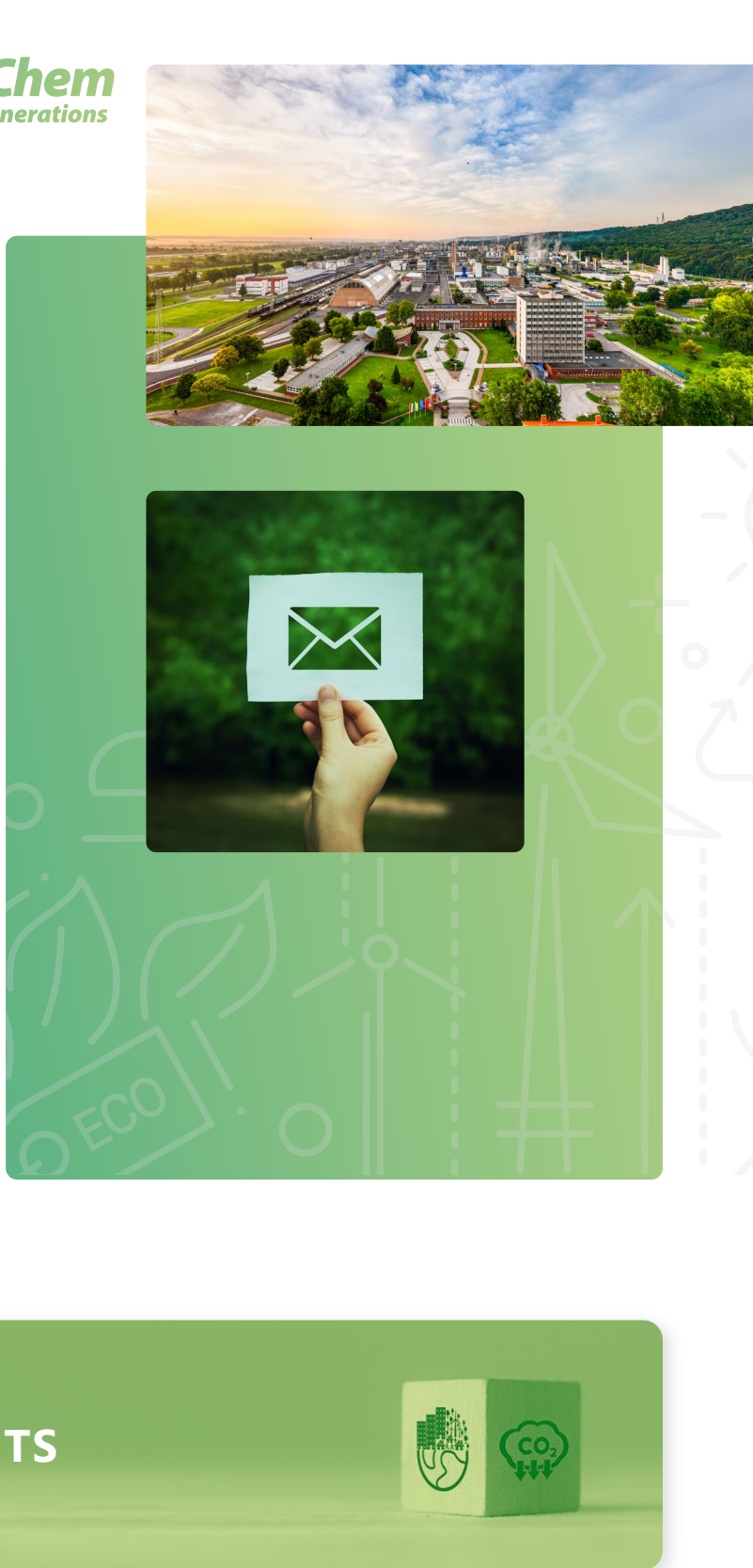


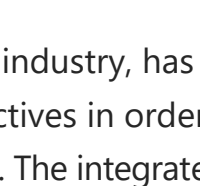
Dear Reader, Dear Partner,

We are pleased to publish the fourth issue of BorsodChem's semi-annual Sustainability Newsletter, in which we report on our sustainability activities implemented and results achieved in the second half of 2024, thus ensuring transparency of our Company's operations for our stakeholders.

As a leading chemical company, we consider it a prior task of ours to ensure long-term sustainable operations as well as to have a positive impact on people, society and the environment by our activities through responsible corporate governance. We apply the ESG approach in all areas of our Company, including **reducing greenhouse gas emissions, developing a sustainable product portfolio, responsible purchasing practices, water and environmental protection, occupational health and safety**, and activities in the field of **social responsibility**.



OUR MAIN ACHIEVEMENTS



BorsodChem's Integrated Policy and Integrated Objectives have been published

Our Company, having a leading role in the chemical industry, has developed its Integrated Policy and Integrated Objectives in order to ensure continuous improvement and developments. The integrated approach includes taking into account the interests of employees, partners and local communities. The main goal of our Company is to develop an operating model that combines economic growth with sustainability and responsible corporate behavior. With this innovation, our Company aims to set an example in the industry and contribute to solving global challenges.

