



ESG Report 2Q23

Braskem 

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ABOUT THIS REPORT

In the quest to make its actions more transparent, Braskem discloses its **2Q23 ESG Report**. This report aims to monitor Company's advances in its sustainability pillar, in addition to the main projects and initiatives on the subject.

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 complete presentation featuring Braskem's ESG management, strategy and main advances in the Company's commitments to 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	65 (out of 100)	November, 2022
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. Commitments to 2020-2030

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

Approved by the Board of Directors in 2020, Braskem's sustainable development commitments were built based on our materiality matrix, had the participation of more than 500 team members, leaders and executives, and also considering the analysis of global scenarios and trends, corporate risks and external references in sustainability. Aligned with the Sustainable Development Goals of the United Nations 2030 Agenda (SDG-ONU), Braskem's strategy in its sustainability pillar consists of seven dimensions and defines the Company's second cycle of long-term¹ commitments for 2025, 2030 and 2050. These fronts are:

1. **Health and Safety:** safe operations is a permanent and nonnegotiable value for Braskem and one of the foundations of its Corporate Strategy. The commitments established for 2030 are: (i) reducing the reportable and lost-time injury rate to 0.5 accidents per million hours worked; and (ii) reducing process safety events (Tier 1+Tier 2) 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, while focusing on creating ESG value. The commitments for 2030 on this dimension are: (i) be in the 1st quartile of returns for shareholders in the petrochemical sector; (ii) be one of the best companies in the Dow Jones Sustainability Index (DSJI)²; (iii) reach a corporate leverage ratio of 2.0x; and (iv) attain an excellent level of reputation among clients.
3. **Elimination of Plastic Waste:** Braskem aims to be recognized as a company that develops the recycling value chain. The Company's commitments are: (i) increasing sales of products with recycled content to 300,000 tons/year by 2025 and to 1.0 million tons/year by 2030; and (ii) avoiding 1.5 million tons of plastic waste from being sent for incineration or to landfills or from being deposited in the environment by 2030.
4. **Combating Climate Change:** Braskem aims to be a global leader in the chemical industry, which includes presenting the best indicators in terms of GHG³ emissions and being a reference in the manufacture of products using renewable raw materials. The Company's commitments include reducing its absolute greenhouse gas emissions under scopes 1 and 2 by 15% by 2030 (in relation to its average emissions in 2018, 2019 and 2020) and to achieving carbon neutrality by 2050.
5. **Operating Eco-Efficiency⁴:** the commitments are being defined.
6. **Social Responsibility and Human Rights:** people are the foundation of the Company's Corporate Strategy. As such, for 2030, Braskem has the following commitments: (i) reaching 100% of human rights risks at the average or high management level; (ii) increasing the number of people benefited in local communities to 500,000 people; and (iii) increasing 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. Braskem is committed to achieving a positive impact of its Corporate Innovation & Technology (I&T) projects, with a Sustainability Index above 90%.

As of 2022, Braskem 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

- **Global Agreement to Eliminate Plastic Waste:** Braskem participated in the second intergovernmental negotiating committee on plastic pollution, with the presence of the ICCA⁵, which brought together a delegation of industry representatives, the Brazilian government and Abiquim⁶. At one of the official events, Braskem presented the Blue Keepers⁷ project and its initiatives and solutions for the issue of plastic waste.
- **Conclusion of Water Security indicator review:** the project's goal was to identify and propose methodological standardization for recording and calculating indicators used to conduct the company's water management. This new standard will be implemented in three pilot projects at the AL, DCX and MX regional units during 2023.
- **Industrial Decarbonization Program:** in 1Q23, the Company informed a new purchase agreement of wind energy with *Casa dos Ventos*, which provides Braskem with a supply of up to 22 years. In May, Braskem exercised the option to purchase shares of the Santo Artur Specific Purpose Society, controlled by CDV Holding part of the *Casa dos Ventos* group, aligned with Company's strategy of increasing competitive renewable energy in its portfolio. Previously, Braskem had already acquired a minority interest in the wind energy generators Special Purpose Companies *Ventos de Santa Amélia* and *Ventos de Santo Abelardo*.

Braskem estimates a reduction of 3.2 million tons of CO₂ considering all contracts entered into by the company for the purchase of competitive renewable energy in Brazil, reaching more than 220 MW average in long-term wind and solar energy contracts, which represents approximately 40% of the energy purchased by Braskem in Brazil for its operations, thus contributing to the goal of reducing 15% of scope 1 and 2 emissions by 2030 and being carbon neutral by 2050.

