

# INTEGRATED REPORT

ESG SUSTAINABILITY  
ANNUAL REPORT

2022



Braskem Idesa 

PASSION FOR TRANSFORMING

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[2-1, 2-2, 2-3]

# ABOUT THIS REPORT

Since 2015, we have published our annual reports according to international standards. We prepare our reports in accordance with GRI STANDARDS the Global Reporting Initiative (GRI) and include the indicators established by the Sustainability Accounting Standards Board (SASB) for the chemical sector.

Braskem Idesa S.A.P.I (an Investment Promotion Corporation) and Braskem Idesa Servicios S.A. de C.V. (a Variable Capital Corporation) prepared this ESG and Annual Sustainability Report to present the results, performance, initiatives, commitments, achievements, and challenges faced in the period comprising January 1 through December 31, 2022.

This Report describes Braskem Idesa's financial, environmental, social and labor commitments, goals and performance, showing how the Company generates value and impacts its main stakeholders with its business model. It also provides information about the pillars of our sustainability strategy, its performance, and the material topics Braskem Idesa addresses in its corporate approach. Thus, this report gathers all ESG matters related to Braskem Idesa.

**The Braskem Idesa leaders**  
*reviewed and approved the document*  
before it was published, and Redes  
Sociales en Línea Timberlan conducted an  
independent verification of the 2022 Annual  
Sustainability Report.





[2-22]

[2-22]

# LETTER FROM THE CHAIRMAN

**At Braskem Idesa, we understand sustainable development as the path to transforming our way of doing business. Since our inception, we have sought to mitigate negative impacts and enhance positive ones through innovative and sustainable chemical and plastic solutions that improve people’s lives.**

Thanks to our cutting-edge technology and infrastructure, we have one of the most modern industrial complexes in Mexico located in a strategically important region for national development, as it combines railways, ports, and highways, serving as the starting point and destination for one of the most significant infrastructure projects: the Trans-Isthmus train. In 2022, we managed to produce 765,000 tons of polyethylene, thanks to the dedicated and professional work of our 961 Team Members.

One of the most relevant topics of the year was the progress made in the construction of the Terminal Química Puerto Mexico (TQPM), which reached 33% completion by the end of 2022. With this Terminal, we become the first project aligned with the strategic interests of the southeastern region to improve the country’s economic activity in the Isthmus of Tehuantepec Interoceanic Corridor. We maintain an open, productive, and effective dialogue with all authorities and supply chain, based on responsibility, respect, and the well-being of our country, which has yielded excellent results.

In the second semester of 2022, we faced complex market conditions, resulting in the implementation of various actions aimed at improving the company’s performance and preserving our financial liquidity.

Proper risk management is a key aspect of sustainability, which is why throughout the year, we focused on conducting studies to identify, analyze, and mitigate process risks, resulting in action plans aimed at their proper management.

**People are the foundation of our operational strategy.** Therefore, we believe that it is only possible to advance our commitments to sustainable development by ensuring the safety of individuals, ethical conduct, and the rights of all those involved in our value chain.

To guide our path in this direction, we rely on the assessment of human rights risks to which our operations and value chain are exposed. This process helps us fulfill our commitment to managing 100% of the risks related to this issue by 2030.

In 2022, we conducted this analysis for the second time and, as a result, identified that 96% of potential risks already have a medium or high level of management by Braskem Idesa. For the remaining areas not yet covered, we are developing new action plans.

We are also continuing to evolve in our operations with our Human Reliability initiative, aimed at reducing human errors that can create an accident-prone environment. In 2022, over 500 Team Members participated in training on these matters.

Furthermore, this year we audited 100% of our industrial units, as well as corporate processes related to certain certifications, such as ISO 9001, among others. All of this seeks operational excellence, a fundamental basis for the safety, productivity, and competitiveness of the company.

We believe in growth centered around climate change, which is why we have committed to an absolute reduction of greenhouse gas emissions (GHG) resulting from our production processes and energy supply in order to achieve carbon neutrality by 2050. Thus, anchored in our corporate strategy, our actions aim to meet these commitments.

We are committed to increase a circular business model that reintegrates our products into the value chain and avoids improper disposal of plastic waste. Therefore, we have set the goal of increasing the marketing of resins and chemicals with recycled content to 1 million tons, as well as recovering 1.5 million tons of plastic waste by 2030.

Stefan Lepecki  
Braskem Idesa Chairman





In line with this commitment, this year we launched Wenew, a circularity ecosystem that is helping to promote a more sustainable reality. Within this ecosystem, we have created a division dedicated to the pillars of education, technology, and circular design called Wemove. This division represents a key set of projects and initiatives to promote the Circular Economy, such as Plastianguis and Plastivale.

In 2022, thanks to our institutional recycling programs, we managed to recycle more than **200 tons of plastic waste.**

This goal would not be achieved without the important partnership with our main recycling partner, Alcamare, with whom we are able to create resins with recycled material content and provide increasingly sustainable solutions.

*On the other hand, our positive social impact is enhanced through our **corporate volunteer program**, which benefited over 11,000 people with an investment of over 600 hours and the participation of more than 300 volunteers. These results are thanks to the collective effort that helps reduce the social gap.*

Additionally, focused on contributing to the development of the communities within our area of influence, we promote health and safety prevention among the residents through medical visits, health campaigns, training for brigadiers to prevent risky situations, and education in local schools, benefiting over 46,000 people with these programs.

**The year 2023 will be challenging, but Braskem Idesa is prepared, and the defined strategy will guide the company to focus and prioritize its initiatives, **generating positive impacts for all our stakeholders.****

Stefan Lepecki  
Braskem Idesa Chairman

We navigate with strength and resilience based on our passion for transforming. Our business strategy aims to balance investment decisions and capital allocation with a focus on sustainability, ensuring profitability for shareholders during petrochemical cycles.



# Highlights

## Braskem Idesa 2022

We increased to  
**961** Team  
Members  
at Braskem Idesa with **new hires** of men and women.

We increased our  
sales by **74%**  
of **HDPE** and **LDPE resins** and  
**15%** of post-consumer resins  
(**PCR**) compared to 2021.

Our Chairman,  
**Stefan Lepecki** was  
recognized as one of the **100**  
**most important leaders** in the  
energy industry in Mexico by  
Petróleo & Energía magazine.

No cases of corruption,  
complaints  
regarding discrimination or any  
other **ethical issue** were received  
in 2022.

**33%** progress  
in our Terminal Química  
Puerto Mexico (TQPM)  
at the end of December 2022.

We achieved a  
reduction in water  
consumption  
of **13%** in the last quarter of  
the year and compared to the  
performance of 2021.

Our commitment is  
to reduce  
**15%** of absolute Scope 1 and 2  
emissions by the end of 2028  
and Carbon Neutrality by  
2050.

We achive to change  
the status of the species  
**Ceratozamia Miqueliana**,  
endemic to Veracruz, on the  
IUCN red list.

We launched Wenew,  
an ecosystem  
dedicated to promoting  
the **circular economy** through  
education, technology and the  
**promotion of projects and  
initiatives** that promote it.

We recycled more than  
**270** tons of  
plastics through our  
institutional recycling programs  
with the support of Alcamare.

We trained more than  
**500** people  
from our stakeholders in the  
**Human Reliability Program** to  
reduce mistakes and losses in  
our operations.

**+50,000**  
people  
benefited by our social  
programs.



# CORPORATE PROFILE

At Braskem Idesa, we are committed to the **well-being of society**, as well as the **care and protection of the environment**. That is why we constantly work towards guiding our evolution towards an increasingly sustainable company.



Principles

We have a strong commitment to leading our Team Members with transparent, ethical, and integral principles that guide our business, as well as maintaining a close relationship with all our stakeholders.



INTEGRITY

We ensure that ethical integrity is the foundation of our corporate governance system regarding the Company’s internal and external relations.



TRANSPARENCY

We provide transparent information and promote free speech and accurate and effective communications.



ETHICS

We follow all legal, statutory and regulatory standards.



CONTINUITY

We closely monitor our operations processes to ensure compliance by all divisions.



RESPONSIBILITY

We help the Board of Directors ensure the Company’s sustainability by incorporating a broader vision of our business strategy encompassing our principles of sustainable development.

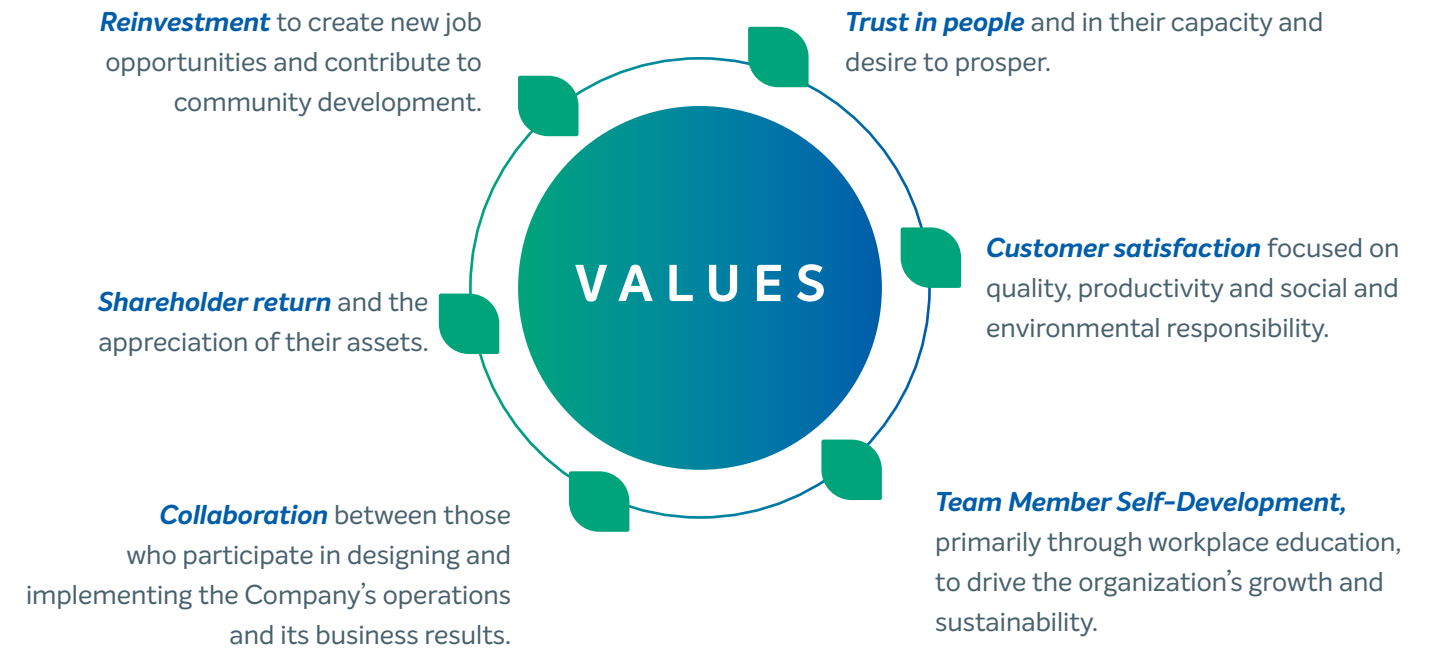


EQUALITY

We treat our stakeholders in a fair and equitable manner.

Values

At Braskem Idesa, we are convinced that having a strong organizational culture allows us to develop actions aligned with the ethics and integrity that characterize us. For this reason, we share these guidelines with all our Team Members, the value chain, and the rest of the stakeholders we interact with. We are guided by the following values:



► **OUR COMMITMENT**  
to ethics and integrity is  
reflected in our principles and  
values.



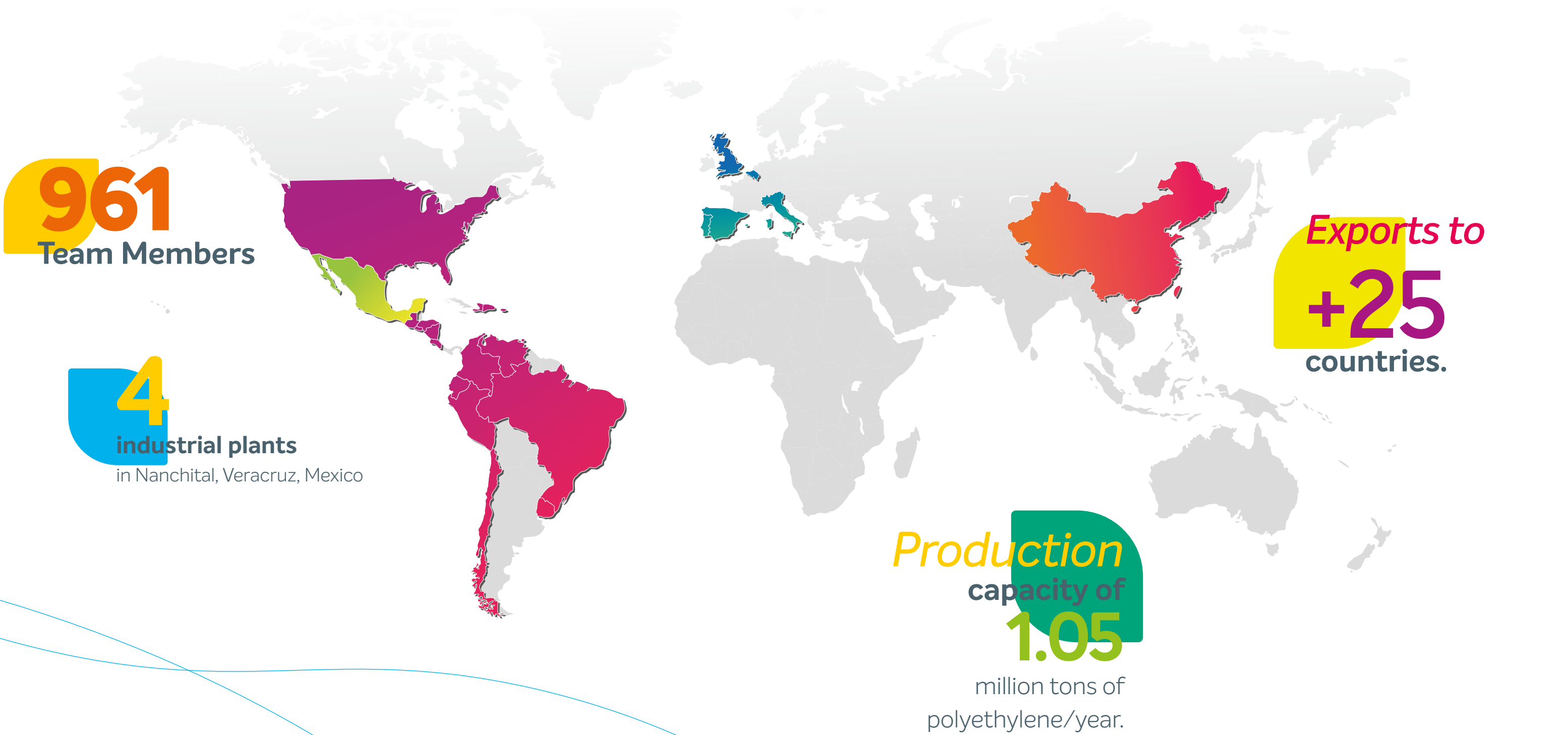
[2-1]

# OPERATIONS *MAP*

At Braskem Idesa, we have a passion for transforming ourselves as a company, and this is reflected in continuous improvement and adaptation to the challenges presented by our environment. We strive to find increasingly sustainable solutions and establish long-term relationships with our stakeholders.

## THE DEVELOPMENT OF OUR OPERATIONS

would not be possible without the efforts of our 961 Team Members, who contribute to the growth of the company and ensure that our products reach customers in Mexico and more than 25 countries in Latin America, Europe, and Asia.



[2-6]

## Market Segments and Products

Our passion for transforming drives us to look for increasingly sustainable solutions. The cosmetics, pharmaceuticals, hygiene and cleaning, and construction segments use our products to manufacture a wide range of items that people use in their daily lives.

Thanks to our Petrochemical Complex located in the municipality of Nanchital de Lázaro Cárdenas del Río in the state of Veracruz, we provide quality and service to our extensive customer portfolio.

During 2022, our complex produced 765 thousand tons of polyethylene thanks to the operation of Fast-Track, the cracking unit, and the two High and Low-Density Polyethylene plants operating at our facilities.

### FLEXIBLE

We offer resins to meet the needs of numerous sectors, including agro-industrial, geomembranes, and film and foams for numerous applications, including:

- ▶ High Molecular Weight Film
- ▶ Low-Density Polyethylene
- ▶ Thermo-Shrink Film
- ▶ Medium-Resistant Film
- ▶ HDPE and LDPE mixes
- ▶ Low Molecular Weight Polyethylene
- ▶ Special films to make highly resistant geomembranes

**FILM**

You can find our film catalog by clicking on the link below:  
<https://www.braskemidesa.com.mx/Idesa/catalogos?key=236>



[2-6]

### RIGID

**INJECTION**

Used in end injection molding applications.

You can find our injection catalog by clicking on the link below:  
<https://www.braskemidesa.com.mx/Idesa/catalogos?key=235>

**PIPES**

- ▶ Certified pressure pipes
- ▶ CONDUIT (Protection and conduction of electrical/telecommunications cables).
- ▶ Corrugated pipes (storm drainage, wastewater, sewage systems).
- ▶ Energy systems (natural gas, LPG, and propane).
- ▶ Municipal and industrial (potable water, mining, industrial-chemical).

You can find our pipe catalog by clicking on the link below:  
<https://www.braskemidesa.com.mx/Idesa/catalogos?key=238>

**BLOW-MOLDED**

We offer a wide portfolio of unimodal and bimodal materials in small and large volumes for containers with a capacity from 0.2 to 1,000 liters.

- ▶ Containers for food and beverages
- ▶ Containers for industrial chemicals and cleaners
- ▶ Containers for healthcare and personal care products
- ▶ Containers for agrochemicals

You can find our blow molding catalog by clicking on the link below:  
<https://www.braskemidesa.com.mx/Idesa/catalogos?key=237>






[2-6]

We demonstrate our commitment to innovation and sustainability by developing solutions supported by new technologies that cover the needs of the different markets we serve. In this sense, we improved our High-Density Polyethylene (HDPE) and Low-Density Polyethylene (LDPE) resins, the distribution of Polypropylene (PP) and new options promoting the circular economy, such as a polyethylene containing Post-Consumer Recycle (PCR) Resin.


In 2022, thanks to the technology, effort, and capacity of our recycling partner, we were able to produce one of the highest quality recyclable resins in the world. Furthermore, we are making significant progress in obtaining FDA certification within our product portfolio.

### POLYPROPYLENE

- ▶ Polypropylene (copolymers) with high ethylene content within an expansive product portfolio.
- ▶ We have production plants located in numerous geographical locations.




You can find our polypropylene catalog by clicking on the following link: <https://www.braskemidesa.com.mx/ldesa/catalogos?key=234>




### POST-CONSUMER RECYCLED POLYETHYLENE RESIN (PCR)

- ▶ High-quality Post-Consumer Recycled Polyethylene Resin (PCR) that offers superior quality for high-performance process control and generating environmental and social value aimed at packing and packaging applications.
- ▶ The collection of post-consumer materials through strategic partnerships with leading recyclers in Mexico.
- ▶ Resin made in Mexico.

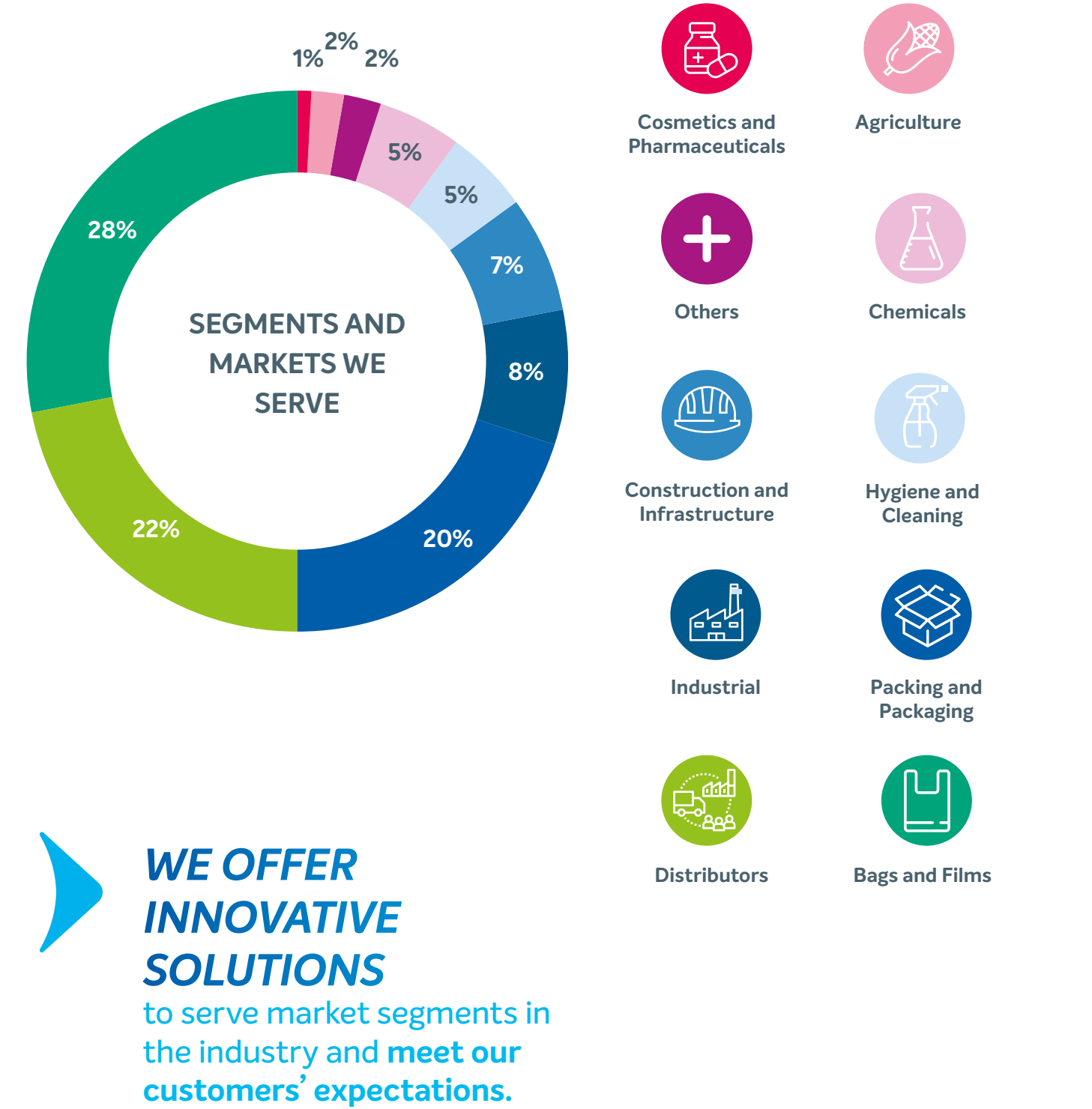


You can find our catalog by clicking on the following link: <https://www.braskemidesa.com.mx/ldesa/catalogos?key=80>



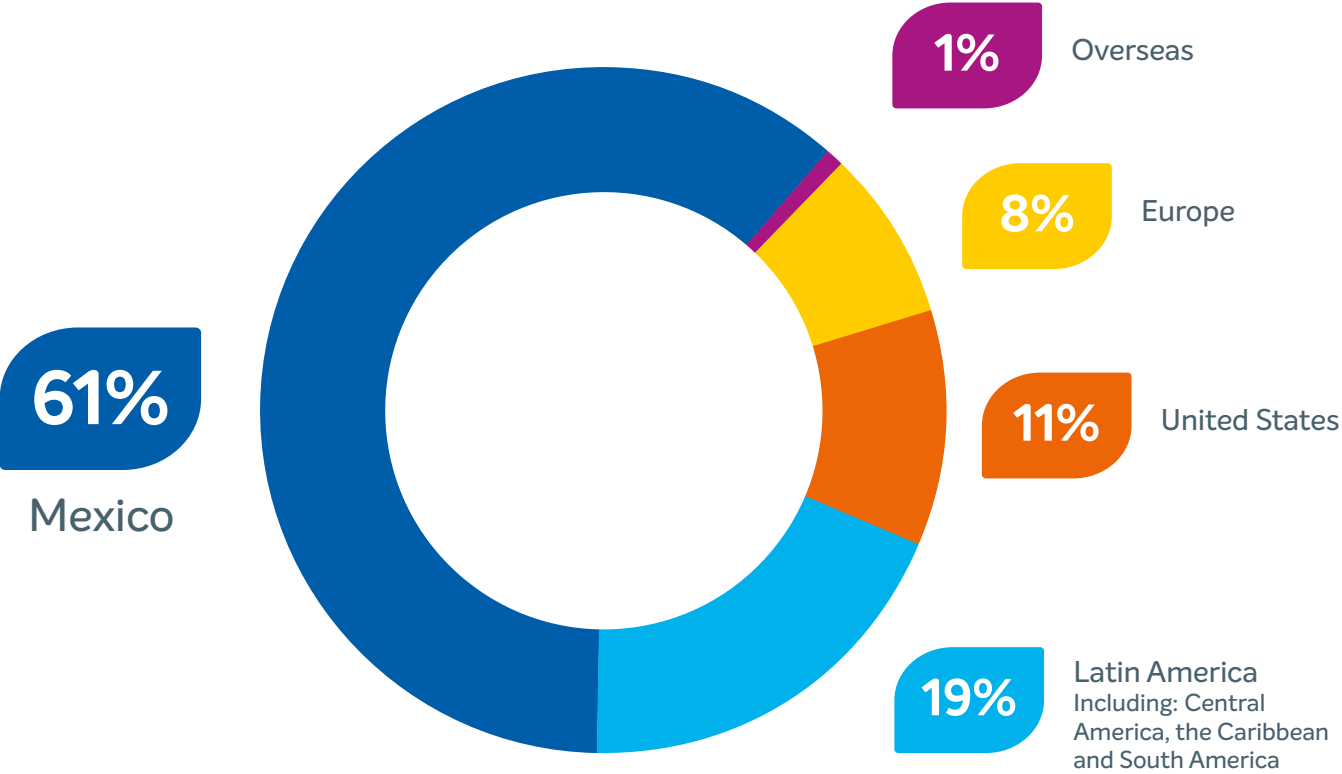
[2-6]

As part of our business objectives, we consistently meet the needs and requirements of our customers. We stay at the forefront of the industry and continuously update our operations through innovation and the development of our product portfolio.



