



ESG

Sustainability
Annual Report

2020

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ABOUT THIS REPORT

We are a chemical and petrochemical company that, for 10 years, has been driving innovation and working with cutting-edge technology to ensure that our operations are always aligned with a solid sustainability strategy. In this report, we have presented the results obtained between January 1st and December 31st, 2020, in addition to our efforts to drive the company's evolution.

[102-1, 102-5, 102-10, 102-45, 102-48, 102-49, 102-51, 102-52, 102-54, 102-56]

Our fundamental pillars are integrity, ethics, transparency and proper conduct, which can be clearly seen and in how our Team Members engage with our stakeholders. Furthermore, we have implemented principles that govern, at all areas and levels within the company, our Compliance System. In 2020, we were recognized as one of the most ethical companies with best practices in the area of Corporate Integrity.

In terms of financial results, during 2020 Braskem Idesa's USD \$900-million refinancing bond, issued during 2019, was named the LatAm Petrochemical Deal of the Year by the Sumitomo Mitsui Banking Corporation (SMBC).

Our operations in Mexico during the year were influenced by the downward trend experienced within the petrochemical industry, uncertainty regarding domestic raw material supplies (ethane, an essential element in our production processes), and the global impact COVID-19 had, leading to lower prices for polyethylene during April; however, during the last quarter of the year, the market recovered as a result of strong demand for polyethylene and disruptions to the supply-demand balance.

Our priorities lie in ensuring a high operating rate at the Braskem Idesa complex in order to guarantee the supply of raw materials, in addition to implementing additional supply strategies by importing ethane, including our Fast Track project. All of these activities are undertaken in accordance with the highest standards and controls, both in terms of safety and environmental performance, which can be clearly seen in our operational efficiency. We received the approval of lenders from our Finance Project as part of the renegotiation of the ethane supply contract with PEMEX.

Another of the fundamental pillars in our strategy is community engagement, which we promote by creating jobs in the regions surrounding the complex, in addition to driving development and well-being within our area of social influence.

During March 2020, as a result of the COVID-19 public health emergency, and before the federal government announced lockdown measures, our concern for the health and safety of our Team Members led us to roll out a remote working model. Additionally, the chemical and petrochemical sector was declared to be an essential activity, which is why our operations were governed by strict prevention and safety protocols decreed by the government.

We also implemented a program focusing on three major areas: support for vulnerable communities, donations to health care professionals, hospitals, health centers, etc., and partnerships with clients, universities and associations. The goal of this program was to promote solidarity and help overcome the pandemic, prioritizing health, safety, jobs and the continuity of our operations.

During 2020, we also reaffirmed our commitment to the environment by maintaining our efforts to protect biodiversity through our Environmental Management Unit (EMU), making inroads in terms of compliance with our Circular Economy strategy through our I'm green™ recycled business model and polyethylene recycling campaigns.

It is important to highlight that sustainable innovation is part of our DNA and plays a major role in our commitment to creating a better world, driving us to find solutions, in our role as leaders within the sector, to help put us on the right track to creating a more sustainable future. This is why, this year, we publicly declared our goals to achieve carbon neutrality before 2050.

As part of our commitment to sustainability, Braskem Idesa SAPI (Investment Promotion Corporation) and Braskem Idesa Servicios S.A de C.V. declare that "this report has been prepared in accordance with the GRI Standards: Core option". Furthermore, the information published herein has been verified by an external party, as was the case in 2019, and there were no relevant modifications to said information. Also, we have added a chapter on COVID-19 focusing on the support we offer our stakeholders and a timeline to celebrate the 10th anniversary of Braskem Idesa; these are the two major changes to this report.

In this year report, there were no relevant modifications to said information, however, to continue our evolution in sustainable terms we add the material topics GRI 406: NON-DISCRIMINATION 2016, GRI 415: PUBLIC POLICY 2016 and GRI 301: MATERIALS 2016, as well we have added a chapter on COVID-19 focusing on the support we offer our stakeholders and a timeline to celebrate the 10th anniversary of Braskem Idesa; these are the two major changes to this report.

We are firmly committed to our goal and our vision of safeguarding our operations, promoting the development and well-being of our Team Members, driving local growth in the communities surrounding our operations, and reaffirming our commitment to protecting the environment.





LETTER FROM THE CEO 2020

For Braskem Idesa, 2020 was a year of both major challenges and advances in terms of helping the company become increasingly competitive, responsible, committed to its community and a proponent of major environmental conservation activities.

[102-14, 102-15, 103-2, 103-3]

In 2020, we celebrated our 10-year anniversary, the first six of which we spent building our petrochemical complex in Nanchital, Veracruz, Mexico. We have spent the past four years producing and marketing high- and low-density polyethylene for the Mexican and export markets, complying with the highest quality standards, maintaining our operational efficiency, generating value for our shareholders, and offering specialized services to our clients in our role as a benchmark within the plastics industry.

We have also created an ecosystem in which environmental conservation and social responsibility co-exist, and we have complemented this with a robust corporate governance structure that is governed by a framework that is based on transparency, ethics, integrity and anti-corruption at all levels of the company and in all dealings with our stakeholders.

This year, we overcame a challenging situation – we faced a downturn in the polyethylene cycle, stemming from a decrease in demand during the second quarter of 2020 as a result of reduced economic activity, especially within the construction and automotive sectors, both of which recovered during the third quarter of the year. A major part of ensuring our operational sustainability was the rolling out of a natural gas supply strategy to help get operations up and running and mitigate the effects on the value chain.

The COVID-19 pandemic put us all to the test, which is why we implemented a strategy that is underpinned by three pillars: support for vulnerable communities, partnerships with clients and universities, and support for health care professionals by donating more than 400,000 items of hospital equipment to health care units and communities in Veracruz and Mexico City.

As such, in order to maintain our social license to operate and drive local economic development, another of the major challenges we faced was adapting our social and environmental programs as a result of the public health emergency in order to guarantee their continuity, allowing us to continue contributing to the well-being of the communities located within our area of social influence.

In terms of the environment, which is governed by our Global Sustainable Development Policy, which is based on the United Nations Sustainable Development Goals (SDG), and in the understanding that economic challenges, the scarcity of natural resources, and climate change require urgent action and adaptation, we continue consolidating our management strategy in the areas of energy, water, emissions, waste, biodiversity and sustainable solutions and products, implementing a Circular Economy model that encompasses our entire value chain by generating partnerships, technology, investment and collaborative projects, in addition to promoting education in the areas of recycling and responsible consumption as we firmly believe that this change cannot be achieved alone.

At Braskem Idesa, we will continue striving to become an even more sustainable company that is underpinned by a strong culture of ethics and corporate governance in order to continue creating value for all our stakeholders.

In conclusion, I would like to thank our shareholders, clients and suppliers for the trust they have placed in Braskem Idesa, and, above all, I would like to thank our team for their professionalism, commitment and passion, which has allowed us to continue positioning ourselves as an innovative and sustainable company and global benchmark.

- Our priority lay in ensuring the continuity of our operations, while always putting the health and safety of our Team Members first,
- 5** implementing a wide range of prevention measures such as remote working, emotional well-being initiatives, and the creation of value propositions to help drive the development of our professionals, all of whom have shown high levels of resilience and commitment.

Stefan Lepecki
CEO- Braskem Idesa





CORPORATE PROFILE



Principles

At Braskem Idesa we engage with our stakeholders and manage our businesses and processes within a framework of principles and values:

- **Integrity:** We ensure that ethical integrity is the foundation of the corporate governance systems regarding the company's internal and external relations.
- **Transparency:** We provide transparent information and promote free, accurate and effective communication.
- **Ethics:** We act based on a framework of standards that are legal, statutory or regulatory in nature.
- **Continuity:** We closely monitor our operations and ensure compliance in all areas.
- **Responsability:** We help the Board of Directors ensure the sustainability of the company by incorporating a wide-ranging business strategy that encompasses sustainable development principles.
- **Equality:** We treat our stakeholders in a fair and equitable manner.

Values

Our values underpin our quality standards and polices that govern how we engage with our shareholders, clients, Team Members, suppliers, communities and stakeholders:

- **Trust in People** and in their capacity and desire to prosper.
- **Customer Satisfaction,** focusing on quality, productivity and environmental and social responsibility.
- **Returns for shareholders** and the valuation of their assets.
- **Collaboration** between those who participate in the design and implementation of the company's operations, in addition to its business results.
- **Employee Self-Development,** mainly through workplace education, driving the growth and sustainability of the organization.
- **Reinvestment** to create new employment opportunities and contribute to community development.

At Braskem Idesa

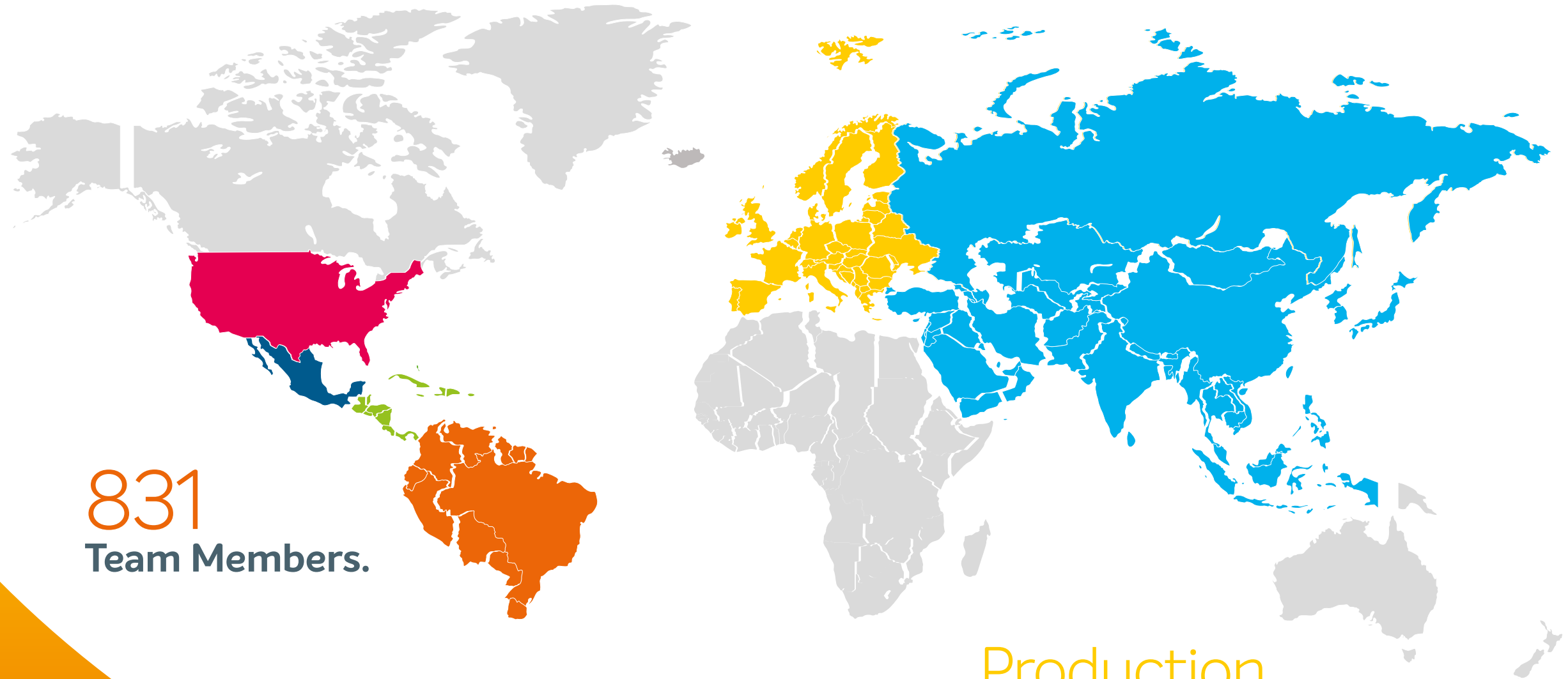
we have ethical guidelines in place that govern our interaction with our stakeholders.

Operations Map

Over the past 10 years, as a company we have grown and crossed borders alongside our clients in more than 41 countries thanks to a team of 831 Members in Mexico, who, every single day, ensure the continuity of our operations.

4
industrial plants in
Nanchital, Veracruz Mexico.

Exports
to more than 41
countries.



831
Team Members.

Production
capacity of more than
1 million tons/year.

[102-2, 102-6]

Market Segments

It has been a decade during which we have positioned ourselves on the market through a portfolio of the highest quality Polyethylene resins, focusing on different market segments through our range of applications:

Injection

Used in end injection molding applications, such as: toys, lids, containers, household items, buckets, tables, boxes and thin-walled containers, among others.

Pipes

Solutions, including:

- CONDUIT (protection and conduction for electrical/ telecommunications cables).
- Corrugated pipes (storm drainage, wastewater and sewage systems).
- Energy systems (natural gas, LPG, propane).
- Local and industrial (potable water, mining, industrial-chemical).

Blow-Molded

We have small- and large-volume blow-molded materials with a comprehensive portfolio of monomodal and bimodal packaging for products ranging from 0.2 to 1,000 liters. This product portfolio ensures a balance between processing and mechanical properties, and it is used in the manufacturing of:

- Chemical containers.
- Domestic and food products.
- Sheet extrusion.
- Products requiring special materials, among others.

Film

Applications in:

- **High Molecular Weight Film** used mostly in the shopping bag and bag rolls market.
- **Low-Density Polyethylene**, which can be used in a wide variety of applications, from simple films to multi-layer and laminated films.
- **Thermo-Shrink Film** with three grades of low-density polyethylene for the production of thermo-shrink films:
 - » **Medium-resistant film** for the packaging of numerous products, in addition to the outer films of diapers.
 - » **HDPE and LDPE mixes** for extrusion, bags and sacks, bottles for consumer goods, agricultural film and greenhouse sheeting, industrial film, thermo-shrink film and blown film.
 - » **Low molecular weight LDPE** for industrial bags, thermo-shrink agricultural films, pipes and hoses.
 - » **Special films** for the production of highly resistant geomembranes for a wide range of chemical products.



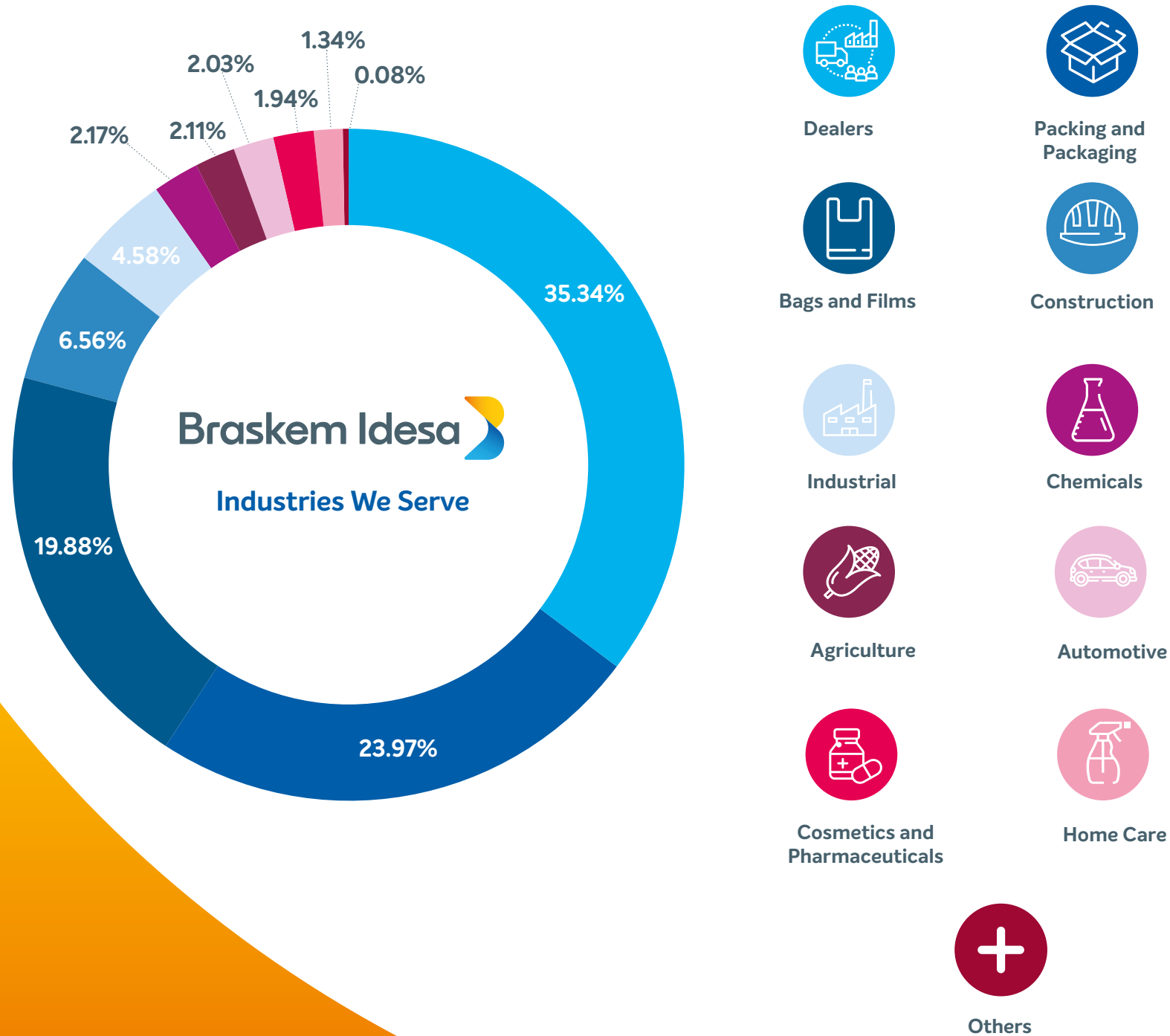
Since we began operations in 2016, we have produced more than **4 million tons** of high- and low-density polyethylene.

[102-2, 102-6]

Products

We have a petrochemical complex in the community of *Nanchital de Lázaro Cárdenas del Río* in Veracruz, Mexico, which houses 1 cracker and 3 high- and low-density polyethylene plants, which has helped drive production and replace imports, in addition to having a positive impact on the trade balance (USD \$1.5 billion per year in Mexico).

The catalog of products that we have developed over time has enabled us to offer innovative and best-in-class solutions to a range of industries, including our High- and Low-Density Polyethylene resin (HDPE and LDPE), which can be used in a number of different sectors:



The challenges we have faced have helped us to improve the products and processes we offer to meet the needs of our clients.

10 YEARS OF BRASKEM IDESA

Preparing the ground

Braskem Idesa Servicios is incorporated, and the construction project is greenlighted by the *Secretaría de Medio Ambiente y Recursos Naturales* (SEMARNAT). Species of endemic flora and fauna from the zone are relocated to a nature reserve for protection, especially *Ceratozamia Miqueliana*, a species that is in danger of becoming extinct. Furthermore, in collaboration with the *Instituto Nacional de Antropología e Historia* (INAH), items of archeological interest are recovered in the zone, leading to the publication of a book entitled *“Hallazgo Arqueológico en la Cuenca Baja del Coatzacoalcos”*, sponsored by Braskem Idesa to help support the conservation of local cultural heritage.

Braskem and Grupo Idesa win the Pemex tender for ethane supply contract.

Braskem and Grupo Idesa are announced as the winners of the Pemex Basic Petrochemical Auction (PGPB), supplying this Mexican government-run gas and oil company with ethane.



First Steps

Braskem Brazil and Grupo Idesa, a Mexican company, partner to create a joint venture to participate in the tender process announced by the Mexican government for the petrochemical sector, in which 31 companies from around the world take part to win a contract to provide the raw materials and construction for a petrochemical complex.