- **Circular Economy:** in April, Banco do Nordeste (BNB) launched the Territorial Action Plan (PAT) for the Circular Economy of the Salvador metropolitan area, in the state of Bahia, whose goals are based on expanding the recycling chain, the training and education of recyclable materials collectors and the adoption of technological innovations. At the event, the Company presented the Social Responsibility strategy and the SER+ program. The PAT Steering Committee is composed of the BNB, the Bahia State Government, representatives of Municipal Governments, the Bahia State Industry Federation (FIEB), the Micro and Small Company Support Service (Sebrae), the Federal University of Bahia (UFBA), Unesco SOST, Fundação José Silveira, the Single Favelas Hub (CUFA), recycling cooperatives, CarbonGreen and Braskem.

ELIMINATING PLASTIC WASTE

In 2Q23, the sales volume of resins with recycled content under Wenew brand in Brazil increased (+22%) compared to 1Q23, due to the increase in the portfolio of products and available segments, leading to growth in the customer base. Compared to the same period of the previous year, sales of resins with recycled content increased (+83%), reflecting the Company's commercial strategy and consolidation of volumes from Wise, a recycling company which Braskem completed the acquisition of 61.1% in 1Q23.

In the United States and Europe, the sales volume of resins with recycled content in 2Q23 was lower (-6%) compared to 1Q23, due to lower demand for PCR, given the greater availability of virgin resins in the market. Compared to 2Q22, sales volume for resins with recycled content was higher (+10%), due to the launch of Upsyde (a joint venture between Braskem and Terra Circular in the Netherlands), a company controlled by Braskem, with patented and proprietary recycling technology of difficult-to-process plastic waste, that is used

⁵ International Congress and Convention Association

⁶ Brazilian Chemical Industry Association

⁷ The project is part of the UN Global Compact's Water and Ocean Action Platform Brazil

to produce durable consumer goods (such as pallets, slabs for use in construction and roads, asphalt blankets and heavy-duty mats).

In Mexico, sales volume in 2Q23 was higher when compared to 1Q23 (+33%) and 2Q22 (+36%), due to the completion of important projects in conjunction with brand owners and increased availability of high-quality products in the Company's portfolio.

Recycled Sales Volume (ton)	2Q23 (A)	1Q23 (B)	2Q22 (C)	Chg. (A)/(B)	Chg. (A)/(C)	1H23 (D)	1H22 (E)	Chg. (D)/(E)
Recycled	15,781	13,684	11,972	15%	32%	29,465	21,112	40%
Brazil	9,959	8,143	7,053	22%	41%	18,103	13,356	36%
Resins ¹	7,706	5,446	4,220	41%	83%	13,151	7,713	71%
Chemicals ²	2,254	2,698	2,834	-16%	-20%	4,951	5,642	-12%
United States and Europe ¹	3,766	3,994	3,409	-6%	10%	7,760	5,001	55%
Mexico ¹	2,055	1,546	1,510	33%	36%	3,602	2,756	31%

1) Considers Wenew recycled resins sales

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

Additionally, in 2Q23, in partnership with Antilhas, the Braskem launched a new monomaterial stand up pouch (SUP) packaging, which has 57% PE PCR Wenew with recycled content. The PCR Wenew is transformed into SUP by the partner, who packs the product (Organo bran), an organic compound obtained in a 100% circular way by Organo-Solvi. In addition to this solution, the Company also launched a new grade (RPR 5C2 BK) developed for the bag market, which contains 50% recycled content in its composition, with a source of colored HDPE from landfills.

3. Social

HEALTH AND SAFETY

- **People Safety:** the consolidated reported and lost time injury-frequency rate in 2Q23 was 1.08 (events/1MM HHT) in line with 1Q23. In relation to the Human Reliability Program, more than 1000 members (non-leaders) and third parties were trained in the first half of 2023.
- **Process Safety:** the TIER 1⁸ rate in the year to date was 0.07 event per million hours worked, a decrease (-17%) from the same period of 2022. The rate maintains Braskem on level with its peers in the global chemical industry considered industry references in safety. The TIER 2⁹ rate was 0.29 event per million hours worked.

SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

- **Donation of Polypropylene to AACD:** in June, Braskem donated the first batch of polypropylene to the Children with Disabilities Assistance Association (AACD), which accounted for 6.9 ton of the total of 14.3 tons donated. The resin will be used to produce approximately 17,000 prosthetics and orthotics, a number that may vary depending on the type of orthopedic equipment to be produced for the institution's patients. This initiative is aligned with Braskem's Social Responsibility strategy, diversity agenda and purpose of improving people's lives by creating sustainable and innovative solutions.
- **Emergency donations to families in Montenegro (Rio Grande do Sul):** in June, due to the hurricane that hit the state of Rio Grande do Sul, the city of Montenegro, located near the Triunfo

8 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.

9 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.

Petrochemical Complex, was affected by flooding of the Caí River. Braskem supported 200 families that lost their homes by donating food staples boxes, hygiene kits and blankets.

- **SER+ Project – Training for cooperative members:** in May, ten cooperative members graduated from the 160-hour Professional Technical Training Program on Managing Solid Waste Picking Cooperatives, conducted by the consulting firm *Mãos Verdes*. The purpose of the training was to strengthen the production, governance, and sale processes of the members' cooperatives. This is the first certification of the SER+ program and each participant defined a project to replicate in the cooperatives.

PEOPLE & ORGANIZATION

- **Well-being Thermometer:** in 1Q23, the Well-Being Thermometer was revisited, bringing new questions and factors to understand how employees feel at Braskem. In the first edition of 2023, carried out in May, the thermometer registered global participation of 71% of team members (+5pp vs. previous edition) and a global average of 4.06 (above the target of 4.0). The factor with the highest score was "Purpose and Engagement" (4.17) and the lowest score was "Psychological Safety" (3.98). The global perception of how team members feel working at Braskem was positive, with 88% submitting a rating of between 7 and 10.

DIVERSITY, EQUITY & INCLUSION

- **Be Tech Program:** in April, Braskem launched the free training program in Data Sciences with the goal of increasing diversity, equity and inclusion in the technology market. The Company's first initiative of this kind, the program was carried out in partnership with Ada, a company specializing in technology training from which over 7,000 students have graduated. With in-person and remote formats, the six-month course will offer 25 openings for Black persons above the age of 18 with high school diplomas, with at least 50% of openings reserved for women.
- **Respect is Nonnegotiable:** advances in training programs under the Respect is Nonnegotiable project, carried out by the Compliance and DE&I teams on harassment, discrimination, microaggressions and unconscious bias. In Brazil, as of June, more than 3,500 team members from offices and plants had completed the training, representing a participation rate of 72%. At the last meeting, carried out in Bahia with administrative leaders and team members, 662 (83%) of team members participated.
- **LGBTQIAP+ Pride Month:** in June, Braskem carried out initiatives in all countries where it operates to reinforce the importance of diversity in the workplace and its support for the LGBTQIAP+ community. In Brazil, live streams on the topic and meetings at regional plants were carried out. In the United States, the Company expressed its support through an open letter to team members and flags raised at its industrial units. In Mexico, the Company organized in-person meetings featuring external lecturers. Lastly, in Europe and Asia, Braskem carried out a campaign to reinforce that psychological support channels available, with flags also displayed at the locations.

4. Governance

- **Maintenance of ISO 37001:** in May, the Maintenance Audit of ISO 37001 - System of Anti-Bribery Management was completed, with the recommendation for maintaining the certificate, which Braskem holds since 2021. Compliance with the standard and its requirements reinforces Braskem's commitment to acting ethically and with honesty, and transparency, and confirms the robustness of the Company's Compliance System.

- **ESG Monitoring by BoD¹⁰:** the Board of Directors and its Advisory Committees regularly evaluate the progress achieved in the Company's ESG practices. In 1Q23, the following topics were covered:
 - Periodic discussions by the Board of Directors and its Advisory Committees to assess the progress achieved in the Company's ESG practices, including monitoring the assessment of corporate risks related to projects and practices related to the topic.
 - Evaluation of the proposal to update Scales and Vectors for assessing Probability and Impact, under the scope of Risk Management, as well as monitoring the treatment of risks in accordance with the priorities defined annually by the Body.
 - Evaluation of the efficiency of risk management policies and systems, internal controls, and the compliance program.
 - Update and approval of the Charter of the Finance and Investment Committee of Braskem S.A.
 - Examination and filing of the annual reports of the 20-F Form and Reference Form.

¹⁰ Board of Directors