[2-6]

As a result of our efforts and passion for transforming, in 2022, sales in the Mexican market accounted for 61% of the total sales for the year. This indicates that we are consolidating ourselves as a company that provides appropriate solutions to our strategic clients in the country.



Our HDPE and LDPE resins, along with other products such as Polypropylene (PP) resins, experienced a significant increase in sales of 74% compared to the previous year, equivalent to 19,000 tons. Additionally, sales of post-consumer recycled (PCR) content resin reached 9,000 tons, representing a 15% increase compared to 2021.



### Value Chain

At Braskem Idesa, we are committed to generating increasingly sustainable supply chains. Hence, we promote improvement actions in all our processes as we seek to become more efficient by participating with the localities within the area of social influence of our operations.

In 2022, we kept local companies in our supply portfolio and reaffirmed our commitment to promoting the region's economic development. In this regard, our regional partners support us by providing different components, such as the coils and wooden pallets used in the bagging process.

We also continue to use environmental and social criteria to select suppliers and will maintain our efforts to implement selection tools and filters based on socio-environmental criteria as we promote sustainability within our value chain.

**WE AIM TO PROMOTE economic, social and environmental development across our value chain.**

[2-6, 3-3, 204-1]

We have state-of-the-art technology and infrastructure to ensure the delivery of high-quality products and services and keep evolving our portfolio toward more efficient and sustainable solutions. Our complex is one of the most modern facilities in Mexico; it has 21 500-ton silos connected to three bottling lines. We also have a warehouse measuring 215,000 sq ft and an outdoor patio measuring 300,000 sq ft, where we can store more than 36,000 tons of polyethylene.





[2-6, 3-3, 204-1]

Our complex is also located in a region that plays a major role in rail, port and ground transportation options by creating an integrated network to meet our customers’ needs and expectations.

Our transport methods include 1,530 train cars to carry our products and a logistics platform with a rail terminal that can handle over 400 hopper cars and 30 chemical product tank cars connected to the main railway concession in Mexico.

**We maintain our commitment** to meeting customers’ expectations by working with our value chain.

The work and management with our value chain also includes risk prevention management. In that sense, in order to minimize the risks associated with the chain, we have risk protocols, which are shared, for example, with the transport lines, among others.

These protocols are aimed at guiding and establishing procedures in case of incidents, accidents, and situations that could result in negative impacts. Knowing the stakeholders involved in these cases, that is, those third parties with whom records and lines of action are deployed in compliance with applicable regulations, is essential.

**In a market such as the petrochemical sector,** with strong demand for products and services, we must ensure good customer service, which is why we transform to meet our customers’ needs.





[3-1, 3-2]

# MATERIALITY

At Braskem Idesa, we implement actions that reinforce our commitment to ensure the well-being of our Team Members, suppliers, customers, and society, with a special emphasis on protecting the environment through a solid sustainability strategy.

**The materiality matrix is fundamental to building our long-term commitments to sustainable development.**

Based on the GRI Standards most recent published by the Global Reporting Initiative (GRI) in 2022, we updated our materiality matrix at the global level by identifying the most relevant topics for our business and including environmental, social, economic and governance considerations.

We updated the matrix by consulting over 1,200 internal and external actors, including Team Members, customers, suppliers and financial markets. We conducted face-to-face interviews with 78 leaders, benchmarked companies in the sector and analyzed topics relevant to the petrochemical industry in line with various ESG and sustainability methodologies, such as MSCI, GRI STANDARDS, SASB, CVM, WEF, S&P, and TFCD.





[3-1, 3-2]

We updated the information according to the methodology described as follows:



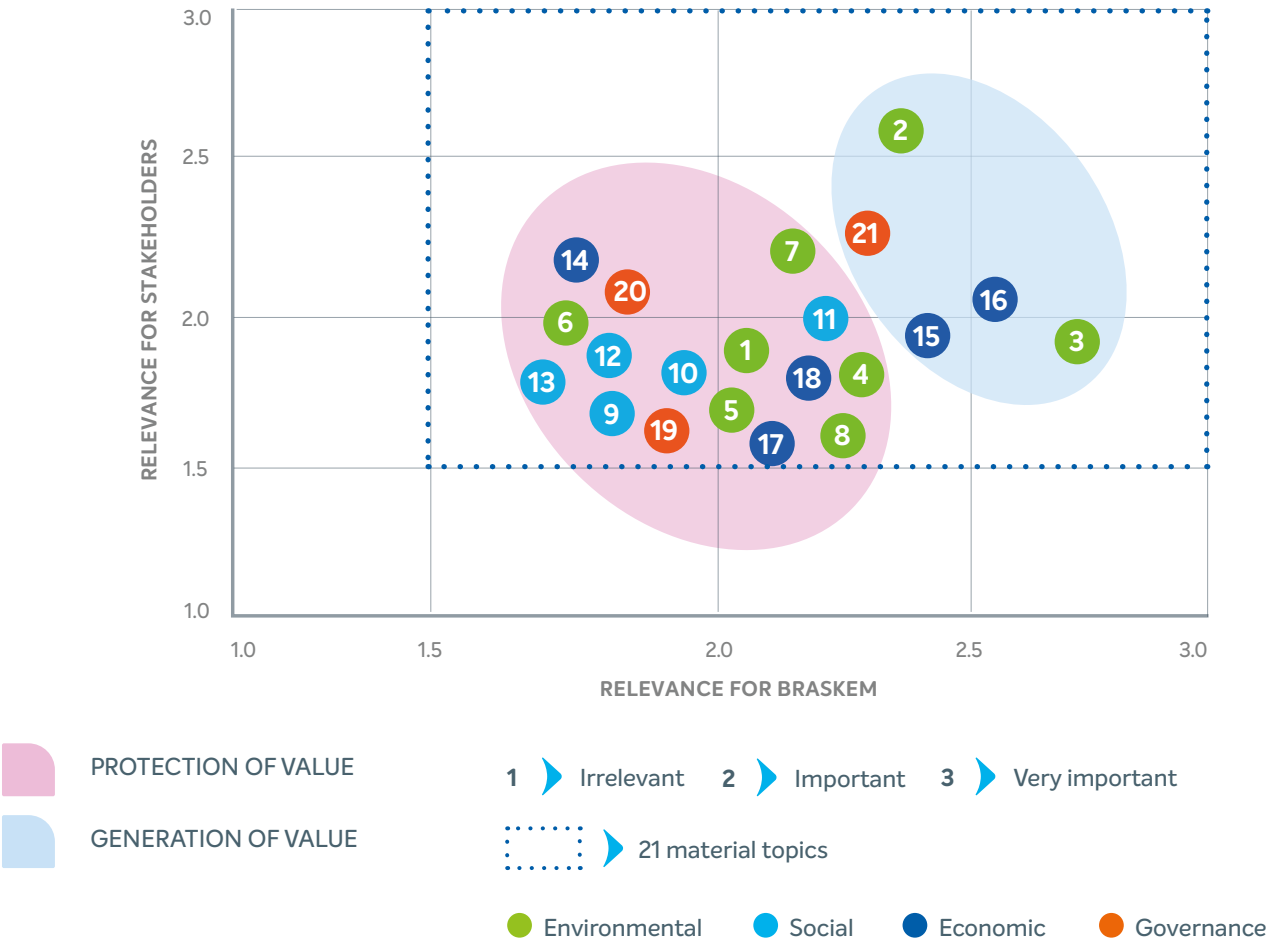
The findings from these efforts revealed over 500 issues, which we used to analyze and cross-check the data and perceptions that emerged during the qualitative and quantitative consultations to identify the 21 most relevant topics for Braskem Idesa.



[3-1, 3-2]

The topics were then divided into two groups to guide the type of strategic action to be taken: the Protection of value group (16) and the Generation of value group (5):

Braskem Idesa materiality matrix



PROTECTION OF VALUE

GENERATION OF VALUE

1 Irrelevant 2 Important 3 Very important

21 material topics

Environmental Social Economic Governance

PROTECTION OF VALUE

Refers to issues whose management can protect our tangible and intangible value over time while helping us preserve and strengthen Braskem Idesa's corporate image and mitigate the potential for operational risks.

GENERATION OF VALUE

Refers to issues whose impact management can create tangible and intangible value for Braskem Idesa over time, generating competitive advantages through business opportunities and strategic partnerships.

[3-1, 3-2]

Material topics were identified as follows:



STRATEGIC AMBITION:

- 1 KPIs, targets
- 2 Operational management
- 3 In evaluation

\* Ambition to be defined.




Our passion  
for transforming  
allows us to stay at  
the forefront of the  
industry and apply  
best practices.

[2-29]

Stakeholders




We continually strive to strengthen our relationship with all stakeholders as part of the solid foundation that ensures our Company's longevity.

We maintain close and constant communication with all stakeholders to listen to their concerns and needs and implement the actions required to meet their expectations.




Stakeholders	Description	Expectations	Communication channels
 Creditors and Investors	Institutions and financial organizations in the international capital market, our Project Finance and creditors in general	<ul style="list-style-type: none"><li>Provide transparent and quality information.</li><li>Ensure that investors and creditors properly analyze the Company's credit.</li></ul>	<ul style="list-style-type: none"><li>Investor Relations (IR) website</li><li>Email</li><li>IR mailbox</li><li>IR telephone line</li><li>Management call</li><li>Consolidated financial statements</li><li>Virtual tours of the complex</li><li>Ethics Line</li></ul>
 Team Members	All company Team Members who work to meet our business objectives and whose rights we respect at Braskem Idesa by promoting the development of their capabilities and respecting the diversity they contribute to the Company.	<ul style="list-style-type: none"><li>Favorable working environment</li><li>Talent attraction and retention</li><li>Career development</li><li>Diversity and labor equality</li><li>Opportunities for professional growth</li><li>Performance recognition</li><li>Attractive compensation and benefits</li><li>Work team integrations</li></ul>	<ul style="list-style-type: none"><li>Email</li><li>Newsletters</li><li>Braskem Idesa TV</li><li>Mural newspaper</li><li>Quarterly company results meeting</li><li>Mailboxes</li><li>Internal social media (Yammer)</li><li>Braskem Idesa View</li><li>Virtual tours of the complex</li><li>Ethics Line</li></ul>
 Associations (Chambers)	Sector associations, which Braskem Idesa contributes to in order to generate a greater social and/or economic benefit.	<ul style="list-style-type: none"><li>Alliances to address climate change and care for the environment</li><li>Generation of agreements to promote a sustainable plastics culture</li><li>Support to draft public policy with scientific support</li></ul>	<ul style="list-style-type: none"><li>Meetings</li><li>Events</li><li>Committees</li><li>Work groups</li><li>Virtual tours of the complex</li></ul>



[2-29]

Stakeholders	Description	Expectations	Communication channels
 <div>Community</div>	<p>The people that Braskem Idesa benefits or impacts. Hence, we aim to act responsibly and transparently toward them by promoting their development, preserving their natural resources, and carrying out actions providing social benefit.</p>	<ul style="list-style-type: none"><li>• Social aid</li><li>• Contributions to community development</li><li>• Donations</li></ul>	<ul style="list-style-type: none"><li>• Phone calls</li><li>• Video conferences and instant messages</li><li>• Mailboxes</li><li>• Email</li><li>• Community phone</li><li>• Semi-annual reports</li><li>• Open houses</li><li>• Informative videos</li><li>• Letters and institutional communications</li><li>• Virtual tours of the complex</li><li>• Ethics Line</li><li>• Reputation and Image Survey</li><li>• Community visits and meetings</li><li>• Grievance and Complaints Mechanism (MAQ)</li><li>• Community engagement events</li><li>• Community newsletter</li><li>• Braskem Idesa social media</li></ul>
 <div>Authorities</div>	<p>All governmental, domestic, and international organizations whose standards Braskem Idesa adheres to in its processes and operations.</p>	<ul style="list-style-type: none"><li>• Compliance with current regulations and legislation</li><li>• Partnerships for development</li></ul>	<ul style="list-style-type: none"><li>• Institutional Meetings</li><li>• Joint events</li><li>• Institutional Letters</li><li>• Ethics Line</li><li>• Braskem Idesa website</li></ul>
 <div>Media</div>	<p>All instruments used to create and disseminate content and information for public or private purposes, that could influence the Braskem Idesa operation and its environment.</p>	<ul style="list-style-type: none"><li>• Clear and accurate information</li><li>• Data relevant to public analysis</li><li>• Advertorials</li><li>• Current issues</li></ul>	<ul style="list-style-type: none"><li>• Meetings</li><li>• Conferences</li><li>• Interviews</li><li>• Press seminars</li><li>• Institutional letters and press releases</li><li>• Ethics Line</li><li>• Braskem Idesa website</li></ul>

[2-29]

Stakeholders	Description	Expectations	Communication channels
 <div>Customers</div>	<p>All companies that purchase Braskem Idesa outputs to make their own products for end consumers. We work to respond to their needs through innovation, technology, the highest quality and the best service experience.</p>	<ul style="list-style-type: none"><li>• Quality and safety</li><li>• Operational efficiencies</li><li>• Price vs. quality</li><li>• Response and relevant follow-up</li><li>• Innovation and development</li><li>• Technical service</li></ul>	<ul style="list-style-type: none"><li>• Satisfaction, reputation and image surveys</li><li>• Customer relation events</li><li>• Email</li><li>• Mailbox</li><li>• Fairs/ Exhibitions</li><li>• Meetings</li><li>• Visits</li><li>• Ethics Line</li><li>• Braskem Idesa website</li></ul>
 <div>Suppliers</div>	<p>Those who supply resources, raw materials and other services required to operate Braskem Idesa. We offer them the fair and impartial treatment that contributes to our sustainability strategy.</p>	<ul style="list-style-type: none"><li>• Fair business practices</li><li>• Fair competition</li><li>• Supply accountability</li><li>• Transparent evaluations</li></ul>	<ul style="list-style-type: none"><li>• Audits</li><li>• Email</li><li>• Surveys</li><li>• Ethics Line</li><li>• Mailboxes</li><li>• Braskem Idesa website</li></ul>
 <div>Organizations and Institutions</div>	<p>Groups organized by Braskem Idesa associates to promote social development, knowledge and growth of the communities in which it operates.</p>	<ul style="list-style-type: none"><li>• Partnerships to promote sustainable and social development</li></ul>	<ul style="list-style-type: none"><li>• Meetings</li><li>• On-site visits</li><li>• Mailboxes</li><li>• Email</li><li>• Ethics Line</li><li>• Braskem Idesa website</li></ul>

In 2022, we participated again in the Global Reputation and Image Survey conducted annually by RepTrak® and maintained our healthy margins in terms of perception and reputation. This process enables us to accelerate our transformation, understand the expectations of our stakeholders (customers, Team Members, communities, society, and financial market), and develop actions that help us maintain or improve their perception of us.

We consistently strive to understand what our stakeholders hear, think and feel to improve our relations with them.

# COMMITMENTS TO SUSTAINABLE DEVELOPMENT

Approved by the Board of Directors in 2020, our sustainable development commitments were built based on a materiality matrix that involved the participation of Team Members, leaders, and executives, as well as analysis of global scenarios and trends, corporate risks, and external sustainability references.

These commitments cover the dimensions of sustainable development (economic, social, and environmental) and are aligned with the United Nations Sustainable Development Goals (SDGs), prioritizing the issues in which greater influence was identified. At Braskem Idesa, we implement a strategy consisting of seven dimensions, identified as Commitments, and establish the second cycle of long-term<sup>1</sup> commitments for Braskem Idesa for 2030 and 2050.



## Braskem Idesa and the SDG

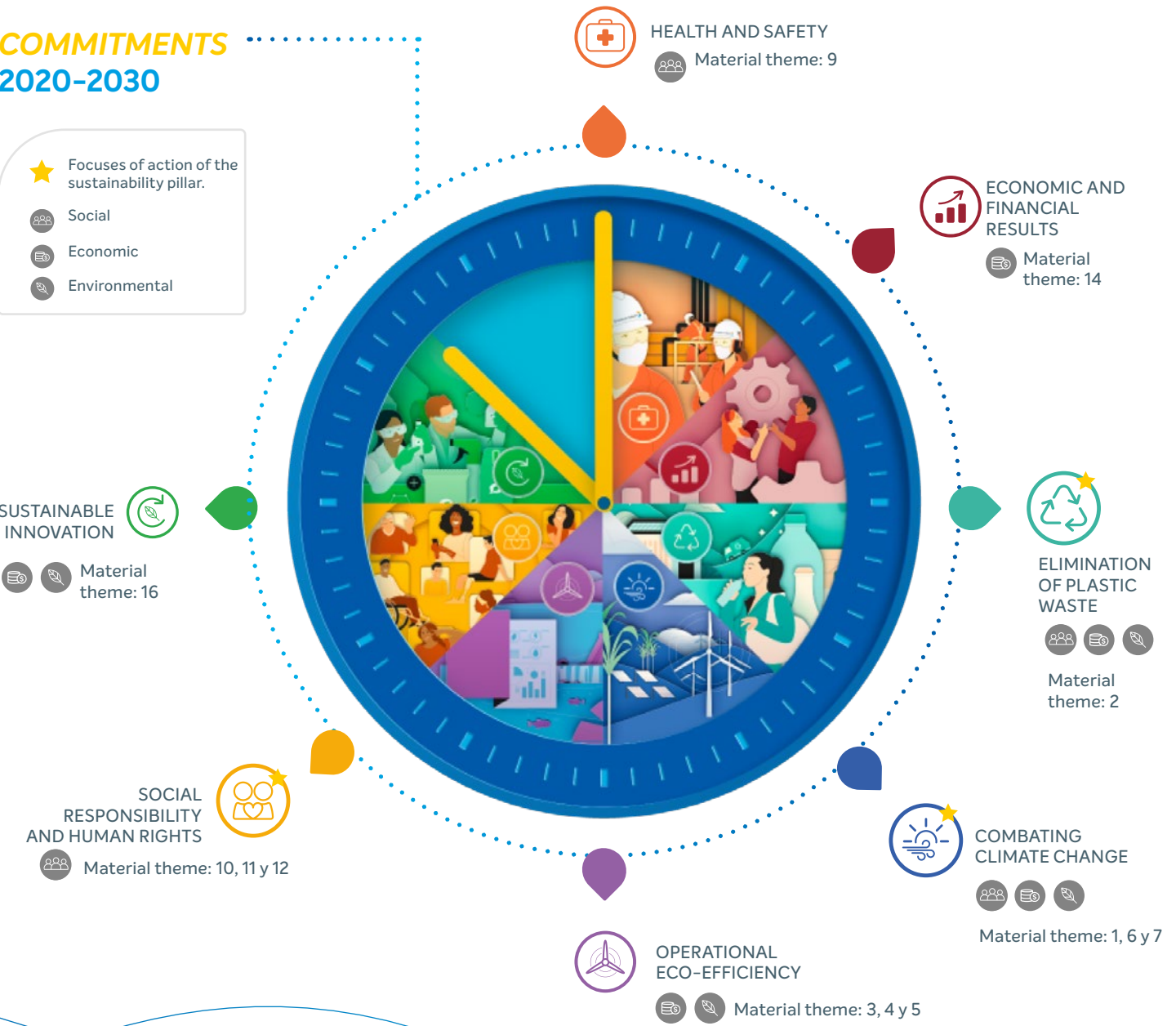
Our long-term Commitments were established considering the positive and negative impacts of Braskem Idesa and its supply chain on each of the SDGs. This analysis was carried out using the SDG Compass methodology and highlighted our direct impact on four SDGs and, through our supply chain, impact on another 9 SDGs, for a total of 13 topics.

### OUR PRIORITIES REGARDING THE SDGS ARE:



Learn more about our commitments  
<https://www.braskemidesa.com.mx/macroobjetivos>

The alignment of our Commitments with the priority SDGs and material topics for Braskem Idesa is materialized as follows:



1. The fulfillment of the disclosed sustainable development commitments by the company (within the projected costs and expected timelines) is also subject to risks that include, among others: the progress, availability, development, and accessibility of the technology required to achieve these commitments.



# ALIGNMENT WITH GLOBAL SUSTAINABILITY STANDARDS

At Braskem Idesa, we strive to stay at the forefront of sustainability and promote good practices while fostering transparency for our stakeholders. In this context, and recognizing the importance of ESG factors, we align ourselves with various methodologies that allow us to be accountable for sustainability and meet the information needs of our different stakeholders.

