



ESG Report 1Q23

Braskem 

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ABOUT THIS REPORT

In the quest to make its actions more transparent, Braskem keeps committed with its communication with the market and discloses its first **ESG Report**. This report will be updated quarterly and aims to monitor the Company's advances in relation to its sustainable development strategy, 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

Agência ESG	Rating	Última atualização
ISS ESG	38,96 (out of 100)	August, 2021
MSCI	BB (out of AAA)	November, 2022
Vigeo Eiris	46 (out of 100)	October, 2021
Sustainalytics	26 (out of 0)	March, 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 UN Sustainable Development Goals (SDGs), Braskem's sustainable development strategy 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 45% the percentage of women in leadership positions in Brazil and to 35% 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

- **ESG Indexes and Ratings:** Braskem was invited to participate in S&P Global's Corporate Sustainability Assessment (CSA) 2023 to integrate the S&P Global Large Mid Cap ESG Index, designed to assess the performance of companies on the EESG⁵ dimensions. In addition, in 2022, the Company's rating was upgraded from "B" to "BB" (on a scale of AAA -CCC) in the MSCI ESG Ratings assessment, mainly due to improvements in governance criteria. Braskem reinforces its commitment to transparency and increasing incorporation of ESG criteria in decision-making.
- **Inventory of GHG emissions:** in 2022, Braskem's scope 1 emissions totaled 10,045,179 tons of CO₂e, increasing 0.58% from the previous year, reflecting the lower production volume and consequent impact on the energy efficiency of the crackers. In relation to scope 2 emissions, according to the market-based approach, the emissions totaled 605,702 tons, decreasing 31.26% from 2021. This result is explained by the higher share of clean energies in the interconnected systems (grid) and Braskem's investments in long-term renewable energy purchase agreements.
- **Climate Change Adaptation:** in January, Braskem concluded the revision of its climate risks for 2030 and 2050, which identified and assessed physical and transition risks, as well as the climate-related opportunities that could impact its operations in different climate scenarios. The study was developed considering the best practices of studies on climate risk established by the Task Force on Climate-related Financial Disclosures (TCFD).
- **Integrated Report 2022:** in March, the Company published its Integrated Report 2022, which adopts the internationally recognized reporting standards GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board) and IIRC (International Reporting Council). In the report, the Company presents the advances in its sustainable development strategy, which totaled to 31% in 2022.
- **Open Call for Water Action:** in March, Braskem attended the UN Water Conference 2023, whose theme was "Water for Sustainable Development," where various policymakers discussed with the private sector the imminent risks of water scarcity caused by the indiscriminate use of water. At the conference, Braskem adhered to the "Open Call for Water Action," a collective commitment to improve engagement in the pursuit of solutions to such risks, contributing to SDG 6 and to ensuring water access and sanitation to all.
- **Wind Power (BRA):** in March, the Company announced a new wind power purchase agreement with Casa dos Ventos, which provides wind power supply for up to 22 years. Braskem estimates a reduction of 3.2 million tons of CO₂ emissions under this agreement and the other ones entered into by it for the purchase of competitive renewable energy in Brazil, which amounts to over 220 average MW in long-term wind and solar power purchase agreements, accounting for approximately 40% of electric energy acquired by the Company in Brazil for its operations, which contributes to the goals of reducing by 15% emissions (scope 1 and 2) by 2030 and achieving carbon neutrality by 2050.
- **Rock and Recycle:** in March, Braskem carried out the "Rock and Recycle" action at the Lollapalooza festival for the second consecutive year, with the objective of encouraging the proper disposal of plastic. During the event, Braskem collected approximately 352,000 plastic items that were discarded at the waste collection points available on site. This volume is 173% higher than the volume collected last year. The action is yet another initiative of the Company through the Wemove platform, created in 2022, which has as one of its objectives raising environmental awareness and educating the population about recycling.

⁵ Economic, Environmental, Social and Governance

ELIMINATING PLASTIC WASTE

Compared to the 4T22, there has been a reduction in the volume of sales of goods containing recycled content in 1T23 (-21%).