Braskem Idesa is born

In order to begin operating in Mexico, the XXI Ethylene Project is created, and Braskem Idesa S.A.P.I. is incorporated as a Mexican company, paving the way for the construction of the petrochemical complex in Nanchital de Lázaro Cárdenas del Río in the state of Veracruz.

Civil engineering and pre-marketing

During the year, the civil engineering project begins, and operations and maintenance teams are created. Pre-marketing for polyethylene for the Mexican market gets underway and the financing process comes to a close.

10 YEARS OF BRASKEM IDESA

2013

Conclusion project and beginning of pre-commissioning process

Braskem Idesa has approximately 16,000 Team Members at its site in Nanchital, the construction project is 90% complete, and the pre-commissioning process begins. It trains more than 120 operators and technicians at its plants in Brazil and Europe.

2015

Inauguration of Braskem Idesa and production gets underway

Braskem Idesa's petrochemical plant is inaugurated, and polyethylene production gets underway at one of its three production plants, with a capacity of 1,050,000 tons of thermoplastic resin per year.

2017

First year of operational efficiency

The petrochemical complex celebrates its first year of operations, during which it produced more than 900,000 tons of polyethylene; 56% of total production is earmarked for the Mexican market, while the remaining 44% is exported to 43 countries around the world. Our environmental performance is positive, reaching a 28.54% decrease in emissions, while in social terms Braskem Idesa is awarded the Socially Responsible Company (ESR) certification by CEMEFI, and, for the third consecutive year, the company receives the SARI Comprehensive Responsibility certification from ANIQ.

2014

Installation of major equipment and positioning of Braskem Idesa

The first product and raw material storage equipment arrives on site: 6 large-scale tanks and a distillation tower. The construction project is now 56% complete, and there are more than 10,000 workers on site. This year, Braskem Idesa is ranked as the Sixth Dream Company for Young Mexicans. We participate in the leading expo for the plastics industry in Mexico (PLASTIMAGEN) and the largest packaging fair (EXPO PACK).

Operations commence

Numerous pre-commissioning tests are undertaken, and the first steam emissions are generated. During the year, the construction project for the complex is 99.2% complete and operations commence.

2016

10 YEARS OF BRASKEM IDESA

I'm green™ recycled a commitment to the environment and social responsibility

3 million tons of high- and low-density polyethylene are produced since the plant went online in 2016. I'm green™ recycled, the first polyethylene resin to contain a percentage of recycled postconsumer waste in Mexico, is launched on the Mexican market. Furthermore, Braskem Idesa's petrochemical complex becomes ISO 9001 certified, and, for the second consecutive year, it receives the Socially Responsible Company award (ESR) from CEMEFI.

The story continues ...

2018

2020

2019

2021

Circular Economy

Braskem Idesa reaffirms its position as a benchmark within the Mexican petrochemical industry by ending the year with the production of 800,000 tons of polyethylene. Two major voluntary commitments are added to the Circular Economy, leading to changes in the business model and the migration from a linear economy to a circular economy through institutional recycling programs, such as the Plastimarket program. Braskem Idesa is presented with the Sustainable Company of the Year award by Expo Plásticos.

Tackling challenges with resilience

The company becomes more and more resilient, in addition to better adapting to changes in order to ensure the continuity of its operations and safeguard the health of its Team Members while tackling the challenges stemming from the COVID-19 pandemic. An action plan for the public health emergency is developed to help deal with the situation.

Braskem and Braskem Idesa publish their new commitment to becoming Carbon Neutral by 2050, driving the need for innovative and sustainable solutions that improve the lives of people and make the world a better place to live in.

BRASKEM IDESA IN FIGURES 2020

[102-7]



100%
of our Team Members received training in ethics and anti-corruption.



USD \$773
million net revenue in 2020.



USD \$295
million in Operating EBITDA in 2020.



+40,000
training hours offered.



USD \$499,000
invested in training and development programs.



831
Team Members.



+9,000
people directly benefitted through the Social Investment Program.



600,000
people benefitted through the COVID-19 Support Program.



18%
of all water used was recycled.







17
digital corporate volunteering activities.



449
species of flora and fauna registered and protected in the Environmental Management Unit of the complex.

Stakeholders

The work we have done in recent years is underpinned by the commitment we have to our stakeholders, and we use communication as a tool to engage with them and better understand their expectations. As a result, we can coordinate plans of action that focus on finding solutions to their concerns in order to ensure the best possible relationship with them.

Stakeholders	Description	Expectations	Communication Channels
 <p>Investors</p>	<p>Financial organizations and institutions involved in international capital markets, our Project Finance and creditors in general</p>	<ul style="list-style-type: none"> • Provide transparent and quality information. • Ensure that investors and creditors correctly analyze the company's credit. 	<ul style="list-style-type: none"> • Investor Relations Website (IR) • E-mail • IR Mailbox • IR Phonenumber • Management Call • Consolidated Financial Statements • Virtual visits to the complex
 <p>Team Members</p>	<p>All of the company's employees who work to achieve its business goals and whose rights as workers are respected by the company, which promotes their professional development and respects the diversity they offer Braskem Idesa.</p>	<ul style="list-style-type: none"> • Good work environment • Talent attraction and retention • Career development • Workplace diversity and equality • Opportunities for professional growth • Performance recognition • Attractive salaries and benefits • Workplace integration 	<ul style="list-style-type: none"> • E-mail • Newsletters • Braskem Idesa TV • Bulletin board • Braskem Idesa View • Virtual visits to the complex
 <p>Suppliers</p>	<p>Those who supply the resources, raw materials and services required for Braskem Idesa's operations, which is why we treat them fairly and impartially, contributing to our sustainability strategy.</p>	<ul style="list-style-type: none"> • Fair trade practices • Fair competition • Supply responsibility • Transparent assessment 	<ul style="list-style-type: none"> • Audits • Surveys
 <p>Associations (Chambers)</p>	<p>Institutions that advocate the interests of the sector and in which Braskem Idesa engages to drive the best possible social and/or economic impact.</p>	<ul style="list-style-type: none"> • Partnerships to promote better quality of life • Agreements to promote a sustainable plastic culture 	<ul style="list-style-type: none"> • Meetings • Events • Commissions • Working groups • Virtual visits to the complex

[102-40, 102-42, 102-43, 102-44]

Stakeholders	Description	Expectations	Communication Channels
 <p>Clients</p>	Companies that use Braskem Idesa's products to make their own and reach their end consumers. Braskem Idesa strives to meet their needs through innovation, technology and the highest levels of quality and service.	<ul style="list-style-type: none"> Quality and safety Efficient time management Price vs. quality Opportune monitoring and follow-up 	<ul style="list-style-type: none"> Satisfaction surveys E-mail Suggestions box
 <p>Organizations and Institutions</p>	Social groups that work alongside Braskem Idesa to drive social development, knowledge, and growth in the communities in which the company operates.	<ul style="list-style-type: none"> Partnerships to promote sustainable development 	<ul style="list-style-type: none"> Meetings Face-to-face visits Suggestions box E-mail Virtual visits to the complex
 <p>Community</p>	Those people on which the company's operations have an impact or benefit. Braskem Idesa strives to operate responsibly and transparently in its dealings with the community, helping drive its development and contributing to safeguarding its natural resources, in addition to organizing activities that benefit it socially.	<ul style="list-style-type: none"> Social support Contributions to community development Donations 	<ul style="list-style-type: none"> Phone calls Videoconferencing and Instant Messaging Suggestions box E-mail Community telephone Semi-annual reports Open House Informative videos Institutional letters Virtual visits to the complex
 <p>Authorities</p>	All domestic or international government bodies, whose regulations and auditing processes regulate Braskem Idesa's operations and processes.	<ul style="list-style-type: none"> Compliance Forging of partnerships to drive development 	<ul style="list-style-type: none"> Meetings Joint events
 <p>Media Outlets</p>	Publications that transmit and create informative content for public or private use, and which have an influence on Braskem Idesa's operations and its surroundings.	<ul style="list-style-type: none"> Clear and true information Relevant information for public analysis Focus on significant issues 	<ul style="list-style-type: none"> Meetings Conferences Interviews Press seminars



CORPORATE GOVERNANCE AND COMPLIANCE

Throughout our history, we have been committed to aligning our operations with the interests and expectations of all our stakeholders by ensuring that all Team Members of the company, in addition to Braskem Idesa's corporate governance structures, conduct business in an ethical, responsible and transparent manner in order to generate value.

[102-16]

We have developed a range of guidelines that govern how we interact with our shareholders, clients, Team Members, communities, suppliers and all other stakeholders we engage with, following principles and values that are underpinned by ethics, integrity, transparency and anti-corruption.



In 2020, we consolidated our processes in the areas of ethics and communication, bolstering our organization through a culture of prevention.

Braskem Idesa Guidelines

Our corporate risk management process prioritizes ethics and transparency, ensuring compliance through policies and procedures that are applicable at all levels within the company in order to prevent any ethical situations that could affect our operations.



We have created compliance website to offer everyone access to our policies and guidelines. <https://www.compliancebraskemidesa.com.mx/>

Policies and Guidelines:

- Global Compliance System Policy
- Code of Conduct
- Code of Conduct for Third Parties
- Internal Audit Guidelines
- Internal Audit Guidelines
- Disciplinary Measure Guidelines
- Conflict of Interest Guidelines
- Due Diligence Guidelines for Third Parties
- Guidelines for Engagement with Government Officials
- Global Corporate Risk Management Guidelines
- Donations and Sponsorship Guidelines
- Gift, Hospitality and Entertainment Guidelines
- Global Personal Data Privacy and Protection Policy
- Global Anti-Corruption Policy
- Related Parties Policy

Procedures:

- Compliance Risk Control Matrix
- Donations and Sponsorship Procedure
- Restricted Third Party Procedure
- Antitrust Procedure
- Operational Compliance Procedure
- Ethics Line and Investigations Procedure
- Disciplinary Measures Procedure.
- E-mail collection Instructions
- Interview Instructions
- Gift, Hospitality and Entertainment Procedure
- Engagement with Government Officials Procedure

[102-18, 103-2, 103-3]

Corporate Governance

At Braskem Idesa, we have a Board of Directors that is tasked with supervising five committees and ensuring that our actions are aligned with an ethical framework to drive our commitment to our stakeholders.



Operations and Administrative Committee

tasked with overseeing the company's environmental operations.



Compliance Committee

focused on ensuring the correct implementation of the compliance and integrity system, internal control mechanisms and risk monitoring processes.



Financial Committee

involved in the social and environmental investments made at the plant.



Sustainability Committee

responsible for coordinating the Sustainability, Social Responsibility and Circular Economy strategy at Braskem Idesa.



Steering Committee

tasked with monitoring Braskem Idesa's business operations.

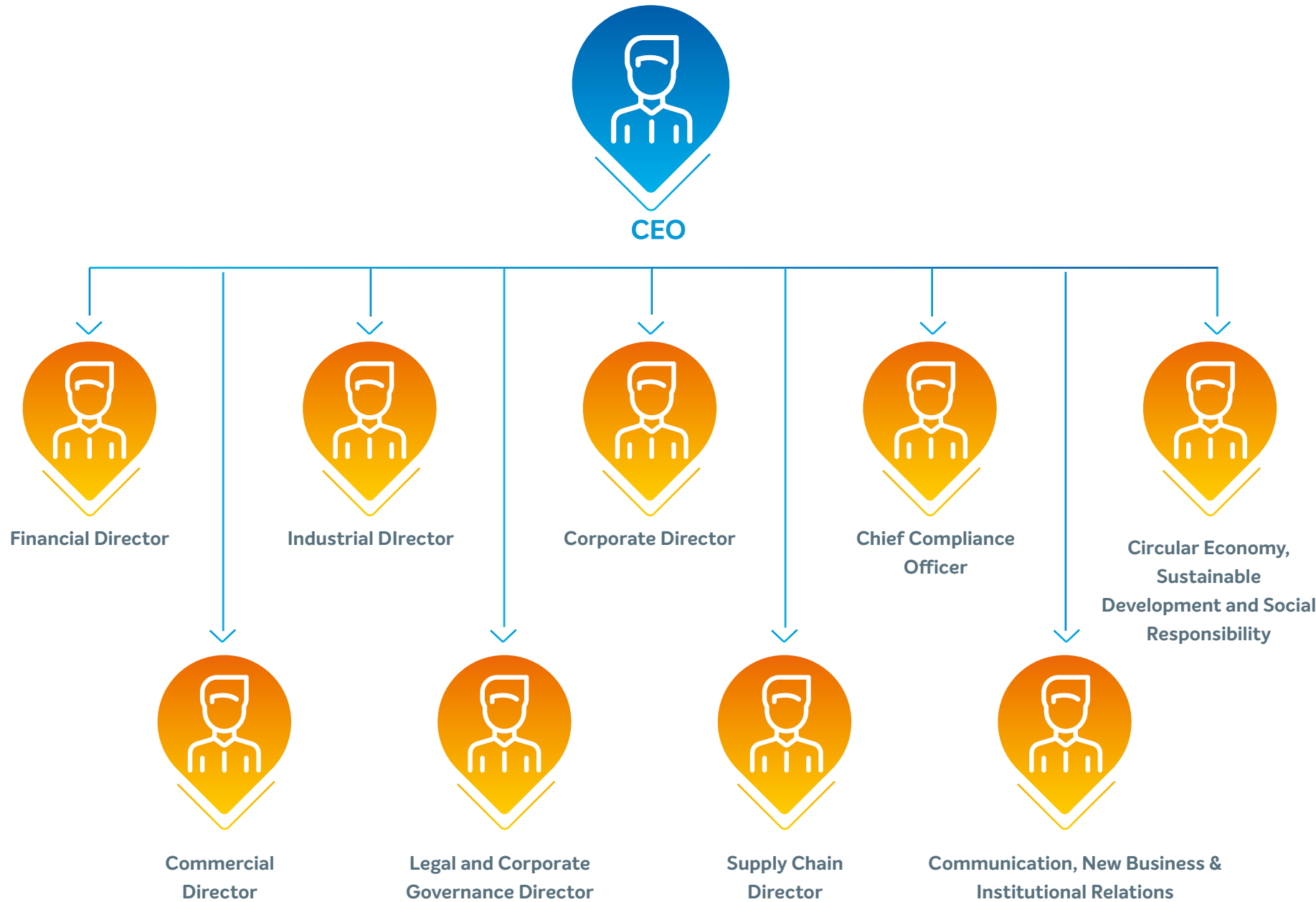
All our committees meet on a monthly basis to ensure a close-working relationship among each area, in addition to promoting on-going communication.



At Braskem Idesa
we are convinced that we must consolidate our culture of ethics and ensure it is implemented at all levels within the company.

This is why we believe that it is essential that we act with integrity and transparency, which is why we have focused our efforts on developing and implementing a solid Compliance System that helps us to amplify our ethics strategy at all operational levels.

The foundations for this system have been approved by the Board of Director (BD), supported by the Compliance Committee (CC), which monitors activities encompassing all internal controls and potential risks. Furthermore, the Ethics Committee analyzes and evaluates preventive and punitive actions, depending on the case in question, regarding violations of our Code of Ethics.



Business Ethics

We are committed to complying with national and international standards, which is why Braskem Idesa operates and engages with its stakeholders under strict ethical standards within a framework of transparency, in addition to in each stage of our operations.

This responsibility has enabled us to implement numerous measures to coordinate and promote a culture of ethics and compliance within the organization.

Code of Conduct

Our Code of Conduct encompasses our principles and values. For over a decade, this document has been adapted and improved based on the needs and expectations of the stakeholders we engage with, in accordance with the strict ethical guidelines that govern our company.



100% of our Team Members received Code of Conduct and Anti-Corruption training.

In June 2020, Braskem Idesa

It was part of the Ranking of the “Most Ethical Companies” by Fortune Magazine.

It is of the utmost importance for the company that each Member of our team fully understands the guidelines we have in place, which is why, upon joining the Braskem Idesa team, all our Team Members read, sign and receive training in the Code of Conduct, ensuring that we hold ourselves accountable for the decisions we make and act in accordance with the company's values on a daily basis. The success and consolidation of our ethics strategy would not be possible without the commitment of our Team Members.



Our Code of Conduct

has a section focusing on Harassment and Discrimination, which is aligned with the **United Nation's Human Rights Principles**.



Code of Conduct for Third Parties

We are aware that our commercial relationships are a fundamental part of our business, which is why we interact with distributors, agents, intermediaries, supply chain partners, consultants, partners in joint ventures, contractors and other service providers who share our ethical business practices.

The Code of Conduct for Third Parties is provided while signing contracts with 100% of our service providers, business partners and distributors. It contains a mutual commitment to acting ethically regarding the services offered to and on behalf of Braskem Idesa.

We offer face-to-face training and e-learning sessions for those suppliers that the Compliance Area has identified as being a priority for the Code of Conduct for Third Parties.

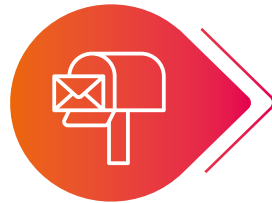


We strive to ensure that our **business partners** implement best practices in the areas of ethics, transparency and anti-corruption.

[102-17, 413-1, 103-2, 103-3, 406-1]

Reporting mechanisms

Our experience over the years has helped make us aware of the importance of listening to all our stakeholders, which is why we have created a number of communication channels to receive any type of suggestions, complaints or concerns regarding our operations:



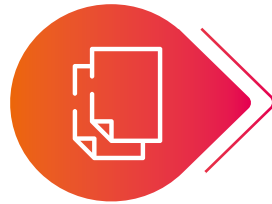
Sending a message via the company's website: www.lineadeeticabraskemidesa.com



Calling the Ethics Hotline: a toll-free number (800 681 6940) that is coordinated by a third party and available 24 hours, 7 days a week



Ethics Line (run by a third party)



Risk Assessment Methodology



Suggestion boxes located in offices and communities surrounding Braskem Idesa

Compliance System

At Braskem Idesa, we have developed a model that allows us to anticipate any ethical risk or action that is not contemplated in our guidelines. This system is implemented by the leaders of each area in conjunction with the Compliance Committee and the Chief Compliance Officer (CCO). It is also systematically monitored by the Board of Directors.

In order to ensure the effectiveness of this system and minimize any risks that could have an impact on the business, we focus on three pillars and ten compliance measures:



At Braskem Idesa

our commitment to ethics is embodied at all levels within the company.

In 2020, Braskem Idesa did not receive any complaints relating to discrimination.

[103-2, 103-3]

In addition to our Compliance System and the adequate application of our guidelines, we have implemented ten guiding principles, which govern how we act and help consolidate our operations in an ethical, honorable and transparent manner:

1. Embodying a zero-tolerance policy and combatting corruption in all its forms, including extortion and bribery.
2. Firmly and determinedly saying 'no' to business opportunities that are not in keeping with this commitment.
3. Adopting ethical, upright and transparent principles when dealing with representatives from the public and private sectors.
4. Never using cultural or common market conditions to justify improper actions.
5. Guaranteeing that Braskem Idesa operate transparently by regularly providing accurate, wide-ranging and accessible and information.
6. Understanding that unethical conduct, be it as a result of actions, omissions or complacency, damages society, contravenes the law and damages the image of both the Company and its Team Members.
7. Guaranteeing that Braskem Idesa and its entire value chain implements the Compliance System, which is always up-to-date with best practices.
8. Contributing individually and collectively to undertaking any necessary changes to the markets and to our environment to eliminate any actions that incite improper conduct.
9. Incorporating into Employee Action Programs the assessment of their contribution to the Compliance System.
10. Understanding that this commitment will help drive Survival, Growth and Continuity.