This report has been prepared in accordance with the GRI Standards, the leading sustainability standard globally, which enables companies to disclose their impacts on the economy, environment, and society, as well as their contributions to sustainable development. Furthermore, in order to meet the needs of our stakeholders, including investors, we adhere to the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

ENVIRONMENTAL	Material Issue	GRI Content	7 Macro Goals BI	SDG	SASB
	1. Climate Chance	3-3,	4	13	
	2. Post-Consumption of Plastics	3-3, 301-1, 301-2, 301-3	3	8, 12	
	3. Water and Effluents Management	3-3, 303-1, 303-2, 303-3, 303-4, 303-5	5	6, 12	RT-CH-140a.1 RT-CH-140a.2 RT-CH-140a.3
	4. Air Pollution	3-3, 305-2, 305-6, 305-7	5	3, 12, 13, 14, 15	RT-CH-110a.1 RT-CH-110a.2 RT-CH-120a.1
	5. Energy efficiency	3-3, 302-1, 302-3, 302-4	5	7, 8, 12, 13	RT-CH-130a.1
	6. Feedstock Impacts	3-3,	3, 4		
	7. Biodiversity and Land Use	3-3, 304-3, 304-4	3, 4	6, 14, 15	
	8. Waste Management	3-3, 306-1, 306-2, 306-3, 306-4, 306-5	5	3, 6, 12, 14, 15	RT-CH-150a.1

SOCIAL	Material Issue	GRI Content	7 Macro Goals BI	SDG	SASB
	9. Health, Safety and Wellness	3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10	1	3, 8, 16	RT-CH-320a.1 RT-CH-320a.2 RT-CH-540a.1
	10. Human Rights	3-3, 410-1	6	16	
	11. Communities and Social Investments	3-3, 413-1, 413-2	6	1, 2	RT-CH-210a.1
	12. Diversity, Equity and Inclusion	3-3, 202-1, 401-3, 405-1, 405-2	6	1, 5, 8, 10	
	13. Employment, Development and Retention	3-3, 202-2, 401-1	6	5, 8, 10	
	14. Financial and Econmic Results	3-3, 201-1, 201-2, 203-1, 203-2	2	1, 3, 5, 8, 9, 11, 13	
	15. Supply Chain Management	3-3, 204-1, 308-1, 308-2, 414-1, 414-2	2, 4, 6	5, 8, 16	
	16. Innovation, Technology and Digitalization	3-3,	7	9	
GOVERNANCE	17. Product Stewardship	3-3,	1, 3, 4	17	
	18. Responsible Production and Consumption	3-3,	3, 4, 5, 6	12	
	20. Governance, Ethics and Compliance	3-3, 205-1, 205-2, 205-3, 406-1, 408-1, 409-1, 415-1	2	5, 8, 16	
	21. Risk and Opportunity Management	3-3,	1, 2, 3, 4, 5, 6, 7	8	RT-CH-210a.1
	22. Stakeholder Relationship Management	3-3,	1, 2, 3, 4, 5, 6, 7	17	

We make available to our stakeholders and any member of society who has concerns or requires more information, questions, comments, or suggestions about our Annual Sustainability Report, the following contact email: [sustentabilidad@braskem.com](mailto:sustentabilidad@braskem.com)

## Certifications and Recognitions

We consistently strive to obtain the best results and reaffirm our commitment to transforming into a company that demonstrates, with its actions, its passion for leading the petrochemical sector. Year after year, different organizations recognize the achievement of our goals and our environmental footprint. In 2022 we received the following:

- The 2022 Health Award from the Secretariat of Health of the State of Veracruz.
- A Corporate Social Responsibility (ESR®) distinction from the Mexican Center for Philanthropy (CEMEFI).
- Best Practices ESR Recognition awarded by CEMEFI.
- We ranked 158 among the Expansión 500 companies.
- We ranked 31 among the companies with Corporate Integrity Best Practices in the IC-500 Index published by Expansión magazine in 2022.
- We ranked 226 among the 1,000 Top Companies in Mexico by Mundo Ejecutivo.
- We were among the best-ranked companies with Corporate Governance and Good Compliance Practices by Mexicans United Against Corruption and Mexican Transparency.
- Braskem Idesa received an award for its best practices in the comprehensive “Health Community Relations” category by ANIQ-SARI.
- Our CEO, Stefan Lepecki, was recognized as one of the 100 Top Leaders in the energy sector in Mexico by Petróleo & Energía magazine.
- We received the Distinctive H Certification for the Braskem Idesa complex dining room, granted by the Secretariat of Tourism (SECTUR).



The construction of the Terminal Química Puerto México (TQPM) was perceived as one of the most relevant issues in 2022, receiving ample coverage with more than 200 news stories published in local, national and international media reflecting our transformation.

## Presence in Industry Associations in Mexico

We believe teamwork is crucial to nurturing change in society and achieving sustainable development to ensure future generations have a better future. Thus, we belong to the following chambers and associations in the chemical and petrochemical industry. We are convinced that, from our position, we have the opportunity to promote social, environmental, ethical, and economic actions that permeate the sector through fair competition:

- Mexican Association of the Chemical Industry (ANIQ).
- Mexican Association of Plastic Industries (ANIPAC).
- Mexican Association of Intermodal Transport (AMTI).
- Mexican Association of the Plastic Bag Industry (Inboplast).
- Latin American Petrochemical and Chemical Association (APLA).
- Industrial Association of the State of Veracruz (AIEVAC).
- National Chamber of the Manufacturing Industry, Veracruz Chapter (CANACINTRA Veracruz).
- ANIQ Plastic Industry Commission on Responsibility and Sustainable Development (CIPRES).
- The Coatzacoalcos Local Mutual Aid Committee (CLAM).
- The Mexican Business Coordinating Council (CCE).
- The CCE Center for Private Sector Studies for Sustainable Development (CESPEDES).
- The Mexican Institute of Chemical Engineers, Coatzacoalcos Chapter (IMIQ).
- Engineering Pipe Industries (ITIAC).
- Standardization and Certification (NYCE).







# CORPORATE GOVERNANCE AND COMPLIANCE

We strive to ensure that our Team Members and suppliers operate according to ethical guidelines. We are committed to maintaining an **ethical, integral, and transparent performance**, so all our Team Members adhere to our corporate principles and values.



[2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18]

Braskem Idesa operates according to the terms established in its Bylaws and Shareholder Agreement, adopting the implementation of Corporate Governance and Compliance best practices.

Based on our values, we strive to create sustainable solutions through chemicals and plastics to improve people's lives.

**BRASKEM IDESA IS**  
**IS COMMITTED TO**  
**ethical, integral, and**  
**transparent** operations  
and implementing  
Corporate Governance  
and Compliance best  
practices.



## Corporate Governance

At Braskem Idesa, we comply with Mexican law, which is why our supreme body is the General Shareholders' Meeting, while our Board of Directors is the corporate governance body in charge of the Company's management and decision-making processes.

This body meets at least four times a year and is composed of seven regular members, five of whom correspond to Braskem and two to Idesa, as well as an equal number of alternate members for each shareholder. Their term in office is two years with the possibility of being reappointed or remaining in their position for a longer period of time.

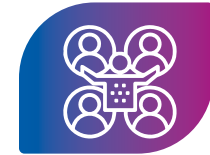
**Our Board of Directors adheres to the Braskem Idesa philosophy, guidelines and policies.**

[2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18]

The Board Members' main functions include those listed as follows:



**a.** Manage and represent Braskem Idesa.



**b.** Submit the matters under their jurisdiction to the Shareholders' Meeting with their recommendations.



**c.** Approve the matters submitted by the CEO under their jurisdiction, including those related to people and Team Members.



**d.** Accompany and evaluate the implementation and execution of the Business Plan.



**e.** Ensure the adoption of a Corporate Governance system compliant with market best practices.





[2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18]

Our governance structure is subject to ethical requirements, transparency in processes, and integrity in dealing with our stakeholders. Therefore, our structure includes four standing committees that meet at least four times a year and are intended to advise, recommend, and assist the Board of Directors in decision-making:

COMPLIANCE AND AUDIT COMMITTEE

This committee supervises the proper functioning of the ethical guidelines, ensuring the integrity of our operations and maintaining information transparency. It is also in charge of establishing new internal documents and updating existing ones, such as the Code of Conduct and the Anti-Corruption Policies. Its responsibilities also include following up and attending to the internal and external audit processes, which implies reviewing the work plan of the external and independent auditors, following up on risk management, internal controls, the Ethics Line, data protection and privacy, and recommending and/or approving transactions with the Company’s related parties.

FINANCE AND INVESTMENT COMMITTEE

This committee reviews the business plan for implementation, takes charge of the annual budget, prepares reports, and analyzes projects and investments, financial statements and results. Also, in organizational terms, it implements policies related to the Company’s finances and investments and is responsible for fiscal and financial matters. It also develops contingency plans and leverage goals while monitoring our annual financial transaction limits.

OPERATIONS AND ESG COMMITTEE

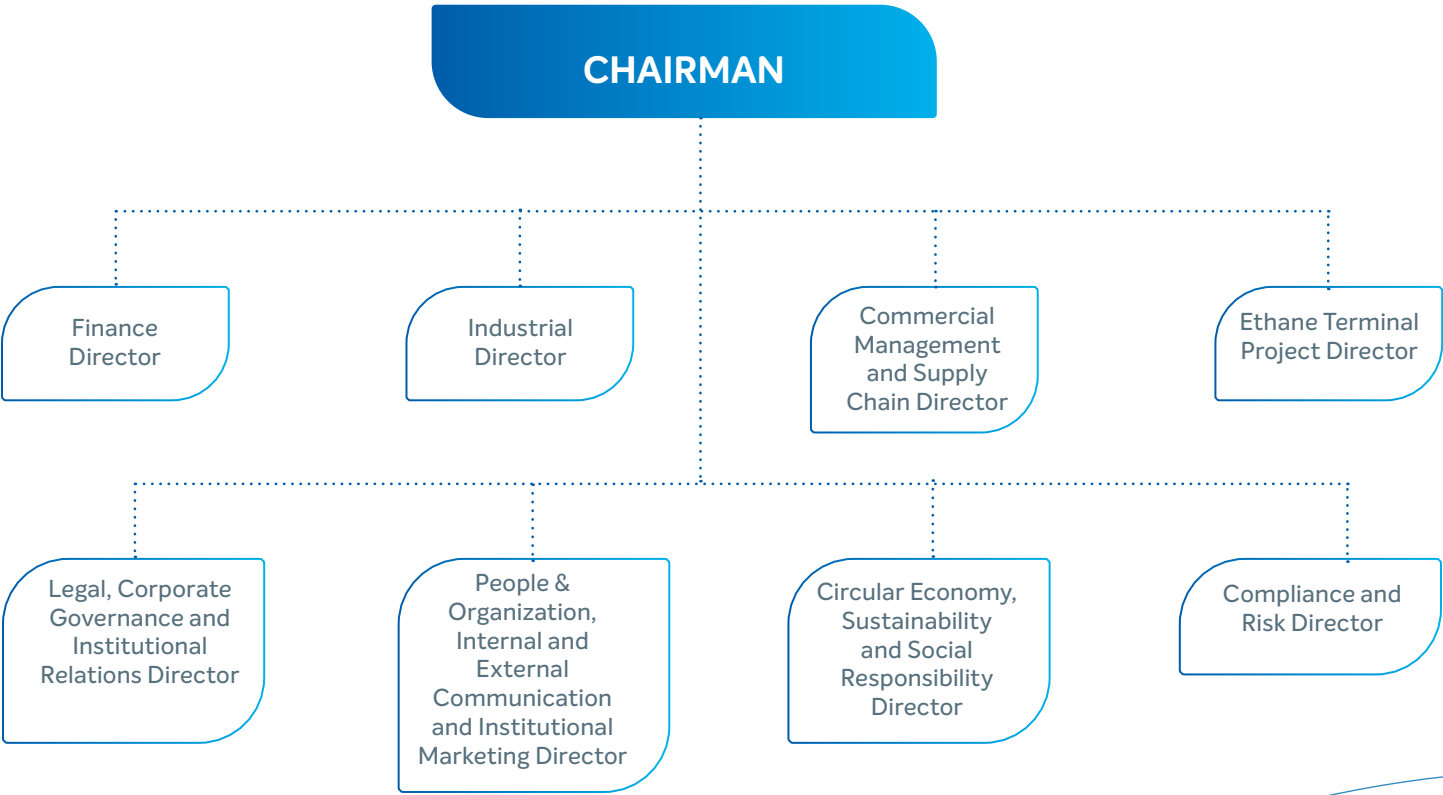
This Committee reviews and implements corporate policies, monitors operational performance, and evaluates and follows up on operations or strategic situations. It also supervises and determines the ESG strategy, promotes and monitors sustainable initiatives and strengthens stakeholder relations.

PEOPLE & ORGANIZATION, CORPORATE IMAGE AND COMMUNICATIONS COMMITTEE

This committee oversees the policies related to our Team Members and all compensation and remuneration processes. It also maintains the positioning of the brand image, structures communication plans, and supports the annual evaluation of the CEO’s Action Plan and the compensation and succession plan for managers.

[2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-18]

Structure of Braskem Idesa’s Board of Directors



[3-3, 2-23, 2-24]

## Braskem Idesa Guidelines

We know that the generation of responsible business conduct is achieved through guidelines, policies, and procedures necessary to ensure the proper functioning of the company.

### GUIDELINES AND POLICIES

- Internal Audit Guidelines.
- Internal Control 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.
- Donation and Sponsorship Guidelines.
- Gift, Hospitality and Entertainment Guidelines.
- Travel Expense Guidelines.
- Global Sales Guidelines.
- Global Corporate Risk Guidelines.
- Global Procurement Guidelines.
- Global Compliance System Policy.
- Global Quality, HSE and Social Responsibility Policy.
- Global Personal Data Privacy and Protection Policy.
- Global Anti-Corruption Policy.
- Risk Management Policy.
- Global Sustainable Development Policy.
- Code of Conduct.
- Code of Conduct for Third Parties.

### PROCEDURES

- Compliance Risk Control Matrix.
- Donation and Sponsorship Procedure.
- Restricted Third Party Listing Procedure.
- Antitrust Procedure.
- Operational Compliance Procedure.
- Ethics Line and Investigations Procedure.
- Disciplinary Measures Procedure.
- Email Collections Instructions.
- Interview Instructions.
- Gifts, Hospitality and Entertainment Procedure.
- Engagement with Government Officials Procedure.
- Third Party Due Diligence Procedure.

## Code of Conduct

We are committed and convinced to operate in an ethical, integral, and transparent manner, for which we rely on the implementation of systems and adoption of best practices in Corporate Governance, Ethics, and Compliance.

**OUR CODE OF CONDUCT** guides our commitment to ethical, responsible behavior and transparent management.

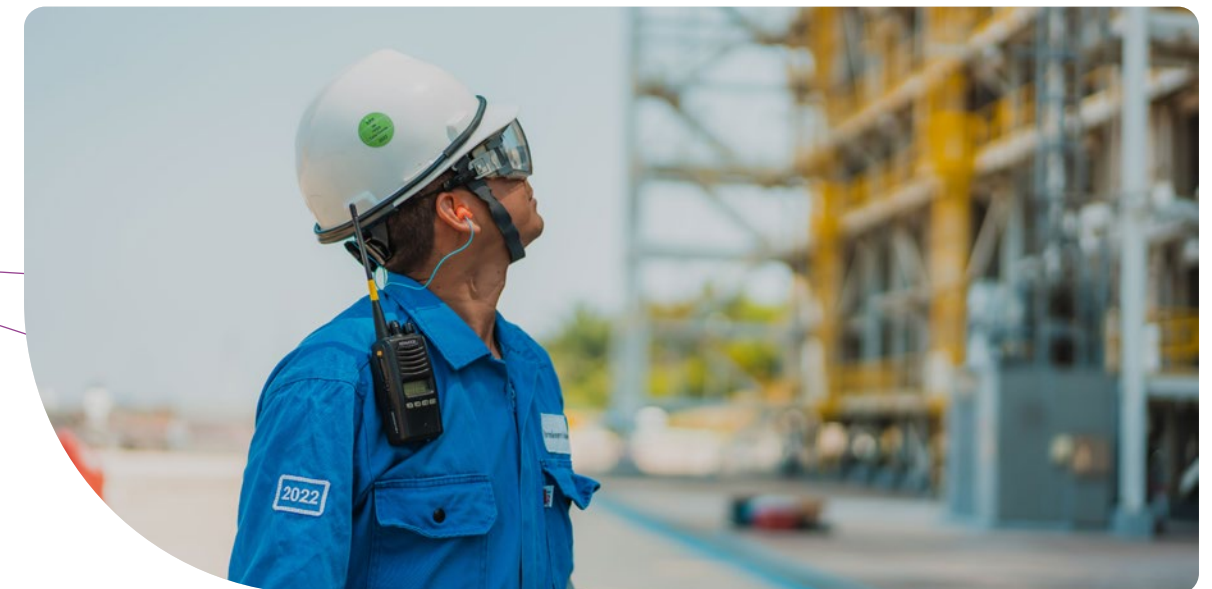
The Code of Conduct, approved and adopted by the Braskem Idesa Board of Directors, establishes the principles that all Team Members at all levels must comply with in their daily activities.

Braskem Idesa is clear that acting ethically, with integrity and transparency are principles that build long-term relationships. It begins with the Braskem Idesa Board of Directors and extends to all Team Members, and requires a complete system that includes the development and continuous updating of what we call the Company's Guidance Documentation, seeking its effective implementation, training and raising awareness of all Team Members in prevention.

**100% of our Team Members** receive annual training on the Code of Conduct and Anti-Corruption Policy to maintain our ethical commitment to our stakeholders.

In addition to our Code of Conduct, we have the Conflict of Interests Directives that define the issues that could compromise our Team Members and the steps they must take to report this type of situation. The Compliance Department analyzes each case and drafts a mitigation plan to prevent the materialization of a potential conflict.

You will find our Code of Conduct at <https://www.compliancebraskemidesa.com.mx/principios-y-valores.php#codigo-de-conducta>





# OUR COMMITMENT TO HUMAN RIGHTS

At Braskem Idesa, we respect Human Rights in all our activities and act according to the UN Guiding Principles (UNGP) on Business and Human Rights, the International Bill of Human Rights, and the Fundamental Principles and Rights at Work of the Declaration of the International Labor Organization (ILO) that provide guidelines for due diligence and responsible business behavior.

## WE REINFORCE OUR PUBLIC COMMITMENT

through the Global Sustainable Development Policy and the Codes of Conduct for Team Members and Third Parties, approved by the Braskem Idesa Board of Directors.

### Human Rights Due Diligence

We began our first Human Rights Due Diligence cycle in 2017, with methodological bases aligned with the UN Guiding Principles and international human rights instruments.

We began a new Human Rights Due Diligence process in 2021 through interviews with members of the communities surrounding our operations, Team Members (including leaders), contractors and external experts, and by analyzing documents and information in the public domain and media outlets.

The Company’s actions are always guided by operational excellence, respect for human rights and our desire to create a positive impact on society; therefore, the findings resulting from these analyses reflected opportunities for improvement in certain aspects, such as occupational health, community relations, DE&I; the value chain and the improper disposal of plastic.

As part of the UNGP due diligence and recommendation process, Braskem Idesa manages these risks through its Enterprise Risk Management (ERM) system, created with structured criteria to monitor and measure action plans. Furthermore, some of the Company’s corporate divisions were involved in the analysis for the integration of these risks, with the proper care required to ensure that we did not lose sight of the risks involving people while assessing the benefits of the strategic monitoring of each risk.

The ERM is evaluated and supervised by the Board of Directors and Senior Management. It is reassessed every two years to guarantee a periodic and systematic review of risks and opportunities for improvement.

**Our action plans** address most of the recommendations, and we are creating new plans to cover those not addressed.

# BRASKEM IDESA’S APPROACH TO THE RISKS IDENTIFIED IN TERMS OF HUMAN RIGHTS

## Occupational Health

As a chemical and petrochemical industry, we take preventive actions to identify occupational health risks. Furthermore, mapping the risks and impacts coincided with the global pandemic, when managing the Team Members’ stress levels became a focal point addressed under the remote work modality.

The analyses indicate that, although these risks have been identified, the Company’s management of occupational issues is recognized as high-level and fully aligned with sector best practices, ensuring that all Team Members have access to qualified training and the proper Personal Protection Equipment (PPE).

Braskem Idesa has also implemented measures to mitigate the impact caused by remote working, such as constant monitoring of the well-being of its Team Members through an emotional support line and providing an ergonomic home office equipment kit.



## Value Chain

The Value Chain matters to Braskem Idesa and the plastics industry, given the broader complexities inherent to these chains, such as labor issues and process visibility, which can affect any part of the production chain. Therefore, Braskem Idesa’s commitment to act ethically, honestly, transparently, and in conformity with the applicable law is one of the Company’s non-negotiable values.

We have developed a Third Party Code of Conduct with our expectations regarding the behavior of partners who supply products and/or provide services on behalf of Braskem Idesa.

## Community Relations

Braskem Idesa believes that it is very important to maintain a good neighbor relationship with the communities socially influenced by its operations, which is why it has implemented a Social Management program in the Nanchital, Veracruz region, which includes a Relationship Program addressing participatory environmental monitoring, education promotion programs, trade training promoting local job opportunities; response plans and emergency drills, in addition to a program to promote recycling and the responsible consumption of plastic, among other topics.



## Diversity, Equity and Inclusion (DE&I)

One of Braskem Idesa’s top priorities is to provide a diverse, inclusive and equal environment; hence, it implemented a program with related actions, including metrics to monitor progress on the subject matter. These actions include an exclusive DE&I team, as well as the development of internal guidelines on the subject matter, the creation of a diverse hiring division and affirmative positions for minority groups; the diagnosis of accessibility and improvement of flows and processes to include people with disabilities; training, workshops and mentoring for Team Members and leaders; and the creation of committees and affinity groups, such as race and ethnicity, gender and LGBTQIA+.



Improper disposal of plastic

Although Braskem Idesa is not the direct cause of the risks associated with the improper disposal of plastic, we produce plastic, and this is an industry problem.

The proper disposal and/or use of plastic waste is one of our public commitments to society and the environment, which is why we invest huge amounts in innovative recycling solutions to improve the circular economy. The Human Rights Due Diligence process recognizes our ongoing best practices.

Some of the main actions implemented include the use of LCA (Life Cycle Assessment) tools to select sustainable options in the decision-making process; projects to support and engage consumers in recycling programs; internal education campaigns focused on conscious consumption and proper disposal; partnerships with NGOs and educational institutes to raise awareness and appreciation for recycled materials; alliances with institutes associated with plastic waste, such as the Alliance to End Plastic Waste (AEPW); support for public policy related to solid waste management and the recycling chain; implementation of ocean cleanup programs; development of solutions to leverage the mechanical recycling of plastic; the creation of products in collaboration with customers and the value chain; resins based on renewable or recycled raw materials; support for collector cooperatives; and plastics education programs for society in general.

We aim to manage 100% of all high and medium Human Rights risks by 2030.

In 2022, we complied with 96% of the actions established in our due diligence plans for 2017.

We will implement a new action plan in 2023 based on the latest Human Rights Due Diligence.



Ethics Training

At Braskem Idesa, we operate under an applicable and current regulatory framework, as well as the ethical principles and values that constitute an essential part of our DNA.

We are committed to an ethical culture that permeates all corporate divisions, which is why we ensure that all our Team Members know about our governing guidelines, directives, policies, principles and values, in addition to offering training on different topics, such as compliance, anti-corruption, and human rights.

Each new Team Member is trained on the standards of ethics and conduct as part of their induction process and must reaffirm their commitment annually. Furthermore, when we add a new point or update the Code, we reactivate training for all Team Members.



Complaints Mechanisms

Aligned with Braskem Idesa’s ESG strategy, where ethical statutes play a major role in the Company’s transformation, we provide our Team Members, customers, suppliers and the entire value chain a series of complaints mechanisms that allow us to listen to their concerns, complaints and suggestions in order to take appropriate action. We ensure that any dissatisfaction is addressed properly, providing resolution and follow-up until its closure, considering the necessary measures established.

Braskem Idesa’s Communication Channels for Receiving Reports

Suggestion boxes located in offices and communities near Braskem Idesa.

Messages sent via the company website:  
[www.lineadeeticabraskemidesa.com](http://www.lineadeeticabraskemidesa.com)

Grievance and Complaints Mechanism

Risk Assessment Methodology.

Ethics Line: a toll-free number 01 800 681 6940. Available 24 hours a day, 7 days a week.



[2-26, 205-3, 406-1]

Compliance System

In line with our ethical commitment, we have developed a Compliance System, which functions as a mechanism for the prevention and mitigation of ethical risks, supports the integrity with which we conduct ourselves, and ensures transparency in our business activities through ten compliance measures divided into three essential pillars:



AS A RESULT OF our efforts to become a well-managed company, there were no cases of corruption, discrimination complaints or other ethical issues reported in 2022.

Our Compliance and Audit Committee and the Chief Compliance and Risk Officer (CCRO) are responsible for monitoring this system, and our Board of Directors monitors them since we believe this type of process must be comprehensive and implemented as a joint effort by different divisions across the organization.

[2-26, 205-3, 406-1]

In addition to this system, we have established ten principles that Team Members, customers, suppliers and the other parties with whom we have a relationship must share to achieve this transformation of Braskem Idesa and the petrochemical industry and sector. These ten principles are as follows:

1. Embody a zero-tolerance policy and fight corruption in all forms, including extortion and bribery.
2. Say “no,” firmly and decisively to business opportunities contrary to this commitment.
3. Adopt ethical, honest and transparent principles when dealing with private and public officials.
4. Never use cultural or common market conditions to justify inappropriate actions.
5. Guarantee transparency in the information provided about Braskem Idesa, which must be accurate, comprehensive, accessible and disclosed regularly.
6. Understand that unethical behavior, as the result of an action, omission or complacency, affects society, is contrary to the law and damages the Braskem Idesa image.
7. Ensure that Braskem Idesa and its entire value chain apply the Compliance System, which is updated according to best practices.
8. Contribute individually and collectively to make the changes the markets and environments require to prevent improper conduct.
9. According to the Compliance System, incorporate performance evaluations in the Team Members’ Action Plans.
10. Believe that this commitment will help drive our survival, growth and continuity.



At Braskem Idesa, we maintain a firm commitment to our ethical management processes to ensure the transformation of the Company as a benchmark in the industry.



## Risk Assessment Methodology

The risk assessment process leverages opportunities and identifies potentially negative consequences for the Company in four categories: financial, reputational, operational and regulatory.