Sales of resins with recycled content were reduced by (-28%) in Brazil, which are considered sales under the Wenew brand, as a result of (i) the formation of an estoque in the chain at the end of 2022; (ii) a decrease in the price of virgin resin; and (iii) uncertainties regarding the petrochemical environment.

Compared to the same period the year before, the sales of products with recycled content in Brazil increased by +56% when, reflecting the company's marketing strategy and the beginning of the consolidation of volumes coming from Wise, a company that recycles materials, which Braskem completed acquiring a 61,1% stake in on 1T23.

Recycled Sales Volume (ton)	1Q23 (A)	4Q22 (B)	1Q22 (C)	Chg. (A)/(B)	Chg. (A)/(C)
Recycled	13,684	17,363	9,140	-21%	50%
Brazil	8,143	9,896	6,302	-18%	29%
Resins ¹	5,446	7,536	3,494	-28%	56%
Chemicals ²	2,698	2,360	2,809	14%	-4%
United States and Europe ¹	3,994	5,905	1,592	-32%	151%
Mexico ¹	1,546	1,562	1,245	-1%	24%

1) Considers Wenew recycled resins sales

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

ECO-INDICATORS⁶

In the year to date, the eco-efficiency indicators of the Company's plants were mainly affected by the lower production volume compared to the same period in 2022.

The eco-indicator for water consumption and wastewater generation increased (+1% and +13%, respectively) compared to 1Q22, due to (i) the lower production volume; and (ii) the loss of water efficiency in some units with a relevant impact on the eco-indicators, mainly in the Bahia and Alagoas regions.

Waste generation was 3.13 kg/ton and increased (+30%) compared to the same period of 2022, reflecting (i) the new effluent treatment scenario in the ABC; (ii) disposal of cleaning waste from emergency basins in Alagoas; and (iii) remediation projects.

Energy consumption increased (+3%) compared to 1Q22, as a result of (i) the lower production volume in the period; and (ii) loss of energy efficiency in some units with a relevant impact on the eco-indicator.

Ecoindicators (YTD)	mar/23 (A)	mar/22 (B)	Chg. (A)/(B)
Water Consumption (m3/ton)	4.24	4.20	1%
Wastewater Generation (m3/ton)	1.31	1.15	13%
Waste Generation (kg/ton)	3.13	2.41	30%
Energy Consumption (GJ/ton)	11.03	10.70	3%

3. Social

HEALTH AND SAFETY

⁶ Data may be revised depending on internal updates.

- **People Safety:** the consolidated reported and lost time injury-frequency rate in 1Q23 was 1.08 (events/1MM HHT), down (-8%) compared to the same period in 2022. In the quarter, the Company also made progress in the Human Reliability Program, having approved its work plan for 2023. Regarding third-party management, several training sessions were carried out for Braskem leaders after the review carried out in the internal HSE procedure in hiring third parties.
- **Process Safety:** the TIER 1⁷ rate in the year to date was 0.07 event per million hours worked, a decrease (-62%) 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 2⁸ rate was 0.48 event per million hours worked.
- **Digital Transformation:** an Electronic Work Permit (E-Permits) initiative was implemented which, in addition to productivity gains, will allow automatic integration with other systems and assertiveness in risk assessment by operators, facilitating compliance with HSE rules and minimizing the possibility of errors and deviations. In addition to remote assistance, the technology that will allow assistance to operators in the field, in real time, avoiding exposure to risks and errors.