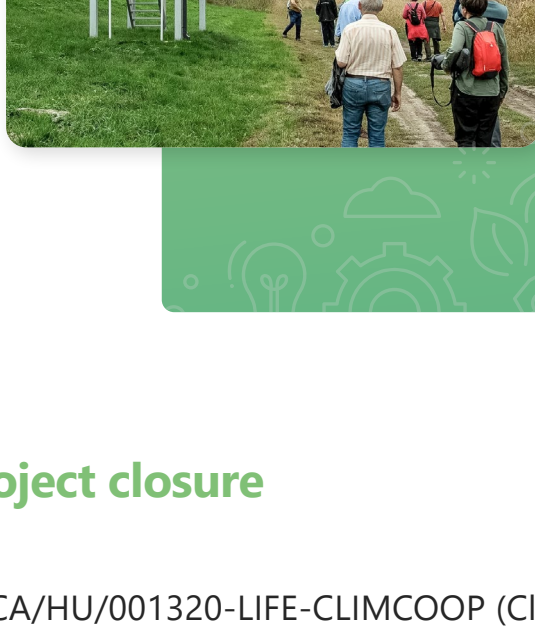
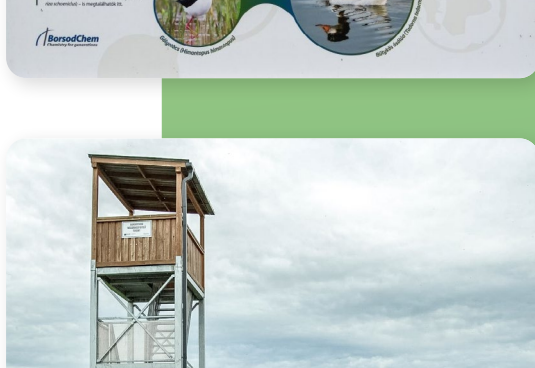
Our Integrated Objectives includes, among others, the following commitments for the period 2025-2027:

- In order to minimize our environmental impacts, we continuously reduce the amount of emitted pollutants by developing our technologies.
- We are committed to replacing our oldest technology complying with BAT standards.
- We undertake to use such technical solutions in new developments which ensure that our environmental noise emissions do not exceed the prescribed limits.
- We are committed to increasing the volume of recycled water by 2,000,000 m³, for which we are introducing a water quota settlement system by 2026.
- One of our main objectives is to achieve 50,000 MWh of energy savings per year and a 1% annual energy efficiency improvement, we are improving energy efficiency and reducing our CO₂ emissions by optimizing our technological processes, using renewable energy sources and developing our equipment.
- We aim to reduce the number of HSE incidents related to our operations by 10% compared to 2023, and to reduce unexpected equipment failures by analyzing the life cycle of our equipment and assessing its risk.

Handover of the bird observation tower

The educational trail and the bird observation tower built next to it, which were implemented within the framework of the LIFE-Climcoop project and developed in cooperation with the Aggtelek National Park, were handed over on September 27, 2024. They are located along the bypass road number 260 and are accessible to anyone. There are also information boards placed along the educational trail that help to inform the visitors.

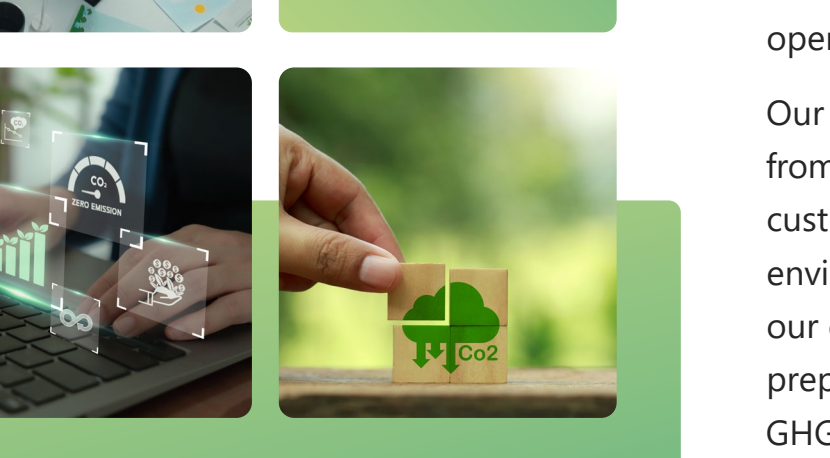
The bird observation tower provides an opportunity for interested parties to observe various, diverse, even rare bird species. In the created wetland, not only the bird species that nest here, but also migratory individuals can be discovered. Among others, you can see bird species in the Sóstó (Salty Lagoon) area, such as shrike, stork, wagtail, but among the rare individuals, you can also find species such as the Arctic tern or the thin-billed water strider, however, more than 100 species have already been observed in this area.