*Our methodology is based on international standards, such as ISO 31000 and COSO Enterprise Risk Management. Furthermore, all risks are periodically evaluated by our senior management team and submitted to a regional and global consolidation process.* These analyses are based on the potential impact and probability of occurrence, and the results are presented in a heat map approved by the Board of Directors.

Once the analysis is approved, the priority risks are treated and supervised by the Board of Directors and its advisory committees to mitigate and prepare the Company to face adversities. We are monitoring the most notable findings obtained from our evaluation of the corporate risks found in all Braskem and Braskem Idesa operations in 2022, which are as follows:




- 

Image of plastic
- 

Climate change
- 

Socio-environmental aspects
- 

Petrochemical sector cycle
- 

Cyber and information security
- 

Macroeconomic and geopolitical factors







# ECONOMIC PERFORMANCE

It is essential for us to pursue **economic and financial results** based on a **solid development strategy**, constant reinforcement of **ESG practices**, long-lasting relationships with our clients, and, consequently, an increase in the value generated for shareholders.



[3-3, 201-2]

We understand that this is a key issue to achieving our 2030 and 2050 commitments, so we continuously strive to ensure the integrity of our production chain, strengthen our governance and compliance system, maintain a strong level of liquidity and positive cash flow generation, even in downturns in the petrochemical industry.

## Economic Context

We have been a resilient company in the face of changes over the years, as evidenced by overcoming adversities in the past two years.

During 2021, we had a good performance and solid results, coupled with the achievement of signing the definitive agreement with Pemex, which allowed us to continue operating sustainably. However, in 2022, we are facing a challenging scenario due to external events such as the ongoing war in Ukraine, rising interest rates, and pressures in the petrochemical market.

On the one hand, during the first semester of the year, we started with favorable margins taking advantage of the momentum from the previous year. Additionally, polyethylene (PE) prices remained at favorable levels, which translated into a solid EBITDA in that semester. For the second semester, market conditions changed in such a way that there was a drop in polyethylene prices and an increase in ethane and natural gas costs.

In response to the complex market conditions during the second semester, management took the necessary measures to improve the company's performance and preserve our financial liquidity through the implementation of effective risk mitigation strategies and adherence to solid financial management practices.

In this sense, we maintained our plans and operations in such a way that the most outstanding aspects related to economic matters in 2022 are as follows:

- Pemex's supply remained aligned with contractual levels, and the Fast Track project was expanded to 35 kbpd.
- The ethane terminal was constructed according to schedule and with the approval of all construction licenses and permits.
- The subsidiary Terminal Química Puerto México (TQPM) was established in a partnership with Advorio.
- Increase in the sales and operating rates supported by strong demand in the Mexican market.
- The strategic financial management of CAPEX and working capital allowed us to increase liquidity.

AT BRASKEM IDESA,  
we successfully  
navigated difficult  
market conditions,  
resulting in a **stronger  
liquidity position  
and valuable lessons  
learned.**

## Economic Risk Prevention




We have a corporate process for the identification and evaluation of risks in our operation, which can have an impact on both our results and our stakeholders, primarily those with whom we have a business relationship, as well as the communities in which we operate.

We are aware of the communities close to our petrochemical complex in Veracruz and that, in order to operate, we must maintain our social license and engage in actions promoting sustainability throughout the area.

Some of our actions to inform others about our processes include meeting with community members to share our projects, such as those implemented to reduce visual and auditory impact, and the Open Houses program inviting community residents to visit the complex to learn more about our operation.

## Financial Results

2022 represented a year full of challenges for businesses globally and in Mexico. However, we can proudly say that we managed to overcome each of the adversities that arose, thanks to the support and trust placed by stakeholders in each of our operations, resulting in an improvement in the organization's economic performance.

	2021 (USD)	2022 (USD)
 Direct economic value generated	1,205,497	1,134,012
 Distributed economic value	829,088	1,034,857
 Retained economic value	376,409	99,155

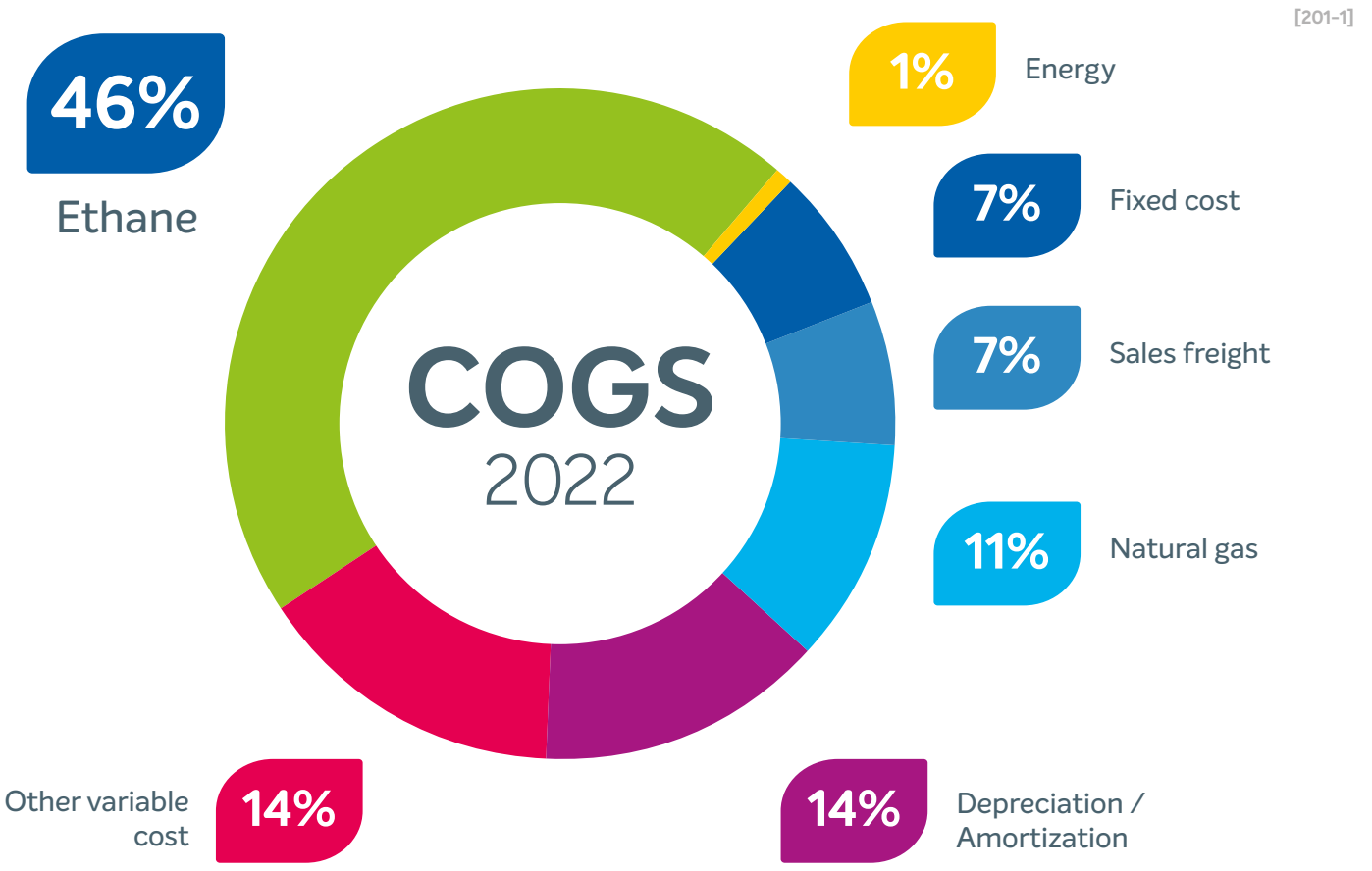
i. Direct economic value generated: revenue;  
ii. Distributed economic value: operational costs, Team Members wages and benefits, loan payments, payments to governments (by country), and community investments;  
iii. Economic value retained: "the direct economic value generated" minus "the economic value distributed."



[201-1]

In 2022 we reported USD 1,134 million in net income and generated USD 212 million in EBITDA, 66% less than last year due to the drop in polyethylene prices worldwide. On the other hand, our revenues fell by 6% compared to 2021 due to market conditions affected by cost containment. Furthermore, the Cost of Goods Sold (COGS) index increased due to rising international reference prices for ethane and natural gas and logistics costs.

FINANCIAL OVERVIEW (in USD millions)	2021	2022
Net Revenue	1,205	1,134
COGS (Cost of Goods Sold)	(632)	(983)
Gross Profit	574	151
Gross Margin	48%	13%
SG&A	(87)	(88)
Other Operating Income (Expenses)	(2)	(1)
EBITDA	621	212
Operating EBITDA Margin*	52%	19%



\*Data presented in the graph were rounded to the nearest integer.

Please visit:  
<http://inversionistasbraskemidesa.com.mx/informacion.html#menu2> for additional financial information.

**WE ARE PROUD TO BE**  
**a Company with a Passion for**  
**Transforming to achieve our**  
**financial goals.**



[3-3, 203-1, 203-2]

## Braskem Idesa Investments

### Capital Expenditures (CAPEX)

Our capital expenditures (CAPEX) in 2022 represented a USD 145 million investment in strategic projects such as the Terminal Química Puerto México and the Fast Track 3.0 operation, reliability expenses and royalties related to HDPE licenses.

Braskem Idesa invested USD 161 million in 2022, nearly 30% below the USD 218 million forecast; hence, we postponed major maintenance and CAPEX to 2024 as part of our liquidity management strategy.

► **We estimate a total CAPEX of \$USD 112 million by 2023.**



### Terminal Química Puerto México (TQPM)

We seek to transform our environment and add value to the entire production chain nationwide. Therefore, one of the key strategic projects we are working on is the construction of Terminal Química Puerto México, a transcendental infrastructure project consolidating Veracruz as an investment territory included in the National Infrastructure Agreement with the Private Sector entered into by the Secretariat of Finance and Public Credit (SHCP), the Secretariat of Energy (SENER) Sector Program, and the Pemex Business Plan.

The development of this project will permit the creation of new logistics chains that contribute to strengthening the competitiveness of the petrochemical industry in Mexico and represent a comprehensive solution to cover the ethane deficit needed for production.

**TQPM is the first project aligned with the strategic interests of the southeast region to improve the country's economic activity in the Isthmus of Tehuantepec Interoceanic Corridor.**



*33% of our Terminal Química Puerto México was completed by December 2022. It will contribute to increasing the production of ethane and ethylene derivatives to benefit the trade balance.*

Our terminal will be built in conjunction with Grupo Advario, a leading global player in the storage industry. In addition to creating opportunities, this represents a collaboration with a partner specialized in developed technology and experience in handling raw materials. The Terminal Química Puerto Mexico (TQPM) project will boost operations at the port of Coatzacoalcos and the Isthmus of Tehuantepec Interoceanic Corridor.

This project is aligned with our sustainability strategy, as it seeks to benefit the region by creating 2,000 jobs during the construction stage for local employees and the Braskem Idesa Team Members working at the terminal. We also promote equal opportunities since nearly 30% of the Team Members are women, which is uncommon in the sector. In short, we offer job opportunities to local suppliers to the extent possible and contribute to creating new logistics infrastructure.

[3-3, 203-1, 203-2]

We are also aware of the need to adhere to legal processes; therefore, our construction permits were obtained in accordance with the law. TQPM will also benefit Coatzacoalcos's Integrated Port Administration (API) with increased revenues from greater cargo flows.

One of the challenges this project will face in 2023 is the pursuit of financing mechanisms since this type of project is submitted for evaluation, including reviews by financial institutions and third parties to ensure certainty and guarantee the project's proper incorporation.

**No accidents** representing a loss of time have been reported at TQPM to date.





# ENVIRONMENTAL PERFORMANCE

We consider **sustainability** to be one of the pillars of our **corporate strategy** and **business growth**. Through our initiatives and processes, we transform natural, renewable, and non-renewable resources into chemical and plastic products, seeking to both reduce and mitigate environmental and social impacts.



[3-3]

Our focus is on **combating climate change** and **eliminating plastic waste**, striving to be a reference in operational eco-efficiency in our operations with regard to water and energy consumption, effluent generation, atmospheric emissions, and waste.

## Environmental Risk Matrix

The risk assessment process takes advantage of opportunities and identifies potential negative consequences for the Company divided into four categories: financial, reputational, operational and regulatory.

Our **methodology** is based on **international references**, such as ISO 31000 and COSO Enterprise Risk Management. Risks are periodically evaluated by our directors and subjected to a regional and global consolidation process. This type of analysis is considered based on the potential impact and the probability of its occurrence, and the results are graphically presented in a heat map approved by the Board of Directors.

Once the analysis is approved, the **priority risks are treated and supervised by the Board of Directors** and **its advisory committees** to mitigate and prepare the Company to face adversities. Following the corporate risk assessment of all Braskem and Braskem Idesa operations in 2022, some of the environmental issues on which we have focused are as follows:

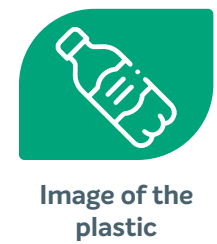


Image of the plastic

Growing **global concern for the environment**, as well as inadequate disposal of post-consumer plastic waste, with the trend of **banning single-use plastic** by governments and lawmakers. Mitigations include the **development of initiatives** to make Braskem Idesa a benchmark in the development of the recycling supply chain and the promotion of conscious **consumption of plastic**.



Climate change

The greater concern on the part of the general population, with the growing search for government alignment with the goals of the **Paris Agreement**, through the implementation of **public policies** that encourage the **reduction of greenhouse gas emissions**. Our mitigation include the reduction of greenhouse gas emissions in the processes and in the purchase of low-carbon energy and e the **compensation of emissions** with investments in renewable raw materials.



Socio-environmental aspects

Environmental, health, and safety impacts to which chemical and petrochemical operations are subject. The nature of our industry may involve risks to our workers and to the communities surrounding the industrial areas and the areas of transportation and loading/unloading of its products and raw materials, such as pipelines, roads, and ports. As a result, Braskem Idesa is **subject to stringent labor, environmental, and other regulations**. Mitigation encompasses a permanent mapping of scenarios of potential high risks and respective treatments through **specific governance**, as well as programs to improve the **human reliability**, and actions for mechanical integrity of the units.



Petrochemical sector cycle

[3-3]

A characteristic of the **petrochemical industry**, which historically alternates between periods of limited supply, which generates price and margin increases, followed by capacity expansions (of supply), which press prices and margins down until demand can absorb this product surplus and a new cycle begins. **Mitigations for this risk** include maintaining a **conservative cash position** above the minimum required by the company's financial policy and maintaining the elongated debt profile.



Cyber and information security

Increased cyberattacks, which may result in the exposure of sensitive data, unscheduled operational stops, and unavailability of systems that affect the regular operation of the company with consequent damage to its image and reputation. Mitigations include **network segregation** and initiatives to **increase control of the environment** and assets, team member behavior and **constant testing** to identify if the environment is safe.



Macroeconomic and geopolitical factors

Instability of macroeconomic and political factors, caused by economic crises, wars and conflicts, including sanctions, that alter business dynamics and reduce/block the availability of products and inputs, as well as changes in policies related to fiscal incentives. Mitigations consists of **periodic analysis** of economic and geopolitical changes that may impact Braskem Idesas's economic activity, in addition to **monitoring the regulatory environment** and projecting macro sectoral variables, among others.





[201-2, 3-3, 303-1, 303-2, 303-4, 303-5]

## Climate adaptation

We concluded the **review of climate risks**, with time horizons of **2030** and **2050**, in which we **identified and assessed** both physical and transition risks and climate-related **opportunities** that could affect the Company in different climate scenarios. The study also included mapping existing control measures for identified risks and updating the climate change adaptation plan.

Furthermore, scenarios predicting a mean temperature increase of 2°C by the end of the century were included, providing a wide range of plausible outcomes and complying with best practices for climate risk studies established by the **Task Force on Climate-related Financial Disclosures (TCFD)**. The scope included all operations with potential physical risks associated with ten types of climate threats that vary according to the region of the analyzed units.

As for the opportunities identified and classified as priority, we selected those with the greatest potential to impact the business positively and defined actions to capture the benefit. **Incorporating climate risks into the corporate risk management process**, aligned with the Braskem Idesa strategy, allows us to anticipate the appropriate adaptation measures required to prevent or control them and take advantage of the opportunities identified in the study.

## Water and effluents management

We are aware of the importance of a **vital resource** such as **water** in our operations and that using it binds us to **contribute to its preservation**, which is why we have implemented various actions that contribute to the good management of this liquid in our operations, minimize our impacts and ensure their proper use.



**AFTER THE CLIMATE RISK CLASSIFICATION PROCESS,**  
*22 possible risks were identified with a view to 2030, establishing action plans to eliminate or reduce them with adaptation measures.*

To manufacture our products, we use water in cooling systems and in steam generation for our processes. In addition, proper disposal of effluents is part of our sustainable strategy, and we take the following measures to manage their use effectively:

- We studied** the hydrological basins in the area **before building our complex**. This study identified six stormwater runoffs around the area and one discharge of treated water into the Gopalapa stream.
- As part of the **Participatory Environmental Monitoring program**, we work with the neighboring communities on **monitoring the surface and groundwater systems twice a year** to ensure no impacts on water resources.
- We adhere to the **guidelines** established in the **2018 Coatzacoalcos River declaration**, contributing to the recovery of this body of water.
- The water used comes from the La Cangrejera Dam**, designed specifically for the Coatzacoalcos industrial zone, pumped from CONAGUA facilities, identified as “pb-3.” Once in the complex, **it is treated by filtration and other physicochemical processes** to make it suitable for steam generation processes, stream cooling, and general purposes.
- Our quarterly monitoring activities** include ensuring that the discharge of effluents is carried out in **compliance with current regulations** and adheres to the control parameters established therein.

**WE OPTIMIZED THE WATER CONSUMPTION**  
through efficiency and operational improvements, achieving a 13% reduction in the last quarter of the year compared to our performance in 2021.





[3-3, 302-3, 302-4, 303-1, 303-2, 303-4, 303-5]

Within our production process, we incorporate the operation of systems such as the Wastewater Treatment Plant that cleans used water and wastewater so that it can be safely returned to the Gopalapa stream. In 2022, we achive to return 1,256,231 cubic meters.

The water supply and discharge processes comply with the applicable and current national regulatory framework. We also attend surveillance processes by federal environmental agencies such as the Federal Attorney for Environmental Protection (PROFEPA) and the National Water Commission (CONAGUA).

	Total water consumption	Residual water	Recycled water	Percentage of recycled water
2021	8,374,405 m <sup>3</sup>	1,098,580 m <sup>3</sup>	914,281 m <sup>3</sup>	10.89%
2022	8,580,715 m3	1,256,231 m3	914,169 m3	10.65%



**IN LINE WITH OUR COMMITMENT OF Operational Eco-efficiency,** we seek to use resources more efficiently and in compliance with the current regulatory framework.

## Energy

We are confident that our passion for transforming ourselves into a cutting-edge company allows us to have facilities that make better use of the resources at our disposal.

Our complex has a natural gas cogeneration plant, which allows us to supply all the energy consumed by the complex and still have a surplus. We have 13 electrical substations to distribute this energy throughout the complex. In addition to having internal generation, we are connected to the Federal Electricity Commission’s National Grid through a 5.5 km transmission line dedicated to Braskem Idesa.



[302-1, 302-3, 302-4]

The data for the use and sale of surpluses are as follows:

	Electrical Energy Used	Electrical Energy Sold	Intensity Ratio*
2021	624,607 MWh	50,909 MWh**	16.9 GJ
2022	654,020 MWh	23,204.5 MWh	16.1 GJ

\*The energy intensity ratio is calculated per ton of production.  
\*\*Reduction in power sold in 2022 is due to commercial considerations.

**We provide ongoing training** on various topics that allow us to reinforce a **culture of health, safety and the efficient use of resources.**

Our commitment as a sustainable company is to continuously improve energy efficiencies in our processes, becoming resilient to changes and facing potential adversities

Energy consumption patterns adjust to environmental changes. For example, in the case of fuels such as gasoline, we reduced their consumption by cutting back on transportation using these fuels. However, we increased the transport of finished products with vehicles using LP gas. Natural gas consumption is directly related to the production and generation of electricity.

	Diesel	Gasoline	LP Gas	Natural Gas
2021	220,724 L	187,887 L	108,236 L	13,879,734 GJ
2022	265,001 L	119,794 L	208,348 L	15,449,930 GJ





[305-1, 305-2, 305-6, 305-7]

# Climate Change and Emissions Management

In line with our sustainability strategy and as a result of updating the sustainability matrix it is of the utmost importance for us to manage environmental impacts in terms of air and pollution since reducing polluting emissions contributes to slowing down climate change and consequently reducing risks that could put our operations at risk.

Our commitment is aligned with the regulations established by different government agencies, such as the Secretariat of the Environment and Natural Resources (SEMARNAT) and the Secretariat of Energy (SENER), to structure projects that benefit us all, as well as the Material and Energy Balance Methodology that allows us to closely monitor our emissions.

## Emissions generated (tons CO<sub>2</sub>e)

	2021	2022
Total Emissions	1,661,668	1,744,336
Scope 1 (considers fixed and mobile fuel combustion) Gases Included: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC	1,487,978	1,706,048
Scope 2 (refers to the Company's electricity consumption) Gases included: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC	173,690	38,287

Total emissions increased proportionally to the increase in production, and the CO<sub>2</sub> generation index decreased based on the CO<sub>2</sub> reduction projects implemented.



We comply with the applicable and current national regulatory emissions framework by constantly monitoring emissions in our operations.

[305-1, 305-2, 305-6, 305-7]

## Emissions by type of gas

Type of gas emission	2021 (Tons)	2022 (Tons)
NOx	693.25	517.3
SOx	3.8	2
Volatile Organic Compounds (VOCs)	391	167.5
Particles (PM)*	25.3	37
Other Categories (Cr)	0.0001	0.0001

\*The increase in total particles is related primarily to increased production.

The general decrease in emissions is due to the improved control of variables by our operations Team Members.



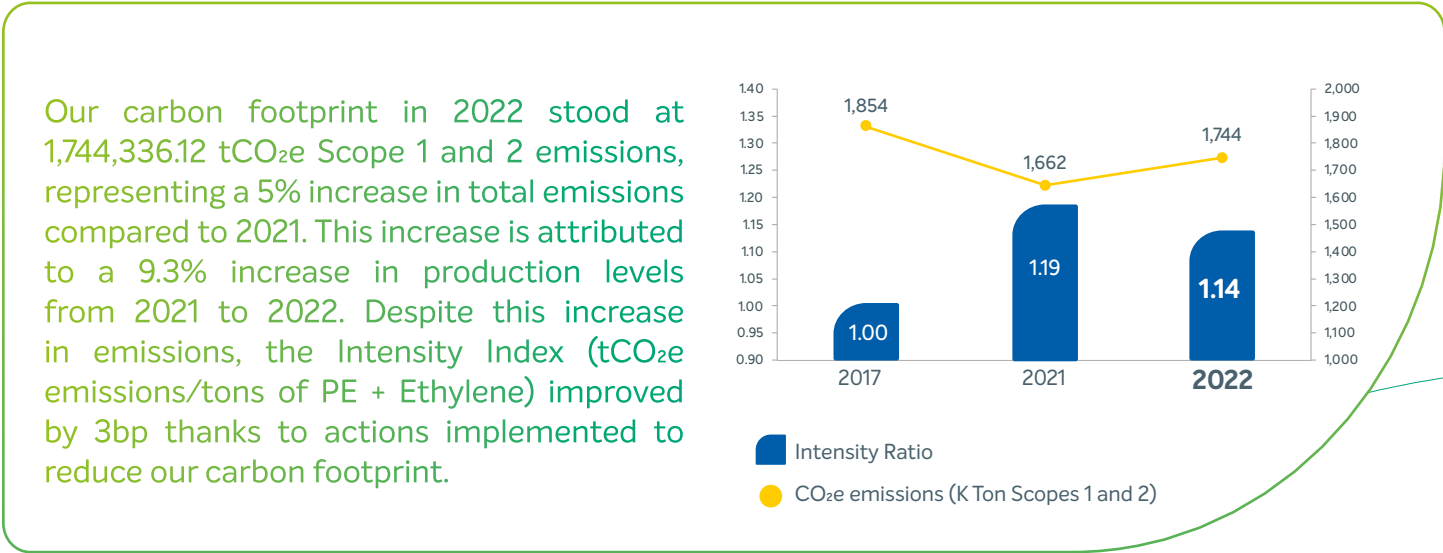


Carbon Neutral

Recognizing the role of **sustainable finance** in supporting the transition to a **more resource-efficient, low-carbon economy**, we decided to issue a Sustainability Linked Bond to align our financing strategy with our sustainability.