SOCIAL RESPONSIBILITY AND HUMAN RIGHTS

- **Saving Lives project:** Braskem concluded the donation of oxygen plants and other equipment to hospitals in cities and communities near its operations, in partnership with the BNDES and Sitawi. In January, Braskem formally delivered the last oxygen plant to Hospital Municipal Dr. Moacyr Rodrigues do Carmo, in the city of Duque de Caxias (RJ). Over 220 pieces of equipment and 9,600 Personal Protective Equipment (PPE) items were donated. Braskem invested over R\$3 million, with matching funds from the BNDES, which benefitted 14 public hospitals in the states of Bahia, São Paulo, Rio de Janeiro and Rio Grande do Sul.
- **Support for families on the northern coast of São Paulo:** the extreme weather that hit the northern coast of São Paulo on February 18 and 19 killed 65 people and displaced another 2,440. Braskem donated 1,000 food staple boxes and 1,000 hygiene/cleaning kits. The Volunteer Campaign has raised over R\$18,000, as well as donations of clothing, diapers, and other items.
- **Global Volunteer Program:** in Brazil, 4 joint efforts were carried out, with the participation of 71 volunteers in São Paulo, Santo André, Simões Filho and Triunfo. In the US, a cleanup effort was carried out in the Gulf of Texas, in partnership with the Galveston Bay Foundation, which involved the participation of 28 volunteers and the collection of 122 kg of waste incorrectly disposed of on the beach. In Mexico, volunteers visited the women's penitentiary in Vera Cruz, in addition to the delivery of 89 hygiene kits for women and babies, in a donation made in partnership with Kimberly Clark. In Europe, volunteers from Wesseling, Germany, donated folding beds and sleeping bags to earthquake victims in Turkey and Syria.

PEOPLE & ORGANIZATION

The Company invests in the continuity and expansion of its health and well-being initiatives. In 1Q23, initiatives concentrated on the comprehensive health and well-being program, which included application of the Health Risk Assessment (HRA) in Brazil, Mexico and United States. The assessment participation rate was 60%, which exceeded expectations and demonstrated the level of team member interest and the program's importance. In the period, the Company also defined the calendar of actions for the integral health and Caring for People programs.

In addition to the aforementioned initiatives, Braskem held live streams on Integral Health and Resilience, administered training to the health team of the São Paulo office at HCOR, and formed the HES committee

⁷ 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.

⁸ 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.

(physicians) at Instituto Brasileiro do Petróleo (BP), which also includes Petrobras, Transpetro, Raízen, Ipiranga and VibraEnergia.

DIVERSITY, EQUITY & INCLUSION

- **Respect is Non-negotiable:** in March and April, the Compliance and DE&I teams visited Braskem's facilities in Maceió (AL) and Triunfo (RS), to continue training on the Respect is Non-negotiable project. During the sessions, the Company's DE&I commitments were explored, in addition to topics such as harassment and discrimination, reinforcing access to the Ethics Line complaint channel. In Alagoas, 265 members participated, including professionals from the industrial team who work in shifts, totaling 80% of trained members. In Rio Grande do Sul, 649 members of the administrative team participated, totaling 78% of the population.
- **Affinity Networks⁹ People with Disabilities:** in 1Q23, the PwD Affinity Network was launched, which is made up of 2 leaders and has a Management Committee of 5 people. This meeting was held at the Company's headquarters in the São Paulo office and was attended by Marcelo Arantes (VP of P&O and Communication) and Isabel Figueiredo (VP of V&S).

4. Governance

- **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:
 - Update and approval of the Insurance Policy of Braskem S.A.
 - Discussion of investments and projects, in line with the sustainability commitments for 2030 and 2050 assumed by Braskem, including approval for execution of an agreement with Casa dos Ventos to supply wind power to Braskem for up to 22 years.
 - Calling of Annual and Extraordinary Shareholders Meeting in 2023.
 - Periodic discussion by the Board of Directors and its Advisory Committees to assess the evolution in the Company's ESG practices, including monitoring the assessment of corporate risks and projects and practices related to the topic.
 - Discussion and approval of the Company's strategy for the period between 2023 and 2027, focusing on fiscal year 2023.
 - Annual assessment of the Chief Executive Officer's performance based on the targets defined previously, as well as analysis of the results of the annual performance assessment of the Statutory Executive Officers pertaining to 2022.

⁹ Affinity networks are groups of people who connect and engage around a common theme, generally related to identity, personal experiences and promotion of inclusion and visibility. Braskem already has affinity networks for issues related to race, women and LGBTQIA+.

¹⁰ Board of Directors