

Braskem 

ESG Report

3Q23



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ABOUT THIS REPORT

In the quest to make its actions more transparent, Braskem discloses its **3Q23 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	24 (out of 0)	March, 2022
CSA S&P	63 (out of 100)	September, 2023
ISE B3	77 (out of 100)	December, 2022
CDP Water Security	A- (out of A)	December, 2022
CDP Climate Change	B (out of A)	December, 2022

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 2022, 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

- **Partnership with SCG Chemicals:** In August, Braskem and SCG Chemicals signed a joint venture (JV) agreement to create Braskem Siam Company Limited. Subject to approval from antitrust authorities and a final investment decision by the partners, the joint venture will produce bio-ethylene from bio-ethanol dehydration using the EtE EverGreen™ technology. A partnership between Lummus Technology LLC and Braskem B.V has been formed for developing and licensing this technology.
- **Chemical recycling:** In September, Braskem and Vitol, an energy and commodity multinational, announced an agreement for the supply of circular raw material derived from plastic waste. As per the agreement, Vitol will start supplying to Braskem B.V., pyrolysis oil produced from the chemical recycling process at the facilities of WPU - Waste Plastic Upcycling A/S in Denmark. This agreement is part of Braskem's Wenew ecosystem.
- **2030 Ambition of Global Compact:** Braskem joined 2030 Ambition, a call from the UN Global Compact for Brazilian companies to take concrete action towards the country's future. The initiative comprises seven major movements that will accelerate the goals of 2030 Agenda and encourages the private sector to incorporate these goals into their strategies in order to address urgent sustainability issues facing Brazil. Braskem assumed five of these movements, which are related to our Sustainable Development commitments: + Water, 100% Transparency, Women in leadership positions, Focus on mental health, and Circular economy.
- **Climate Change:** for the twelfth straight year, Braskem obtained the golden seal from the Brazil GHG Protocol Program (PBGHG) for its greenhouse gas (GHG) emissions Inventory. The Golden Seal from PBGHG certifies the corporate inventory for achieving the highest qualification, i.e., inventories whose Scopes 1, 2 and 3 were audited by an independent third party.
- **Water Safety:** Braskem launched the pilot project at its industrial units in Brazil (Rio de Janeiro and Alagoas regions) and Mexico to test its new standard of water governance indicators, which are aligned with the best international practices and sustainable development goals. The 3-month pilot project will generate knowledge and a change management plan to implement the new standard across Braskem.
- **Voqen Energy:** in September, Voqen, Braskem's energy trading arm, completed one year of operations. Voqen was created to support the sector in its sustainable energy transition, supplying 33 industrial plants of Braskem's clients with electricity in its first year, which avoided the emissions of 74 kt of CO₂e.
- **Grandes Cases de Embalagens Award:** Braskem won two trophies at the 2023 Grandes Cases de Embalagem (Great Packaging Cases) Awards, organized by the Embalagem Marca magazine. The award-winning cases were the packaging for lubricant oil in partnership with Moove, Raízen and Bericap, and the stand-up pouch developed by Cazooolo in partnership with Braskem, Antilhas and Organosolví. The two packaging solutions have Wenew post-consumer recycled resin (PCR) in their composition and are examples of joint actions involving Braskem and other important partners across the production chain towards reaching a circular economy.
- **R&D Portfolio:** at the end of 3Q23, the research and development portfolio included 159 projects, 81% of which had a positive impact in terms of sustainability. In 3Q23, the Company launched two new PP grades, a homopolymer with high crystallinity and stiffness, and with excellent optical properties, which enable the replacement of polystyrene in some applications, and the other grade being a random copolymer with high rubber content for diaper backsheets, made of breathable and non-breathable films, which are patented.

ELIMINATION OF PLASTIC WASTE

In 3Q23, sales volume of resins with recycled content under the Wenew brand in Brazil increased in relation to 2Q23 (+12%) and 3Q22 (+36%), thanks to the Company's commercial strategy and the consolidation of volumes produced by Wise, the recycling company in which Braskem acquired 61.1% interest in 1Q23.

In the United States and Europe, sales volume of resins with recycled content in 3Q23 was lower than in 2Q23 (-19%) and 3Q22 (-50%), due to lower demand for PCR on account of higher availability of virgin resins in the market.

In Mexico, sales volume in 3Q23 was higher than in both 2Q23 (+25%) and 3Q22 (+88%), due to the significant progress of important projects launched in partnership with brand-owners and Braskem clients.

Recycled Sales Volume (ton)	3Q23 (A)	2Q23 (B)	3Q22 (C)	Chg. (A)/(B)	Chg. (A)/(C)	9M23 (D)	9M22 (E)	Chg. (D)/(E)
Recycled	16,773	15,781	15,673	6%	7%	29,465	21,112	40%
Brazil	11,165	9,959	8,233	12%	36%	18,103	13,356	36%
Resins ¹	8,740	7,706	4,463	13%	96%	13,151	7,713	71%
Chemicals ²	2,425	2,254	3,770	8%	-36%	4,951	5,642	-12%
United States and Europe ¹	3,035	3,766	6,071	-19%	-50%	7,760	5,001	55%
Mexico ¹	2,573	2,055	1,369	25%	88%	3,602	2,756	31%

1) Considers Wenum recycled resins sales

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

3. Social

HEALTH AND SAFETY

- **People Safety:** the consolidated frequency rate of lost time injury + recordable injury in 3Q23 was 0.97 (events/1MM HHT), 8% lower than in the previous quarter.
- **Process safety:** the TIER 1 rate⁵ was 0.09 events per million hours worked, up 29% from the same period in 2022. This rate keeps Braskem on par with its peers in the global chemical industry considered industry benchmarks in safety. TIER 2 rate⁶ was 0.14 events per million hours worked, down 52% from 3Q22.

SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

- **Global Volunteer Program:** in Brazil and Mexico, over 1,170 volunteers and guests participated in the Volunteer Challenge, which benefited over 5,000 people. In September, the company organized We Care Week, a global volunteer week focused on the circular economy, involving team members, guests, partner companies and OSCs. A total of 374 volunteers participated in Brazil, Mexico, the United States, Netherlands and Singapore in cleanup crowd efforts and environmental education initiatives, collecting over 1 ton of waste.
- **Emergency donation:** the state of Rio Grande do Sul was hit by heavy rainfall and hailstorm, whose consequences were registered as a level 3 (major) disaster due to the destruction of houses, roads and bridges, thousands of people left homeless and dozens dead. Braskem donated 500 kits (food staple boxes/hygiene kits and blankets) to support the families in need.
- **Philadelphia Eagles – STEM Scholars:** the partnership with the U.S. football team includes the development of a recycling program for bottle caps and other plastic products disposed of at the stadium and an educational platform offered to schools in Philadelphia with resources about careers in Science,

⁵ Incident with loss of containment of products above the limits established in the American Petroleum Institute (API) 754 for TIER 1, based on the product released, or any release that causes fatality or lost-time injury of an employee or third party, hospital damages or fatality of the external public, financial losses greater than US\$100,000, or evacuation of the community.

⁶ Incident with loss of containment of products above the limits established in the American Petroleum Institute (API) 754 for TIER 2, based on the product released, or any release that causes: reportable injury of own employee or third party and financial loss greater than US\$2,500.

Technology, Engineering and Math (STEM). The 2022/23 cycle involved 4,563 students from 39 schools and 7,729 hours of activities.

DIVERSITY, EQUITY AND INCLUSION

- **Respect is Non-negotiable Project:** to inform and raise awareness among Team Members about their role in building a healthy, welcoming and inclusive environment, the DE&I and Compliance areas launched the "Respect is Non-negotiable" Project in Brazil to address themes such as discrimination, moral harassment, sexual harassment and microaggressions. So far, 85 training sessions have been held in all regional units across Brazil, including plants and offices, covering 74% of team members (4,800+ people).
- **Elas Braskem:** it is an affirmative program that offers a space for development, support and empowerment of women to enable them to be the protagonists of their journeys, through a learning path that will address the historical context, technical and emotional competencies, and other tools. The program will initially be rolled out as a pilot project for team members in the O&P SAM, V&S and Compliance departments. 82% of eligible employees signed up for the initiative. The program will run from October 2023 to May 2024.
- **Post-technical course scholarship for women:** to increase the presence of women in Braskem's operations, either by hiring women for industrial positions and/or by offering adequate working conditions in an environment of respect, appreciation and growth, Braskem has partnered with SENAI to offer the first technical training program in Petrochemical Process Operation (post-technical course) specifically for women in Rio Grande do Sul, with 50% scholarships for selected candidates.

4. Governance and compliance

- **End of Monitoring by CGU⁷:** in August, Braskem was notified by the CGU of the end of the monitoring period of the Company's Compliance System, as envisaged in the Leniency Agreement signed between Braskem, the CGU and the AGU⁸ on May 31, 2019. This was the last instance that still maintained external monitoring at the Company after the Compliance System was certified by the MPF⁹, the DoJ¹⁰ and the SEC¹¹ in 2020. Over the last seven years, Braskem implemented diverse initiatives recommended by independent auditors, including compliance policies and procedures, communications and training of Team Members and implementation of controls and processes to prevent illicit actions in our operations and transactions.
- **100% transparency movement:** in August, Braskem joined the 100% Transparency Movement, an initiative of the UN Global Compact aimed at encouraging effectiveness, responsibility and transparency – in addition to legal obligations – at all levels of the member organizations. The Movement's commitments are 100% transparency in interactions with the government; 100% ethical compensation of senior management; 100% of high-risk value chain trained on integrity; 100% transparency in the Compliance and Governance structure; 100% transparency on whistleblowing channels. All the goals must be achieved by 2030.
- **New Code of Conduct:** as a good governance practice, Braskem periodically reviews its rulemaking documents. In October, the Board of Directors approved Braskem's new Code of Conduct. The redesigned and updated Code is written in plain and accessible language, and details the internal standards and principles already disseminated in our corporate culture in order to guide Team Members and external stakeholders on acting with ethics, integrity and transparency. It is available for consultation by external

⁷ Office of the Federal Controller General

⁸ Office of the General Counsel of the Federal Government

⁹ Federal Prosecution Office

¹⁰ U.S. Department of Justice

¹¹ Securities and Exchange Commission

stakeholders on the Governance and Compliance page of the corporate website and the Investor Relations portal.

- **ESG Monitoring by BoD¹²:** the Board of Directors and its advisory committees periodically assess the evolution of the Company's ESG practices. In 3Q23, the following topics were covered:
 - Monitoring of the assessment of corporate risks and mitigation strategies by the Board of Directors and its advisory committees, including risks related to ESG topics;
 - Evaluation of the Company's corporate governance system;
 - Presentation of the results of the evaluation of the Board of Directors, its Advisory Committees and the Corporate Governance Department by a specialized consulting firm;
 - Approval of the Agenda of Basic Themes of the Board of Directors and Advisory Committees for 2024, establishing the themes to be ordinarily monitored and analyzed by said bodies, as well as the calendar of corporate meetings for the year.

¹² Board of Directors