The Sustainability-Linked Bond Principles (SLBP), administered by the International Capital Markets Association (ICMA), are voluntary process guidelines that outline best practices for **financial instruments to incorporate forward-looking ESG outcomes** and promote integrity in the development of the **Sustainability-Linked Bonds** market by clarifying the approach for issuance of an SLB. In addition, ICMA aims to facilitate and support environmentally and socially sustainable economic activity and growth.

Our Sustainability-Linked Bond complies with the five basic components of the SLBP: (1) Selection of Key Performance Indicators (KPIs); (2) Calibration of Sustainability Performance Targets (SPTs); (3) Characteristics of Securities Linked to Sustainability; (4) Reporting; and (5) Verification. As the SLBP requirements are broader, we will use the five pillars of the SLBP to guide our Bond, which will include financing instruments.



We are committed to reducing 15% of absolute Scope 1 and Scope 2 ktCO<sub>2</sub>e GHG emissions by the end of 2028 in relation to the 2017 baseline and achieving carbon neutrality by 2050.

Hence, we have adopted an action **plan comprising three pillars**: (i) energy efficiency; (ii) Offsetting emissions with potential investments in the production of chemicals and polymers from renewable sources and use of energy from renewable sources; (iii) Capture of carbon emissions for subsequent sale and use in the domestic CO<sub>2</sub> market.

We have mapped potential projects to achieve these commitments by developing a **Marginal Abatement Cost Curve (MAC curve)** of GHG emissions. Based on this study, we developed a **route of initiatives** of various levels of maturity and complexity with different expected development horizons.

We have executed projects already in operation and have additional projects in the pipeline for the coming years, two of which are already underway and will be implemented in 2023 as follows:

Project	Status	Estimated Reduction	Description
Multivariable oven control	Implemented	25 kt of CO <sub>2</sub> of emissions	Used to optimize energy in pyrolysis ovens
Real-time power optimizer	Implemented	20 kt of CO <sub>2</sub> of emissions	The software uses a model that takes real-time measurements of plant-wide energy consumption and sends recommendations for adjusting operating set points to minimize energy waste.
Optimization of the use of H2	Upcoming implementation	TBD	
Ethane Conversion Upgrade	Upcoming implementation	44 kt of CO <sub>2</sub> of emissions	



We strive to be global leaders in the chemical industry, with the best indicators in terms of GHG emissions.

[3-3, 304-3, 304-4]

# Biodiversity

Mexico is a diverse country, full of flora and fauna; preserving this diversity is crucial for us since we know the valuable legacy we will leave to future generations. Since our early beginnings, we committed to caring for the region and preserving endemic species to maintain an adequate environmental balance and thus face the climate crisis.

We support this commitment by promoting scientific research on biodiversity through an Environmental Management Unit (UMA) registered with the Secretariat of the Environment and Natural Resources (SEMARNAT) and dedicating 100 hectares for a Private Conservation Area duly registered with the Secretariat of the Environment (SEDEMA) of the state of Veracruz, always adhering to the protocols, guidelines and standards established by these entities to comply with the care and protection of endemic species in the region.

We must keep our flora and fauna record current in the Environmental Management Unit under our care; hence, we take environmental samples at different times of the year, such as rain, drought, and hurricanes, to ensure control of the flora and fauna species registered in the southern area of the Coatzacoalcos River Basin to guarantee that our conservation efforts and research processes continue to be part of our commitment to biodiversity.

Through our Environmental Management Unit (UMA), we are actively involved in the conservation of endemic species in the region. One such species is the *Ceratozamia miqueliana*, which was classified as Critically Endangered according to the IUCN Red List and protected as a native species in Mexico under the NOM-059-SEMARNAT-2010 until 2021.



We have a Management Plan to guarantee that our Private Conservation Area has the parameters the Veracruz State Government requires for environmental issues.

Thanks to our efforts and the individuals involved in the care and conservation of this species and its habitat, we have successfully changed its status in the past year through various programs, as recorded until 2022.

- More than 1,200 individuals of the species of *Ceratozamia miqueliana* have been protected to guarantee their conservation in the UMA.
- Demographic studies of this species have been conducted in collaboration with experts and researchers.
- Different scientific articles on flora and fauna have been published.
- Through 2022, our UMA has reported 474 flora and fauna species:
  - 167 species of flora.
  - 307 registered fauna species (73 invertebrates and 234 vertebrates)
    - 124 bird species
    - 47 mammal species
    - 41 reptile species
    - 22 amphibian species
    - 49 ant species
    - 15 beetle species
    - 9 butterfly species

As of 2022, 45 species of flora and fauna have been identified within the categories of protection established in the NOM-059-SEMARNAT-2010. This regulation aims to protect native animal and plant species in Mexico, and through its guidelines, the inclusion, exclusion, or change in the listing of endangered species is determined:

- 14 species under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).
- 22 species under the protection categories published by the Red List:

- 9 Near Threatened (NT)
- 9 Vulnerable (VU)
- 3 Endangered (EN)
- 1 Critical Danger (CR)

In 2022, we succeeded at changing the conservation status of the *Ceratozamia miqueliana* endemic species in the IUCN red list derived from the reproduction and survival actions taken to protect the species.

[3-3, 304-3, 304-4]



[3-3, 306-3, 306-4, 306-5]

[306-3, 306-4, 306-5]

## Waste Management

Our waste management systems guarantee compliance with current laws and regulations. We use eco-efficiency indicators to record our results and take improvement actions. The following table shows the data for the years 2021 and 2022:

### Waste Generation

	Total Hazardous Waste (Tons)	Total Non-Hazardous Waste (Ton)*	Total Waste (Tons)
2021	1,063	1,926	2,989
2022	1,276	2,370	3,646

\*These figures include the figure for inert and non-inert non-hazardous waste.

ALIGNED TO THE ENVIRONMENTAL STRATEGY, we have a system for waste management in order to optimize its management as well as our eco-efficiency indicators.



The amount of waste increased in 2022 primarily due to increased production.

### Hazardous Waste

Removal method	Recycling (Tons)	Reuse (Ton)	Energy recovery (Tons)	Composting (Ton)	Landfil (Ton)	Total (Ton)
2021	241.4	0	27.8	4.2	789.7	1,063
2022	173.8	24.7	0	4.5	1,073	1,276

### Non-Hazardous Waste

Removal method	Recycling (Tons)	Reuse (Ton)	Energy recovery (Tons)	Composting (Ton)	Landfil (Ton)	Total (Ton)
2021	0	0	0	9.5	1,916	1,926
2022	1,074.9	0	0	12.04	1,283.5	2,370





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

# CIRCULAR ECONOMY

We are firmly **committed to generating added value** for our customers and contributing to the development of the value chain and the plastics industry with sustainable products to move **towards a circular economy**, which is why we have adopted a business model with a sustainable approach, which has prompted us to launch **innovative projects** that improve our production practices and allow us to offer the highest quality products, considering present and the future needs.

For this reason, we have assumed two voluntary commitments to move towards a Circular Economy, promoting the recovery of plastic waste for its transformation into raw materials that can be used to create new materials and products by implementing redesign, reuse and recycling practices, aimed at preserving the environment and maintaining the value of resources throughout their life cycle:

- 1

100% of our industrial units have adopted pellet containment **best practices**, such as Operation Clean Sweep.
- 2

100% of plastic packaging will be reused, recycled or recovered by 2040.





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

To support the fulfillment of these goals, we have decided to focus on eight fundamental topics:

- 1

Working with customers and value chains to develop new products to increase efficiency, recycling and reuse.
- 2

Investments to develop new renewable products to support the circular economy at the beginning of the value chain.
- 3

Developing new technologies, business models and systems to improve the recycling chain and material recovery.
- 4

Encouraging consumer participation in recycling and recovery programs through education to promote the value of plastic waste in the economy.
- 5

Using scientific tools, such as LCA, to choose the most sustainable option for economic, social and environmental impact.
- 6

Measuring and communicating recycling and recovery rates of plastic packaging materials.
- 7

Supporting alliances aimed at understanding, preventing and solving the mismanagement of plastic waste, specifically the problem of trash in the seas.
- 8

Supporting public policy to improve waste management and the recycling chain, primarily plastic waste.

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

**OUR ACTIONS HAVE PUT US ON THE RIGHT TRACK**  
to **contribute to caring for the environment** and challenge us to create **innovative and sustainable solutions**; however, we know that this is not enough and that we cannot achieve it alone.

We invite you to visit our website to learn about our commitment to the Circular Economy:  
<http://www.braskemidesa.com.mx/posicionamientoeconomiacircular>

Therefore, together with Braskem, we have launched our commitment to achieve Carbon Neutrality by 2050 with the following commitments:

- Expand its global portfolio of products made with recycled materials to reach 300,000 tons of products made with this material **by 2025**.
- Expand recycled content resins globally by one million tons **by 2030**.
- Recover 1.5 million tons of plastic waste worldwide, and prevent it from being sent to incineration, landfills or the environment **by 2030**.

In line with the objectives mentioned above, our commitment is reinforced by our participation in the Alliance to End Plastic Waste (AEPW), the Mexican Association of the Chemical Industry (ANIQ), the Mexican Association of Plastic Industries (ANIPAC) and the Business Coordinating Council (CCE). We enter into sectoral alliances to promote projects addressing post-consumer plastic waste issues and encouraging the implementation of innovative and sustainable production models.



**We obtained the**  
 **Operation Clean Sweep®**  
(Zero Loss of Pellets) for **operational excellence and best practices** by containing pellets and dust, protecting the **environment** and safeguarding **natural resources**.

[3-3, 306-2]

[3-3, 306-2]



# INNOVATIVE SOLUTIONS AND MORE SUSTAINABLE PRODUCTS

At Braskem Idesa, we believe that the circular economy is the way to promote a positive impact on the world and build a more sustainable future, which is why we created *Wenew*, a circular ecosystem, to promote this new reality.

This concept was born to represent our action in favor of the circular economy and identifies products, technologies and initiatives aimed at education and circular design promoted by Braskem Idesa. Within this ecosystem, we created pillars dedicated to education, technology and circular design to represent the key projects and initiatives needed to promote the circular economy.



For us, the sum of the efforts made by all players in the chemical and plastics industry is essential to creating a new reality, which is why we work to become a source of ideas and transformations towards a new, circular and sustainable reality. Hence, Wemove concentrates its attention on initiatives focused on:

## EDUCATION

Looking for projects and programs that address responsible consumption and the correct disposal of plastic waste. Such is the case of Plastianguis and PlastiVale in the cities where we operate.

## DEVELOPING NEW TECHNOLOGIES WITH HIGH IMPACT POTENTIAL

To recover plastic waste, such as the alliance with our recycling partner Alcamare International Recycling Group. The synergy between the two companies represents a major access to a new and select market for high-quality recyclates that will complement the virgin grades that we produced.

## CIRCLE DESIGN

Use the growing supply of recycled products with quality and safety performance indicators to develop technologies that represent new paradigms for the industry, the incentive to conscious consumption and actions aimed at thinking about product design and life cycle.

Waste recovery through mechanical recycling is a powerful and necessary strategy to close the life cycle, creating value in the chain and creating a differential in the market amid the traditional economic model of producing, consuming and discarding by transitioning to a model where materials are kept in use for a longer time to promote the circular economy.

We aim to leverage the growing supply of high-quality recycled products with safety performance indicators to develop technologies that represent new paradigms for the industry, the incentive to conscious consumption and disposal, and actions aimed at considering ecodesign and the life cycle of products to consolidate and maximize initiatives in this direction.

# WEMOVE REPRESENTS THE WAY WE THINK AND ACT

*in promoting the Circular Economy. It is a brand that embraces projects that we believe are the key to transforming scenarios and enabling circularity.*





[3-3, 306-2]

# SOCIAL RESPONSIBILITY - RECYCLING PROGRAM HIGHLIGHTS

*In line with the Wemove initiatives described in its educational aspect, we generate and implement recycling programs in priority places for the company.*

Nurturing a recycling culture and educating people on how to separate and dispose of plastic waste properly is key to our strategy. We collaborate on projects with customers, brand owners, suppliers, neighboring communities, and civil organizations committed to sustainable development. We believe that our joint efforts will produce great results.

**IN 2022, WE COLLECTED 274 tons through our institutional recycling programs, which were sent for mechanical recycling by our recycling partner Alcamare.reciclador Alcamare.**

One of the institutional recycling programs that has been promoted for over five years is Plastianguis. Below are the activities carried out by this program in 2022:

## PLASTIANGUIS

*Braskem Idesa adopted this program in 2017; it was developed by the Mexican Association of the Chemical Industry (ANIQ) and aims to:*

- **Promote learning and dynamic activities** to reinforce knowledge about plastic waste, its identification, and responsible consumption and recycling by society; and
- **Facilitate access to a plastic waste collection infrastructure** by exchanging these materials for education or basic grocery baskets.

In 2022, Plastianguis was held in three states across Mexico, in line with the health and safety protocols that remain in force according to government indications:

- **Mexico City** (one-time event and continuous module)
- **Veracruz** (one-time event and Plastianguis in your Community).
- **Jalisco** (specific event and Plastianguis in your neighborhood).

[3-3, 306-2]

The highlights reported by each venue are presented as follows:

### IN MEXICO CITY:

Campus	Mexico City, CDMX	
Modality	One-time event - UNAM University Olympic Stadium	Continuous module - School of Chemistry at the UNAM
Date	May 13 - 17, 2022	June - December 2022
Impact	20 tons of plastic waste 30 ton of CO <sub>2</sub> e prevented +2,000 people benefited	15.8 tons of plastic waste 23.7 ton of CO <sub>2</sub> e prevented +400 people benefited





[3-3, 306-2]

IN VERACRUZ:

Campus	Nanchital, Veracruz	
Modality	One-time event – Former Nanchital Factory Park	Plastianguis in your Community – eight offices in six Communities *
Date	July 28–December 3, 2022	7 October–December 7, 2022
Impact	<b>119 tons of plastic waste</b> <b>178 tons of CO<sub>2</sub>e prevented</b> <b>+4,500 people benefited</b>	<b>31 tons of plastic waste</b> <b>46.5 tons of CO<sub>2</sub>e prevented</b> <b>+1,500 people benefited</b>

\*The Plastianguis in your Community model was implemented for the first time in 2022.



IN JALISCO:

Campus	Guadalajara, Jalisco	
Modality	One-time event – Autonomous University of Guadalajara (UAG)	Plastianguis in your Neighborhood – ten neighborhoods near the UAG*
Date	September 19–October 7, 2022	September 26–October 7, 2022
Impact	<b>11.2 tons of plastic waste</b> <b>18.3 tons of CO<sub>2</sub>e prevented</b> <b>+1,800 people beneficiadas</b> (including Plastianguis in your neighborhood)	<b>1 tons of plastic waste</b> <b>1.5 tons of CO<sub>2</sub>e prevented</b>

\*The Plastianguis model in your Neighborhood was implemented for the first time in 2022.



- In 2022, the **Plastianguis program** was **expanded** to include the “Plastianguis in your Community” and “Plastianguis in your Neighborhood” editions.
- Notably, nearly **200 tons of plastic waste** were collected in all **three states across Mexico**; **+10,000 people benefited**, and we prevented **298 tCO<sub>2</sub>e emissions**.
- Plastianguis is a program approved by the **Alliance to End Plastic Waste**.

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

*This collection center for Special Management Waste is a women’s cooperative that created 18 jobs this year to serve the municipality of Nanchital, schools and industries in the region.*

Plastien collects not only plastic but also cardboard, dead files and pallets to guarantee the correct disposal of waste and the traceability of recyclable material. It collected 31.6 tons of plastic waste in 2022, guaranteeing its traceability.





[3-3, 306-2]

PLASTIRED

*It is a program created to open community spaces with computers and internet access for all the residents while seeking to promote the culture of recycling in the towns of Pollo de Oro, Nahualapa, Los Coquitos and El Chapo.*

The dynamic consists of asking each user to present LDPE plastic caps that are eventually donated to the Plastien cooperative to be given a second life.

This year, ten computers and four printers were delivered to benefit more than 1,500 residents, thus bridging the digital gap in the towns surrounding the complex and improving their quality of life.



[3-3, 306-2]

PLASTIVALE

*We promote the circular economy in the region and promote environmental education in schools by encouraging a culture of recycling, training, and activities that reinforce learning about collecting post-consumer plastic waste, mainly PET and HDPE bottles.*

This year we scaled up to expand the scope to schools in the municipality of Coatzacoalcos and its congregations in Villa Allende and Mundo Nuevo to reinforce the collection and recycling culture and promote the circular economy, increase the collection of plastic and, with it, the number of beneficiaries.

In 2022, we collected 35.5 tons of plastic waste, thus confirming our commitment to the circular economy, the recycling culture and the care and preservation of the environment.







# SOCIAL PERFORMANCE

People are the foundation of the Braskem Idesa strategy, which is why our Team Members are the lead players in our story. Over time, we have perfected our actions to **respect** and **promote human rights**, guaranteeing a **safe, diverse and inclusive work** environment providing opportunities for growth and development for all Team Members, considering their physical and mental well-being.



[3-3]

Based on the significance of human capital for our business, our commitments and Commitments are also related to health and safety, social responsibility and human rights.



**Value Proposition for all Team Members: BeUx**

*We have consolidated our ambition to be recognized as a people-oriented company that promotes local development and human rights through BeUx, reflecting our most fundamental cultural elements by guiding the skills and competencies expected from our Team Members, who are fully evaluated and developed within the Company at 100%.*

The annual performance evaluation process is based on these elements and guides corporate initiatives and individual Team Member development. All Team Members, including business leaders, have an Action Program (AP) including corporate, shared, and individual objectives and behavioral competencies aligned with the Company’s culture.

To assess skills and competencies, we adopted the network assessment format in addition to the traditional direct boss evaluation since it provides a broader system that provides feedback from peers, other Team Members and leaders.

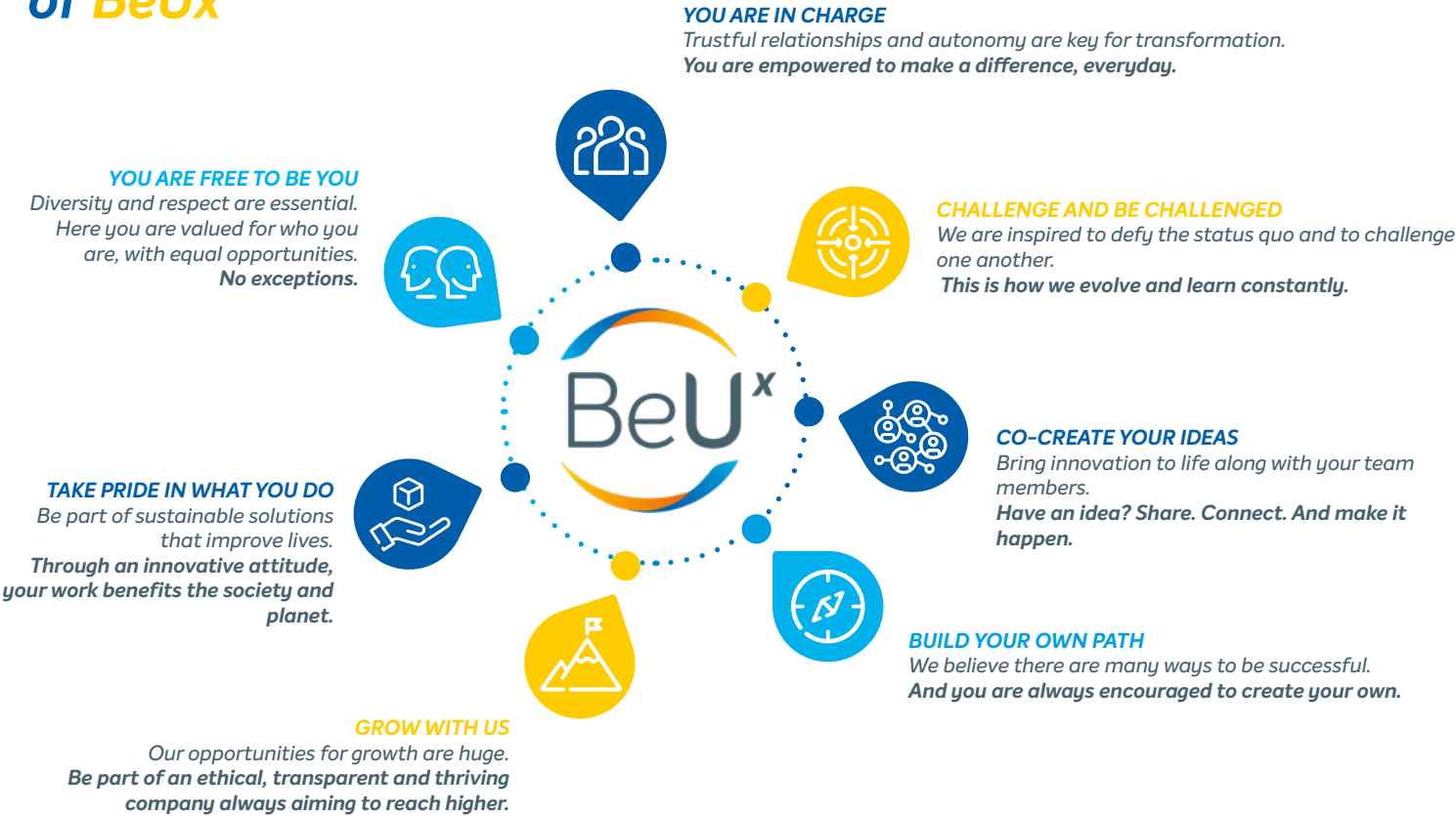
**100% of the Team Members** submitted to our network evaluation and received feedback from peers, other Team Members and company leaders in 2022.

It is important to note that all management and career development is established according to these evaluations and that variable remuneration (Employee Profit Sharing) results from a combination of factors evaluated in this process.



[3-3]

## The seven pillars of BeUx



**WE REMAIN AT THE FOREFRONT** and comply with the applicable regulatory framework, always addressing updates related to labor matters.

The importance of our **human capital** is also reflected in our constant **monitoring** of updates in the **legislative landscape** in Mexico, as well as compliance with the same, to ensure that our timely monitoring of the provisions established in those updates guarantees our compliance to ensure our operational continuity by avoiding labor issues that could affect our operation.

Aligned to our **risk matrix**, we have work teams that are dedicated to **verifying** the correct functioning of the **processes**, both the **development** and **implementation** of new projects, as well as traceability, progress, compliance and modifications of these and verify that they always adhere to Mexican standards and government requirements.

[2-7, 3-3, 401-1]

# TEAM MEMBERS OF BRASKEM IDESA

*We are convinced that in order to achieve an internal and external transformation, our Team Members must be at the heart of everything we do as a fundamental part of our strategies. Under these principles, we focus on finding the best candidates for each position, considering a diverse list of applicants, including men and women.*

In 2022, we increased our workforce to 961 Team Members and brought on new hires in our petrochemical complex in Veracruz.

The results of our efforts regarding the subject matter in 2022 are as follows:

	2021	2022
WOMEN AT BRASKEM IDESA		
Headquarters (CDMX)	86	82
Complex (Veracruz)	120	136
Total	206	218
MEN AT BRASKEM IDESA		
Headquarters (CDMX)	109	103
Complex (Veracruz)	624	640
Total	733	743
Total Team Members	939	961

[2-7, 401-1]

In 2022, our workforce was composed as follows:

## Female Team Members in 2022

	Dismissed Team Members	Turnover Rate	New Hires	Hiring Rate
Under 30	5	2.29%	23	10.55%
Age 30 to 50	21	9.63%	13	5.96%
Over 50	-	-	-	-
Total	26	11.93%	36	16.51%

## Male Team Members in 2022

	Dismissed Team Members	turnover rate	new hires	Hiring rate
Under 30	3	0.40%	21	2.83%
Age 30 to 50	36	4.85%	31	4.17%
Over 50	10	1.35%	4	0.54%
Total:	49	6.59%	56	7.54%

**We strengthened our workforce in 2022 with new female and male hires.**



[2-19, 2-20, 2-30, 3-3]

[3-3]

In addition to adhering to labor rights in terms of compensation, we established a strategy determined at the corporate level through annual salary surveys to analyze salary, benefits, and bonus trends within the sector and at the national market level to ensure the application of best practices.

We conduct **annual salary surveys** to analyze competitive industry salaries, benefits and bonuses, considering market practices nationwide.