Ethics Training

Ethical issues are extremely relevant for us, not only in terms of legal compliance, but also given the fact that they play an intrinsic role in our organizational culture. This is why we keep our Team Members up-to-date with policies and procedures, in addition to offering them digital or face-to-face training in areas such as Anti-Corruption and Code of Conduct every six months.

We are convinced that these issues should not only be dealt with internally but also externally, which is why we include our Value Chain in our Ethics and Anti-Corruption training programs, helping consolidate our relationships with them and driving improvements within their own processes.



In 2020, we trained **100% of our Team Members** in ethics and anti-corruption.



[103-2, 103-3, 205-1]

We also carry out a Compliance Survey in order to identify areas of opportunity to help us develop actions plans and training sessions for our Team Members, helping ensure our culture of ethics permeates all levels within the company.

We are consolidated

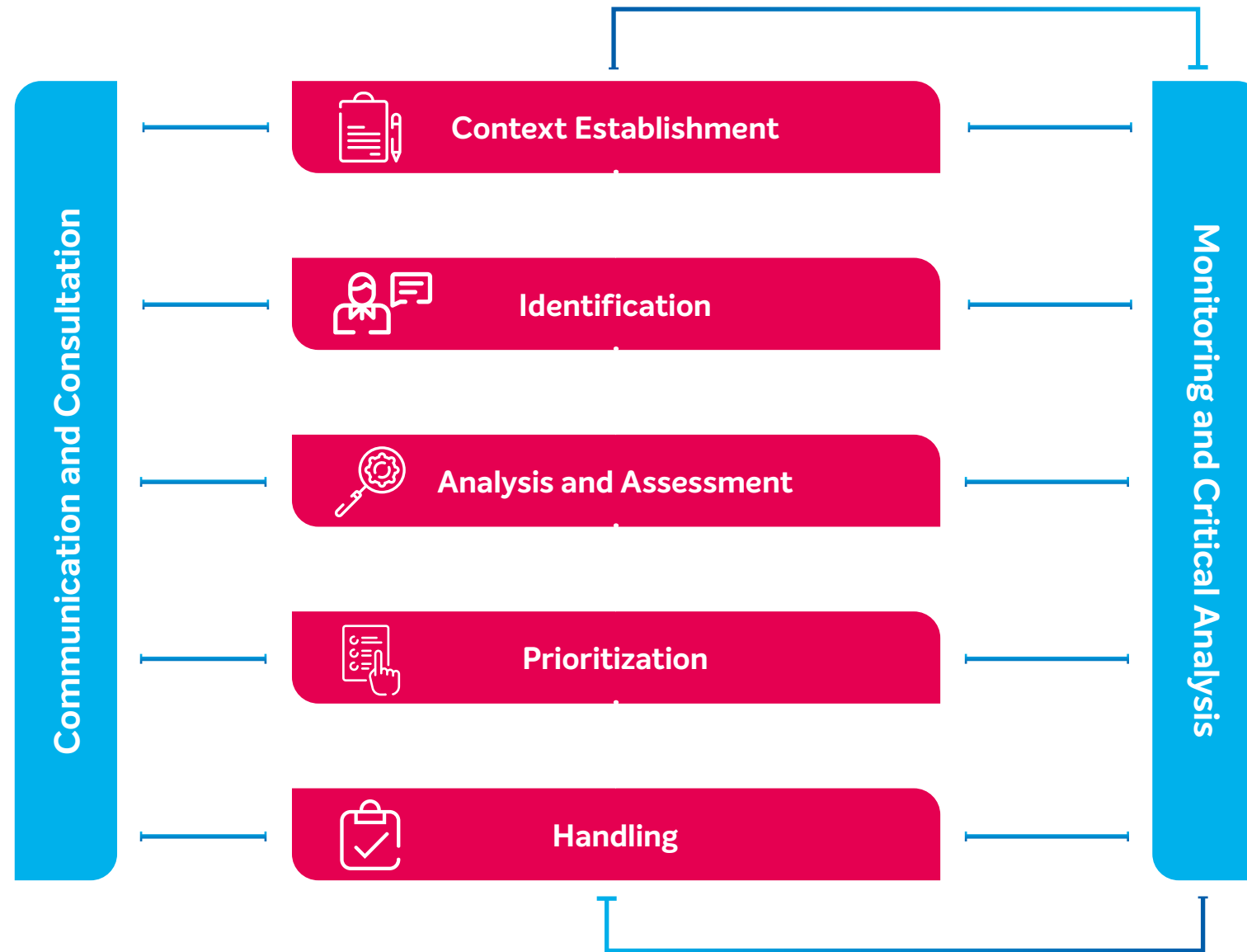
our culture of ethics by becoming ISO 370001-certified in Anti-Bribery Management Systems in 2021.

In November 2020,

the IC-500 published by Expansión recognized Braskem Idesa as one of the companies with the best Corporate Integrity practices.

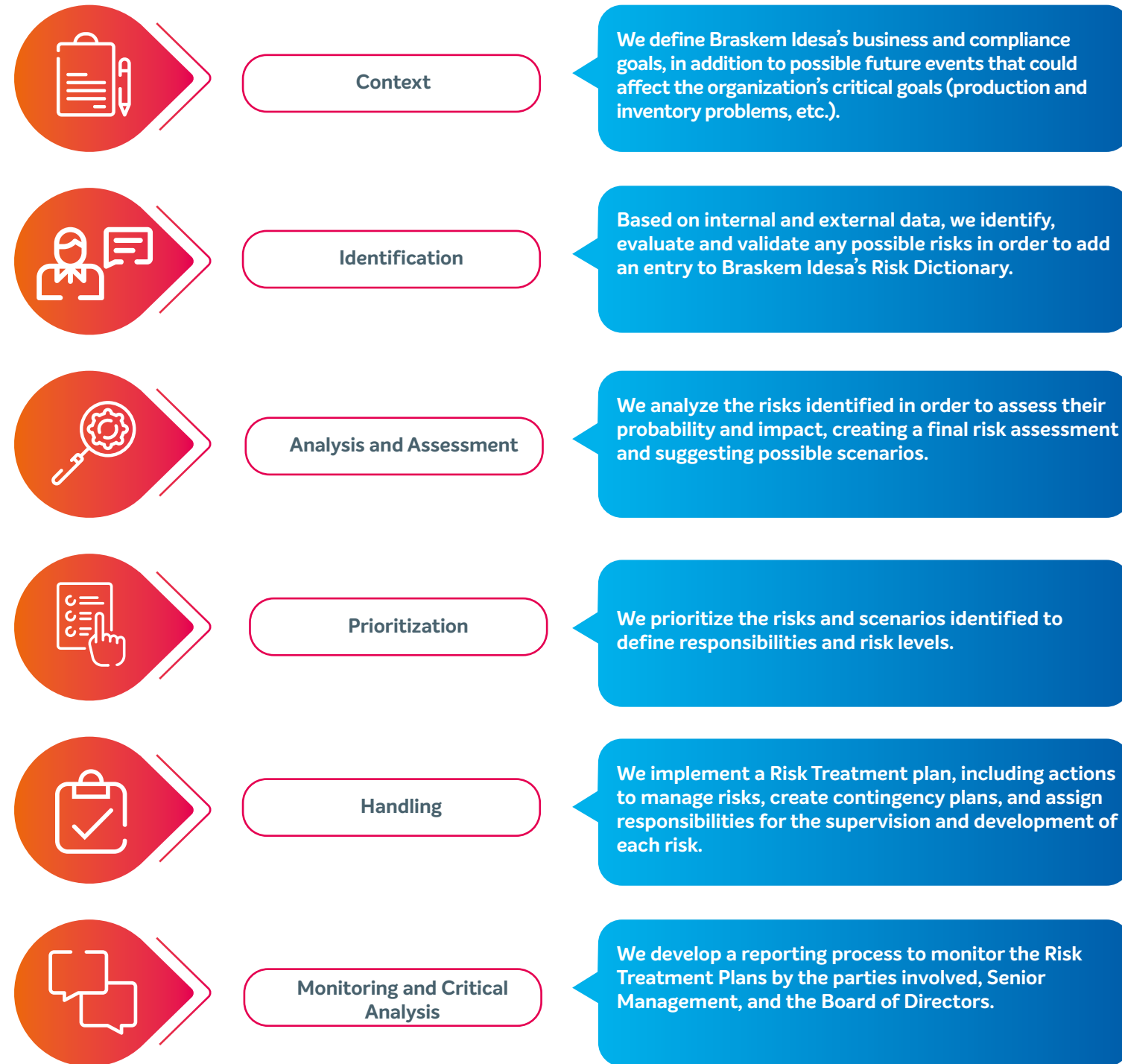
Risk Assessment Methodology

We are convinced that striving to prevent situations of risk is the best way to designs action plans to deal with possible risk scenarios, which is why we have implemented a methodology that structures this model by dividing it into two stages and five steps to help evaluate, manage and register corporate risks:



[102-13, 103-2, 103-3, 205-1]

Risk assessment methodology



Participation in Chambers and Associations

We work in collaboration with a number of chambers and associations in the sector to help drive sustainable development, innovation and growth within the industry. We are fully aware that the best way to achieve this is by working together as fair, honest and transparent competitors and partners, which is why we collaborate with the following associations:

- National Association of the Plastics Industry (ANIPAC).
- National Association of the Chemical Industry (ANIQ).
- Mexican Association of the Plastic Bag Industry (INBOPLAST).
- Latin American Petrochemical and Chemical Association (APLA).
- Industrial Association of the State of Veracruz (AIEVAC).
- Mexico-Brazil Chamber of Commerce (CAMEBRA)
- National Chamber of the Manufacturing Industry – Veracruz Chapter (CANACINTRA VERACRUZ).
- ANIQ Plastic Industry Commission on Responsibility and Sustainable Development (CIPRES).
- Coatzacoalcos Local Mutual Help Committee (CLAM)
- Business Coordinating Council (CCE).
- CCE's Center for Studies of the Private Sector for Sustainable Development (CESPEDES).
- Mexico-Brazil Business Council (CEBRAMEX).
- Mexican Institute of Chemical Engineers (IMIQ)
- Pipe and Engineering Industries Association (ITIAC).
- National Organization for Standardization of Chemical and Plastics industries (NYCE).

We have a Psychological and Social

Risk Factor Prevention Policy, in compliance with Norma 035 STPS governing Psychological and Social Risk Factors, to help promote a positive working environment and dignified working conditions.



FINANCIAL PERFORMANCE

Our commitment lies in contributing to social and economic development, driving innovation within the industry through the implementation of cutting-edge technologies and processes. A clear example of this can be seen in our petrochemical complex, which produces more than 1 million tons of High- and Low-Density Polyethylene (HDPE and LDPE, respectively) each year.

[102-2, 103-2, 103-3, 201-1, 202-2]



Investment and Financial Results

Like many other companies that move Mexico, Braskem Idesa's operations were affected by the COVID-19 pandemic. Furthermore, the downturn in the petrochemical industry and a drop in the supply of raw materials (ethane) below contractual obligations both had an impact on the company's processes throughout 2020.



We maintained our **operations** to continue offering solutions to our clients.

	2019 (USD)	2020 (USD)
Direct Economic Value Generated	676,672	773,306
Economic Value Distributed	658,822	707,971
Economic Value Retained	17,850	65,335

We lead the growth of our local communities through projects that promote economic development.

Every year for the past decade we have strived to continue boosting the Mexican economy. 53% of our production is earmarked for the domestic market, while the rest is exported to more than 40 countries.



28% of our managers and directors are **Team Members** of the local community.

We align our business with our sustainability strategy by implementing actions that focus on improving results and creating added value, not only for our company and our industry, but also for our shareholders, Team Members, clients and the communities in which we operate.



Despite the fact that, in April, polyethylene prices dropped considerably, during Q3 2020 increased demand drove recovery within the industry. Furthermore, given the unilateral disruptions to natural gas transportation, we implemented a strategy to resume operations and mitigate the effects on the value chain.

In order to guarantee raw material supplies, our goal for 2021 is to **increase the operation rate** at our Petrochemical Complex.

GENERAL FINANCIAL OVERVIEW (USD \$ MILLIONS)	2020 (A)	2019 (B)
NET REVENUE	773	775
COGS	(597)	(636)
Gross Profit	176	139
Gross Margin	3%	18%
SG&A	(85)	(89)
Other Operating Income (Expenses)	(68)	82
EBITDA	295	361
Operating EBITDA Margin*	30%	34%

* Does not consider the provision of deliver-or-pay regarding raw material contracts.

 **USD \$295 million** in Operating EBITDA in 2020.

 **USD \$773 million** in Net Revenue in 2020.

[102-9]

PICPLAST

Throughout Braskem Idesa's history, we have created projects with numerous players, including the Plastic Chain Incentive Program (PICPLAST), which was created in conjunction with ABIPLAST (Brazilian Association of the Plastic Industry) to drive development within the plastic industry in Mexico. This program is divided into three major areas:

Competition and Innovation

We design training sessions in conjunction with *Universidad Anáhuac*, the goal of which is to drive improvements to processes and develop solutions that improve our products. Some of the areas we focus on include:

- Innovation.
- Family Succession.
- Cost Management and Profitability.
- Management Program.



Advantages of Plastic

We constantly undertake studies to review the versatility of plastic as a sustainable consumer alternative, publishing the results for our audiences in three key areas:

- Analysis of Product Lifecycle and Circular Economy.
- Waste Management Programs
- Awareness Campaigns highlighting the Benefits of Plastics.

Value Chain

We are convinced that, for the past 10 years, we have had a positive impact on shareholders, Team Members, clients, suppliers, communities, the environment, and the entire value chain through our Compliance System, which allows us to drive best practices within the industry and ensure that our operations are governed by a solid framework that is underpinned by ethics, transparency and human rights.



75% of our suppliers are Mexican companies.



10% of our value chain is made up of companies from the communities within our area of social influence.



Promoting Exports

We are aware of the developments being made in our sector, which is why, in order to support the domestic economy, we help position companies on the global arena by exporting their products through the following actions:

- Customs Law
- Export Networks.
- Export Processes.
- International Marketing.
- Support and Services.
- Participation at International Fairs.





SOCIAL PERFORMANCE

For more than a decade , we have been focusing on being human, prioritizing the relationships that we have with our Team Members, given the fundamental role they play at Braskem Idesa, and with the communities within our area of social influence, in order to help drive their development and well-being.

[102-8, 401-1, 103-2, 103-3]

Team Members

A fundamental element over the past ten years have been the Team Members of Braskem Idesa, who, thanks to their hard work, dedication and commitment, have enabled us to operate safely and ensure that we reach the goals that we set as a company.


During 2020, we implemented a number of Integration, Development and Training programs, in addition to activities to forge new leaders.


At Braskem Idesa, Diversity and Inclusion are the guiding principles for our projects and the way in which we operate as part of our Value Proposition (BeUx), creating new possibilities to help our Team Members develop skills and know-how, in addition to offering them experience and improving the work environment, focusing on Respect, Diversity and Inclusion.


We recognize the commitment and resilience of our Team Members and their ability to adapt and ensure the continuity of our operations despite the COVID-19 pandemic.

Team Members at Braskem Idesa

We safeguard the labor rights of our 831 Team Members (197 people working at Corporate and 634 at our Complex), of whom 192 are women and 639 are men, who have a permanent contract and a full-time shift, distributed as follows:

 Women at Braskem Idesa	2019	2020
Women at Corporate Offices	87	88
Women at Plant	106	104
Total Women	193	192

 Men at Braskem Idesa	2019	2020
Men at Corporate Offices	96	109
Men at Plant	541	530
Total Men	637	639

 Total Team Members	2019	2020
Total Team Members	830	831




23% of the Team Members of Braskem Idesa are women.




[401-1]

During the COVID-19 pandemic, we continued operating and kept on 100% of our Team Members, achieving the following results by the end of 2020:


Recruitment of women at Braskem Idesa by age range:


 Female Team Members 2020	Total	Female Team Members Hired	Recruitment Rate (%)
Below the age of 30	58	7	3.65
Between 30 and 50	131	6	3.13
Over the age of 50	3	-	-
Total	192	13	6.77

Recruitment of men at Braskem Idesa by age range.

 Male Team Members 2020	Total	Male Team Members Hired	Recruitment Rate (%)
Below the age of 30	110	14	2.19
Between 30 and 50	450	28	4.38
Over the age of 50	79	-	-
Total	639	42	6.57

By the end of 2020, of the 72 people hired, 24 vacancies were covered by internal candidates, i.e., 33.33%. Our turnover rate is outlined below:

 Female Team Members 2020	Total	Dismissals	Turnover Rate
Below the age of 30	58	3	1.56
Between 30 and 50	131	11	5.73
Over the age of 50	3	-	-
Total	192	14	7.29

 Male Team Members 2020	Total	Dismissals	Turnover Rate
Below the age of 30	2020	6	0.94
Between 30 and 50	450	16	2.50
Over the age of 50	79	7	1.10
Total	639	29	4.54



Training

We trade a total of 974 people including Team Members and Interns, by the end of 2020.

At Braskem Idesa, we firmly believe that training is an essential part of the personal and professional development of our Team Members, which is why we are genuinely committed to helping them grow and learn about a range of issues, including:

- Business and Leadership Skills
- Organizational Culture Skills
- Creativity and Innovation
- Customer Service and Support
- Business Continuity in light of COVID-19
- Code of Conduct
- Quality Goals and Policies
- White Belt, Green Belt, Continuous Improvement Methodologies
- Environmental Aspects and Impacts
- Handling of Hazardous Waste
- Languages
- Extinguisher Use and Handling
- Coaching Sessions



We invested more than **40,000** hours training our Team Members and Interns, investing the equivalent of **USD \$499,027**.



2021 Challenges

- Design, implementation and adaptation of new working models, including remote working.
- Monitoring and compliance with reforms regarding employment and outsourcing.
- Consolidation, implementation and improvement of areas encompassing the professional development and well-being of our Team Members.
- Focus on areas encompassing Diversity and Inclusion, Human Rights and Gender Equality at the company in a comprehensive and transparent format.
- Positioning of Braskem Idesa as an employer of choice.

Industrial Health and Safety

On this, our tenth anniversary, we continue to be a company that is committed to guaranteeing the health and safety of our Team Members, in addition to the communities within our area of social influence, in order to safeguard their well-being and allow us to achieve the best possible results and drive resilience together.

We have developed Intellius, an integrated management system that assesses EHS, Industrial Excellence and Quality using domestic and international parameters to promote an internal culture of risk prevention relating to industrial safety.

[102-11, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7]

Our Health, Safety, Environment and Social Responsibility Policy is the framework that governs our operations and the way in which we act, and it is based on the following fundamental principles:



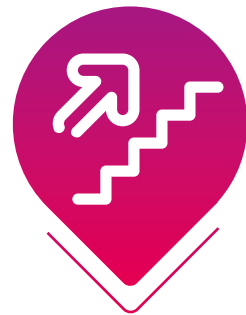
Meet

client expectations.



Ensure

cooperation and partnership with suppliers.



Promote

holistic development of our stakeholders.



Implement

preventive actions covering:

- People's health and quality of life.
- The safety of people, processes and facilities.
- Environmental aspects and the rational use of natural resources.
- Product and service quality.



Improve

our processes, products and services, promoting innovation and complying with legal requirements.



Maintain

a constructive relationship with the communities in which we operate.

During 2020, we streamlined our industrial health and safety processes, in addition to consolidating a culture of prevention both inside and outside the company. The major steps that we undertook during the year include:

- Risk Communication System (GHS).
- Handling of Solid, Urban, Hazardous and Special Waste.
- Emergency Response Plan.
- Work Permits / Job Safety Analysis (JSA).
- Compliance with Mexican standards stipulated by the Mexican Department of Labor (STPS) and international benchmarks (OSHA, ANSI, NFPA).

