



ESG Report  
**2Q24**

Braskem 

## 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 **2Q24 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 2023

Access Braskem's achievements within its sustainable development strategy in 2023, 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.

BRASKEM  
DAY 2023

Access the complete presentation here, which includes advances in Braskem's business and corporate strategy.

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 EGG	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)	November, 2023
CSA S&P	59 (out of 100)	March, 2024
ISE B3	79.5 (out of 100)	December,2023
CDP Water Security	B (out of A)	December,2023
CDP Clomate Change	B (out of A)	December,2023

## 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 objectives<sup>1</sup> 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 are 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 1<sup>st</sup> quartile of shareholder returns in the petrochemical sector; (ii) be among the best companies in the DSI<sup>2</sup>; (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 GHG<sup>3</sup> 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-Efficiency<sup>4</sup>:** 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 has achieved 31% of its sustainable development goals.

<sup>1</sup> 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.

<sup>2</sup> Dow Jones Sustainability Index.

<sup>3</sup> Greenhouse Gases.

<sup>4</sup> 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

- **Industrial Decarbonization (AL) Program:** in Alagoas, the expansion of the partnership with Veolia will enable a new energy efficiency investment in PVC-2 with completion scheduled for 2025 and potential reduction of 35 kt/year CO<sub>2</sub>e. This investment contributes to the decarbonization goal of the "Vapor Biomassa" project, which aims to reduce 150 thousand tons of GHG annually, started with the inauguration of the biomass plant in Alagoas, for large-scale renewable energy production, in November 2023.
- **Industrial Decarbonization Program (RS):** the Company's first project to use large batteries in industrial units with the objective of replacing part of its own thermal generation, and contributing to the reduction of carbon emissions. The initiative has been technically validated and may start operating in 2026. The first stage of the plan foresees the installation of a 9.5-megawatt (MW) battery energy storage system (BESS) at a unit in Rio Grande do Sul, with the potential to achieve a reduction in CO<sub>2</sub> emissions of up to 65 kt/year.
- **Global Plastics Agreement:** in April, Braskem participated in the fourth round of negotiation of the Global Plastics Agreement, which was attended by various sectors of society. This round of the Agreement made progress in consolidating the contributions of all nations to the 'zero draft', with emphasis on the topics of primary plastics, chemicals of concern, problem plastics, circular economy financing and social aspects of just transition. In addition, the final plenary determined a new meeting in mid-August 2024 for technical work. The potential final round of negotiations is scheduled for December 2024 in Busan, South Korea.
- **Recycled EVA (Wenew):** in April, Braskem launched two new EVA solutions, produced from recycled raw material (shavings from the footwear industry). One of the grids can be applied to sheets that make up the mats for gyms, tennis insoles and yoga mats. The other product is intended for injection in the midsole and unisoles of shoes. This last solution, in addition to being composed of recycled raw material, contains 30% of renewable resin obtained from sugarcane (EVA from renewable sources). The products stand out for being the first of their kind launched on the market.
- **Partnership with TNO (EUR):** in June, Braskem and TNO, the largest independent research and technology organization in the Netherlands, announced a collaboration to improve circularity and sustainability in the plastics industry through Möbius recycling technology, a dissolution technology that allows recycling polymers and additives in an efficient and environmentally friendly way, aiming at the purification of plastic waste.
- **Chemical Recycling (EUR):** in June, under the Wenew brand, through a partnership with Georg Utz AG, a leading Swiss company in reusable transport packaging, the Company announced the first sale of circular polypropylene (PP), produced from the chemical recycling of plastic waste and with ISCC+ certification.
- **RecyClass Certification (EUR):** in July, Braskem obtained the RecyClass certification, which includes certifications of recyclability, recycling process and traceability of recycled plastics. This certification guarantees the traceability and origin of recycled materials, increasing the credibility of the company's recycled products. The certification supports Braskem's customers achieve recycled content goals and comply with legal requirements.
- **Renewable HLR (BRA):** in July, through a partnership between Braskem and Petrobras, industrial-scale tests to produce a stream of Light Refinery Hydrocarbons (HLR), with renewable content, produced from sugarcane ethanol, were reproduced, obtaining positive results, and enabling the evolution of the partnership and commercial discussions. This initiative is part of the agreement signed between Braskem and Petrobras that identifies and develops technological and innovative solutions in the areas of circular economy, renewable raw materials and carbon emission reduction.

## PLASTIC WASTE DISPOSAL

In 2Q24, the sales volume of resins with recycled content from the Wenew brand in Brazil increased compared to 1Q24 (+21%) and 2Q23 (+25%) due to the increase in demand for PCR<sup>5</sup> resin, influenced by the growth in the customer base and higher consumption by the business's main customers.

In the United States and Europe, the sales volume of products with recycled content increased compared to 1Q24 (+3%) and 2Q23 (+111%), due to (i) the growth in the sale of bio-circular products; (ii) increased demand for PCR; and (iii) the first sale of chemically recycled resin for food transport packaging in Europe.

In Mexico, sales volume of products with recycled content was higher compared to 1Q24 (+69%), due to higher demand for PCR resin, driven by growth in the customer base. Compared to 2Q23, sales volume was also higher (+37%), positively impacted by the company's strategy of prioritizing regular sales.