Additionally, in the cases in which the Team Members decide to terminate their contract or retire, we apply the corresponding fair regulations to comply with our obligation to ensure the corresponding settlement.

**IN CONFORMITY**  
with Mexican law, **45.47%**  
of our Team Members are covered  
under a collective bargaining  
agreement.



### Diversity, Equity and Inclusion (DE&I) at Braskem Idesa

*Promoting a diverse, inclusive and equitable environment for all is our priority. The results of the Human Rights Due Diligence conducted in 2022 confirmed that multiculturalism is present in our daily lives, which presents even more challenges for DE&I actions. Therefore, we have set social responsibility and human rights commitments for 2030, according to DE&I particularities and in line with our sustainability strategy and Commitment 06.*

Likewise, as part of the results of Human Rights Due Diligence and the actions planned to reduce the potential risks related to this issue, we will provide training on human rights for:

- Middle and senior management.
- Operations Team Members.
- Induction courses for Team Members promoted to new positions.
- All Team Members will receive annual newsletters to further boost reinforcement on the subject matter.

We are also aware that integrating a diverse team with different types of experiences across generations can contribute to new perspectives, where working together can help increase innovation and creative problem-solving.. At Braskem Idesa, generational diversity among our Team Members is as follows: Baby Boomers (ages 60 to 77) 2%, Gen X (ages 44 to 59) 23%, Millennials (ages 28 to 43) 69%, and Gen Z (25, 26 and 27 years old) 6%.

**WE AIM TO CREATE A COOPERATIVE, INCREASINGLY inclusive, andwelcomingsociety, ensuringequalopportunity** through the Diversity, Equity and Inclusion Program.



[3-3]

Furthermore, in order to guarantee Diversity, Equity and Inclusion (DE&I) for our Team Members, operations, subsidiaries and our value chain, we have regulations in place with concepts, guidelines and commitments that help us maintain a proper relationship among peers to ensure that we become an increasingly human company.

This Corporate Regulation reinforces DE&I aspects in our Team Member experiences and is aligned with our BeUx model, which refers to people having a positive work experience during their career at Braskem Idesa.



**DE&I practices are key** elements in this process and are directly connected to one of the pillars of our **Team Members Value Proposition**: “You are free to be you.”

Respect is a non-negotiable value for Braskem Idesa. Therefore, diversity, equity and inclusion are included in our Team Members’ performance evaluations, including their leaders. These topics and collaboration are included in the fundamental competencies evaluated in the annual performance cycle.

*Our ambition regarding DE&I issues is for us to be recognized as a people-oriented company and a benchmark for promoting inclusion and equal opportunity, seeking to represent the societies in which we operate.*

We also extend our principles to our value chain and pay special attention to those behaviors that are not aligned with Braskem Idesa through protocols such as protection for victims of harassment and discrimination that are included in our internal and external Codes of Conduct so we know the definitions and examples of what we should not do, to ensure the prevention of any situation that could put their integrity at risk or violate their rights.

**We promote a Diversity, Equity and Inclusion culture** among all our Team Members, aligned with our sustainability strategy and our Commitment 06.

[3-3, 401-3]

Our commitment to promoting a diverse, equitable and inclusive culture includes parental leaves for Team Members. In 2022, 33 Team Members requested maternity or paternity leaves, including six women and 27 men. The Team Members returned to work at the end of their leaves.

We also have lactation rooms in our headquarters in CDMX and our complex in Veracruz to provide comfortable, safe and inclusive spaces for our Team Members and contractors.

**In 2022, we remodeled the lactation rooms in CDMX and Veracruz, reaffirming our commitment to being a humane and inclusive company.**





[3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7]

## Health and Safety at Braskem Idesa

Caring for the well-being of its Team Members, our neighboring communities, and the environment is a responsibility that we renew daily. Braskem Idesa practices integrated Health, Safety and Environment (SSMA) management based on the development of safety processes and sustainability projects, as well as the continuous reinforcement through with education and training of its Team Members.

### THE INTELIOUS MANAGEMENT SYSTEM

*Intelius is Braskem Idesa’s management system created to unify and simplify the translation of strategy into results, connecting different realities through minimum global standards and the exchange of best practices.*

This system comprises five pillars: **Health, Safety and Environment (HSE), Quality, Industrial Efficiency, Performance Management and Continuous Improvement and Best Practice Exchanges.** It is applied primarily to the Company’s industrial activities, and the implementation of its requirements leads to the identification and prevention of potential impacts on the safety and health of its Team Members, the environment, safe processes, the reliability of the assets and the quality of our products, seeking to promote the continuous improvement of our processes.

The system is subject to an annual internal audit to identify and address potential non-conformities concerning its guiding principles. In 2022, 100% of the industrial units and the corporate processes related to certain certifications, such as ISO 9001, were audited.



**WE REINFORCE  
OUR CULTURE OF  
RISK PREVENTION**  
based on discipline and  
respect for established safety  
processes and procedures.

[3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7]

## Governance and continuous improvement

The purpose of establishing clear governance for the management system is to guide its implementation, maintenance and improvement. In this regard, during 2022, we established a cycle for Intelius to be continuously operated through:

Documentation that is cohesive and consistent.

Implementation of requirements based on gap analysis and action plan.

Audits to verify compliance with the requirements implemented.

Review that helps us ensure the effectiveness of the management system and its adaptation to company strategies.



**In 2022 we reinforced the governance structure of our Intelius system** with regulations, documents, analyses, action plans and audits to ensure compliance.



[3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7]

In addition, to reinforce our commitments, we have a Health, Safety, Environment and Social Responsibility Policy based on six key principles:



[403-1, 403-3, 403-4, 403-5, 403-6, 403-7]

In addition, we make health services available to our contractors and Team Members, such as:

1. Laboratory studies
2. General exams
3. Outpatient treatments
4. First aid
5. Referral of patients to IMSS hospitals and clinics
6. Preventive medicine services
7. Monitoring and management of clinical files

We involve our Team Members and contractors so that they can develop professionally and operationally, strictly adhering to our prevention system. We offer additional courses and workshops to prevent any situation that could jeopardize our operations. Some of the topics covered include:

- Work at heights
- Hot work and on energized power lines
- Isolation of hazardous energies (LOTO)
- Hydrojetting
- Blasting
- Correct use of personal protective and work equipment
- Management of the Preventive Index (PI) for the entire organization
- Human Reliability
- Hazardous Energy Isolation (LOTO) Certification
- Certification of first openings of lines and equipment.

**We are committed to caring for the health and safety** of our Team Members, contractors and stakeholders through our management system, Health, Safety, Environment and Social Responsibility policy and in keeping with our Commitment 1.





[3-3, 403-1, 403-3, 403-4, 403-5, 403-6, 403-7]

[403-1, 403-3, 403-4, 403-5, 403-6, 403-7]

## Industrial Safety Indicators

*The safety of people is a non-negotiable value for us, and we want all the Team Members of our team to be well and healthy during their workday at Braskem Idesa. Based on the Human Rights Due Diligence process results, our industry is intrinsically subject to occupational health risks. For this reason, we have adopted a series of measures to promote people’s health, safety and well-being.*

Regarding safety and security, we operate based on the Human Reliability Program and work closely with third parties. We have also adopted measures regarding process safety, logistics and products.

In terms of health and well-being, we implemented the Comprehensive Health Program and continuous improvement in occupational hygiene, as well as programs addressing the well-being of our Team Members, the results of which were reflected in the Pulse Survey.

### Human Reliability Program


We have consistently followed our journey of human reliability, which is essential to achieving our 2030 health and safety goals. The objective of this program is to reduce trends in errors and losses in operations to maximize production and operational efficiency, supported by the integration of people and technology in processes.

In 2022, we conducted Human Reliability Training for Team Members at our complex with the participation of more than 500 people, including union members, non-union members, contractors, interns, apprentices, and others.

### Incident rate with and without loss of time

Industrial Safety Indicators	
Recordable incident rate (LTI+NLTi) = N*/MH	0.37
Lost time injury frequency rate (LTIFR) = N*/MH	0.19
Tier 1 Process safety event rate = N*/MH	0.19
Tier 2 Process safety event rate = N*/MH	0.19
Tier 1 Process safety severity rate = score/MH	16.24

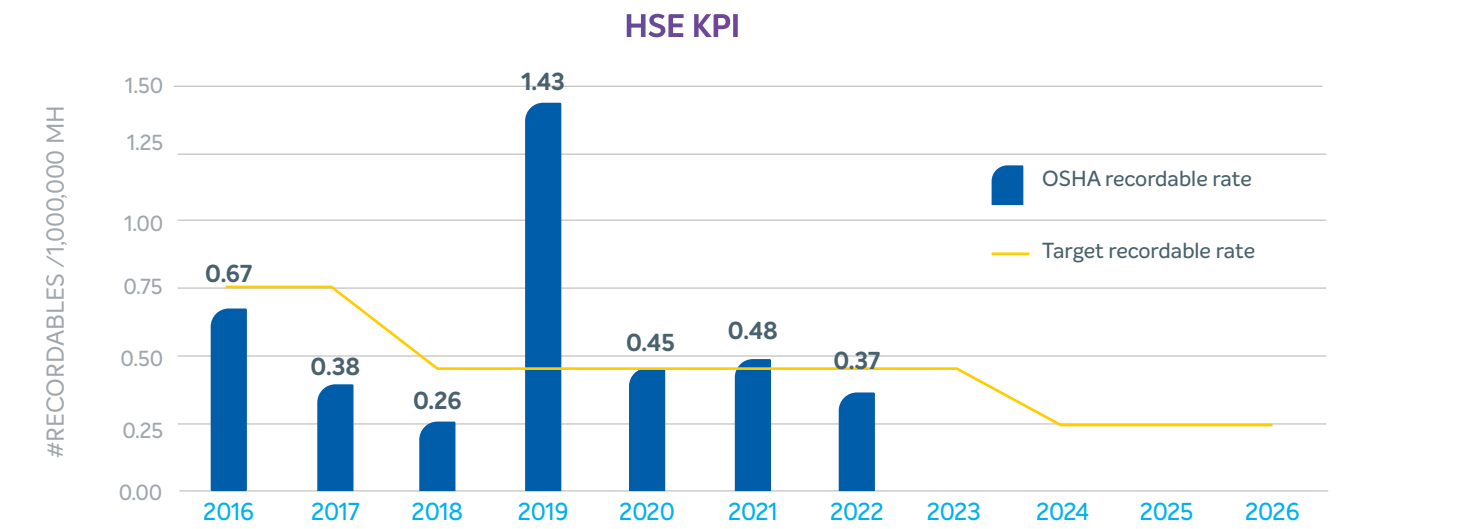
\*Manual Materials Handling (MMH): The process of routinely moving and manipulating objects by carrying, holding, lifting, pulling, pushing, and bending.



**WE ARE COMMITTED TO REDUCING THE**  
**with and without lost time, to 0.25 incidents per one million**  
**hours worked by 2030.**

## People Frequency Rate (LTI+NLTi)

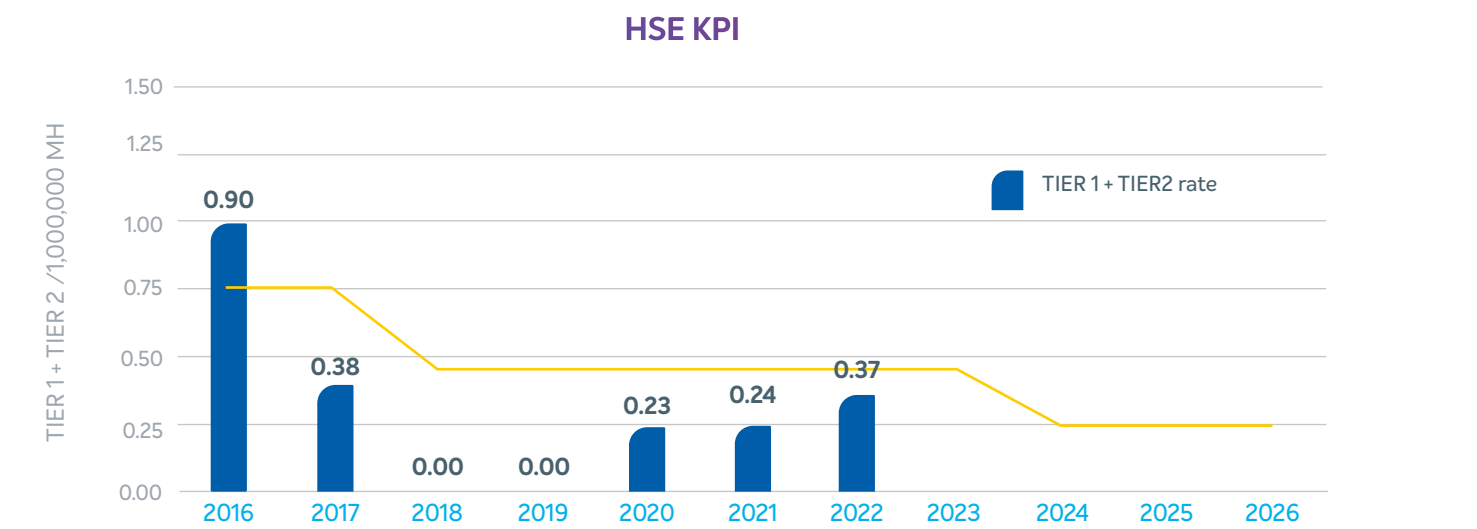
Our recordable incident rate (LTI + NLTi) in 2022 was 0.37 per million hours worked. As we aim to reinforce our safety culture, we have emphasized the activities included in the Human Reliability Program and closer monitoring of contractors regarding health, safety and environmental requirements.



## Process safety

One of our objectives in health and safety is to reduce the frequency of process incidents; therefore, during 2022, we focused on studies for identifying, analyzing and mitigating process risks.

### Process Safety Frequency Rate (TIER 1 + TIER 2):





[3-3, 413-1]

# COMMUNITY

In keeping with our Commitment 6 and reiterating our **commitment to sustainable development**, we maintain a **Private Social Investment (PSI) strategy**, through which we make voluntary, planned, supervised and evaluated use of private resources for the execution of initiatives of public interest, guided by the company strategy and by the participation of the community, the government and other companies.

### This strategy focuses on three key areas:

- 1

Promoting projects in which the **circular economy** adheres to the company business model, joining forces to tackle challenges relating to sustainability and encouraging environmental education.
- 2

Empowering people to improve their quality of life through **innovation and local entrepreneurship** through businesses with a high socio-environmental sense and primarily promoting women's empowerment.
- 3

Encouraging **education**, particularly in areas related to technical training and Science, Technology, Engineering and Mathematics (STEM).

**DURING 2022 WE MAINTAINED OUR SOCIAL LICENSE** to Operate through the culture of being a **good neighbor** by promoting social development, well-being, health, safety, and environmental conservation.

[3-3, 413-1]

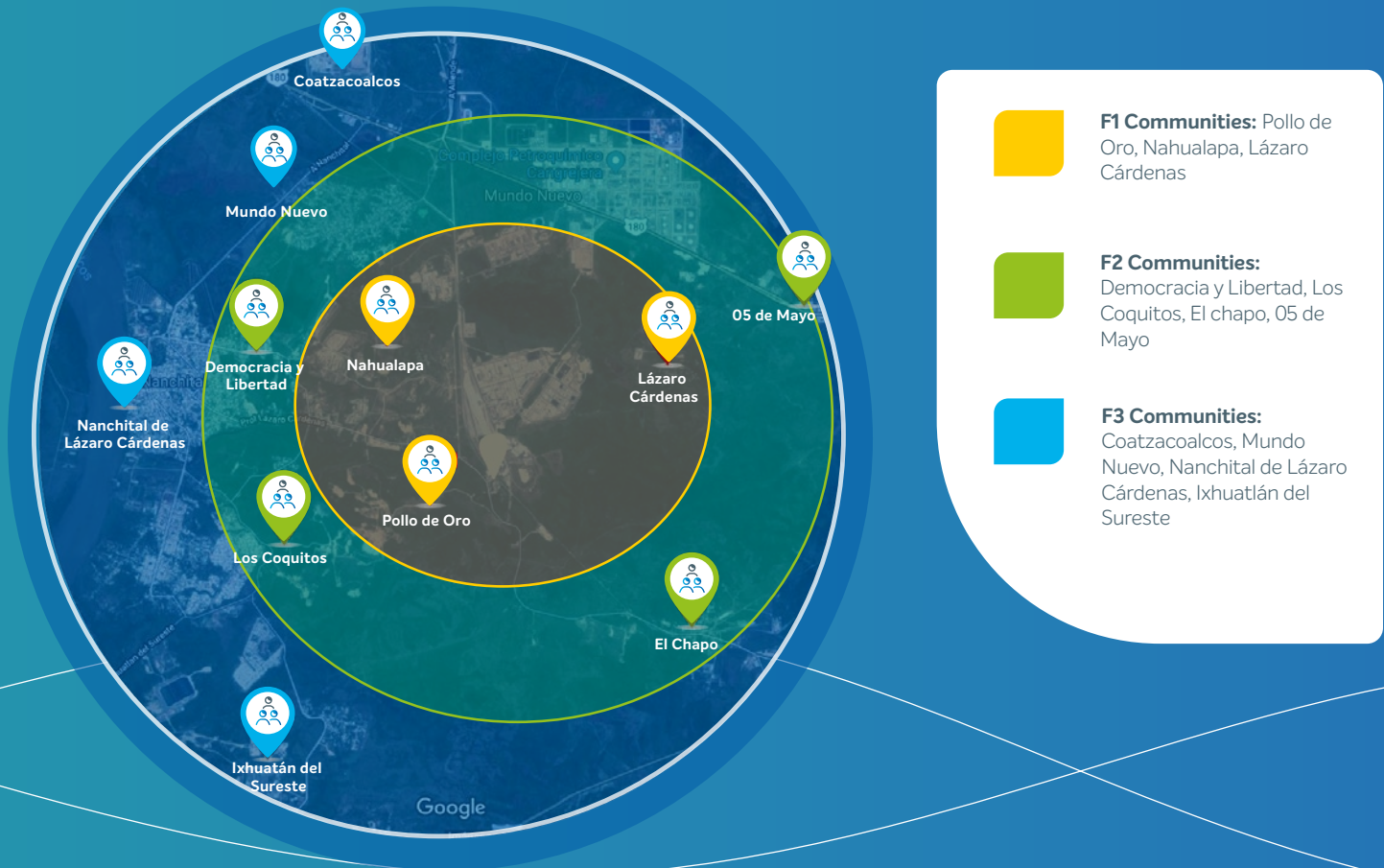
In addition to these projects, we have mechanisms that guide our actions, establish guidelines and improve our community relations, including:

- Global Sustainable Development Policy
- Global Quality, HSE and Social Responsibility Policy
- Social Management System
- Sponsorships and Donations Guidelines and Procedures

### Our area of social influence

We seek to maintain a good relationship with the local communities where we operate, being a good neighbor and ally based on building a sustainable relationship of learning, exchange and good practices.

Throughout 2022 we **worked hand in hand with the communities** within our area of social influence with actions that maximize our **positive social impact** and contribute to the **sustainable development** of those communities.





[413-1]

# SOCIAL RESPONSIBILITY PROGRAMS 2022

**We understand our role in the world and seek to act as agents of transformation.** Based on the global social responsibility strategy, we invest in projects with a social and environmental impact in those locations within our area of social influence. The projects are funded by donations, sponsorships, private social investment, and the Volunteer Program centered on the following long-term causes: education, the circular economy, local entrepreneurship, and innovation.

## Corporate Volunteering

We are convinced that strengthening social development is achieved through the cooperation and work of various actors who truly have the commitment to volunteer to join forces, which is why we have been able to strengthen our program, in which our Team Members and guests join us to achieve our goals through three lines of action:



### 1. THE VOLUNTEER LEAGUE

Is an initiative in which our Team Members give part of their time to specific actions in nearby communities throughout the year. During 2022, we invested more than 100 hours of volunteering, with more than 175 volunteers and benefiting 9,500 people through eight initiatives.

[413-1]

1

**Toy delivery:** toys were distributed in commemorating Three Kings Day in the communities that belong to Braskem Idesa's areas of social influence, both in CDMX and Nanchital.



2

**Beach cleaning:** in conjunction with the Coatzacoalcos City Council, we organized beach cleanup days, benefiting 3,300 people.



3

**Rehabilitation of public spaces:** in 2022, we were able to give new life to the Parque Ex Factoría with the support of the city council. WE planted ornamental plants and painted the sports field, fence, structure, roofs, and park benches.





[413-1]

4

**Sponsor a student:** collecting school supplies to benefit more than 200 students at different levels.



5

**Equipping pantries:** with corporate volunteers and joining forces with the Olmeca Region Food Bank through the “Recycling Volunteering” program, we went to the BARO facilities to deliver basic food baskets that will later be consolidated in 7,000 pantries and exchanged for post-consume plastic waste. The “Recycling Volunteering” program seeks a double benefit for citizens: to foster education on recycling post-consume plastic waste and help the economy of vulnerable families in the southern region of Veracruz.



6

**School Safety Fair:** in September, we organized a school safety fair with the participation of Nanchital schools, aiming to promote the culture of Civil Protection in the student community.



[413-1]

7

**PlastiFeria:** during April, in commemoration of Children’s Day, we brought the Plastifieria to 30 schools in Nanchital and their communities to promote a culture of recycling in children and to make them aware of the types of plastic that exist and how they can be used.



8

**Environmental Fair:** on June 4, 2022, the “One Earth” environmental fair was held, an event in which we shared our internal post-consumer plastic waste recycling programs and promoted environmental education through educational game modules, promoting identification, separation and final disposal of post-consumer plastic waste.

## 2. THE VOLUNTEERING GAME

*Is a project whose objective is for our Team Members to contribute to society on their own, either individually or as a team, with actions in organizations outside the scope of our offices or the petrochemical complex.*

At the end of the competition, three winning teams are selected, who receive an in-kind donation from the company to close the 360 support provided to the organization with which they worked. In 2022:

- 4 teams of Team Members
- 100 volunteers
- 500 volunteer hours
- 1,900 beneficiaries
- 4 civil society organizations supported: Fundación Quetzalli, Ecokaans, Oceanican, Fundación Aquí Nadie Se Rinde.



[413-1]

### 3. WE CARE WEEK

*Is a week of activities dedicated to the Circular Economy, in which our Team Members can participate in any of the actions presented to promote the recycling culture. The results obtained in 2022 were:*

- **19** volunteers
- **28** hours of volunteering
- **452** kg of collected waste
- **323** beneficiaries

## IN 2022, OUR VOLUNTEER ACTIONS

benefited more than 11,000 people through the 600 hours invested in these actions by more than 300 volunteers, resulting from the great teamwork of everyone involved in bridging the social gap.

### COVID-19 Contingency Aid Program

*We have partnered with health clinics, sanatoriums and hospitals in the region to reduce the number of infections and contribute to the new normal after the COVID-19 pandemic. In 2022, we resumed our grocery-delivery activities to support communities in the region.*

In addition, for the third consecutive year, we supported healthcare personnel with medical supplies (such as face masks, antibacterial gel and gloves) so that they can offer quality services and guarantee the integrity of both the population and the personnel to attend to emergencies without obstacles:

- **300 basic grocery baskets** in Pollo de Oro, Nahualapa, Lázaro Cárdenas, and Los Coquitos.
- **1,000 medical supplies** in health clinics in Nanchital, sanatoriums in the communities and the local Red Cross.



### Community Health and Safety (CHS) Program

In addition to contributing with donations, we promote a culture of preventive health and safety among the population, therefore in collaboration with health authorities (Health District No. 11 and the Nanchital Health Clinic), Municipal Civil Protection and the Local Committee for Mutual Aid (CLAM), we implemented various actions to contribute to prevention:

#### HEALTH:

##### Medical visits in the communities

- We worked with the Nanchital Health Clinic by conducting medical visits in the **four communities** closest to our complex, providing medical exams and medications for **355 people**.

##### Healthcare Campaigns

- We carry out three healthcare campaigns throughout the year benefiting **1,777 people**:
  - » The prevention of gastrointestinal diseases in **three communities** serving more than **500 participants** by providing mosquito-bite prevention talks, delivering antiparasitic medications, and distributing 483 vitamins to children and adults.
  - » Fight against dengue in **11 neighborhoods** of **four communities** in the area, with the participation of **10,000 people** and **2 tons** of waste to eliminate mosquito breeding sites.
  - » Fight against breast cancer in three communities attended by more than **150 women** who received **50 ultrasounds**, such as mammograms and prevention talks on timely detection.