- Risk Prevention Training for our Team Members.
- HSE Management System for Contractors and Preventive Safety Training.
- Occupational Risk Prevention and Safety Campaigns.
- COVID-19 Prevention Campaigns.

Furthermore, our Team Members are offered complementary training based on their functions, including:

- Confined Spaces.
- Work at Heights, Hot Work and Work with Energized Equipment.
- Hazardous Energy Isolation (PAEP).
- Hydro Jetting.
- Blasting.
- Correct Use of Personal Protection Equipment (PPE).

In order to detect areas of opportunity and develop prevention measures to guarantee the security of all our operations, while, at the same time, improving the Occupational Health and Safety Management System, we have implemented a Work Permit Audit system that complies with STPS standards and our Intellius platform, encompassing the following areas:

- Job Safety Analysis (JSA)
- Work Permits
- Preliminary Hazard Analysis (PHA) for Services

During the evaluation phase, we implement a number of activities, including: Monthly Safety Inspections, Communication of Lessons Learned and a Contractor Training Program. In addition, we ensure the health and safety of our Team Members and contractors, offering them the following services:

1. Reception of Contractors Laboratory Studies.
2. General Check-Up.
3. Outpatient Treatments.
4. First Aid.
5. Patient Transfers to IMSS Hospitals and Clinics.
6. Preventive Medical Services.
7. Clinical File Management and Monitoring.



During 2020, a total of **4,407,096 hours** were worked.

Community

As part of our tenth anniversary celebrations, we have reaffirmed the commitment we have to sustainable development, which has motivated us to develop a Private Social Investment strategy* to drive actions that add value to the communities surrounding our operations. The engagement activities we organized focus on three main areas:

1. Consumption, Sustainable Post-Consumption and the Circular Economy.
2. Sustainable Entrepreneurial Spirit and Innovation.
3. Local Development.

Our social projects focus on driving the development of people from the communities surrounding our complex, while ensuring that they are aligned with our business strategy, focusing on three fundamental goals:

- Increase the scope of positive social and environmental impact.
- Promote the company's role as a provider of sustainable solutions.
- Forge trust-based relationships with the communities and other interested parties.

***Private Social Investment is the voluntary, planned, supervised and assessed use of private resources for the implementation of programs that are in the public interest, underpinned by the company's strategy and the active participation of the community, public authorities and other companies.**

We have measures such as our Global Sustainable Development Policy and the EHS, Quality and Social Responsibility Policy, which allow us to establish guidelines to support our community engagement strategy.

We have developed a social management plan that encompasses activities focusing on health, safety, employment and the environment in order to have a positive impact on our communities and maintain our Social License to Operate.

We are currently experiencing a public health emergency as a result of the COVID-19 pandemic, and, in light of the challenges we have faced, we have successfully maintained, adapted and ensured the continuity of our community engagement programs in order to continue generating social value and safeguarding the health and well-being of our stakeholders. Our Social Management System comprises the programs described below:

Stakeholder Engagement Plan (PRGI)

We have implemented a strategy in order to forge trust-based relationships with our stakeholders by providing them with information about our operations and facilities, ensuring open and ongoing communication.

Open House Program

This program is open to the general public and has been organized for the past 13 years to share with our closest stakeholders information about Braskem Idesa's industrial processes, employment opportunities, social programs, environmental monitoring, biodiversity conservation efforts, plastic lifecycle, community health and safety, and social investment, in addition to the responsible consumption and recycling of plastic.

In 2020, and as a result of the COVID-19 pandemic and the measures implemented by the health authorities, we transformed this program into a newsletter that we shared with more than 500 people within our area of social influence.

We have had a participation of more than 3,700 people since **Open Houses** began in 2011 in the cities of Coatzacoalcos and Nanchital, Veracruz.

Participation in Open House Program	2019	2020
Total Participants from Communities	129	500
Total Participants from Braskem Idesa	49	9
Cumulative Total Participants since the Creation of the Program	3,247	3,747

Community Meetings

This Program began in 2012 to promote dialog with the community surrounding our Petrochemical Complex. Biannual meetings were organized when we began operations, and, as of 2016, there are now held annually. During the year we changed the way in which we contact people, leveraging digital media to interact with more than 400 people.

[413-1]

The biggest challenges

stemming from the pandemic included adapting our social management programs and maintaining people's interest and participation.

The Braskem Idesa Experience – Community Visits to our Petrochemical Complex

In 2020, and as a result of the public health crisis, all in-person visits were cancelled; however, we used technology to create and send a video via WhatsApp in order to drive communication with people from the communities within Braskem Idesa's area of social influence.

As part of our stakeholder engagement strategy, we have organized virtual tours of our Petrochemical Complex for people, NGOs, or other companies in order to offer them the opportunity to learn more about our facilities, operations, Team Members and safety protocols.



We made a video that was shared via WhatsApp with 500 people from the communities within our area of social influence.

Total visits by our stakeholders:	2019 In Person	2020 Virtual
Total Visitors	60	630

Community Newsletter

We created a newsletter to share the outstanding results our activities within the community have had, focusing mainly on information about operations at our Complex, in addition to safety, health, employment, environment and social investment.

When the COVID-19 pandemic began, the community newsletter was used as a communication channel at strategic points within the communities, helping us provide information about the prevention measures being implemented. Furthermore, we also handed out leaflets and organized talks about prevention measures at all communities with within our area of social influence.

Through our Social Investment Program we benefit more than **9 thousand** people directly in the communities near the complex

Complaints Procedure (MAQ)

We offer members of our communities access to a system of suggestion boxes, freely available complaint forms and an anonymous hotline to report any complaints or comments about our operations. To ensure the confidentiality and monitoring of the complaints received, we have an Ethics Line run by a third party for receiving complaints.



We offer our communities access to suggestion boxes at our Petrochemical Complex and municipal buildings.

Complaints Procedure Records (MAQ)	2019	2020
Situations Monitored	0	0
Complaints	6	3
Requests	0	0

We have increased our the number of digital and face-to-face communication channels we have, and we continue to coordinate visits by the Social Responsibility team.

Community Health and Safety

Health and safety issues have become more important as a result of the COVID-19 crisis. In order to raise awareness about prevention among people within our area of social influence and to mitigate the effects of the pandemic, we consolidated our community programs:

Healthcare Campaigns

These normally focus on providing support to focus groups, such as women, children or the elderly. During the COVID-19 pandemic, we had to make changes and adapt to the new normal in order to continue providing the same levels of service and improve results.

People treated during healthcare campaigns:	2019	2020
patients treated	556	750

Training for Healthcare Assistants

Theoretical and practical training was offered by the health authorities in Coatzacoalcos, Veracruz, focusing on thick blood smear tests for the early detection of malaria and transmittable diseases. These training sessions were offered to health care assistants from the communities of *Pollo de Oro*, *Nahualapa*, *Lázaro Cárdenas* and *Coquitos*.

Dengue Campaign:

In order to help prevent and fight dengue outbreaks, in April we began coordinating communal activities (cleaning of undergrowth and communal spaces, decluttering, painting of trees, scrubbing of streets), involving more than 120 people from the communities during the months of April, August and November.

Vitamin C Campaign

In order to boost the respiratory system, vitamin C was given to children and adults from the communities of *Pollo de Oro*, *Nahualapa* and *Lázaro Cárdenas*, benefiting more than 600 people.



Breast Cancer Campaign

In order to help prevent breast cancer, a campaign was rolled out at health clinics in the communities of *Pollo de Oro*, *Nahualapa*, *Lázaro Cárdenas* and *Los Coquitos*, showing women of all ages how to carry out a self-examination and raising awareness of its importance in helping prevent this disease.

Diabetes Campaign

This campaign was developed to help prevent diabetes and/or reduce complications stemming from this disease to improve patients' quality of life. Support was offered to more than 30 people from the communities of *Pollo de Oro*, *Nahualapa* and *Lázaro Cárdenas* via the Chronic Disease Prevention and Control brigade from the health authorities in Coatzacoalcos, Veracruz. Several talks focusing on eating habits were offered to patients with diabetes, in addition to glucose tests, check-ups and control measures thanks to the support of healthcare assistants.

Health Fairs

In conjunction with charities, health clinics and the health authorities, we organized two health fairs during the year to support the communities located close to our operations, benefiting 400 families. As a result of the pandemic, we had to modify this program, creating a COVID-19 prevention campaign to help support the community.

Community Brigades

We train people from the communities surrounding our complex in order to help them respond to emergencies with the support of the authorities, Civil Protection, and the Local Mutual Help Committee (CLAM Coatzacoalcos), which comprises companies from the region and eight community brigade members.

[413-1]

Construction of a Health Clinic in Nanchital, Veracruz.

Given how important our health is and the situation we are currently facing, we built a health clinic in the community of Pollo de Oro, which is a shared commitment with the community, one that will be coordinated through a committee to ensure that this institution has the infrastructure and equipment it needs to provide services to the community.

When building this health clinic, we use recycled postconsumer plastic for the flooring, roof and exterior spaces.

The health clinic in *Pollo de Oro* was created to provide the support necessary to overcome the global healthcare crisis, and further down the line it will be capable of offering treatment for basic illnesses.

Safe School

Given that we operate within an industrial area, we are aware that we have to be prepared for any emergency, which is why we focus on prevention measures and collaborate with six schools from the region to provide training sessions and drills involving neighboring companies to help drive results.

As part of the Safe School program, which took place at the beginning of 2020, elementary schools and kindergartens from the communities of *Pollo de Oro* and *Lázaro Cárdenas* took part in a national drill, earthquake drill an office evacuation drill with the support of the Emergency Response team from Braskem Idesa and the local Civil Protection office.



Participative Environmental Monitoring (MAP)

In keeping with our sustainability strategy, and as part of our social and environmental efforts, we have promoted this program among members of the communities of *Pollo de Oro*, *Nahualapa*, *Lázaro Cárdenas*, *Los Coquitos* and *El Chapo*, allowing them to actively participate in the environmental monitoring of air, water and noise within their communities.

Health campaigns allows us to have an impact on the areas of health, medical treatment and the monitoring of basic diseases that affect the people living in our areas of social influence.

[413-1]

The Environmental monitoring stages within the community are the following:



Program Introduction

a description of the program and the mitigation efforts implemented by the Braskem Idesa complex.



Sampling

undertaken in conjunction with a certified laboratory, an explanation is provided about the procedure for each monitoring process and the equipment used for sampling.



Presentation of results

in conjunction with the community involved in the first step, and with the same participants, the results issued by the laboratory 30 days after the samples were taken are presented and interpreted by an environmental engineer from Braskem Idesa's SHE department.



Air



Water



Noise

Potential Receptor

Sampling Points

Potential Receptor

- El Chapo
- Lázaro Cardenas
- Nahualapa
- Pollo de Oro
- Los Coquitos
- Braskem Idesa

- Arroyo Copalapa**
Upstream and downstream
- Arroyo Nanchital**
Upstream and downstream
2 subterranean wells
- Lázaro Cárdenas**
2 subterranean wells
- Nahualapa**
2 subterranean wells
- Pollo de Oro**

- El Chapo
- Lázaro Cardenas
- Nahualapa
- Pollo de Oro
- BRaskem Idesa

Sessions with members of the community took place as normal in January, but with the advent of COVID-19, this program was adapted to a virtual format from the month of July through conference calls in order to comply with prevention protocols and safeguard the health of people from the communities.

During 2020, two monitoring sessions took place, one at the Braskem Idesa Complex and the other via a conference call with 19 employees from the company who are also members of these communities. The following monitoring activities were undertaken:

- 8 air quality samples.
- 8 noise samples.
- 6 water samples (3 groundwater and 3 underground).

The people who took part in these monitoring activities were from the following communities:

Sampling	Air	Water	Noise	Results
Pollo de Oro	11	2	10	8
Nahualapa	2	1	7	3
Lázaro Cárdenas	2	1	6	3
Los coquitos	2	N/A	11	2

MAP's Undertaken

	Number of MAP's	Members of the Community Involved
2019	28	255
2020	15	71

70% of the population has taken part in environmental monitoring activities to date.

[413-1]

Social Investment Plan

One of our major goals is to drive the local economy, which is why we have developed a business model that focuses on the creation of cooperatives in the communities in which we operate to help generate development opportunities within the region.

ARTECOP S.C. DE R.L. DE C.V. (PLASTIEN):

- A collection center for solid urban waste such as PET and HDPE.
- It collect plastic from schools from the region and participates in recycling campaigns.
- It has diversified its services, collecting materials from industries within the region, including cardboard, old files and pallets to create benches for public spaces.
- It helps create local jobs, offering young people and the elderly the opportunity to work.
- In 2020, Plastien increased its profitability by 6%.



UNIMEX S.C. DE R.L. DE C.V. (TEXTISUR):

- It makes uniforms and has successfully increased its profitability by 75%, in addition to hiring 25 people during the year.
- It designs and sells four-layer face masks that meet COFEPRIS quality standards.
- To date, it has manufactured at least 12,500 face masks, which have helped support communities and Team Members of Braskem Idesa.
- It has received training about how to make medical scrub, which has enabled it create cutting-edge solutions and develop new products to access other sectors apart from the industrial market.

For the third consecutive year, we have been awarded the Socially Responsible Company (ESR) certification by CEMEFI.



[413-1]

With regard to joint training efforts and the contributions we have made to these cooperatives:

- We have maintained and created jobs and self-employment opportunities in the communities of Nanchital, Veracruz.
- We have consolidated their internal processes.
- We have driven their technical and management skills.
- We have empowered their businesses.
- We have increased their customer portfolios, driving access to the industrial sector.
- We have increased their earnings.
- We have promoted training to drive continuous improvements.
- We have driven the professional development of young interns within these cooperatives.

Local Recruitment Program – Avanza

We constantly strive to support our communities, which is why we try to drive their social and economic development by implementing a local recruitment plan to promote employment opportunities at our plant through a database of possible candidates and the hiring of talent from local suppliers.

In 2020, despite the COVID-19 pandemic, we made no changes to our contractors or supply chain, and we successfully recruited 129 people from the community.

Braskem Idesa employs 24% of economically active people in the communities.



Our Social Influence Area



- F1 Communities
- F2 Communities
- F3 Communities

[413-1, 413-2]

We are aware of the importance of the relationship we have with the communities surrounding the Complex, which is why all these programs and results enable us to maintain, improve or create initiatives that can drive their economic growth, safeguard their well-being, and mitigate any environmental impacts.

	2018	2019	2020
Number of Private Social Investment Projects	16	9	27

We firmly believe that a large percentage of these projects are collaborative, i.e., we bring together Team Members, the authorities, NGOs and representatives from the community to drive mutual benefits and ensure the greatest possible positive impact.

Operations including Local Community Participation, Impact Assessments and/or Development Programs

	2019		2020	
	No. Operations	Percentage of initiatives implemented	No. Operations	Percentage of initiatives implemented
Social Impact Assessments	14	60.87%	25	92.59%
Environmental Impact Assessments	6	26.09%	7	25.93%
Publication of Social and Environmental Assessments	7	30.43%	10	37.04%
Development Programs based on Community Needs	8	34.78%	10	37.04%
Participation Plans based on Stakeholder Mapping	23	100.00%	27	100.00%
Community Consultation Processes and Committees	3	13.04%	3	11.11%
Employee Committee to tackle Impacts	4	17.39%	4	14.81%
Local Community Formal Complaints Procedures	3	13.04%	3	11.11%

Our company operates under a set of strict ethical values and principles that can be clearly seen in the transparency of the information that we provide to our stakeholders.

As such, we are proud that all our social and environmental projects help identify, improve and implement measures that can help us mitigate any possible impact stemming from the nature of our operations.

Results of Private Social Investment Projects	2019	2020
Investment in Social Management System (MXN)	\$14,490,000 = 644,000 USD	\$ 14, 748,560 = 715,949 USD
Direct Beneficiaries of Social Management System (F1 and F2 Area of Social Influence)	10,808	59,386 (9,386 Direct, 50,000 indirect)
Number of Private Social Investment Projects (PSI)	9	27
Number of Donation Projects	11	2
Plastic Waste Collected and Processed (ton)	148	109
Institutional Recycling Programs (Plastien, Plastianguis, Plastivale, Parque ExFactoría, Volunteering)	7	5
Schools Benefitted	26	80
Volunteering Programs	21	16

In 2020 we benefited to more than 50,000 people directly and indirectly.

JURISDICCION SANITARIA XI



COVID-19 ACTION PROGRAM

Health and Safety of Our Team Members

When the chemical and petrochemical industry were declared essential sectors by the federal government, we continued our operations in strict compliance with health and safety protocols as a result of the COVID-19 pandemic in order to ensure a safe working environment for our members and contractors. It is important to mention that the actions we implemented throughout 2020 were pursuant to the recommendations of the World Health Organization (WHO), the *Instituto Mexicano del Seguro Social (IMSS)* on the *Secretaría del Trabajo y Previsión Social (STPS)*.

As part of the prevention protocol that we established, we outlined the actions that each stage of the pandemic entailed, allowing us to continue operating safely. The main measures implemented are outlined below:

1. Access Control

At all access points to the Petrochemical Complex, we installed filters including sanitizing arches, thermal imaging cameras, sanitizing gel stations, disinfectant mats, quick COVID-19 tests, and infrared thermometers to measure the temperature of our Team Members and visitors to the facilities. Additionally, we rolled out health questionnaires and provided indications to ensure that safe distancing and recommendations on the use of personal protection equipment were followed.

2. Employee Transport

We rolled out transport routes to guarantee and safeguard the health of employees at our facilities. To do so, we implemented a maximum vehicle occupancy of 40%, while ensuring all vehicles were sanitized on a daily basis and sanitizing gel was available for Team Members.

On boarding the employee transport, the driver is responsible for taking the temperature of each passenger and following all safety protocols. Furthermore, all Team Members must wear face masks and safety glasses/face shields, in addition to observing social distancing (1.5 m).

3. Social Distancing

In all work areas, cafeterias, canteens, transport and meeting rooms, measures were implemented to reduce the number of employees and promote social distancing among all staff. Also, barriers were installed at workstations in order to mitigate risks.



4. Cleaning and Sanitization

We have crews that are tasked with cleaning and disinfecting common areas, vehicles, access points, workspaces, and major points of contact on a regular basis. In order to ensure proper sanitization, a diluted solution of chlorine is used in conjunction with a nebulizer (DERM-O-QUAT-PLUS) during the cleaning process. We also have sanitizing gel dispensers at key areas within our facilities.

5. Personal Protection Equipment (PPE) and Hygiene

The use of Personal Protection Equipment (PPE) is obligatory within our facilities, which is why we offer all our Team Members and contractors a package containing 8 cloth facemasks and 40 disposable face masks, in addition to installing PPE dispensers within our workplaces.

We installed handwashing stations with antibacterial soap and paper towels, sanitizing mats with a solution of diluted chlorine at access points, and special containers for used disposable facemasks in order to promote hygiene measures among our Team Members.

6. Canteen

We reinforced safety measures in our kitchen and canteen in order to safeguard the health of all our Team Members and contractors, implementing changes that included:

- Monitoring of employee at health at the beginning and end of each day.
- Use of protective suits by kitchen staff.
- More frequent cleaning of common spaces and work tools.
- Reductions in the number of people permitted in the canteen at any one time, in addition to the amount of time they can spend there.
- Replacement of crockery and cutlery with disposable items, and the use of individual condiment packs containing lime, salt, Hot sauce, etc.

7. Communication and Monitoring

We improved communication with our Team Members in order to keep them up-to-date regarding health and safety measures being implemented worldwide to tackle the public health emergency. We use a number of different platforms, including BITV (our internal TV channel); printed and digital newsletters; roundup of latest news; mailings; bulletin boards and posters at our industrial complex and administrative offices; internal social networks; podcasts (12 episodes available on our Intranet and Braskem Idesa View); corporate intranet.