Recycled Sales Volume (ton)	2Q24 (A)	1Q24 (B)	2Q23 (C)	Var. (A)/(B)	Var. (A)/(C)	1H24 (D)	1H23 (E)	Var. (D)/(E)
<b>Recycled</b>	<b>23,333</b>	<b>19,814</b>	<b>15,819</b>	<b>18%</b>	<b>48%</b>	<b>38,591</b>	<b>29,524</b>	<b>31%</b>
Brazil	12,423	10,268	9,930	21%	25%	20,370	18,070	13%
Resins <sup>1</sup>	10,443	7,710	7,676	35%	36%	14,987	13,119	14%
Chemicals <sup>2</sup>	1,980	2,559	2,254	-23%	-12%	5,384	4,951	9%
United States and Europe	8,087	7,877	3,833	3%	111%	13,949	7,852	78%
Mexico	2,822	1,669	2,055	69%	37%	4,271	3,602	19%

1) Considers Wenew recycled resins sales

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

## 3. Social

### HEALTH AND SAFETY

- **People Safety:** the average global CAF + SAF<sup>6</sup> accident frequency rate at the end of the first half of 2024 was 0.93 (events/1MM HHT), showing a reduction (-14%) compared to the same period in 2023.
- **Process Safety:** the TIER 1<sup>7</sup> rate was 0.08 (events/1MM HHT), an increase of (+0.1%) compared to the same period in 2023. This rate keeps Braskem at the same level as companies in the global chemical sector, considered the best safety references in the market. The TIER 2<sup>8</sup> rate was 0.25 (events/1MM HHT) lower (-0.4%) than in 2Q23.

### SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

- **Emergency actions (RS):** in May, in view of the extreme weather event in the state of Rio Grande do Sul (RS), Braskem approved the donation of R\$ 5 million in products, which were distributed in partnership with customers. In addition, 2 thousand basic food basket kits and 2 thousand hygiene and cleaning kits were donated to CUFA<sup>9</sup> and the Municipality of Triunfo and more than 1,200 pallets to the Civil Defense of RS, the Commercial Association of Montenegro, the Municipality of Rio Grande and the Ramiz Galvão

<sup>5</sup> Post-Consumer Recycled.

<sup>6</sup> Lost time injury + recordable injury.

<sup>7</sup> 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.

<sup>8</sup> 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.

<sup>9</sup> Central Única das Favelas

School (Vila Mangueira Community), to serve as beds in accommodations in the affected municipalities and, also assist in logistics operations.

## **DIVERSITY, EQUITY AND INCLUSION**

- **Respect is Non-negotiable Program:** the program has now a global reach. After training more than 5,000 members in Brazil, the trainings are being delivered locally in Europe & Asia and Mexico. In Europe & Asia, more than 80% of the members have already been trained, and in Mexico, the program has reached adherence by 75% of the team members. In the second half of the year, the United States will also start the training journey.
- **"Elas Braskem" Program (BRA):** in May, the last meeting of the "Elas Braskem" women's development and empowerment program took place. The last meeting provided a moment of support in the construction of the participants' Individual Development Project, looking at the future and individual goals of each one. The program was successful by 81% of the participants.
- **Ethos/Época Award (BRA):** Braskem was recognized by the Ethos/Época survey as one of the most inclusive companies in the chemical and petrochemical sector in Brazil. The survey evaluated our pillars of action, practices for achieving goals and continuous actions that encourage the creation of a diverse and inclusive environment.

## **4. Governance and Compliance**

- **ESG Monitoring by the BoD<sup>10</sup>:** periodically, the Board of Directors and its Advisory Committees evaluate the evolution of the Company's ESG practices. In 2Q24, the following topics were addressed:
  - Monitoring of the compliance with the guidelines of the Sustainable Development Policy, in order to carry out an assessment of the progress achieved by the Company in its implementation.
  - Assessment of the reasons for compliance with the independence criteria of CVM Resolution No. 23/21 (i) of the independent members of the Board of Directors who could be appointed as members of the CCAE<sup>11</sup>, and (ii) of the candidates for members of the CCAE who are not members of the Board of Directors.
  - Statement on the Annual Report of the Managers and the respective Accounts of the Managers, the Annual Financial Statements and the proposal for the Allocation of Profits, for the Fiscal Year ended December 31, 2023.
  - Calling for the Annual General Meeting, with election of the Board of Directors, for a term of 2 years, and of the Fiscal Council. Election of the members of the CCAE and allocation, by the P-CA<sup>12</sup>, of the members of the Board of Directors in the Advisory Committees, all with a term of office until the first meeting of the Board of Directors to be held after the 2026 Annual General Meeting. Election of the Board of Executive Officers, for a term of 3 years;
  - Constant discussion and monitoring of Corporate Risk Management, including the analysis of the respective treatment plans.
  - Evaluation by the Board of Directors of the Compliance Program and the effectiveness of the policies and systems of risk management and internal controls;
  - Conclusions of the annual self-assessment on the Board of Directors, Advisory Committees and the Executive Secretariat, as well as the respective action plans.

<sup>10</sup> Board of Directors

<sup>11</sup> Compliance Committee and Statutory Audit.

<sup>12</sup> Chairman of the Board of Directors.