[413-1]

SAFETY AND SECURITY

Community Brigades

- In collaboration with Nanchital Civil Protection, we carry out work and **training sessions for Community Brigade members**, volunteers who are trained in first aid every year and guides for action in the event of an accident or emergency so that they can support their community.

Safe School

- In support of the **Local Mutual Aid Committee (CLAM) Program**, we have adopted community schools to carry out preventive activities, training and donations of basic resources to be used in an emergency:
  - » We continuously install and check fire **extinguishers**.
  - » In collaboration with **four schools**, we participated in the **commemorative National Drill** on September 19.
  - » We held a **Children's Civil Protection Fair** to teach **200 children** a Civil Protection Plan, provide an emergency backpack and identify emergency signs creatively to make learning easier.



➤ **+50,000** PEOPLE BENEFITED from our social programs in 2022.

[413-1]

CULTURAL PROGRAMS

In contribution to social development and the reduction of the social gap, we implement cultural actions for the benefit of our communities:

Children's Day

- As mentioned earlier, we took the PlastiFeria to various schools in the area as part of our Corporate Volunteering program to celebrate their day and teach more than **2,000 students** in different schools in Nanchital about the **importance of recycling**.

Mother's Day

- We held the **talk "Loving Mother; I love you, I love myself"** with professionals and a psychologist's support. In addition, we held a raffle for **300 gifts** for our guests as part of the Mother's Day celebration in the El Chapo community.





[413-1]

## Stakeholder Engagement Plan (SEP)

### Community meetings

As a result of the health crisis, the Community Meetings project was paused; however, in 2022, we resumed it in person in three communities near the Braskem Idesa petrochemical complex and through a meeting to generate an open and transparent dialogue with community members on issues related to the operation of the Complex and the results of our social programs to share our progress and receive their feedback. .

**WE FACILITATE**  
**timely and effective**  
attention to concerns and requests  
from our stakeholders.

Community Meetings were held in the communities of Nahualapa, Pollo de Oro and Lázaro Cárdenas with the participation of 141 residents, which allowed us to reaffirm our commitment as a socially responsible company and generate close ties with neighboring communities, facilitating attention to their concerns and requests in a timely and effective manner.

### AVANZA Program

In addition to contributing to society, we are committed to promoting entrepreneurship since we believe that it is a way to generate a positive impact on the social and economic development of the communities in which we operate, in addition to contributing to the training in skills to generate an improvement of employment opportunities in the region.

Among the certifications and training sessions we provided this year:

- Supervision in Industrial Safety for work team leaders
- Horizontal forklift operation
- Direct arc welding
- Garment making
- Pipe welder
- Stick welder

**IN 2022 OUR AVANZA PROGRAM**  
developed the skills of **104 people**, **57% of whom are men** and **43% women**.



[413-1]

### La Sociedad Cooperativa Confecciones UNIMEX S.C. DE R.L. DE C.V. (TEXTISUR)

This cooperative promotes the development of seamstresses through our AVANZA program. In 2022, 30 people were trained in industrial clothing manufacture and other types of learning that they will be able to apply to their daily lives, but, above all, to work at Textisur. This initiative was developed as an employment option in the region.

### Participatory Environmental Monitoring (PEM)

This project was developed as an initiative to involve the community in the care and conservation of the environment. In this action, residents participated voluntarily to study possible impacts on air quality, water and noise levels, situations that could alter our relationship with them and our stakeholders.

In 2022, three environmental samples were taken (one for air quality and two for surface and groundwater). The results were shared with students from the Universidad Tecnológica del Sureste de Veracruz (UTSV) Nanchital campus and the Universidad Veracruzana (UV) Coatzacoalcos campus, as well as with residents of the area of social influence, with the participation of 291 people.



How we presented the program to our community:

1. We **introduce the program** and provided a detailed description of mitigation activities in our petrochemical complex.
2. **Sampling** is conducted with the support of a certified laboratory where the procedure and equipment used for each type of monitoring are explained.
3. A **presentation of results** is carried out in the same place where the first session was held, and the results are delivered after 30 days of sampling.

Our results in 2022 were as follows:

#### Air Potential recipient

**El Chapo**  
Lazaro Cárdenas  
Nahualapa

**Pollo de Oro**  
Los Coquito  
Braskem Idesa

#### Water Potential recipient

**Arroyo Copalapa**  
Upstream and downstream  
**Arroyo Nanchital**  
Upstream and downstream  
2 groundwater wells

**Lázaro Cárdenas**  
2 groundwater wells  
**Nahualapa**  
2 groundwater wells  
**Pollo de Oro**

#### Noise Potential recipient

**Lazaro Cárdenas**  
Nahualapa

**Pollo de Oro**  
Braskem Idesa



GRI CONTENT  
INDEX

GRI

CONTENT INDEX  
ESSENTIALS SERVICE

2023

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. The Content Index- Essentials Service was carried out in the Spanish version.

Statement of use	Braskem Idesa S.A.P.I (Investment Promotion Company) and Braskem Idesa Servicios S.A de C.V. has reported in accordance with the GRI Standards for the period of January 1st to December 31st in 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission Reason	Explanation
GRI 2: GENERAL DISCLOSURES 2021				
1. The organization and its reporting practices				
2-1 Organizational details	p. 4, 16 The Braskem Idesa Complex comprises one ethane cracker, two high-density polyethylene (HDPE) plants and one low-density (LDPE) plant. We are based in Mexico City, where our head office is located at Boulevard Manuel Ávila Camacho 36, 24th Floor, Colonia Lomas de Chapultepec, 11000 Miguel Hidalgo, CDMX. Our Complex is located at Carretera Nanchital-El Chapo Km 3.5, 96360 Nanchital de Lázaro Cárdenas del Río, Veracruz.			
2-2 Entities included in the organization's sustainability reporting	p. 4			
2-3 Reporting period, frequency and contact point	p. 4			
2-4 Restatements of information	Our main information update in 2022 was the materiality study that helped us to develop the information, going from 16 to the 21 material topics we included in the report.			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission Reason	Explanation
2-5 External assurance	p. 158, 159, 160, 161			
2. Activities and workers				
2-6 Activities, value chain and other business relationships	p. 18-24			
2-7 Employees	p. 98, 99 Most of our Team Members are full-time employees working under permanent contracts. However, specific jobs or requirements, particularly at our complex, involve temporary employees. In this sense, in 2022, we were supported by four Team Members working under this modality (one woman and three men) on specific projects within the complex.			
2-8 Workers who are not employees	Most of our Team Members are full-time employees working under permanent contracts.			
3. Governance				
2-9 Governance structure and composition	p. 42, 43, 44, 45 The Board of Directors comprises seven members, all male and a female non-member who serves as secretary of the Board. The Board Members are chemical, petrochemical and plastic industry experts and have the skills to properly guide, assess, and manage the organization's potential risks and impacts. The shareholders appoint them according to the corporate Bylaws to act with integrity in the Company's best interest and in the interest of the different social groups with which it has a relationship. It is considered that the Board is adequately represented in terms of the interest groups linked to management.			
2-10 Nomination and selection of the highest governance body	p. 42, 43, 44, 45			
2-11 Chair of the highest governance body	p. 42, 43, 44, 45			



Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
2-12 Role of the highest governance body in overseeing the management of impacts	p. 42, 43, 44, 45			
2-13 Delegation of responsibility for managing impacts	p. 42, 43, 44, 45			
2-14 Role of the highest governance body in sustainability reporting	p. 42, 43, 44, 45			
2-15 Conflicts of interest	p. 47 The Compliance Division usually assesses conflicts of interest. There is a potential for conflicts of interest under Corporate Governance, primarily related to operations with the Company's Related Parties or shareholder change of control, which have not occurred to date.			
	Both cases are contemplated in the Bylaws and the corporate agreement, with a specific procedure for resolution in the event of a conflict.			
	In the case of operations with Related Parties, in practice and in accordance with the corporate documents that currently govern the Company, conflicts of interest are prevented from the moment the operation is submitted for approval since the Board Members belonging to the shareholder involved in the operation, are not involved in the voting process.			
2-16 Communication of critical concerns	p. 53			
2-17 Collective knowledge of the highest governance body	In 2022, none of the Board Members took training courses on sustainability or social responsibility; however, the corresponding initiatives and programs were presented for approval by management, who explained the details included in each program and their social impacts. Plans for 2023 include a program to train the Board Members on these topics.			
2-18 Evaluation of the performance of the highest governance body	p. 42, 43, 44, 45			
2-19 Remuneration policies	p. 100			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
2-20 Process to determine remuneration	p. 100			
Disclosure 2-21 Annual total compensation ratio		Requierements a,b and c	Information not available or incomplete	Due to confidentiality reasons, no compensation ratio is presented.
4. Strategy, policies and practices				
2-22 Statement on sustainable development strategy	p. 6, 7, 8, 9			
2-23 Policy commitments	p. 46			
2-24 Embedding policy commitments	p. 46, 47			
2-25 Processes to remediate negative impacts	p. 47			
2-26 Mechanisms for seeking advice and raising concerns	p. 47, 53, 54, 55			
2-27 Compliance with laws and regulations	Braskem Idesa has not been punished or fined for violating social or economic regulations.			
2-28 Membership associations	p. 39			
5. Stakeholder engagement				
2-29 Approach to stakeholder engagement	p. 31, 32, 33			
2-30 Collective bargaining agreements	p. 100			
MATERIAL TOPICS				
GRI 3: MATERIAL TOPICS 2021				
3-1 Process to determine material topics	p. 26, 28, 29, 30 The updated materiality matrix reflects changes in the Company's environment and priority topics related to Braskem Idesa's operations and those in other regions where Braskem has a presence. The materiality matrix was updated to verify the validity of the material topics identified in the past and strengthen our matrix with elements that have become more important.			



Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
3-2 List of material topics	p. 26, 28, 29, 30 The updated materiality matrix led to the identification of 21 material topics. The increase in material topics in our matrix corresponds to the process related to identifying new topics, mitigating and managing potential risks and identifying trends linking the business and our operations in all regions where Braskem has a presence, including Mexico. The update also provides a more conscious vision of the relevant emerging topics on sustainability.			
1. Climate Change				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69			
2. Post-Consumption of Plastics				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69, 82-85			
GRI 301: MATERIALS 2016				
301-1 Materials used by weight or volume	3,350 tons of PCR consumed in 2022 8,820 tons of PCR compounds sold in 2022			
301-2 Recycled input materials used	p. 82			
301-3 Reclaimed products and their packaging materials	Rigid Applications (mainly blown bottles) = 7,260 tons sold (2,770 tons of PCR used) Flexible Applications (mainly film) = 1,560 tons sold (580 tons of PCR used)			
3. Water and Effluents Management				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69, 70			
GRI 303: WATER AND EFFLUENTS 2018				
303-1 Interactions with water as a shared resource	p. 70, 71, 72			
303-2 Management of water discharge-related impacts	p. 71, 72			
303-3 Water withdrawal	The volume of total water consumption equals the volume of water extracted.			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
303-4 Water discharge	p. 70, 71, 72			
303-5 Water consumption	p. 70, 71, 72			
4. Air Pollution				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69, 74			
GRI 305: EMISSIONS 2016				
305-1 Direct (Scope 1) GHG emissions	p. 74, 75			
305-2 Energy indirect (Scope 2) GHG emissions	p. 74, 75			
305-6 Emissions of ozone-depleting substances (ODS)	p. 74, 75			
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	p. 74, 75			
5. Energy efficiency				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69, 72			
GRI 302: ENERGY 2016				
302-1 Energy consumption within the organization	p. 73 In 2022, there was no consumption of energy from renewable sources.			
302-3 Energy intensity	p. 72, 73			
302-4 Reduction of energy consumption	p. 72, 73			
6. Feedstock Impacts				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69			
7. Biodiversity and Land Use				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69, 78, 79			
GRI 304: BIODIVERSITY 2016				
304-3 Habitats protected or restored	p. 78, 79			



Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	p. 78, 79			
8. Waste Management				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 68, 69, 80, 82, 84-93			
GRI 306: WASTE 2020				
306-1 Waste generation and significant waste-related impacts	p. 82, 84, 85			
306-2 Management of significant waste-related impacts	p. 82, 84-93			
306-3 Waste generated	p. 80, 81			
306-4 Waste diverted from disposal	p. 80, 81 In 2022, Braskem Idesa did not use disposal methods other than those presented in the report, such as incineration or deep well injection, which are taken into account both inside and outside the organization. The record in 2022 was 0.			
306-5 Waste directed to disposal	p. 80, 81 In 2022, Braskem Idesa did not use disposal methods other than those presented in the report, such as incineration or deep well injection, which are taken into account both inside and outside the organization. The record in 2022 was 0.			
9. Health, Safety and Wellness				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 96, 97, 104, 105, 106			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018				
403-1 Occupational health and safety management system	p. 104-109			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
403-2 Hazard identification, risk assessment, and incident investigation	We follow a Bird pyramid model focused on prevention based on data from an electronic management system where Near Incident (NM) reports help us take preventive actions. The generation of our action plans is also focused on mitigating the direct and contributing causes. Tools such as PowerBI, Microsoft Forms, and IMPACT help us communicate and manage the process within SSMA. We also have a Preventive Indicator that includes disseminating lessons learned, tours to identify unsafe conditions, behavioral dialogues, and work permit audits to nurture improvements throughout the complex. d. We have a Report, Classification, Investigation and Communication of SSMA Incidents - PO-SSMA-SI-24 procedure aligned with global guidelines. Overview: When there is a work incident related to employee injuries or diseases, an Environment and Process Safety investigation is conducted under the Root Cause Analysis technique, including Apollo, PROACT, Ishikawa and the Five Whys, aimed at understanding the development of events and determine why they have happened, to identify the causes that produced it and mitigate or eliminate them to prevent future incidents.			
	This routine includes using the Safe Task Analysis Hazard & Risk assessment tool that helps us evaluate the scenario before starting the work and think about the controls to mitigate them.			
403-3 Occupational health services	p. 104-109			
403-4 Worker participation, consultation, and communication on occupational health and safety	p. 104-109			
403-5 Worker training on occupational health and safety	p. 104-109			
403-6 Promotion of worker health	p. 104-109			



Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 104-109			
403-8 Workers covered by an occupational health and safety management system	Braskem Idesa uses a flowchart to classify industrial safety incidents and report, classify, investigate and communicate HSE incidents. This system fully covers our 961 Team Members at 100%.			
403-9 Work-related injuries	In 2022, there were no deaths in Braskem Idesa operations, so the death rate is zero. We had one disabling event (CAF) and one restrictive event (SAF), with a 0.37 accident rate (Recordable rate CAF+SAF (N°/MMWH) = 0.37).			
403-10 Work-related ill health	In 2022, we had no deaths resulting from occupational illness or disease and did not identify any occupational diseases or illnesses.			
10. Human Rights				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	<div>In 2022, we conducted human rights due diligence on all Braskem units globally. As a result of the process, opportunities for improvements were found in :</div> <div><ul style="list-style-type: none"><li>Relationship with communities</li><li>Supply chain</li><li>Disposal of plastic</li><li>Occupational health</li><li>Diversity, equity and inclusion</li></ul></div>			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
GRI 410: SECURITY PRACTICES 2016				
410-1 Security personnel trained in human rights policies or procedures	Regarding the security personnel, no human rights training was conducted in 2022 because the program was designed to take place at the beginning of the security services company contract (every 3 years). In 2023, there will be a change of company and the program will consist of: Formation of internal instructors with middle and upper management of the company + training for all operational staff + training as part of the induction to the position for new recruits who join after training + annual reinforcement through communication bulletins.			
11. Communities and Social Investments				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 110, 111 Our Social Risk Management tools are The Grievance and Complaints Mechanism and the Social Traffic Light.			
GRI 413: LOCAL COMMUNITIES 2016				
413-1 Operations with local community engagement, impact assessments, and development programs	p. 110-121			
413-2 Operations with significant actual and potential negative impacts on local communities	p. 56, 57			



Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
12. Diversity, Equity, and Inclusion				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 101, 102, 103			
GRI 202: MARKET PRESENCE 2016				
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Does not apply since no Team Members receive the minimum wage.			
GRI 401: EMPLOYMENT 2016				
401-3 Parental leave	p. 103			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016				
405-1 Diversity of governance bodies and employees	The Board of Directors comprises seven members, all of whom are men, mostly Gen Xers, ages 44 to 59.			
405-2 Ratio of basic salary and remuneration of women to men	Does not apply since men and women receive equal pay			
13. Employment, Development, and Retention				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 98			
GRI 202: MARKET PRESENCE 2016				
202-2 Proportion of senior management hired from the local community	21% of our senior executives are local recruits. Senior management includes professional managers, directors, vice presidents and presidents. Local senior manager figures are based on the place of birth when born in the state they work in. This content is controlled in all the countries in which they have operations with industrial plants and commercial offices. We define them as CDMX: Born in Mexico City, primarily at our headquarters, and Coatzacoalcos: Born in Veracruz and working in operations at the complex.			
GRI 401: EMPLOYMENT 2016				
401-1 New employee hires and employee turnover	p. 98, 99			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
14. Financial and Economic Results				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 60, 61, 64, 65			
GRI 201: ECONOMIC PERFORMANCE 2016				
201-1 Direct economic value generated and distributed	p. 61, 62, 63			
201-2 Financial implications and other risks and opportunities due to climate change	p. 60, 70, 154-157			
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
203-1 Infrastructure investments and services supported	p. 64, 65			
203-2 Significant indirect economic impacts	p. 64, 65			
15. Supply Chain Management				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 23, 24			
GRI 204: PROCUREMENT PRACTICES 2016				
204-1 Proportion of spending on local suppliers	p. 23, 24			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016				
308-1 New suppliers that were screened using environmental criteria	We do not consider environmental criteria in our current prequalification, supplier selection and evaluation process. However, we will formally assess the implementation of ECOVADIS in 2023 to ensure compliance with environmental criteria.			
308-2 Negative environmental impacts in the supply chain and actions taken	We do not consider environmental criteria in our current supplier prequalification, selection and evaluation process. However, we will formally assess the implementation of ECOVADIS in 2023 to ensure compliance with environmental criteria.			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016				
414-1 New suppliers that were screened using social criteria	We do not consider social criteria in our current supplier prequalification, selection and evaluation process. We will evaluate ECOVADIS to determine if it covers these aspects.			



Disclosure	Page/URL/Direct Response	Omission		
		Requirements(s) omitted	Reason	Explanation
414-2 Negative social impacts in the supply chain and actions taken	We do not consider social criteria in our current supplier prequalification, selection and evaluation process. We will evaluate ECOVADIS to determine if it covers these aspects.			
16. Innovation, Technology and Digitalization				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	<p>The risk assessment process takes advantage of opportunities and identifies potential negative financial, reputational, operational, and regulatory consequences for the Company.</p> <p>The Braskem Idesa risk management methodology is based on international references, such as ISO 31000 and COSO – Enterprise Risk Management, and divides risks into four categories: strategic, operational, financial and regulatory. Risks are periodically evaluated by our senior management team and submitted to a regional and global consolidation process. These analyses are based on the potential impact and probability of occurrence, and the results are presented in a heat map approved by the Board of Directors. Once the analysis is approved, the priority risks are treated and supervised by the Board of Directors and its advisory committees to mitigate and prepare the Company to face adversities. We are monitoring the most notable findings obtained from our evaluation of the corporate risks found in all Braskem and Braskem Idesa operations in 2022, which are as follows:</p> <ul style="list-style-type: none"><li>• Plastic image</li><li>• Climate change</li><li>• Socio-environmental aspects</li><li>• Petrochemical sector cycle</li><li>• Information security and cybersecurity</li><li>• Macroeconomic and geopolitical factors</li></ul>			

Disclosure	Page/URL/Direct Response	Omission		
		Requirements(s) omitted	Reason	Explanation
17. Product Stewardship				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics		<p>The risk assessment process takes advantage of opportunities and identifies potential negative financial, reputational, operational, and regulatory consequences for the Company.</p> <p>The Braskem Idesa risk management methodology is based on international references, such as ISO 31000 and COSO – Enterprise Risk Management, and divides risks into four categories: strategic, operational, financial and regulatory. Risks are periodically evaluated by our senior management team and submitted to a regional and global consolidation process. These analyses are based on the potential impact and probability of occurrence, and the results are presented in a heat map approved by the Board of Directors.</p> <p>Once the analysis is approved, the priority risks are treated and supervised by the Board of Directors and its advisory committees to mitigate and prepare the Company to face adversities. We are monitoring the most notable findings obtained from our evaluation of the corporate risks found in all Braskem and Braskem Idesa operations in 2022, which are as follows:</p> <ul style="list-style-type: none"><li>• Plastic image</li><li>• Climate change</li><li>• Socio-environmental aspects</li><li>• Petrochemical sector cycle</li><li>• Information security and cybersecurity</li><li>• Macroeconomic and geopolitical factors</li></ul>		

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
18. Responsible Production and Consumption				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	<p>The risk assessment process takes advantage of opportunities and identifies potential negative financial, reputational, operational, and regulatory consequences for the Company.</p> <p>The Braskem Idesa risk management methodology is based on international references, such as ISO 31000 and COSO – Enterprise Risk Management, and divides risks into four categories: strategic, operational, financial and regulatory. Risks are periodically evaluated by our senior management team and submitted to a regional and global consolidation process. These analyses are based on the potential impact and probability of occurrence, and the results are presented in a heat map approved by the Board of Directors. Once the analysis is approved, the priority risks are treated and supervised by the Board of Directors and its advisory committees to mitigate and prepare the Company to face adversities. We are monitoring the most notable findings obtained from our evaluation of the corporate risks found in all Braskem and Braskem Idesa operations in 2022, which are as follows:</p> <ul style="list-style-type: none"><li>• Plastic image</li><li>• Climate change</li><li>• Socio-environmental aspects</li><li>• Petrochemical sector cycle</li><li>• Information security and cybersecurity</li><li>• Macroeconomic and geopolitical factors</li></ul>			
19. Governance, Ethics and Compliance				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 46, 56,			
GRI 205: ANTI-CORRUPTION 2016				
205-1 Operations assessed for risks related to corruption	p. 56, 57			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
205-2 Communication and training about anti-corruption policies and procedures	p. 47 All Team Members are trained on anti-corruption policies and procedures from the moment they join the Company, followed by refresher training on the subject matter every two years.			
205-3 Confirmed incidents of corruption and actions taken	p. 54, 55 In 2022, there were no confirmed cases of corruption. The Compliance Division worked on training Team Members to consolidate concepts such as corruption, public agents, and politically exposed persons. Furthermore, following our procedures, all cases received through the ethics line are analyzed to ensure that their treatment and conclusion are consistent with their descriptions.			
GRI 406: NON-DISCRIMINATION 2016				
406-1 Incidents of discrimination and corrective actions taken	p. 54, 55			
GRI 408: CHILD LABOR 2016				
408-1 Operations and suppliers at significant risk for incidents of child labor	At Braskem Idesa, we are committed to implementing actions to prevent and eradicate child labor and protect adolescents of legal working age. In this sense, we have a set of documents that endorse this commitment, as follows: <ul style="list-style-type: none"><li>• Code of Conduct</li><li>• Internal and external recruitment process</li><li>• Specifications in external recruitment exchanges</li><li>• Policy on the Prevention of Psychosocial Risk Factors – labor partner</li><li>• Local hiring process in neighboring communities close to our work centers</li><li>• Management and evaluation of service providers</li><li>• Access control procedure to the Braskem Idesa complex (physical security)</li><li>• Business Guideline 1050-00020 – Third Party Integrity Due Diligence</li><li>• Third-party integrity due diligence procedure</li></ul>			



Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
GRI 409: FORCED OR COMPULSORY LABOR 2016				
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>At Braskem Idesa, we are committed to implementing actions to prevent and eradicate child labor and protect adolescents of legal working age.</p> <p>In this sense, we have a set of documents that endorse this commitment, as follows:</p> <ul style="list-style-type: none"><li>• Code of Conduct</li><li>• Internal and external recruitment process</li><li>• Specifications in external recruitment exchanges</li><li>• Policy on the Prevention of Psychosocial Risk Factors – labor partner</li><li>• Local hiring process in neighboring communities close to our work centers</li><li>• Management and evaluation of service providers</li><li>• Access control procedure to the Braskem Idesa complex (physical security)</li><li>• Business Guideline 1050-00020 – Third Party Integrity Due Diligence</li><li>• Third-party integrity due diligence procedure</li></ul>			
GRI 415: PUBLIC POLICY 2016				
415-1 Political contributions	<p>Braskem Idesa does not make political contributions. Our Lobbying and Political Contributions Procedure establishes that Team Members understand that they are not allowed to directly or indirectly promise, offer, authorize or donate to political parties or candidates running for public office on behalf of or with our organization's funds. In the same manner, interactions with public officials are internally regulated by the Directive on Relations with Public Agents DE 1110-00003 MX, whose compliance is supervised by a Committee comprising Team Members from the Legal, Corporate Governance, and Institutional Relations Departments as well as the Compliance Department, which meets quarterly and monitors the internal control tool. The Braskem Idesa Compliance and Corporate Governance Guidelines and policies are posted on its website at <a href="https://www.compliancebraskemidesa.com.mx/">https://www.compliancebraskemidesa.com.mx/</a></p>			

Disclosure	Page/URL/Direct Response	Requirements(s) omitted	Omission	
			Reason	Explanation
20.Risk and Opportunity Management				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	p. 56			
21. Stakeholder Relationship Management				
GRI 3: MATERIAL TOPICS 2021				
3-3 Management of material topics	Actions aligned with the Braskem Idesa Macro Objectives on management and lobbying for legislation and public policies favoring the environment and the human right to a healthy environment. From the perspective of RI activities, the organization is not linked to a negative impact. Concerning government stakeholders, all lobbying efforts and actions comply with local legislation and are aligned with the Guidelines for Relations with Public Agents, the Lobbying Procedure and the Global Anti-Corruption Policy. All public advocacy actions are aligned with the Braskem Idesa Macro Objectives and the Global Sustainability Strategy. It does not apply from the perspective of RI activities, since we have not found any associated impacts.			