We also created a Health Security Committee and a Health Brigade to supervise compliance with the prevention measures in place at our facilities and, if necessary, talk to employees.

8. Health

Guaranteeing the well-being of our Team Members and contractors was our number one priority throughout the public health emergency. The prevention and support measures that we implemented at Braskem Idesa includes:

- Creating a senior management committee to monitor the measures being implemented.
- Allowing vulnerable groups to stay at home while maintaining their salaries and benefits.
- Implementing a remote working model for 50% of administrative staff.
- Better equipping our Medical Service in order to offer better treatment to staff.

- Developing protocols to detect and monitor COVID-19 cases.
- Forging partnerships with private medical institutions for the testing and treatment of our Team Members.
- Rolling out a 24/7 psychological support hotline for our Team Members.



We invested USD 1 million to benefit of our Team Members and support to more than 600,000 people and health professionals during the COVID-19 pandemic.

Our Social Commitment

In 2020, we forged a number of partnerships to allow Braskem Idesa to develop a united plan of action to tackle the COVID-19 pandemic and provide support to hospitals, health centers, health clinics and communities in the south-eastern region of the state of Veracruz and in Mexico City.

This support program focuses on three major areas:



Support for Vulnerable Communities



Partnerships with Clients and Universities



Support for Healthcare Professionals



Support for Vulnerable Communities

Promotion of Prevention Measures

Since the beginning of the COVID-19 pandemic, banners were installed at strategic points in neighboring communities and leaflets were handed out to promote health and prevention protocols. Through the support of medical staff, informative talks were also offered at all communities.

Collaboration with Textisur, a community collective in Nanchital, Veracruz

In conjunction with Textisur, a cooperative run by women from the community, we began manufacturing reusable face masks and medical scrubs in order to help transform this collective's business model and help it adapt to the current situation.

Textisur

manufactured a total of 20,000 reusable face masks for use by our Team Members, contractors and members of the local community, in compliance with guidelines from the health authorities and COFEPRIS.



Prevention and Community Support Measures

To support the communities located around our complex, in addition to installing handwashing stations, we delivered groceries and prevention kits to families, as well as sanitizing mats and facemasks for small businesses in the area, obtaining the following results:

- +10,000 people benefited through the installation of handwashing stations.
- +4,500 food parcels and prevention kits delivered to members of the community and cleaning staff, benefiting 600 families from Nanchital.
- 50 small businesses and enterprises from the region of Nanchital were given sanitizing mats.

Digital Health Program

Medical treatment and prescriptions without having to leave home through videoconferencing with doctors from the Tocando Puertas Foundation and healthcare assistants, in coordination with the health authorities in Coatzacoalcos and the *Secretaría de Salud del Estado de Veracruz (SESVER)*, benefiting more than 60 people from the communities of *Pollo de Oro, Nahuapala, Lázaro Cárdenas and Los Coquitos*.

Support for Healthcare Professionals

Through a strategic alliance with the *Comité Local de Ayuda Mutua (CLAM)*, we donated food and protection equipment to healthcare professionals who, every single day, give their all to mitigate the effects of this public health emergency. We supported 12 hospitals, 7 health centers, 3 emergency teams in Coatzacoalcos, and 11 other health authorities located throughout the state of Veracruz and in communities from the regions of *Coatzacoalcos, Minatitlán, Cosoleacaque, Ixhuatlán, Las Choapas, Uxpanapa and Nanchital* in Veracruz, as well as in Mexico City.

Since the pandemic began and throughout 2020, we donated more than **450,000 items of hospital equipment**, including PPE, medication, peripheral equipment, medical equipment, computers, cleaning supplies, maintenance services and food, among others, benefiting more than **600,000 people** in the country.





We also donated 12 tons of polyethylene resin for the manufacturing of 1,000,000 bottles of Cloralex, in collaboration with Fundación AEn, which were distributed to the Mexican Red Cross throughout the country.

We also donated 3 tons of polyethylene to another of our clients (Thermofluidos) for the production of 10,000 bottles of hand sanitizer for use in hospitals.

In terms of the programs that we implemented with universities, we manufactured 5,000 liters of sanitizing solution (hand sanitizer), based on guidelines from the World Health Organization (WHO), at the laboratories of Universidad Veracruzana (UV) and Universidad Tecnológica del Sureste de Veracruz (UTSV).

Furthermore, in collaboration with the *Instituto Mexicano de Ingenieros Químicos* (IMIQ), Braskem Idesa donated alcohol and other ingredients required to make antibacterial gel, in addition to transporting them for their subsequent distribution to hospitals, health centers and emergency teams throughout the region.

We worked closely with the Latin American Petrochemical and Chemical Association (APLA), who donated USD \$10,000 of hand sanitizer to the Braskem Idesa action program.

Other institutions that supported our action program include the National Association of Chemical Industry (ANIQ) and the Faculty of Chemistry at UNAM, who donated face shields for cleaning staff and computers for the student community.

Partnerships with Clients and Universities

Strategic Partnerships

In terms of the initiatives we developed alongside our Clients, we collaborated with the *Dale un respiro a México* movement to manufacture 500,000 face shields using polypropylene resin from Braskem Idesa, in conjunction with one of our clients – Citrusa – to help support medical professionals in our country.

The “Dale un respiro a México”,
movement produced 500,000 face shields for medical staff.

NUMEROUS HOSPITALS AND HEALTH CENTERS BENEFITED THROUGH THE COVID-19 ACTION PROGRAM

600,000

healthcare professionals and members of society benefitted.

500,000

face shields manufactured using polypropylene from Braskem Idesa in conjunction with CITRULSA for the *Dale Un Respiro a México* program.

20,000

reusable facemasks manufactured by a community cooperative (TEXTISUR).

1 million

bottles of Cloralex manufactured using polyethylene from Braskem Idesa in conjunction with GRUPO ALEN to support the Mexican Red Cross.

Numerous hospitals and health centers benefited

Coatzacoalcos

- Hospital General de Zona 36 IMSS
- Hospita Regional, Valentín Gómez Farías
- Hospital Materno Infantil Coatzacoalcos SEDENA
- Jurisdicción Sanitaria XI
- Cruz Roja de Coatzacoalcos
- ISSSTE de Coatzacoalcos
- Hospital Naval
- Hospital de PEMEX

Nanchital

- Centro de Salud Nanchital
- Centro de Salud Choapas
- Hospital de Ixhuatlán
- Cruz Roja de Nanchital

Minatitlan

- Hospital General de Minatitlan

Cosoleacaque

- Hospital de Cosoleacaque

Las Choapas

- Hospital de Las Choapas

Uxpanapa

- Hospital Uxpanapa

Veracruz

- 11va Jurisdicción del Estado de Veracruz

Ciudad de México

- Hospital General

450,000

items of medical equipment sent to healthcare professionals.

5,000

liters of antibacterial gel produced per month for universities (UTSV and UV) in conjunction with the IMQ in Coatzacoalcos.

450

lunches for doctors and personal protection kit for 300 nurses and doctors.

4,500

groceries and prevention kits donated to communities and cleaning staff from Nanchital.

12

hospitals from the region and Mexico City.

10,000

bottles for antibacterial gel and soap manufactured using polyethylene from Braskem Idesa in conjunction with THERMOFLUIDOS.

18

institutions, associations, clients and universities.

7

health centers and

3 emergency response teams.



Paradigm Shift in the Use of Plastic as a result of COVID-19

We are currently experiencing a paradigm shift that has allowed us to more clearly see the range of applications that plastic has in a variety of complex situations stemming from the COVID-19 crisis. A clear example of this are the plastic containers and packaging that have become fundamental elements in conserving and transporting food, medical supplies and merchandise.

Making a remark, the applications of plastics within the health and hygiene sector play a key role in preventing and safeguarding people's health given that they are used in the manufacturing of Personal Protection Equipment for healthcare professionals, isolation pods, medical supplies , etc.

However, during these unprecedented times, it is important to develop measures to promote the proper separation and disposal of plastic waste, helping extend their lifecycle via recycling processes and driving the conservation of natural resources and ecosystems.

The opportunities and solutions of plastic far outweigh the challenges we are facing.





ENVIRONMENTAL PERFORMANCE

Since we began operating, we have been committed to the environment by creating sustainable solutions that help protect natural resources and biodiversity, in addition to mitigating environmental impacts and promoting education surrounding sustainable consumption.

Our actions are underpinned, governed and assessed through guidelines that enable us to prevent risks and ensure the quality of the programs and measures that we are currently developing:

1. Global Sustainable Development Policy.
2. EHS, Quality and Social Responsibility Policy.
3. Environmental Risk Matrix
4. Efficient Cogeneration Certification.
5. Comprehensive Responsibility Certification (SARI).
6. Emissions Trading System Program

We have an Environmental Risk Matrix that we use as a tool to identify and prevent potential risks in the areas of climate change, energy, water, biodiversity, air, waste, and health and safety, in order to implement prevention measures.



Water Efficiency

At Braskem Idesa, we recognize the importance of promoting water conservation measures to protect this resource for future generations. This is an integral part of our business vision, which is why we have consolidated our environmental strategy by developing protocols and projects that focus on improving water management in our operations.

Our production process requires water, which is used in steam generation, refrigeration systems, manufacturing processes and effluence disposal. Every single day, we strive to improve our water efficiency strategy, the goal of which is to diversify the sources from which we get our water and reuse it at different stages within the production process. Some of the measures we have implemented to achieve this include:

- Biannual monitoring of groundwater and surface water within the communities surrounding our plant.
- Guaranteeing our water discharges comply with the 2018 Coatzacoalcos river Declaration, implementing a wastewater discharge system that ensures the river's capacity is not exceeded, in addition to permitting natural degradation and tributary recovery.
- We extract surface water from the Uxpanapa river, which is transported from the dam to our petrochemical plant through our pumping plant. We clarify the water for its subsequent distribution and use, mainly to replace cooling water or to generate steam.

Water Efficiency

	Total Water Use	Wastewater	Recycled Water	Percent of Water Recycled
2019	8,676,045 m ³	1,427,890 m ³	1,587,590 m ³	18.30%
2020	8,667,077 m³	1,425,950 m³	1,578,544 m³	18.21%



Our results in the area of wastewater disposal can be seen in the 1,425,950 m³ of water that we discharged into the Gopalapa River, all of which was processed at our wastewater treatment plant to ensure the lowest possible number of suspended solids.

[102-11, 103-2, 103-3, 302-1, 302-3, 302-4]



We have a natural gas cogeneration plant that provides energy to our Petrochemical Complex and helps mitigate our environmental impact. The following table contains our energy indicators for 2020:

Energy Efficiency





	 Electricity Used	 Electricity Sold	Intensity Ratio*
2019	682,276 MWh	105,582 MWh	14 GJ
2020	659,178 MWh	147,050 MWh	14 GJ

* The energy intensity ratio is calculated per ton of production, taking into account a total of 250 tons of polyethylene and ethylene per hour.

Our energy consumption was 659,178 MWh.

In 2020, we continued developing programs to reduce the energy used at our industrial plants and ensure optimal ethylene and polyethylene production.

Fuel Use

	 Diesel	 Gasoline	 LP Gas	 Natural Gas
2019	291,543 L	179,128 L	164,968 L	16,295,296 GJ
2020*	313,294 L	187,888 L	199,192 L	15,690,361 GJ

*Below are the justifications for the increases and decreases in fuel use compared to the previous year:

Diesel: Increased equipment use for maintenance purposes (water jetting to clean HDPE equipment, forklifts for transporting raw materials).

Gasoline: Increased use of company vehicles.

LP Gas: Increased movement of finished products (use of forklifts to transport final products).

Natural Gas: Decreased production and closure of complex in December.

In 2020, we recycled 18% of the water we used.

In order to measure the impact our operations have on the bodies of water surrounding our facilities, we directly measured the water discharged and sent the samples for analysis by external laboratories that have been approved by numerous environmental agencies, including the *Entidad Mexicana de Acreditación* (EMA), the *Comisión Nacional del Agua* (CONAGUA) and the *Procuraduría Federal de la Protección al Ambiente* (PROFEPA).

Energy

As part of our environmental strategy, our goal lies in streamlining energy efficiency within our operations, which is why we have been working to develop projects that allow us to manage and reduce energy use at our facilities.

[102-11, 103-2, 103-3, 302-4, 305-1, 305-2, 305-4, 305-7]

The total energy used at Braskem Idesa is calculated based on the electricity generated on site and fuel and electricity utility bills.



In 2020, we used **659,178.1 MWh** of electricity.

Climate Change and Emissions Management

As part of our strategy, we have 7 Sustainability Goals and a Global Sustainable Development Policy. We are also recognized as a leader in developing measures to combat climate change and its effects, in addition to reduce emissions stemming from our production processes.

We comply with all regulations issued by the *Secretaría del Medio Ambiente y Recursos Naturales* (SEMARNAT) and the *Secretaría de Energía* (SENER), in addition to the Material and Energy Balance Methodology, monitoring all emissions stemming from our operations.

Our environmental commitment allows us to measure, report and develop measures to help reduce the impact on the environment.



Emissions generated


	2018	2019	2020
Total Emissions	1,820,482 tCO ₂ e	1,835,509 tCO ₂ e	1,841,278 tCO₂e
Scope 1 (Fixed and mobile fuel combustion) Gases: CO ₂ , CH ₄ , N ₂ O, HFC	1,790,722 tCO ₂ e	1,776,776 tCO ₂ e	1,821,395 tCO₂e
Scope 2* (Company's use of electrical energy) Gases: CO ₂ , CH ₄ , N ₂ O, HFC.	29,759 tCO ₂ e	58,732 tCO ₂ e	19,883 tCO₂e

* The increase in 2019 vs. 2018 was the result of a higher amount of energy consumed from the electrical grid given a reduced ethane supply and a decrease in the amount of electricity generated internally. Just to mention, as a result of the closure of the plant (December 2020) there were changes to emissions and an increase in the use of other fuels during the same period.

[102-11, 103-2, 103-3, 305-6, 305-7, 306-3, 306-4, 306-5]

We comprehensively comply with all regulations issued by environmental authorities by measuring our air emissions by gas type - NOx, SOx, COV, CO₂, CH₄, N₂O, HFC, PM and other categories (Cr).

Emissions by Gas Type

 Emissions by Gas Type	(Ton) 2018	(Ton) 2019	(Ton) 2020
NOx*	503.9	1,195	752.21*
SOx*	6.1	36.8	17*
Volatile Organic Compounds (VOC)	19.3	21.5	67.24**
Particulate Matter (PM)	39.8	10.8	18.1**
Other Categories (Cr)	16.49	0.000204	0.0002

* Changes are a result of equipment maintenance, representing a decrease compared to 2019.

** Significant changes are a result of the use of ethane gas as a fuel during the month of December.

An essential part of our environmental strategy lies in involving the value chain in the creation of measures that help mitigate climate change. Through our Carbon Disclosure Project (CDP), we work together with our business partners to create incentives for them to voluntarily commit to protecting the environment. Some of our major areas of action include:

- Identifying opportunities to decrease costs, emissions and energy use through periodic assessments.
- Driving awareness campaigns to provide incentives for business partners to implement measures to mitigate their environmental footprint.

Waste Management

We are convinced that the transition to a Circular Economy model will bring with it major environmental and economic benefits for both our company and the industry in which we operate. This is why we have reaffirmed our commitment to decrease the amount of waste generated by our operations.





Waste

	Hazardous Waste (Ton)	Non-Hazardous Waste (Ton)*	Total Waste (Ton)
2019	2,349	1,695	4,044
2020	2,476	2,152	4,628

*This figures includes inert and non-inert non-hazardous waste.





We have developed a comprehensive waste management system in order to streamline management processes and use eco-efficiency indicators to measure both the amount of waste generated and the waste elimination method employed.

Hazardous Waste

Waste Elimination Method	 Recycling (Ton)	 Reuse (Ton)	 Landfill (Ton)	 Others (Ton)	Total (Ton)
2019	92.9	9.7	2.59	2,244	2,349
2020	59.7	0*	1.76	2,415	2,476

* There was no reuse derived from the fact that they went to "Another type of management"

Non-Hazardous Waste

Waste Elimination Method	 Recycling (Ton)	 Recovery (Ton)	 Composting (Ton)	 Landfill (Ton)	Total (Ton)
2019	831	6.9	11	325	1,695
2020	7.93	0*	9.4	2,135	2,152

* In 2020 no waste was generated for energy recovery, it was taken to landfill

Biodiversity

Mexico's flora and fauna is a part of the country's cultural heritage for future generations; driving the conservation of ecosystems is of fundamental importance in achieving balance within the environment and tackling climate change. This is why biodiversity conservation has played a major role in our operations from the very outset.

We promote and foment research, education and volunteering efforts in the area of biodiversity conservation, which is why: in 2016, we created an Environmental Management Unit (EMU) authorized by the Department of the *Secretaría de Medio Ambiente y Recursos Naturales* (SEMARNAT) called El Benjamín, which covers an area comprising 100 hectares located close to our Petrochemical Complex in the community of Ixhuatlán del Sureste in the state of Veracruz. This EMU complies with Biodiversity Management Plans and guides issued by the International Finance Corporation (IFC).

This is where we monitor, protect and proliferate endemic species, in compliance with state and federal guidelines.

This zone has been recognized by environmental authorities as a Ceratozamia Protection and Development Area (APDC), an endemic plant that is on the Red List of Threatened Species and covered by NOM-059-SEMARNAT-2010 (Environmental Protection-Wild Flora and Fauna Species Native to Mexico). It is considered by the scientific community to be a living fossil given that it has existed on Earth for thousands of years.

Our commitment to the planet has driven us to achieve the following results:

- More than **1,200 Ceratozamia Miqueliana plants** were rescued, relocated and protected.
- We also worked alongside experts in cycads to coordinate a **demography study**.
- **165 types of plants and 284 endemic animal** species were recorded.
- **9.1% of the species identified** within Braskem Idesa's Environmental Management Unit (EMU) are classified to be at risk according to Mexican environmental SEMARNAT standard NOM-059.
- **18 species of flora and fauna** are on the International Union for Nature Conservation's (IUCN) Red List of Threatened Species.

In addition to efforts being made at Braskem Idesa's EMU, at Braskem Idesa we also support a flora and fauna conservation program. In 2020, we recorded:

- **Flora:**
 - » **65** species of flora.
 - » **86** trees and **79** bushes and herbaceous plants.



- **Fauna:**
 - » **120** species of birds.
 - » **20** amphibians (**17** frogs and 3 salamanders).
 - » **35** reptiles (**13** species of lizards, **16** species of snakes and **6** types of turtles).
 - » **41** species of mammals (**2** species of mice, **17** mid-sized mammals and **22** species of bats).
 - » **68** species of invertebrates:
 - » **15** species of coprophagous and necrophagous beetles (scarabaeidae) and 44 species of ants (formicidae).
 - » **9** species of butterflies (lepidopetera).



Thanks to research efforts undertaken at El Benjamín, the following scientific articles have been published:

- Diversity and conservation of amphibians and reptiles in a private protected area in a region in the south of Veracruz, Mexico, that has undergone a major transformation.
- Neo-tropical fauna and environment studies.
- A private protected natural area in Mexico: exploring the value of conservation in south-east Mexico.

CIRCULAR ECONOMY

We are convinced that the Circular Economy is the key to creating a more sustainable future.

We are firmly committed to generating value for our clients and contributing to the development of the supply chain, which is why we have adopted a business model with a sustainable approach. This has driven us to roll out innovative projects that help improve our production practices and enable us to offer high-quality products that encompass the present and future needs of society.

