030; and (ii) prevent 1.5 million tons of plastic waste from being sent for incineration or to landfills or from being disposed of in the environment by 2030.
4. **Combating climate change:** Braskem aims to be a global leader in the chemical industry, with the best indicators in GHG³ emissions, and to the reference in the manufacture of products using renewable raw materials. As such, its commitments include reducing its absolute GHG emissions under scopes 1 and 2 by 15% by 2030 (in relation to its average emissions in 2018, 2019 and 2020) and achieving carbon neutrality by 2050.
5. **Operational Eco-Efficiency⁴:** the commitments are being defined.
6. **Social responsibility and human rights:** people are the foundation of the Company's Corporate Strategy and hence Braskem has the following commitments for 2030: (i) have 100% of human rights risks at the medium or high management level; (ii) increase the number of beneficiaries in local communities to 500,000; and (iii) increase to 40% the percentage of women in leadership positions in Brazil and to 37% the percentage of black team members.
7. **Sustainable innovation:** innovation is a strategic pillar for Braskem, which strives to deliver sustainable solutions with high added value to society through innovation. In this regard, Braskem is committed to making a positive impact from its Corporate Innovation & Technology (I&T) projects, with a Sustainability Index of over 90%.

By 2023, Braskem had achieved 31% of its sustainable development commitments.

¹ The achievement of the commitments for sustainable development disclosed by the company (within projected costs and expected deadlines) is also subject to risks that include, but are not limited to advancement, availability, development and accessibility of the technology necessary to achieve these commitments.

² Dow Jones Sustainability Index

³ Greenhouse Gases

⁴ The indicators of this dimension refer to the availability of water consumption, energy consumption, hazardous waste generation, air emissions and chemical and biochemical oxygen demand

2. Environmental

HIGHLIGHTS

- **LCA PE I'm green™ biobased:** in 4Q23, Braskem completed the update of the life cycle assessment of the polyethylene I'm green™ biobased. The study confirmed the negative carbon footprint of the product, which is -2.12 kg CO₂e/kg⁵.
- **Biomass Project (AL):** in November, Braskem and Veolia launched a biomass plant in Alagoas to produce renewable energy on a large scale. With an investment of approximately R\$400 million, the industrial plant, which is already in operation, will generate around 900,000 tons of steam per year, which will contribute to the reduction of around 150,000 tons of GHG emissions annually. This amount is equivalent to around a third of Braskem's direct and indirect emissions in the state of Alagoas in 2021.
- **Design for a Better World Award:** in December, Braskem's circularity ecosystem, Wenew, was recognized at the Design for a Better World Award 2023, in the Product/service Design category. The DFBWA is one of the main awards in the segment, promoted by Centro Brazil Design.

ELIMINATION OF PLASTIC WASTE

In 4Q23, the volume of sales of Wenew brand products with recycled content in Brazil was lower (-13%) than in 3Q23, due to the slowdown in market demand for circular products, reflecting the current petrochemical scenario. Compared to 4Q22, sales volume increased (+2%) due to the sale of bio-attributed ethylene produced from renewable sources in 4Q23.

In the United States and Europe, the volume of sales of products with recycled content increased compared to 3Q23 (+96%), 4Q22 (+3%) mainly due to the launch of Upsyde (Braskem's joint venture with Terra Circular in the Netherlands), a company controlled by Braskem, with patented and proprietary technology for recycling difficult-to-process plastic waste, which is used for the production of consumer durables (such as pallets, boards for use in construction and roads, asphalt blankets and heavy-duty mats).

In Mexico, the volume of sales of products with recycled content was higher than in 4Q22 (+67%) due to (i) the progress of projects in partnership with Braskem's brand-owners and clients; and (ii) access to new markets through the development of new applications. Sales were in line with 3Q23 (+1%).

In the year, sales of the recycled portfolio increased (+25%) compared to 2022 due to (i) growth in South America, reflecting the consolidation of sales made by Wise; (ii) the expansion of the portfolio of products with recycled content (PP, PE and PVC); and (iii) the launch of Upsyde.

Recycled Sales Volume (ton)	4Q23 (A)	3Q23 (B)	4Q22 (C)	Chg. (A)/(B)	Chg. (A)/(C)	2023 (D)	2022 (E)	Chg. (D)/(E)
Recycled	18.778	17.332	17.363	8%	8%	65.634	52.713	25%
Brazil	10.102	11.658	9.896	-13%	2%	39.830	31.485	27%
Resins ¹	7.277	8.683	7.536	-16%	-3%	29.079	19.713	48%
Chemicals ²	2.825	2.975	2.360	-5%	20%	10.751	11.772	-9%
United States and Europe ¹	6.073	3.101	5.905	96%	3%	17.026	15.541	10%
Mexico ¹	2.603	2.573	1.562	1%	67%	8.777	5.687	54%

1) Considers Wenew recycled resins sales

2) In 1Q22, 3Q22 and 4Q22 new products were added to the indicator

⁵ Ecoinvent v.3.9.1 database, compared to global HDPE average

3. Social

HEALTH AND SAFETY

- **People Safety:** the consolidated CAF + SAF⁶ global frequency rate in 4Q23 was 1.01 (events/1MM HHT), lower (-12%) than the previous quarter.
- **Process Safety:** the TIER 1⁷ rate was 0.11 (events/1MM HHT), showing an increase (+38%) compared to the same period in 2022. This rate keeps Braskem at the same level as companies in the global chemical sector considered the best safety references on the market. The TIER 2⁸ rate was 0.29 (events/1MM HHT) lower (-17%) than 4Q22.

SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

- **Social impact:** in 2023, Braskem disbursed around US\$5.6 million in 215 social responsibility initiatives (private social investment, donations, volunteering and emergency donations) in Brazil, Mexico, the United States, the Netherlands, Germany and Singapore, directly impacting 352 thousand people.
- **Volunteer Program:** around 1,424 members and 398 guests participated in more than 60 actions, totaling more than 12 thousand hours of volunteer work inside and outside working hours.
- **Social project notice (BRA):** For the second consecutive year, Braskem selected 12 projects from areas of influence in Brazil, totaling R\$500,000 in donations, for execution throughout 2024.
- **PlastiVan Project (USA):** the project is sponsored by Braskem America, and offers scientific and educational programs for students to increase their knowledge about the contribution of plastic to contemporary life and encourage them to pursue careers in STEM⁹. In 2023, 17,500 students participated in the activities.
- **Human Rights:** in November, 144 countries were represented at the UN Forum on Business and Human Rights that took place at UN headquarters in Geneva. Braskem participated in the panel "*Stakeholder Perspectives on Implementing the UNGPs across the Global South*", presenting the sustainability strategy with a focus on Human Rights.

DIVERSITY, EQUITY, AND INCLUSION

- **Long-term objectives:** Braskem ended the year with 33.2% women in leadership, 9% women operators and 33.7% black members, which represented an increase of 3.7% compared to 2022.
- **Global DE&I Week (BRA):** the 2023 Global Diversity, Equity and Inclusion Week registered the highest participation of team members in recent years (over 9,600 team members worldwide). The event addressed issues such as The Journey of Women in the Corporate World, Differences between Brazil and the United States in terms of racial equity, The Value of Being Yourself in approaching LGBTQIA+ themes, and a less-discussed topic: multiculturalism, which permeates the organization, given that the Company's workforce is composed of team members of over 45 nationalities.
- **Women in leadership (MEX):** Mexico reached the mark of 34% of women in leadership, exceeding the target set for 2023 by almost 4%. This is a result of several actions, but mainly the launch of the *IT-Woman*

⁶ Rate of accidents with lost time and without lost time

⁷ Incident with loss of containment of products above the limits established in API (American Petroleum Institute) 754 for TIER 1, according to the product released, or any release that causes: fatality or accident with employee or third-party leave, hospital damage or fatality to the public external, financial loss greater than US\$100,000, or evacuation of the community

⁸ Incident with loss of product containment above the limits established in API (American Petroleum Institute) 754 for TIER 2, according to released product or any release that causes: accident without employee or third party leave and financial loss greater than US\$ 2.5 thousand.

⁹ Science, Technology, Engineering, Math

program, which guarantees at least one woman on all recruitment and selection lists. With this intention, more than 50% of leadership positions were closed with female candidates.

- **Respect is non-negotiable (BRA):** in Brazil, the DE&I and Compliance teams were present in all of the Company's industrial units, with the Respect is Non-Negotiable training, which sought to bring clarity about what discrimination, moral harassment, sexual harassment and microaggressions are through concepts and examples practical. As a result, it is already possible to notice an increase in engagement levels and a strengthening of organizational culture. More than 5,700 members (75%) were trained in more than 90 sessions.

4. Governance and compliance

- **Ethos Institute:** in 2023, Braskem maintained its evaluation of 9.9 points (out of 10 points) in the Ethos Institute's Integrity, Prevention and Combating Corruption Indicator. This performance is 50% higher than the sector average¹⁰ and demonstrates the maintenance of the robustness and maturity of Braskem's Global Compliance System.
- **ESG monitoring by the Board of Directors and other Advisory Committees¹¹:** periodically, the Board of Directors and its Advisory Committees evaluate the evolution of the Company's ESG practices. In 4Q23, the following topics were addressed:
 - Approval of the issuance of the Variable Remuneration Refund Policy (Clawback), the amendment of the Braskem SA Code of Conduct and the Indemnity Policy for Directors and Members of the Company by the Board of Directors, in order for the Company to observe the best market practices and Corporate Governance, as well as complying with legal requirements;
 - Monitoring, by the Board of Directors and the Strategy, Communication and ESG Committee (CECESG), regarding the Company's Social and Environmental Risks;
 - Monitoring of topics related to new sustainability disclosure requirements by the Statutory Compliance and Audit Committee;
 - Monitoring the work of the Company's Independent Auditors regarding financial statements and internal controls;
 - Management and monitoring of corporate risks, and mitigation strategy on the Board of Directors and its Advisory Committees;
 - Approval of the 2023/2024 Corporate Risk Map and priority risks, as well as approval of the approach and methodology for assessing the Company's risk exposure and the criteria and limits used to prioritize risks.

¹⁰ The sector average is 7.4 points

¹¹ Board of Directors