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD

Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer
RT-CH-110a.1	Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Metric tons (t) CO <sub>2</sub> -e, Percentage (%)	Emissions generated (tons CO <sub>2</sub> e)
				20212022
				Total Emissions1,661,6681,744,336
				Scope 1 (considers fixed and mobile fuel combustion) Gases Included: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC1,487,9781,706,048
				Scope 2 (refers to the Company’s electricity consumption) Gases included: CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFC173,69038,287
				Total emissions increased in proportion to increasing production, and the CO <sub>2</sub> generation rate dropped due to the CO <sub>2</sub> reduction projects implemented.
				Emissions by type of gas
				Type of gas emission2021 (Tons)2022 (Tons)
				NOx693.25517.3
SOx3.82				
Volatile Organic Compounds (VOCs)391167.5				
Particles (PM)*25.337				
Other Categories (Cr)0.00010.0001				
*The increase in total particles is related primarily to the increase in production.				



Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer
RT-CH-110a.2	Greenhouse Gas Emissions	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	N/A	<p><b>1. Analysis of the Long and Short-Term Strategy:</b></p> <p>As part of our strategy, we adhere to the regulations issued by the Secretariat of Environment and Natural Resources (SEMARNAT) and the Secretariat of Energy (SENER) of Mexico, in addition to following the Material and Energy Balance Methodology to monitor the emissions generated by our operations.</p> <p>We also aligned with the sustainability strategy and the Global Sustainable Development Policy. We established Macro Objective 04 - Climate Change to govern our operations to stay at the forefront and become a role model because of our actions counteracting changes in weather patterns and their effects.</p> <ul style="list-style-type: none"><li>General Act on Climate Change and its Regulations on matters related to the National Emissions Registry (RENE, acronym in Spanish), the GHG Report related to the Annual Operation Certificate (COA, acronym in Spanish), methodologies used to calculate GHG emissions, and the methodology used to measure CO<sub>2</sub> emissions directly.</li><li>Annual verification and reports on GHG emissions submitted to the National Emissions Registry (RENE).</li><li>The Emissions Trading System (ETS) Program.</li></ul> <p><b>2. Emission Reduction Targets</b></p> <p>Based on the General Act on Climate Change, the general GHG reduction contribution for the chemical and petrochemical industry is 5% for 2030.</p> <p>As Braskem Idesa, our objective is focused on: 1) Identifying projects to reduce, mitigate or capture CO<sub>2</sub>; 2) Operational energy efficiencies; 3) Waste Management; 4) Identifying renewable energies; 5) Emissions Trading; 6) Assessing the possibility of obtaining an Energy Efficiency Certificate for the Petrochemical Complex.</p> <p>In addition, Braskem has also made a global public commitment through its operations in Brazil, the United States, Europe and Braskem Idesa in Mexico to reduce GHG emissions by 15% before 2028 and achieve carbon neutrality by 2050.</p> <p><b>3. Analysis of Objectives versus Outcomes</b></p> <p>With respect to the behavior of emissions operations by type of gas, we have a reduction in 2022 vs. 2021 derived from:</p> <p>1) Equipment maintenance, use of natural gas for power generation to replace the use of ethane gas, as well as maintenance of operational efficiencies resulting from the Complex's high-end technology. We measure our emissions by gas type, including NO<sub>x</sub>, SO<sub>x</sub>, COV, CO<sub>2</sub>, CH<sub>4</sub>, HFC, PM and other categories, such as Cr.</p> <p>2) Emission reduction targets</p> <p>3) Analysis of objectives versus outcomes</p>

Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer		
RT-CH-120a.1	Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tons (t)	Emissions by type of gas		
				Type of gas emission	2021 (Tons)	2022 (Tons)
				NOx	693.25	517.3
				SOx	3.8	2
				Volatile Organic Compounds (VOCs)	391	167.5
				Particles (PM)*	25.3	37
Other Categories (Cr)	0.0001	0.0001				
				* The increase in total particles is related primarily to increased production.		
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 consumed: In 2022, consumption totaled 24,645,310.20 GJ		
				2) Percentage of electricity from the grid: The percentage of consumption is 11.85%		
				3) Percentage of renewables: There was consumption from renewable sources.		
				4) Total self-generated energy: Our natural gas cogeneration plant supplies energy to our Petrochemical Complex and contributes to mitigating our environmental impact. 599,570 MWh generated.		
				The data for use and sale of surpluses are shown in the following table:		
					Electrical Energy Used	Electrical Energy Sold
2021	624,607 MWh	50,909 MWh**	16.9 GJ			
2022	654,020 MWh	23,204.5 MWh	16.1 GJ			
				*The energy intensity ratio is calculated per ton of production. **Reduction in power sold in 2022 is due to commercial considerations		



Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer															
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 (m³), Percentage (%)	<p><b>(1) Total water extracted</b></p> <p>We extract surface water from the Uxpanapa River that reaches our Petrochemical Complex from the dam through our pumping plant. We clarify it for distribution and use it primarily to replenish the cooling water system and steam generation. The 2022 total water extraction indicators in all areas (in cubic meters, m³) are as follows, with a breakdown of said total based on the following sources:</p> <ul style="list-style-type: none"><li>i. Surface wate =8,580,715 m³</li><li>ii. Groundwater: 0 m³ groundwater</li><li>iii. Seawater: We do not use seawater</li><li>iv. Produced water: We do not produce water.</li><li>v. Third-party water We do not treat wastewater.</li></ul> <p><b>(2) Total water consumed, percentage of each in regions with high or extremely high initial water stress.</b></p> <p>Our greatest demand for water consumption comes from our production process, especially from the refrigeration and steam generation systems. The history of the total water consumed is shown below (note: water extraction and consumption areas are not considered water-stressed).</p> <table><tr><th></th><th>Total water consumption</th><th>Residual water</th><th>Recycled water</th><th>Percentage of recycled water</th></tr><tr><td>2021</td><td>8,374,405 m³</td><td>1,098,580 m³</td><td>914,281 m³</td><td>10.89%</td></tr><tr><td><b>2022</b></td><td><b>8,580,715 m3</b></td><td><b>1,256,231 m3</b></td><td><b>914,169 m3</b></td><td><b>10.65%</b></td></tr></table>		Total water consumption	Residual water	Recycled water	Percentage of recycled water	2021	8,374,405 m³	1,098,580 m³	914,281 m³	10.89%	<b>2022</b>	<b>8,580,715 m3</b>	<b>1,256,231 m3</b>	<b>914,169 m3</b>	<b>10.65%</b>
			Total water consumption	Residual water	Recycled water	Percentage of recycled water													
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<b>2022</b>	<b>8,580,715 m3</b>	<b>1,256,231 m3</b>	<b>914,169 m3</b>	<b>10.65%</b>															
RT-CH-140a.2		Number of incidents of noncompliance associated with water quality permits, standards, and regulations	Number	Braskem Idesa has no incidents of non-compliance related to water quality permits, standards and regulations.															

Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer																	
RT-CH-140a.3	Water Management	Description of water management risks and discussion of strategies and practices to mitigate those risks	N/A	<b>1) Risk Description</b>																	
				<p>The risk assessment process takes advantage of opportunities and identifies potential negative consequences for the Company, divided into four categories: financial, reputational, operational or regulatory. Our methodology is based on international references (such as ISO 31000 and COSO – Enterprise Risk Management), and senior management periodically conducts a risk assessment submitted to a regional and global consolidation process. This type of analysis is based on the potential impact and the probability of its occurrence, and the results are graphically presented in a heat map approved by the Board of Directors.</p> <p>Once the analysis is approved, the priority risks are treated and supervised by the Board of Directors and its advisory committees to mitigate and prepare the Company to face adversities. Following the corporate risk assessment of all Braskem and Braskem Idesa operations in 2022, some of the environmental issues we have focused on are as follows: Plastic Image, Climate Change, Socio-environmental Aspects, Petrochemical Sector Cycle, Information Security and Cybersecurity, and Macroeconomic and Geopolitical Factors.</p> <b>2) Analysis of strategies and practices to mitigate them</b> <ul style="list-style-type: none"><li>We conduct surface and groundwater monitoring activities every six months in the communities near our Complex.</li><li>We conduct quarterly effluents discharge monitoring activities to ensure compliance with the control parameters established by the corresponding regulations.</li><li>We comply with the conditions outlined in the 2018 Coatzacoalcos River declaration regarding water discharges to guarantee that the stream’s load is not exceeded and allow its natural degradation and the recovery of its tributary.</li><li>We extract surface water from the Uxpanapa River that reaches our Petrochemical Complex from the dam through our pumping plant.</li></ul> <p>The water is subjected to a chlorination, clarification and filtration process for distribution and is used primarily to replenish the cooling water system and for steam generation.</p>																	
RT-CH-150a.1	Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled	Metric tons (t), Percentage (%)	<p>The amount of waste increased in 2022, due primarily to production.</p> <b>Hazardous Waste</b>																	
				<table><tr><th>Removal method</th><th>Recycling (Tons)</th><th>Reuse (Ton)</th><th>Energy recovery (Tons)</th><th>Composting (Ton)</th><th>Landfil (Ton)</th><th>Total (Ton)</th></tr><tr><td>2021</td><td>241.4</td><td>0</td><td>27.8</td><td>4.2</td><td>789.7</td><td>1,063</td></tr><tr><td><b>2022</b></td><td><b>173.8</b></td><td><b>24.7</b></td><td><b>0</b></td><td><b>4.5</b></td><td><b>1,073</b></td><td><b>1,276</b></td></tr></table>	Removal method	Recycling (Tons)	Reuse (Ton)	Energy recovery (Tons)	Composting (Ton)	Landfil (Ton)	Total (Ton)	2021	241.4	0	27.8	4.2	789.7	1,063	<b>2022</b>	<b>173.8</b>	<b>24.7</b>
Removal method	Recycling (Tons)	Reuse (Ton)	Energy recovery (Tons)	Composting (Ton)	Landfil (Ton)	Total (Ton)															
2021	241.4	0	27.8	4.2	789.7	1,063															
<b>2022</b>	<b>173.8</b>	<b>24.7</b>	<b>0</b>	<b>4.5</b>	<b>1,073</b>	<b>1,276</b>															



Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer
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, our internal and regulatory key policies on local communities are comprised of international regulations: the IFC Performance Standards, as well as the Recommendations on Common Approaches on the Environment by the Organization for Economic Co-operation and Development (OECD) and the Operational Directives (OD) of the Inter-American Development Bank (IDB). We voluntarily assume compliance with the national norms on Corporate Social Responsibility established by the Mexican Center for Philanthropy (CEMEFI), where an organization's behavior is assessed according to its values and commitment to address the impact its activities and decisions cause on its stakeholders, to maintain their social license to operate. Braskem Idesa also implemented a management program at the beginning of the construction project in 2011, which has continued to evolve in response to its business and stakeholder needs.</p> <p>Braskem Idesa uses the following means to address stakeholder risks and impacts: the grievance and complaints mechanism with its different communication channels, including mailboxes, phone lines, community visits and community email <a href="mailto:quejascomunitarias@braskem.com">quejascomunitarias@braskem.com</a>.</p> <p>In addition to the different relationship forums, it updates the social traffic light wherever it identifies potential risks and makes official announcements about events, the crisis committee, and Braskem Idesa's social media accounts.</p> <p>It works with other organizations on health committees, meetings with municipal authorities, and the local mutual aid committee to discuss safety issues and best practices with other regional companies.</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><b>(1) Total Recordable Incident Rate (TRIR):</b></p> <p>Total Recordable Incident Rate (TRIR) = 0.19, given that only one event was reported. Mortality rates = 0 in 2022.</p> <p><b>(2) Mortality Rates</b></p> <p><b>a.</b> Direct employees: In 2022, no deaths were caused by occupational illness or diseases. <b>b.</b> Contract employees: In 2022, no deaths were caused by occupational illness or diseases.</p>
RT-CH-320a.2		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 working at our Complex must receive training in HSE Induction, Risk Identification, Hazardous Substances and Use of PPE (Personal Protective Equipment), the Hazard Communication Standard (HSC), Waste Management, Emergency Response Plan, Work Permits and Job Safety Analysis (JSA). They also receive complementary training based on their duties and functions as follows:</p> <ul style="list-style-type: none"><li>Working at Heights</li><li>Hot work and on energized power lines</li><li>Isolation of hazardous energies (LOTO)</li><li>Hydrojetting</li><li>Blasting</li><li>Correct use of personal protective and work equipment</li><li>Management of the Preventive Index (PI) for the entire organization</li><li>Human Reliability</li><li>Hazardous Energy Isolation (LOTO) Certification</li><li>Certification in the First Line and Equipment Opening Standard</li></ul> <p>To establish and reinforce the appropriate security processes, we implemented a Work Permit Audit system that includes the Job Safety Analysis, Work Permits, and Preliminary Service Hazard Analysis to continuously evaluate and improve the Occupational Health and Safety Management System, which adheres to the standards established by the Secretariat of Labor and Social Welfare (STPS).</p> <p>We involve our Team Members and contractors in our assessment of the system to obtain their feedback through:</p> <ol style="list-style-type: none"><li>Monthly security walkthroughs.</li><li>Dissemination of the lessons learned.</li><li>Contractor training.</li></ol>

Code	Topic	Accounting metric	Unit of measure	Page/Direct Answer										
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 (%)	It is not a material topic 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											
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	<div>Incident rate with and without loss of time</div> <div><div>Industrial Safety Indicators</div><table><tr><td>Recordable incident rate (LTI+NLTi) = N*/MH</td><td>0.37</td></tr><tr><td>Lost time injury frequency rate (LTIFR) = N*/MH</td><td>0.19</td></tr><tr><td>Tier 1 Process safety event rate = N*/MH</td><td>0.19</td></tr><tr><td>Tier 2 Process safety event rate = N*/MH</td><td>0.19</td></tr><tr><td>Tier 1 Process safety severity rate = score/MH</td><td>16.24</td></tr></table><div>*Manual Materials Handling (MMH) process of routinely moving and handling objects by carrying, holding, lifting, pulling, pushing, and stooping.</div></div>	Recordable incident rate (LTI+NLTi) = N*/MH	0.37	Lost time injury frequency rate (LTIFR) = N*/MH	0.19	Tier 1 Process safety event rate = N*/MH	0.19	Tier 2 Process safety event rate = N*/MH	0.19	Tier 1 Process safety severity rate = score/MH	16.24
Recordable incident rate (LTI+NLTi) = N*/MH		0.37												
Lost time injury frequency rate (LTIFR) = N*/MH	0.19													
Tier 1 Process safety event rate = N*/MH	0.19													
Tier 2 Process safety event rate = N*/MH	0.19													
Tier 1 Process safety severity rate = score/MH	16.24													
RT-CH-540a.2		Number of transport incidents	Number	It is not a material topic for Braskem Idesa										



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RECOMMENDATIONS OF  
TASK FORCE ON CLIMATE-RELATED  
FINANCIAL DISCLOSURES (TCFD)

*El cambio Climate change is considered one of the global risks with the highest probability of impact in the coming years, according to the Global Risks Report 2022 by The World Economic Forum. The impacts of this phenomenon on environmental, social and economic aspects are occurring with increasing frequency and magnitude. The Weather, Climate & Catastrophe Insight Report (AON, 2022) reveals a total of USD 343 billion in economic losses in 2021.*

Thus, incorporating climate risks into our risk management process, in line with the Company’s strategy, allows us to adopt the adaptation practices and measures required to take advantage of potential opportunities. The relevance of this approach is highlighted in the Task Force on Climate-Related Financial Disclosures (TCFD, 2017), highlighting the importance of identifying, assessing, and managing climate risks to ensure the long-term business success of companies.

In this sense, we concluded the review of climate risks with time horizons for 2030 and 2050. We identified and assessed the physical and transition risks and the climate-related opportunities that could affect our Company in different climate-related scenarios.

The study also included the mapping of existing control measures for the identified risks and updating the climate change adaptation plan as well as scenarios limiting the average temperature increase to 2°C by the end of the century, which provides a wide range of plausible results and complies with the best practices for climate risk studies established by the Task Force on Climate-Related Financial Disclosures (TCFD).

The scope included all our operations in Mexico and across the globe, with the potential physical risks associated with ten types of climate threats that vary depending on the region home to the units analyzed. After the climate risk classification, we identified the greatest risks in the 2030 time horizon and defined action plans to eliminate or reduce them.

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*We prepare action plans with adaptation measures for each risk, particularly high ones.* As for the opportunities identified and classified as a priority, we select those with the highest probability of positive impact on our business and establish actions to maximize their outcomes.

Incorporating climate risks into the corporate risk management process, aligned with the Braskem Idesa strategy, allows us to anticipate the appropriate adaptation measures to avoid or control certain risks and take advantage of the opportunities identified in the study.

In line with the above, our directors periodically assess the **Environmental Risk Assessment Matrix** at the regional and international levels to determine the potential impacts and the probability of their occurrence in the heat map approved by the Board.

After evaluating the corporate risks of all Braskem and Braskem Idesa operations in 2022, the most notable ones that are being monitored, including environmental risks, are as follows:

- **Plastic image** – focus on education to change the perception of plastic in society.
- **Climate change** – energy efficiency and reduced emissions, waste, and water.
- **Socio-environmental aspects** – the health and safety of our Team Members, care and attention to chemical and petrochemical matters.
- **Petrochemical cycle** – economic issues in terms of costs and prices within the raw material sector.
- **Information security and cybersecurity** – linked to ensuring data protection and care.
- **Macroeconomic and geopolitical factors** – situations derived from war or the economic crisis.

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*In addition, we are aligned with sustainable methodologies aimed at mitigating our environmental impact, such as the Sustainability Accounting Standards Board (SASB), supporting compliance with the environmental goals of the Sustainable Development Goals (SDG), such as water care and treatment, the promotion of a more sustainable society, actions to benefit the climate and mitigate emissions and marine life protection.*

Recommendations	Recommended Report	Code	Pages
Governance	a) Describe the board’s oversight of climate-related risks and opportunities	GOB-A	p. 68-69
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	GOB-B	p. 68-69
Estrategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	EST-A	p. 68-69
	b) Describe the impact of climaterelated risks and opportunities on the organization’s businesses, strategy, and financial planning.	EST-B	p. 68-69
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	EST-C	p. 70

Recommendations	Recommended Report	Code	Pages
Risk management	a) Describe the organization’s processes for identifying and assessing climate-related risks.	GDR-A	p. 68, 69, 70
	b) Describe the organization’s processes for managing climate-related risks.	GDR-B	p. 68, 69, 70
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	GDR -C	p. 68-69
Metrics and Goals	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	MYO-A	p. 34-37
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	MYO-B	p. 74-77
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	MYO-C	p. 68-69



# VERIFICATION LETTER



## Verification letter of the Integrated Report - ESG Sustainability Annual Report 2022 “Passion for transforming”

To the Board of Directors of Braskem Idesa, S.A.P.I. and Braskem Idesa Servicios, S.A. de C.V.:

Please, be informed that Redes Sociales en Línea Timberlan was hired to perform a limited and independent verification of a sample of GRI Standards and Sustainability Reporting Standards Borard (SASB) disclosures, listed below, published in the Integrated Report - ESG Sustainability Annual Report 2022: "Passion for transforming", corresponding to the period from January 1st to December 31st, 2022 of Braskem Idesa S.A.P.I (Sociedad Anónima Promotora de Inversión) and Braskem Idesa Servicios S.A de C.V.

Our purpose is to issue impartial and objective opinions about the accuracy, traceability and reliability of the GRI Standards Disclosures and SASB indicators selected as a sample to be verified and published in the “Integrated Report - ESG Sustainability Annual Report 2022”. We validated that the reported information complies with the methodological requirements in accordance with the GRI Standards. Our work considered activities of the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Braskem Idesa's Management is responsible for the information published in the “Integrated Report - ESG Sustainability Annual Report 2022” and for that presented in the verification process, which involves, among others, the selection process of the material topics, the GRI and SASB Disclosures report and the presentation of true and sufficient documentary and/or visual evidence to verify the selected content.

Among the activities carried out during the verification process are listed:

- Verification of qualitative and quantitative data by means of visual, documentary and public evidence,
- Validation of information presented in previous reports,
- Review of methodological compliance with GRI Standards and SASB Standards.
- Analysis of quantitative data

As a result of the verification process and having solid evidence as a basis, we did not find any aspect that makes us question and distrust that the information presented in the “Integrated Report - ESG Sustainability Annual Report 2022” contains any error.

An internal report of recommendations, exclusive to Braskem Idesa, containing the areas of opportunity detected for a future report, is delivered separately.

**Declaration of independence and competence of Redes Sociales en Línea Timberlan**

Employees of Redes Sociales en Línea Timberlan 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 3rd July 2023 and is valid as long as no subsequent and substantial modifications are made to the Integrated Report - ESG Sustainability Annual Report 2022: “Passion for transforming” of Braskem Idesa.

Alma Paulina Garduño Arellano  
[paulina@redsociales.com](mailto:paulina@redsociales.com)

Verified sample of GRI Standards y SASB disclosures

GRI Standards Disclosures		SASB RT-CH: Chemicals	
2-1	Organizational details		
2-2	Entities included in the Sustainability Report		
2-3	Reporting period, frequency and contact point		
2-4	Restatements of information		
2-5	External assurance		
3-1	Process to determine material topics		
3-2	List of material topics		
Environmental			
301-2	Recycled input materials used		
302-1	Energy consumption within the organization	RT-CH-130a.1	Energy management: a) Energy consumption
303-5	Water consumption	RT-CH-140a.1	Water management: a) Total water consumed
304-3	Habitats protected or restored		
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.
305-2	Energy indirect (Scope 2) GHG emissions		
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
Social			
2-6	Activities, value chain and other business relationships		
2-7	Employees		
2-28	Membership associations		
2-29	Approach to stakeholder engagement		
2-30	Collective bargaining agreements		
401-1	New employee hires and employee turnover		
403-9	Work-related injuries	RT-CH-320a.1	Workforce health and safety: 1) Total Recordable Incident Rate (TRIR); 2) Fatality rate for a) direct employees and b) contract employees.
403-10	Work-related ill health		
406-1	Incidents of discrimination and corrective actions taken		
413-1	Operations with local community engagement, impact assessments and development programs		
415-1	Political contributions		
Governance			
2-9	Governance structure and composition		
2-23	Policy commitments		
2-24	Embedding policy commitments		
2-26	Mechanisms for seeking advice and raising concerns		
204-1	Proportion of spending on local suppliers		
201-1	Direct economic value generated and distributed		
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		



# CREDITS

## Braskem Idesa

### Coordination of the Report:

Circular Economy, Sustainability and Social Responsibility

[SUSTENTABILIDAD@braskem.com](mailto:SUSTENTABILIDAD@braskem.com)

### Support from the areas for the construction of this Report:

- Legal, Corporate Governance and Institutional Relations
- Commercial
- Compliance and Risks
- Finance
- Supply Chain
- EHS and Processes
- Puerto México Chemical Terminal
- People and Organization, Internal and External Communication, and Institutional Marketing.