In line with our goal to contribute to the development of solutions to improve the management of the plastic lifecycle, we are committed to shifting toward a Circular Economy, which, unlike a linear economy, proposes the recovery of plastic waste, transforming it into raw materials that can be used to create new products and materials through the implementation of processes encompassing redesign, reuse and recycling to help drive environmental conservation and maintain the value of resources throughout their lifecycle.

The adoption of a circular model is not only a challenge for our company but also for the plastics industry and its value chain. We work closely with clients, business partners, brand owners, recyclers, researchers, industrial associations, government agencies and CSO's to develop solutions that are based on the requirements of a society that is increasingly involved in waste management and recovery.



Container made of high-density polyethylene resin with post-consumer recycled content (PCR) - I'm green™ recycled

[103-2, 103-3, 306-1, 306-2]

We work alongside other elements of society who have made commitments and set themselves goals regarding the incorporation of recycled materials into their products, in addition to redesigning products, increasing plastic waste recovery rates, and promoting awareness about responsible consumption.



One of our commitments
within the Circular Economy is ensuring that 100% of plastic packaging is reused, recycled or recovered by 2040.

As part of our strategy to implement a circular model, we have defined 8 fundamental pillars to help us achieve this goal:

1. Working with clients and value chains to drive the recycling, efficiency and reuse of plastics.
2. Investing in the development of new renewable products.
3. Developing technologies and business models to improve plastic recovery.
4. Promoting educational programs focusing on responsible consumption.
5. Using and supporting the use of Life Cycle Analysis tools.
6. Measuring and communicating recycling indices.
7. Supporting public and private sector alliances to better tackle the problem of marine debris.
8. Supporting public policies to improve solid waste management.

Our commitment to the Circular Economy can be seen in our collaboration with the Alliance to End Plastic Waste (AEPW), the National Association of the Chemical Industry (ANIQ), the National Association of the Plastic Industry (ANIPAC), and the Business Coordinating Council (CCE). Through these alliances, we promote projects to tackle the challenge of post-consumer plastic waste and drive the implementation of innovative and sustainable production models.



Visit our website to learn more about our commitment to the Circular Economy:
<http://www.braskemidesa.com.mx/posicionamientoeconomicircular>



[103-2, 103-3, 301-1, 301-2, 301-3, 306-1, 306-2]

Innovative and Sustainable Solutions within the Circular Economy – I’m Green Recycled™



Our commitment to migrating to a Circular Economy has led us to drive innovation in numerous areas in order to develop new materials and products that help mitigate waste generation by using them again in production processes.

In 2019, we created the I’m Green Recycled line, polyethylene resins containing recycled postconsumer plastics that guarantee quality, standardization and batch traceability. We also launched the first High-Density Polyethylene resin (HDPE) containing 30% recycled post-consumer material and 70% virgin resin. This innovative solution has enabled us to incorporate a recycling process into our operations and expand our sustainable portfolio, breathing new life into recycled plastic while maintaining the same properties.

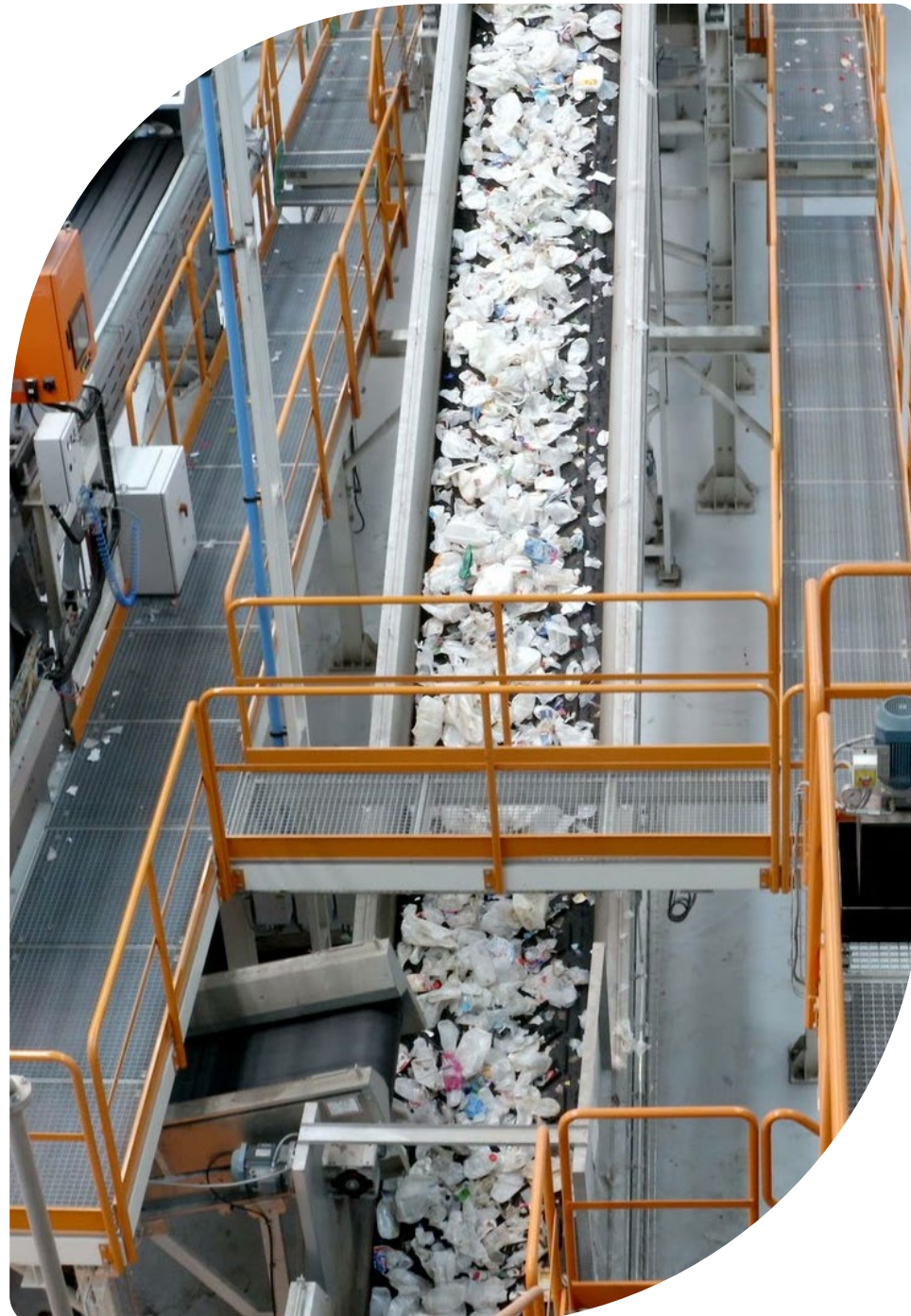
Through these sustainable solutions, we are promoting the adoption of a circular economy within our Value Chain in order to jointly leverage natural resources within the production process, increase the plastic life cycle, and have a positive impact on both the environment and society.

Our goal by 2025

is to increase the I’m green™ portfolio by integrating 300,000 tons of products made from recycled material.

Joint Environmental Efforts

The mismanagement and a lack of infrastructure in the disposal of solid waste are two major factors that have an impact on the amount of plastic that ends up in our seas and oceans. We recognize the complexity of this problem, and we know that solutions will only be possible through the collaboration of different social sectors: governments, industry, researchers and society. This is why, at Braskem Idesa, we have not only invested in the innovation and creation of more sustainable products, but we also play an active role in searching for and developing strategies to combat the amount of plastic waste that ends up in our ocean ecosystems.



Zero Pellet Loss Program (CPP) – Operation Clean Sweep®

We collaborate with national and international industrial associations in order to create partnerships with companies from the sector for the creation of a network to help drive the implementation of responsible practices and promote environmental conservation.



Our second commitment

as part our Circular Economy is to ensure that 100% of Braskem Idesa’s industrial units adopt best practices for pellet control, such as Operation Clean Sweep Blue in 2020.



In 2020, we collaborated with the Autonomous Metropolitan University (UAM) on a project to monitor microplastics at 33 beaches throughout Mexico.

Throughout 2020, we continued developing strategies to prevent pellet loss within the company's production processes, reaffirming the commitment we made in 2018 with our Zero Pellet Loss Program, coordinated in conjunction with ANIPAC Mexico, in addition to Operation Clean Sweep®, created by the American Plastics Industry Association (PLASTICS), focusing on 4 priority areas:



Prevention:

We raise awareness among Braskem Idesa's Team Members, and we instill in them a sense of responsibility and commitment to the program.



Containment:

We monitor and manage pellet containment.



Cleaning:

We ensure that the workplace is properly prepared in order to avoid pellet loss and facilitate the cleaning process.



Disposal:

We dispose of pellets properly in order to avoid polluting the environment.

The goal of joining these partnerships is to help preserve marine ecosystems. We also strive to involve everyone within the value chain, including clients, transport providers, suppliers and logistics operators, helping them implement sustainable practices to streamline production processes, improve waste management, and protect the environment.

In 2020, the **Logistics Operators** we work with at Braskem Idesa signed the Zero Pellet Loss commitment through ANIPAC:

- *Katoen Natie Mexicana Tlaltepoxco*
- *Distribución y servicios logísticos*
- *Logística integral de transportación*
- *Gestión de Proyectos*
- *Foodliner*
- *Almacenes y Maniobras Integrales del Golfo*

During 2020, a total of three audits were undertaken at our industrial complex in order to detect areas of opportunity and monitor prior actions. One of these audits encompassed the pre-verification process for the Distintivo Azul certification, the highest possible award for operational excellence in pellet containment offered by ANIPAC and the Advanced Technology Center (CIATEQ). As a result of the COVID-19 pandemic, visits and audits were undertaken virtually in the HDPE, LDPE, Logistics and Laboratory areas with the help of smart helmets.

Our goal for Q1 2021

is to achieve the Distintivo Azul certification for the Zero Pellet Loss program from ANIPAC.

Alliance to End Plastic Waste

Alongside Braskem, we are part of the Alliance to End Plastic Waste, a non-profit that has brought together a number of players within the plastics industry, including resin manufacturers, processors, retailers, recyclers, and brand owners, in order to drive measures to help protect the oceans through Thematic Expert Groups (TEG), which encompass the following issues:

- **Urban Engagement:** Designing and creating waste management infrastructure systems.
- **Social Behavior:** Improving consumer commitment and promoting responsible consumption.

- **Advanced Recycling and Recovery:** Advanced collection and separation in order to encompass new approaches to mechanical and chemical recycling.
- **Creating Value for Recyclers:** Developing new uses for recycled plastic and promoting its incorporation into the market.
- **Design for Circularity:** Working with companies on the interface for product and material design.

Around 50 companies are part of this global program, investment USD \$1.5 billion over the next 5 years to develop projects and drive new technologies.

It is important to highlight the fact that the World Business Council for Sustainable Development, in addition to other intergovernmental institutions, such as the United Nations and Circulate Capital, recognize the importance of the impact this program has on the environment, and provide strategic support to the Alliance.





Before 2030,
we will work to avoid 1.5 million tons of plastic waste being sent for incineration or to the landfill or environment.

Please visit the Alliance to End Plastic Waste (AEPW) website to learn more about these projects in their annual report, in addition to the sustainability strategy we have jointly developed: <https://endplasticwaste.org/en/Our-Work>

Institutional Recycling Programs

Plastic products have the potential to improve people’s lives, but in order to maximize their use, we need to develop adequate waste disposal processes. Committed to the development of more sustainable practices and the implementation of a Circular Economy throughout the production chain, at Braskem Idesa we focus on two major areas:

- Development of sustainable technology.
- Creation of institutional recycling programs at each of our sites.

Promoting a culture of recycling and offering education about how to properly separate and dispose of plastic waste are key parts of our strategies, which is why we work alongside our clients, suppliers, communities and CSO’s that are committed to sustainable development.



We are convinced that by working together, we are part of the solution.

PLASTIANGUIS

At Braskem Idesa, we have adopted this program created by the National Association of the Chemical Industry (ANIQ), which focuses on promoting responsible consumption, recycling and plastic processing by creating infrastructure for collecting plastic waste, which can then be exchanged for basic food products or school supplies.

In 2020, we adapted
this project as a result of the pandemic, converting it into a plastic bank to continue promoting responsible consumption, recycling and environmental conservation among our neighboring communities.



PLASTIVALE EN CASA

The goal of this project is to promote good practices in the area of plastic collection, recycling, disposal and use, helping encompass the entire life cycle. It also helps us better engage with the local community as we work alongside elementary and secondary schools in Nanchital, Veracruz. This program also enables us to support participating students and schools by improving their training and school resources through the exchange of postconsumer plastic waste.

In 2020, as part of this program we organized a video competition to allow students to show how plastic waste should be handled, in addition to the 3 R's, identifying and separating plastics and the importance of the Circular Economy and recycling. The following results were obtained:

- **1.6 tons** of plastic collected.
- **31** participating schools from Nanchital.
- **111** videos submitted.
- **100** refurbished computers donated.

PLASTIEN

As part of our social investment plant, which seeks to drive the social and economic developing of our communities in the region of Nanchital, Veracruz, we created a cooperative to collect and process plastic waste. Through this program, we create infrastructure and offer training to MSME entrepreneurs in order to help them increase their household income and offer them access to better opportunities.

Plastien has continued to position itself

as a plastic waste collection cooperative run by female entrepreneurs from Nanchital, Veracruz.

Corporate Volunteering Program

Every year, we organize volunteering activities for our Team Members and other participants to help promote the development of the communities located around our Petrochemical Complex, in addition to environmental conservation activities. In Mexico and around the world, we focus on three main areas, through which we have been able to achieve outstanding results. These areas are:

- **Volunteering Challenge:** A competition with a social approach among Team Members from Braskem Idesa and Braskem units located in Mexico, Brazil, the United States and Europe. Teams of 2 or more members are created to volunteer for a 3-month period at an organization close to their workplace.
- **Volunteering League:** Local volunteering programs, lasting for one or two days and comprising groups of volunteers that focus on recycling, the cleaning of ecosystems, support for animal welfare associations, as well as the health and safety of people living in vulnerable situations.
- **We Care Week:** A global week of volunteering activities that focuses on promoting the Circular Economy.



In 2020, we adapted our volunteering programs to encompass a digital format and we implemented **17 activities** that benefitted more than **1,000 people**.

In strict compliance with the health and safety measures decreed by the authorities, Plastianguis was organized in 9 communities in the southern region of the state of Veracruz. Over the course of three months, the following results were achieved:

- **96** tons of plastic waste collected.
- **5,400** food parcels and prevention kits exchanged.
- **+30** temporary jobs created.
- **32,000** nutrition products donated through a strategic partnership with Nestlé that were exchanged for plastic waste.

[103-2, 103-3, 301-1, 301-2, 301-3, 306-1, 306-2]

Braskem Idesa: Moving Toward a Low-Carbon Circular Economy

The measures we have implemented perfectly position us to contribute to environmental conservation, in addition to challenging us to create innovative and sustainable solutions; however, we know that this is not enough and that we will not be able to do it alone.



This is why, in conjunction with Braskem, we launched our commitment to become Carbon Neutral by 2050, which is underpinned by the following commitments:

- **By 2025**, expand our I'm Green Recycled portfolio of products that are made from recycled content.
- **By 2030**, recover 1.5 million tons of plastic waste.
- **By 2030**, reduce carbon emissions from Braskem's global operations by 15%.
- **By 2050**, ensure Braskem's global operations are carbon neutral.





PRODUCT LIFE CYCLE

Monitoring and mitigating our environmental impact is a fundamental part of both our Sustainability strategy and our Circular Economy strategy, which is why we use tools such as Life Cycle Analysis (LCA) to analyze our products by looking at the value chain as a whole, from raw material extraction to disposal, verifying the benefits our solutions can offer sustainable development.

In 2021, we will publish the results of the social and environmental Life Cycle Analysis of our high-density polyethylene resin that contains postconsumer recycled material (I'm green™ recycled). The goal of this process is to analyze and measure the potential environmental impact associated with its social and environmental performance in order to improve the decision making process.



EARTH CHARTER

The Earth Charter is a declaration of ethical principles that form the basis for the creation of a fair, sustainable and peaceful global society. This initiative focuses on the transition to sustainable lifestyles and human development. It began as a United Nations program, concluding in the year 2000 with the creation of the Earth Charter Commission, an international body that promotes compliance with these principles.

At Braskem Idesa, we joined this program in 2017, implementing its recommendations into our day-to-day operations. We support the principles and global alliance it proposes to help create a fair, sustainable and peaceful world.

The principles of this Charter are:



Respect and Care for the Community of Life



Social and Economic Justice



Ecological Integrity



Democracy, Nonviolence and Peace





CERTIFICATIONS AND AWARDS

Our achievements are the result of our on-going commitment and hard work to help create value for society, protect the planet and consolidate our corporate governance, which is why, in 2020, we obtained the following awards:

- LatAm Petrochemical Deal of the Year from Sumitomo Mitsui Banking Corporation (SMBC) for the bond issued in 2019.
- Socially Responsible Company (ESR) award from the Mexican Center for Philanthropy (CEMEFI).
- Annual Responsible Care® Comprehensive Responsibility (SARI) certification from the National Association of the Chemical Industry (ANIQ)
- 2020 Comprehensive Responsibility Award in the category of “Manufacturing Companies” from the National Association of the Chemical Industry (ANIQ)
- Ranked as one of the companies with the Best Corporate Integrity Practices by IC-500 Expansión.
- Ranked as one of the “Most Ethical Companies” by Fortune Magazine.
- “Best Large Stand” by Expo Plásticos Awards 2020.
- “Raw Material Distributor” by Expo Plásticos Awards 2020.





MATERIALITY

At Braskem Idesa, we are aware of the responsibility we have as a result of our growth strategy and the company’s operations, which are aligned with our Global Sustainable Development Policy. These measures allow us to reduce potential social and environment impacts, in addition to setting goals that promote economic growth in Mexico, community well-being and environmental conservation.

To choose the content that is included in this report, we use the updated 2018* Materiality Matrix, which encompasses 26 aspects, 18 of which were taken into consideration as a result of our on-going dialog with our stakeholders. We used the Comprehensive option to communicate our sustainability goals and advances in an accurate, balanced, clear, comparable, reliable and timely manner.

To drive transparency when drafting this report, we continued to focus on the list of material issues published in previous reports, in addition to incorporating any relevant issues identified:

- **Water**
- **Air**
- Customer Service
- **Biodiversity**
- **Corruption**
- **Financial Performance**
- **Circular Economy**
- Employment
- **Energy**
- **Training and Career Development**
- **Corporate Governance**
- **Equal Opportunities**
- **Social Investment in Communities**
- Freedom of Association
- **Local Workforce**
- **Complaint Procedures**
- Public Policies
- **Post-Consumption**
- Suppliers – Environmental Management
- Local Suppliers
- Non-Renewable Resources
- Reporting and Publication
- **Waste**
- **Health and Safety**
- Property Security
- **Transparency and Integrity**

*In 2018, there was a global update to identify material issues. This report corresponds to Braskem Idesa’s materiality.



ALIGNMENT WITH GLOBAL SUSTAINABILITY STANDARDS

At Braskem Idesa, we are committed to Sustainability, which is why, as part of our strategy, we developed 10 Macro Sustainable Development Goals that cover social, environmental and economic issues and were set to be achieved by 2020.

10 Braskem Idesa's Macro Goals

- | | |
|----|--------------------------------|
| 1 | Safety |
| 2 | Economic and Financial Results |
| 3 | Water Efficiency |
| 4 | Solution Development |
| 5 | Strengthening of Practices |
| 6 | Climate Change |
| 7 | Energy Efficiency |
| 8 | Renewable Resources |
| 9 | Post-Consumption |
| 10 | Local Development |

As Braskem and Braskem Idesa, we ended this cycle having achieved 85% of the goals we set for 2009-2020.

[102-12, 103-1]

Given that 2020 was the final year for the 10 Sustainable Development Macro Goals, we began drafting new challenges for the period comprising 2020–2030, adapting and updating our goals based on current global demands.

The drafting of these new macro goals was a process that involved more than 500 Team Members and leaders from both Braskem and Braskem Idesa at a global level. In September 2020, the Board of Directors approved our Global Sustainable Development Strategy.

This new strategy was based on an analysis of the global trends and challenges detected in the Materiality Matrix and in the results of the Risk Management analysis of our business, our value chain and relevant areas within society. In addition, we took into consideration sustainable development elements in the areas of economics, society and the environment. We ensured compliance with the United Nations 17 Sustainable Development Goals and with the Paris Agreement, helping highlight the priority of our contributions.

As a result, we set 7 global macro goals, focusing on the construction of a Carbon Neutral Circular Economy in order to tackle climate change and eliminate plastic waste.



Braskem Idesa's 7 Macro Goals


1	HEALTH AND SAFETY	Become a leader in the global chemical and petrochemical industry in the areas of health and safety management.
2	FINANCIAL RESULTS	Be recognized by the financial market as a leader in the petrochemical sector.
3	ELIMINATION OF PLASTIC WASTE	Expand our I'm Green™ portfolio and progressively increase our capacity to produce recycled content, avoiding sending plastic waste for incineration or to landfill or the environment.
4	CLIMATE CHANGE	Be positioned among the leading chemical industries in the world in terms of Greenhouse Gas (GHG) emission intensity. Be one of the major agents for capturing GHG emissions.
5	OPERATIONAL EFFICIENCY	Become an operational efficiency benchmark within the global petrochemical industry.
6	SOCIAL RESPONSIBILITY AND HUMAN RIGHTS	Be recognized as a company that promotes human rights and development.
7	SUSTAINABLE INNOVATION	Position ourselves as the preferred sustainable solutions partner for clients and society.



Learn more about our new macro goals:
<http://www.braskemidesa.com.mx/macroobjetivos>

[102-12, 102-46, 102-53, 103-1]

At Braskem Idesa, we are aligned with global methodologies such as GRI Standards and Sustainability Accounting Standards Board (SASB), in addition to the Risk Rating issued by Sustainalytics, a ratings agency that measures a company's sustainability based on its Environmental, Social and Governance performance (ESG).

Material Issue	BI 7 Macro Goals	SDG	GRI Content	Coverage		SASB
				Internal	External	
 Social Investment in Communities	6	1,3,4,11, 13, 17	413-1, 413-2	✓	✓	
 Energy	5	7,13	302-1, 302-3, 302-4	✓	✓	RT-CH-130a.1
 Water	5	6	303-1, 303-2, 303-3, 303-4, 303-5	✓	✓	RT-CH-140a.1 RT-CH-140a.2 RT-CH-140a.3
 Biodiversity	4	14, 13, 15,17	304-3, 304-4	✓	✓	
 Air	4	13	305-1, 305-2, 305-4, 305-7	✓	✓	RT-CH-110a.1 RT-CH-110a.2 RT-CH-120a.1
 Complaints Procedures	2,6	16	413-1, 419-1	✓	✓	RT-CH-210a.1
 Corruption	6	16	205-1, 205-2, 205-3	✓	✓	
 Workforce	6	1,8	401-1	✓	✓	
 Health and Safety	1	3,8	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	✓	✓	RT-CH-320a.1 RT-CH-320a.2
 Financial Performance	2	8	201-1, 202-2	✓	✓	
 Circular Economy	3,4,7	11,12,13,14,17	301-1, 301-2, 301-3, 306-2, 306-4	✓	✓	
 Corporate Governance	1,2,4,5,6,7	16	102-14,102-18	✓	✓	RT-CH-530a.1
 Postconsumer	3	9,11,12,13,17	306-3, 306-4, 306-5	✓	✓	RT-CH-150a.1
 Waste	3	9,11,12,13,17	306-1, 306-2	✓	✓	
 Transparency and Integrity	6	16	102-16, 107-17, 103-1, 103-2, 103-3, 406-1, 415-1	✓	✓	

If you require further

information about this annual sustainability report, or if you have any doubts, suggestions or comments about it, please contact the Circular Economy and Sustainability department at the following e-mail address: sustentabilidad@braskem.com

[102-55]

GRI CONTENT INDEX



MATERIALITY DISCLOSURES SERVICE

2021

GRI Standard	Disclosure Title	Page Number/Omission
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
GRI 102: GENERAL DISCLOSURES 2016		
1. Organizational profile		
102-1	Name of the organization	p.3
102-2	Activities, brands, products, and services	p. 8-10, 27.
102-3	Location of headquarters	The Braskem Idesa Complex comprises 1 ethane cracker, 2 high-density (HDPE) and 1 low-density polyethylene plants (LDPE). Our corporate offices are located in Mexico City at Boulevard Manuel Ávila Camacho, 36, 24th floor. Col. Lomas de Chapultepec. CP 11000 México. The Complex is located at Carretera Nanchital-El Chapo, Km 3.5, Nanchital de Lázaro Cárdenas del Río, Veracruz.
102-4	Location of operations	p. 8
102-5	Ownership and legal form	p.3
102-6	Markets served	p. 8-10
102-7	Scale of the organization	p. 14
102-8	Information on employees and other workers	We offer employment opportunities, and there are 465 people from our contractors who undertake activities that include specialist maintenance, industrial equipment cleaning and mobile equipment operation.
102-9	Supply chain	p. 29
102-10	Significant changes to the organization and its supply chain	p.3

GRI Standard	Disclosure Title	Page Number/Omission
102-11	Precautionary Principle or approach	p. 33-34, 50-55
102-12	External initiatives	p. 68-70, 75-81
102-13	Membership of associations	p. 25
2. Strategy		
102-14	Statement from senior decision-maker	p. 4-5
102-15	Key impacts, risks, and opportunities	p. 4-5
3. Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	p. 7, 18
102-17	Mechanisms for advice and concerns about ethics	p. 22
4. Governance		
102-18	Governance structure	p. 19
5. Stakeholder engagement		
102-40	List of stakeholder groups	p. 15-16
102-41	Collective bargaining agreements	Our Team Members have a collective bargaining agreement that covers 40.6% of the workforce. The reduction in comparison to last year is the result of a decrease in the total number of employees by employment contract (permanent or temporary) at the complex, from 647 Team Members reported in 2019 to 634 Team Members in 2020.
102-42	Identifying and selecting stakeholders	p. 15-16

For Materiality Disclosures Service, GRI Services has reviewed that the GRI Content Index is clear and that the references for 102-40 a 102-49 contents correspond to the right sections of the report. The service was performed on the Spanish version of the report.

[102-55]

GRI Standard	Disclosure Title	Page Number/Omission
102-43	Approach to stakeholder engagement	p. 15-16
102-44	Key topics and concerns raised	p. 15-16
6. Reporting practice		
102-45	Entities included in the consolidated financial statements	p. 3
102-46	Defining report content and topic Boundaries	p. 70
102-47	List of material topics	p. 67
102-48	Restatements of information	p. 3
102-49	Changes in reporting	p. 3
102-50	Reporting period	p. 2
102-51	Date of most recent report	p. 3
102-52	Reporting cycle	p. 3
102-53	Contact point for questions regarding the report	p.70
102-54	Claims of reporting in accordance with the GRI Standards	p. 3
102-55	GRI content index	p. 71-74
102-56	External assurance	p. 3, 82

MATERIAL TOPICS

GRI 103: MANAGEMENT APPROACH 2016		
103-1	Explanation of the material topic and its Boundary	p. 67-70 This content covers the material topics: Social investment in communities, Energy, Water, Biodiversity, Air, Mechanisms for complaints, Corruption, Workforce, Health and Safety, Economic Performance, Circular Economy, Corporate Governance, Post-Consumption, Waste, Transparency and Integrity.

Economic Performance		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 27
103-3	Evaluation of the management approach	p. 27-28

GRI 201: ECONOMIC PERFORMARANCE 2016		
201-1	Direct economic value generated and distributed	p.27

GRI Standard	Disclosure Title	Page Number/Omission
201-2	Financial implications and other risks and opportunities due to climate change	Braskem Idesa has developed some initiatives to endorse its commitment to preserving the environment, among those are the Wind Energy Agreement that will prevent 700 thousand tons of CO2 emission, Our developed resin I'm green recycled and the Zero Pellet Loss Program (CPP) – Operation Clean Sweep®.

GRI 202: MARKET PRESENCE 2016		
202-2	Proportion of senior management hired from the local community	p. 27 Senior management comprises managers, directors, vice-presidents and presidents. To calculate the number of directors from the local community (born in the same state in which they work), we use the number of people in senior management and their place of birth. This is controlled in every country in which we operate, both in those with industrial plants and those with only commercial offices.

Corporate Governance		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 4-5, 19
103-3	Evaluation of the management approach	p. 4-5, 19

Corruption		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 22-25
103-3	Evaluation of the management approach	p. 22-25

GRI 205: ANTI-CORRUPTION 2016		
205-1	Operations assessed for risks related to corruption	p. 24-25 31 risks were analyzed, none of which was deemed to be significant. The major risks currently being monitored by the Company are, among others, "Supplier Negotiation Processes", "Third-Party Management" and "Anti-corruption".
205-2	Communication and training about anti-corruption policies and procedures	p. 20-21 100% of the Board of Directors (11 members) and 100% of the Compliance Committee (3 members) were present.
205-3	Confirmed incidents of corruption and actions taken	During 2020, there were no confirmed cases of corruption. There is a lack of knowledge surrounding the definition of the word "corruption", which is why some reports with this classification were received; however, upon analyzing them, they were reclassified as they pertained to other categories, such as Potential Conflicts of Interest, Complaints, Behavior, and Contract Compliance Issues.

[102-55]

GRI Standard	Disclosure Title	Page Number/Omission
Circular Economy		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 56-58, 62
103-3	Evaluation of the management approach	p. 56-58, 62
GRI 301: MATERIALS 2016		
301-1	Materials used by weight or volume	p. 56, 58, 62
301-2	Recycled input materials used	p. 56, 58, 62
301-3	Reclaimed products and their packaging materials	p. 56, 58, 62
GRI 306: WASTE 2020		
306-2	Management of significant waste-related impacts	This content covers the material topic Waste p. 56-58, 62
306-4	Waste diverted from disposal	This content covers the material topic Post-Consumption p.54
Waste		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p.54
103-3	Evaluation of the management approach	p.54
GRI 306: WASTE 2020		
306-1	Waste generation and significant waste-related impacts	p.56-58, 62
Post-Consumption		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 56-58, 62
103-3	Evaluation of the management approach	p. 56-58, 62
GRI 306: WASTE 2020		
306-3	Waste generated	p.54
306-5	Waste directed to disposal	p.54 For Hazardous Waste, neither incineration, nor deep-well injection or on-site storage are employed. Non-Hazardous Waste is not reused.
Energy		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p.52
103-3	Evaluation of the management approach	p.52

GRI Standard	Disclosure Title	Page Number/Omission
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organization	p.52
302-3	Energy intensity	p.52
302-4	Reduction of energy consumption	p.52-53
Water		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 51-52
103-3	Evaluation of the management approach	p. 51-52 The percentage of recycled water in 2019 presented in the water consumption table, was updated due to calculation error.
GRI 303: WATER AND EFFLUENTS 2018		
303-1	Interactions with water as a shared resource	p. 51-52
303-2	Management of water discharge-related impacts	p. 51-52
303-3	Water withdrawal	p. 51-52
303-4	Water discharge	p. 51-52
303-5	Water consumption	p. 51-52
Biodiversity		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 55
103-3	Evaluation of the management approach	p. 55
GRI 304: BIODIVERSITY 2016		
304-3	Habitats protected or restored	p. 55
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	p. 55
Emmissions		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 53
103-3	Evaluation of the management approach	p. 53
GRI 305: EMISSIONS 2016		
305-1	Direct (Scope 1) GHG emissions	p. 53
305-2	Energy indirect (Scope 2) GHG emissions	p. 53
305-4	GHG emissions intensity	p. 53

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GRI Standard	Disclosure Title	Page Number/Omission
305-6	Emissions of ozone-depleting substances (ODS)	p. 54
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 54
Workforce		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 31
103-3	Evaluation of the management approach	p. 31
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	p. 31-32
Occupational health and safety		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 33
103-3	Evaluation of the management approach	p. 33
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	p. 33-34
403-2	Hazard identification, risk assessment, and incident investigation	p. 33-34
403-3	Occupational health services	p. 33-34
403-4	Worker participation, consultation, and communication on occupational health and safety	p. 33-34
403-5	Worker training on occupational health and safety	p. 33-34
403-6	Promotion of worker health	p. 33-34
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 33-34
403-8	Workers covered by an occupational health and safety management system	Braskem Idesa has a flow chart for the classification of industrial security incidents and the reporting, classification, investigation and communication of HSE incidents. We have 1,035 contractors and 831 members, who are covered at 100% under this system.
403-9	Work-related injuries	In 2020, there were no deaths, so the death rate was 0 and there were no disabling incidents (LTI / CAF). We had a total of 4,407,096 man-hours.
403-10	Work-related ill health	In 2020, there were no deaths as a result of any work-related illness or disease, and no work-related illnesses were identified.

GRI Standard	Disclosure Title	Page Number/Omission
Social Investment in Communities		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 35
103-3	Evaluation of the management approach	p. 35
GRI 413: LOCAL COMMUNITIES 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	p. 35-42
413-2	Operations with significant actual and potential negative impacts on local communities	p.42 Braskem Idesa has no operations that have a significant negative impact, be it real or potential.
Complaint Procedures		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 22
103-3	Evaluation of the management approach	
GRI 419: SOCIOECONOMIC COMPLIANCE 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Braskem Idesa has not been fined as a result of compliance issues with social or economic regulations. Braskem Idesa received reports about potential regulatory and legal compliance issues; however, they were deemed to be baseless.
Transparency and Integrity		
GRI 103: MANAGEMENT APPROACH 2016		
103-2	The management approach and its components	p. 22
103-3	Evaluation of the management approach	p. 22
GRI 406: NON-DISCRIMINATION 2016		
406-1	Incidents of discrimination and corrective actions taken	p. 22
GRI 415: PUBLIC POLICY 2016		
415-1	Political contributions	No contributions were made. Braskem Idesa's Corporate Guidelines prohibit any Member from promising, offering, authorizing or making, directly or indirectly, contributions to political parties or publicly elected officials using resources from or on behalf of Braskem Idesa, which are prohibited by law.


SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)





[102-12]

CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response																																								
RT-CH-110a.1	<p>Greenhouse Gas Emissions</p>	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO ₂ -e, Percentage (%)	<p>Emissions</p> <table border="1"> <thead> <tr> <th></th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Total Emissions</td> <td>1,820,482 tCO₂e</td> <td>1,835,509 tCO₂e</td> <td>1,841,278 tCO₂e</td> </tr> <tr> <td>Scope 1 (Fixed and mobile fuel combustion) Gases: CO₂, CH₄, N₂O, HFC</td> <td>1,790,722 tCO₂e</td> <td>1,776,776 tCO₂e</td> <td>1,821,395 tCO₂e</td> </tr> <tr> <td>Scope 2* (Company's use of electrical energy) Gases: CO₂, CH₄, N₂O, HFC.</td> <td>29,759 tCO₂e</td> <td>58,732 tCO₂e</td> <td>19,883 tCO₂e</td> </tr> </tbody> </table> <p>*The increase in 2020 vs. 2019 was the result of a higher amount of energy consumed from the electrical grid given a reduced ethane supply and a decrease in the amount of electricity generated internally. Additionally, as a result of the closure of the plant (December 2020) there were changes to emissions and an increase in the use of other fuels during the same period. We comprehensively comply with all regulations issued by environmental authorities by measuring our air emissions by gas type - NO_x, SO_x, COV, CO₂, CH₄, N₂O, HFC, PM and other categories (Cr).</p> <p>Emissions by Gas Type</p> <table border="1"> <thead> <tr> <th>Emissions by Gas Type</th> <th>(Ton) 2018</th> <th>(Ton) 2019</th> <th>(Ton) 2020</th> </tr> </thead> <tbody> <tr> <td>NO_x</td> <td>503.9</td> <td>1,195</td> <td>752.21</td> </tr> <tr> <td>SO_x</td> <td>6.1</td> <td>36.8</td> <td>17</td> </tr> <tr> <td>Volatile Organic Compounds (VOC)</td> <td>19.3</td> <td>21.5</td> <td>67.24</td> </tr> <tr> <td>Particulate Matter (PM)</td> <td>39.8</td> <td>10.8</td> <td>18.1</td> </tr> <tr> <td>Other Categories (Cr)</td> <td>16.49</td> <td>0.000204</td> <td>0.0002</td> </tr> </tbody> </table> <p>An essential part of our environmental strategy lies in involving the value chain in the creation of measures that help mitigate climate change. Through our Carbon Disclosure Project (CDP), we work together with our business partners to create incentives for them to voluntarily commit to protecting the environment. Some of our major areas of action include:</p> <ul style="list-style-type: none"> Identifying opportunities to decrease costs, emissions and energy use through periodic assessments. Driving awareness campaigns to provide incentives for business partners to implement measures to mitigate their environmental footprint. 		2018	2019	2020	Total Emissions	1,820,482 tCO ₂ e	1,835,509 tCO ₂ e	1,841,278 tCO₂e	Scope 1 (Fixed and mobile fuel combustion) Gases: CO ₂ , CH ₄ , N ₂ O, HFC	1,790,722 tCO ₂ e	1,776,776 tCO ₂ e	1,821,395 tCO₂e	Scope 2* (Company's use of electrical energy) Gases: CO ₂ , CH ₄ , N ₂ O, HFC.	29,759 tCO ₂ e	58,732 tCO ₂ e	19,883 tCO₂e	Emissions by Gas Type	(Ton) 2018	(Ton) 2019	(Ton) 2020	NO _x	503.9	1,195	752.21	SO _x	6.1	36.8	17	Volatile Organic Compounds (VOC)	19.3	21.5	67.24	Particulate Matter (PM)	39.8	10.8	18.1	Other Categories (Cr)	16.49	0.000204	0.0002
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CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response
<p>76</p> <p>RT-CH-110a.2</p>	 <p>Greenhouse Gas Emissions</p>	<p>Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</p>	<p>N/A</p>	<p>1. Short- and Long-Term Strategy Analysis:</p> <p>As part of our strategy, we comply with all regulations issued by the Department of the Environment and Natural Resources (SEMARNAT) and the Department of Energy (SENER), in addition to the Material and Energy Balance Methodology, monitoring all emissions stemming from our operations.</p> <p>We are also governed by a Global Development Policy that encompasses 7 Macro Sustainability goals, including climate change, operational efficiency, and actions and goals to help mitigate, reduce or capture GHG.</p> <p>The Greenhouse Gas Legal Framework we follow encompasses the following:</p> <ul style="list-style-type: none"> • Climate Change Act, Regulations of the Climate Change Act for the National Emissions Registry (RENE), GHG Report for Annual Operating Cell (COA), GHG Calculation Methodologies, CO₂ Emission Direct Measurement Methodology. • Annual GHG emissions reports and verification for the National Emissions Registry (RENE). • Emissions Trading System Program (SCE). <p>2. Emission Reduction Goals</p> <p>Based on the Climate Change Act, the overall contribution to reducing GHG emissions from the chemical and petrochemical industry stands at 5% by 2030.</p> <p>As Braskem Idesa, our goal lies in: 1) Identifying projects to reduce, mitigate or capture CO₂; 2) Driving energy efficiency in our operations; 3) Consolidating waste management; 4) Identifying renewable energies; 5) Participating in Emissions Trading; 6) Assessing the acquisition of an Energy Efficiency Certificate for the petrochemical complex.</p> <p>Additionally, Grupo Braskem has made a public global commitment through its operations in Brazil, the United States, Europe and Mexico to reduce GHG emissions by 15% before 2030, in addition to becoming carbon neutral by 2050.</p> <p>3. Analysis of results vs. goals</p> <p>Regarding emissions by gas type in our operations, there was a decrease in 2020 compared to 2019 as a result of the following actions: 1) Equipment maintenance, the use of natural gas instead of ethane gas for energy generation, and operational efficiency stemming from the cutting-edge technology employed at the complex</p>





CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response																								
RT-CH-120a.1	 Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N ₂ O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tons (t)	We measure our emissions by gas type, taking into consideration NOx, SOx, COV, CO ₂ , CH ₄ , HFC, PM and other categories (Cr). Emissions by Gas Type <table border="1"> <thead> <tr> <th>Emissions by Gas Type</th> <th>(Ton) 2018</th> <th>(Ton) 2019</th> <th>(Ton) 2020</th> </tr> </thead> <tbody> <tr> <td>NOx*</td> <td>503.9</td> <td>1,195</td> <td>752.21*</td> </tr> <tr> <td>SOx*</td> <td>6.1</td> <td>36.8</td> <td>17*</td> </tr> <tr> <td>Volatile Organic Compounds (VOC)</td> <td>19.3</td> <td>21.5</td> <td>67.24</td> </tr> <tr> <td>Particulate Matter (PM)</td> <td>39.8</td> <td>10.8</td> <td>18.1</td> </tr> <tr> <td>Other Categories (Cr)</td> <td>16.49</td> <td>0.000204</td> <td>0.0002</td> </tr> </tbody> </table> *Increases in VOC and PM are the result of increased oven capacity in 2020 and equipment operating hours, both of which are within the maximum limits permitted.	Emissions by Gas Type	(Ton) 2018	(Ton) 2019	(Ton) 2020	NOx*	503.9	1,195	752.21*	SOx*	6.1	36.8	17*	Volatile Organic Compounds (VOC)	19.3	21.5	67.24	Particulate Matter (PM)	39.8	10.8	18.1	Other Categories (Cr)	16.49	0.000204	0.0002
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RT-CH-130a.1	 Energy Management	1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy 2	Gigajoules (GJ), Percentage (%)	(1) Total energy used in 2020 reached 23,402,136.61 GJ. (2) Percentage of energy from the grid. (3) Percentage of renewable energy , No energy from renewable sources was used. (4) Total self-generated energy We have a natural gas cogeneration plant that provides energy to our Petrochemical Complex and helps mitigate our environmental impact. The following table contains our energy indicators for 2020: Energy Efficiency <table border="1"> <thead> <tr> <th></th> <th>Electricity Used</th> <th>Electricity Sold</th> <th>Intensity Ratio*</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>682,276 MWh</td> <td>105,582 MWh</td> <td>14 GJ</td> </tr> <tr> <td>2020</td> <td>659,178 MWh</td> <td>147,050 MWh</td> <td>14 GJ</td> </tr> </tbody> </table> * The energy intensity ratio is calculated per ton of production, taking into account a total of 250 tons of polyethylene and ethylene per hour. We used 144,897.06 GJ of electricity from the grid and exported 529,380.90 GJ.		Electricity Used	Electricity Sold	Intensity Ratio*	2019	682,276 MWh	105,582 MWh	14 GJ	2020	659,178 MWh	147,050 MWh	14 GJ												
	Electricity Used	Electricity Sold	Intensity Ratio*																									
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CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response															
RT-CH-140a.1	 Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic meters (m ³), Percentage (%)	<p>(1) Total water extracted.</p> <p>We extract surface water from the Uxpanapa River which is transported from the dam to our petrochemical plant through our pumping plant.</p> <p>We clarify the water for its subsequent distribution and use, mainly to replace cooling water or to generate steam.</p> <p>Below are the total water extraction indicators for 2020 in each area (in m3) and the breakdown based on the following sources:</p> <ul style="list-style-type: none"> i. Surface Water = 8,667,077.00 m³ ii. Ground Water = 362.0 m³ ground Water iii. Seawater = 0 m³, seawater is not used) iv. Produced Water = 0 m³, no water is produced v. Water from Third Parties = 0 m³, wastewater is not treated <p>(2) Total water used - percentage of each region with high or extremely high initial water stress.</p> <p>Our greatest water demands come from our production processes, mainly our refrigeration and steam generation systems.</p> <p>Below is a comparison of total water use:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Water Use</th> <th>Wastewater</th> <th>Recycled Water</th> <th>Percent of Water Recycled</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>8,676,045 m³</td> <td>1,427,890 m³</td> <td>1,587,590 m³</td> <td>18.30%*</td> </tr> <tr> <td>2020</td> <td>8,667,077 m³</td> <td>1,425,950 m³</td> <td>1,578,544 m³</td> <td>18.19%</td> </tr> </tbody> </table> <p>The area in which water is extracted and used is not deemed to be a region suffering from water stress.</p>		Total Water Use	Wastewater	Recycled Water	Percent of Water Recycled	2019	8,676,045 m ³	1,427,890 m ³	1,587,590 m ³	18.30%*	2020	8,667,077 m³	1,425,950 m³	1,578,544 m³	18.19%
	Total Water Use	Wastewater	Recycled Water	Percent of Water Recycled															
2019	8,676,045 m ³	1,427,890 m ³	1,587,590 m ³	18.30%*															
2020	8,667,077 m³	1,425,950 m³	1,578,544 m³	18.19%															
RT-CH-140a.2		Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Number	Braskem Idesa had no compliance issues relating to water quality regulations, standards and permits.															
RT-CH-140a.3		Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	<p>1) Description of Risks</p> <p>2) Strategy Analysis and Mitigation Practices</p> <p>*We carry out biannual monitoring of groundwater and surface water within the communities surrounding our plant.</p> <p>*We guarantee our water discharges comply with the 2018 Coatzacoalcos River Declaration, implementing a wastewater discharge system that ensures the river's capacity is not exceeded, in addition to permitting natural degradation and tributary recovery.</p> <p>*We extract surface water from the Uxpanapa River, which is transported from the dam to our petrochemical plant through our pumping plant. We clarify the water for its subsequent distribution and use, mainly to replace cooling water or to generate steam.</p>															

CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response																		
RT-CH-150a.1	 Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)	<p>Hazardous Waste</p> <p>Below is a comparison between 2019 and 2020 of all hazardous waste generated (metric tons) and the disposal method used:</p> <table border="1"> <thead> <tr> <th>Waste Elimination Method</th> <th>Recycling (Ton)</th> <th>Reuse (Ton)</th> <th>Landfill (Ton)</th> <th>Others (Ton)</th> <th>Total (Ton)</th> </tr> </thead> <tbody> <tr> <td>2019</td> <td>92.9</td> <td>9.7</td> <td>2.59</td> <td>2,244</td> <td>2,349</td> </tr> <tr> <td>2020</td> <td>59.7</td> <td>0</td> <td>1.76</td> <td>2,415</td> <td>2,476</td> </tr> </tbody> </table> <p>*Including landfill and industrial confinement methods.</p>	Waste Elimination Method	Recycling (Ton)	Reuse (Ton)	Landfill (Ton)	Others (Ton)	Total (Ton)	2019	92.9	9.7	2.59	2,244	2,349	2020	59.7	0	1.76	2,415	2,476
Waste Elimination Method	Recycling (Ton)	Reuse (Ton)	Landfill (Ton)	Others (Ton)	Total (Ton)																	
2019	92.9	9.7	2.59	2,244	2,349																	
2020	59.7	0	1.76	2,415	2,476																	
RT-CH-210a.1	 Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	N/A	<p>At Braskem Idesa, the key policies (internal and regulatory) on local communities are international standards, the Performance Standards (ND) of the International Finance Corporation (IFC), as well as the Recommendations about Common Approaches to the Environment (AE) of the Organization for Economic Co-operation and Development (OECD) and with the Operational Directives (OD) of the Inter-American Development Bank (IDB).</p> <p>We voluntarily assume the national regulations on a Socially Responsible Company SCR by Centro Mexicano de la Filantropía (CEMEFI), where the behaviour of the organization based on values is evaluated, and the commitment to address the impact of the activities and decisions of its stakeholders, to maintain the social license to operate. Likewise, Braskem Idesa has a management program that has been implemented since the beginning of construction in 2011 and that has been evolving based on the needs of the business and the interested parties.</p> <p>The means by which Braskem Idesa addresses risks and impacts about stakeholders are:</p> <p>The grievance and complaint mechanism, with different communication channels: mailbox, telephone, visits to communities and community mail, quejascomunitarias@braskem.com,</p> <p>In addition to the different engagement forums, the social traffic light is updated where possible risks are identified, official notices of an event, crisis committee, use of Braskem Idesa's social networks.</p> <p>With other organizations we have: health committees, meetings with municipal authorities, a local mutual aid committee to talk with companies in the region on safety issues and good practices. RT-CH-210a.</p>																		
RT-CH-320a.1	 Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for a) direct employees and b) contract employees	Rate	<p>(1) Total Recordable Incident Rate (TRIR) In 2020, there were no recordable incidents (TRIR).</p> <p>(2) Morality Rate:</p> <p>a. Direct Employees: There were no deaths in 2020 as a result of workplace accidents or illnesses.</p> <p>b. Employees under Contract: There were no deaths in 2020 as a result of workplace accidents or illnesses.</p>																		



CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response
RT-CH-320a.2	 <p>Workforce Health & Safety</p>	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	N/A	<p>All contractors and Team Members who work at our complex receive training in the following areas: SHE Induction, Identification of Risks, Hazardous Substances and PPE (Personal Protection Equipment), Risk Communication System (GHS), Waste Management, Emergency Response Plan, Work Permits / Job Safety Analysis (JSA).</p> <p>They also receive training based on their functions, including:</p> <ul style="list-style-type: none"> • Confined Spaces. • Work at Heights • Hot Work and Work with Energized Equipment. • Hazardous Energy Isolation (PAEP). • Work with Energized Equipment • Hydro Jetting. • Blasting. • Others. <p>In order to develop prevention measures to guarantee the security of all our operations, while, at the same time, improving the Occupational Health and Safety Management System, we have implemented a Work Permit Audit system that includes Job Safety Analysis (JSA) and Preliminary Hazard Analysis (PHA) for Services, in addition to complying with STPS standards.</p> <p>During the assessment process for this new System, we asked our Team Members and contractors for feedback:</p> <ol style="list-style-type: none"> 1. Monthly Safety Inspections. 2. Communication of Lessons Learned. 3. Contractor Training.
RT-CH-410a.1	 <p>Product Design for Use-phase Efficiency</p>	Revenue from products designed for usephase resource efficiency	Reporting currency	Not a material issue for Braskem Idesa



CODE	TOPIC	ACCOUNTING METRIC	UNIT OF MEASURE	Page / Direct Response
RT-CH-410b.1	 Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonized System of Classification and Labeling of Chemicals (GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Percentage (%) by revenue, Percentage (%)	Not a material issue for Braskem Idesa
RT-CH-410b.2		Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human and/or environmental impact	N/A	Not a material issue for Braskem Idesa
RT-CH-410c.1	 Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage (%) by revenue	Not a material issue for Braskem Idesa
RT-CH-530a.1	 Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	N/A	Not a material issue for Braskem Idesa
RT-CH-540a.1	 Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate	Industrial Safety 2020: 1) Recordable Rate (CAF + SAF): 0.45 2) CAF Rate: 0 3) Severity Rate: 0 Process Safety 2020: 1) TIER 1 Rate: 0 2) TIER 2 Rate: 0.23 3) Severity Rate: 0 RPsychological Process Safety Incident Control (PSIC):
RT-CH-540a.2		Number of transport incidents	Number	Not a material issue for Braskem Idesa
RT-CH-000.A	 Activity Metrics	Production by reportable segment	Cubic meters (m ³) and/or metric tons (t)	

VERIFICATION LETTER

[102-56]



Verification Letter of the 2020 Sustainability Annual Report

To Board of Directors of Braskem Idesa SAPI (Investment Promotion Corporation) and Braskem Idesa Servicios S.A de C.V. :

We inform you that we performed a limited and independent verification of a sample of disclosures of GRI Sustainability Reporting Standards (GRI Standards) and topics of Sustainability Accounting Standards Board ("SASB"), contained in the 2020 Sustainability Annual Report of Braskem Idesa (SAPI) y Braskem Idesa Servicios S.A de C.V. ("Braskem Idesa").

Responsibilities, criteria and scope:

The scope of our verification covered the results of "Braskem Idesa" of GRI Standards's disclosures and SASB's topics listed in the next sheet of this letter ("the sample"), from January 1st to December 31st, 2020.

Our commitment is to express impartial and objective opinions about the certainty, traceability and reliability of "the sample" contained in the 2020 Sustainability Annual Report. Our work considered as criteria: the GRI Standards, in the Core option, SASB Standards "Chemicals", 2018 version and the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

"Braskem Idesa" is responsible for preparing the information contained in the 2020 Sustainability Annual Report and that included in the scope of our verification, which implies, but is not limited to: the selection process of material topics, the GRI Standards's disclosures and SASB Standards topics report, provide documentary and/or visual, true and enough evidence to verify the agreed contents.

Among the activities carried out during the verification process are listed: validation of information presented in previous reports, review of methodological compliance of the standards aforementioned, checking qualitative and quantitative data through visual, documentary and public evidence and quantitative data analysis.

For what, we can conclude that, during the review of "the sample", we did not identify any factor that lead us to consider that it does not comply with the methodological requirements.

An internal report of recommendations is delivered separately, exclusively for "Braskem Idesa", which contains opportunity areas detected.

Alma Paulina Garduño Arellano
Redes Sociales en Línea Timberlan S.A. de C.V.
Pico Sorata 180, Jardines en la Montaña,
Tlalpan, C.P. 14210, CDMX.
paulina@redesociales.com
T. (55) 54 46 74 84
June 9th, 2021

Declaration of independence and competence of Redes Sociales en Línea Timberlan

Redes Sociales's employees has the level of competence necessary to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on the reports of non-financial information, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, so no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on June 9th, 2021 and is valid as long as no subsequent and substantial modifications are made to the 2020 Sustainability Annual Report of "Braskem Idesa".

Sample of GRI Standards Disclosures and SASB's topics:

GRI Standards Disclosures		SASB - CHEMICALS	GRI Standards Disclosures		SASB - CHEMICALS
102-1	Name of the organization		301-2	Recycled input materials used	
102-2	Activities, brands, products, and services		302-1	Energy consumption within the organization	RT-CH-130a.1. Energy management: a) Energy consumption.
102-3	Location of headquarters		302-3	Energy intensity	
102-4	Location of operations		303-3	Water withdrawal	RT-CH-140a.1. Water management: b) Total water withdrawn
102-5	Ownership and legal form		303-5	Water consumption	RT-CH-140a.1. Water management: a) Total water consumed
102-6	Markets served		304-3	Habitats protected or restored	
102-7	Scale of the organization		305-1	Direct (Scope 1) GHG emissions	RT-CH-110a.1. Greenhouse Gas Emissions: a) Gross global Scope 1 emissions. b) Long-term and short-term strategy or plan to manage Scope 1 emissions.
102-8	Information on employees and other workers		305-2	Energy indirect (Scope 2) GHG emissions	
102-9	Supply chain				RT-CH-120a.1. Air Quality: a) Air emissions of pollutants
102-10	Significant changes to the organization and its supply chain		306-3	Waste generated	RT-CH-150a.1. Hazardous Waste Management: Amount of hazardous waste generated, percentage recycled.
102-11	Precautionary Principle or approach		Social		
102-12	External initiatives		401-1	New employee hires and employee turnover	
102-13	Membership of associations		403-9	Work-related injuries	RT-CH-320a.1. Workforce Health & Safety: 1) Total recordable incident rate (TRIR) 2) Fatality rate for a) direct employees and b) contract employees.
102-14	Statement from senior decision-maker		403-10	Work-related ill health	
102-15	Key impacts, risks, and opportunities		413-1	Operations with local community engagement, impact assessments, and development programs	
102-16	Values, principles, standards, and norms of behavior		Governance		
102-17	Mechanisms for advice and concerns about ethics		201-1	Direct economic value generated and distributed	
102-18	Governance structure		205-3	Confirmed incidents of corruption and actions taken	
102-40	List of stakeholder groups		406-1	Incidents of discrimination and corrective actions taken	
102-41	Collective bargaining agreements		415-1	Political contributions	
102-42	Identifying and selecting stakeholders		419-1	Non-compliance with laws and regulations in the social and economic area	
102-43	Approach to stakeholder engagement				
102-44	Key topics and concerns raised				
102-45	Entities included in the consolidated financial statements				
102-46	Defining report content and topic Boundaries				
102-47	List of material topics				
102-48	Restatements of information				
102-49	Changes in reporting				
102-50	Reporting period				
102-51	Date of most recent report				
102-52	Reporting cycle				
102-53	Contact point for questions regarding the report				
102-54	Claims of reporting in accordance with the GRI Standards				
102-55	GRI content index				

CREDITS

Braskem Idesa

Coordination of the Report:

Mariana Albarrán Flores– Circular Economy, Sustainability and Social Responsibility

Mariana Ramírez Morales –Circular Economy and Sustainability

Support from the areas for the construction of this Report:

Corporate Profile

Cleantho Leite- Director of Business Development, Institutional Relations and Energy

César Rangel García- Institutional Relations

Corporate Governance and Compliance

Diana Rodríguez Torres- Legal Director

Efraín Rivera Marín- Compliance

Marcela Verastegui Talamas- Legal

Claudia Dávila Silva- Compliance

Economic Performance

Danilo Dias- CFO

Eduardo Lopes Junqueira- Management Performance & Mkt Intelligence

Fani Medrano Vázquez- Controlling & Risks

Francisco Álvarez Razo- Commercial Performance Management & MKT Intelligence

Angel Jaramillo Cruz- Controlling & Risks

People and Organization Support Program against Covid-19 and Social Performance

Yordan Nadav Wertman– People and Organization Director

Francisco Pérez Quijano- People and Organization

Mónica Cervantes Amezcua- People and Organization

Mariana Albarrán Flores– Circular Economy, Sustainability and Social Responsibility

Cecilia Lorméndez López- Social Responsibility

Mariana Ramírez Morales- Circular Economy and Sustainability

Marco Antonio Santos González- Industrial Safety

Environmental Performance

Roberto Velasco Gutierrez – Industrial Director

Ana Luisa Martínez López – SSMA

Carlos Humberto García Ibarra- Process Engineering

Carlos Camacho Gamboa – Process Engineering

Marcio Marino- Supply Chain Mexico Director

Paola Aquino Pérez- Logistics

Jesús Mar Robles – Logistic Operations

Commercial and Circular Economy

Alfredo Prince- Commercial Director

Antonio Augusto Quadro- Product And Market Inteligence

José María R. Renero Martínez- Product And Market Inteligence

Mariana Albarrán Flores– Circular Economy, Sustainability and Social Responsibility

Mariana Ramírez Morales- Circular Economy and Sustainability

Information security and digital adaptation in times of COVID-19

Roberto Anguiano Morín- IT México

Design

Yeraseth Bello Quijano- Marketing Institucional

Carola Garciasánchez Garduño- Marketing Institucional

McBride SustainAbility Consultancy

Jesús Martínez Rojas

Javier Pineda Rioja

DDMERC Design

Emma L. Chávez Velázquez

Review and Verification in GRI Standards and SASB:

Paulina Garduño Arellano – Redes Sociales

Photography:

Jagos Producciones SAS

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