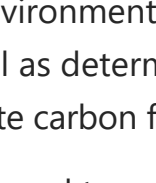
LIFE-Climcoop project closure

The EU-funded LIFE19 CCA/HU/001320-LIFE-CLIMCOOP (Climate Adaptation) Project, launched in 2020, aims the town-company cooperation in the field of climate adaptation. The project was implemented under the leadership of the University of Miskolc, with the main role of the Kazincbarcika Town Government and BorsodChem Zrt., with the professional participation of HungaroMet Zrt., GeoGold Kárpátia Kft. and the KÖVET Association. The official closing conference of the Project was held on November 29, 2024, within the framework of colourful presentations and roundtable discussions, where the results, lessons learned, and important milestones of the project were presented from several perspectives. The participants also received a numerous publications, which draw attention to climate change, climate adaptation, and the possible measures to be taken.

Further interesting details you can find at the following link: [Recultivation project at BorsodChem Zrt.](#)



REDUCING OUR ENVIRONMENTAL IMPACTS



The Release of BorsodChem's 2023 GHG Inventory

We are proud to announce that our Company has once again completed its voluntary GHG inventory, which includes a comprehensive list of our direct and indirect greenhouse gas (GHG) emissions resulting from our operations, and has been verified by an independent third party.

Our Company prepares and publishes its GHG Report annually starting from the Base Year 2021 in order to transparently inform our owner, customers, and other internal and external stakeholders about our environmental performance and GHG emissions in accordance with our commitments in our Sustainability Policy and Strategy. When preparing our GHG Inventory of 2023, our Company recalculated its GHG inventories for 2021 and 2022, which we have republished together with our GHG Report of 2023.

Tracking our GHG emissions allows us to map our environmental impacts and identify high-intensity emissions, as well as determine intervention points where we can reduce our corporate carbon footprint.

Our GHG emissions in 2023 decreased by 20% compared to our base year inventory, which is partly due to the reduction of our production capacity utilization and the sales volumes of our products (-13.6%) as a result of the global economic situation. A further decrease of nearly 6.5% in emissions is attributable to our such implemented developments and programs supporting our emission reduction goals, like electricity and steam saving projects (-183,658 GJ), technological developments, our refrigerant replacement program and modernization of our refrigeration equipment (-10 kt CO₂e), the development of our railway fleet with a new locomotive that meets the strictest "Stage V" emission standards, etc. With the launch of our new Aniline Plant, our emissions from the raw material supply and production of "purchased goods", as well as our emissions from the transportation of purchased raw materials have significantly decreased thanks to the on-site/local? production (-26 kt CO₂e).

We aim to continuously improve our environmental performance, thus contributing to the creation of a low-carbon, sustainable economy, thereby encouraging others to take similar actions.

The extracts of our 2021 and 2022 are available to all interested parties on our Company's website.



Reducing noise pollution to local people

BorsodChem's noise protection plan is now in its third and final phase. With the multi-million euro noise protection investment, the company aims to reduce environmental noise emissions at the existing site and to prevent the increase in noise pollution already in the planning/design? phase of new plants.

BorsodChem began its multi-million euro noise protection investment in 2013, which aims to make all noise sources on its site measurable and controllable. Due to the decades old construction of buildings, the settlements located in the near and more than 1,000 noise sources, this task required a unique approach. The first step in noise protection is to assess the noise sources in order to determine the extent and the location of necessary noise reductions. In order to better manage the tasks to be performed, the project was divided into three phases. To determine the extent of noise reduction, to track the tasks performed and to quantify the noise impacts on the population, unique modellings and softwares were required. In order to determine the noise load on the population as accurately as possible, BorsodChem also installed new noise measurement stations in the third phase, which, on the one hand, facilitate the storage and retrieval of data, and on the other hand, help in the long-term monitoring of noise load by filtering out meteorological effects that interfere with the measurements. BorsodChem is committed to sustainable operations, and as a part of this, to prioritize noise protection having an importance for the local people.



BorsodChem's efforts for employee's well-being are recognized

Our Company believes that social responsibility begins with taking care of our employees and creating a health culture.

In line with this, the benefit Prize 2024 Award also focuses on corporate health culture, recognizing the methods and programs with which employers support employee well-being.

In 2024, 104 companies - including BorsodChem - applied for this recognition, and we were able to return home with the Audience Award in the Giga Company category from the award ceremony. This recognition gives us further incentive to create a lovable working environment for our employees with new innovative solutions in the future.



BorsodChem received the TOP100 Economic Award

Last year, BorsodChem received the TOP100 Economic Award, which is traditionally awarded based on the ranking of net sales of companies in Borsod-Abaúj-Zemplén County in the previous business year and their outstanding impact on the development of the region, but also highlighted the results and developments achieved since the Company ownership was changed.

The award was received by László Kruppa, President of the BorsodChem, at the TOP100 Economic Forum jointly organized by the Borsod-Abaúj-Zemplén County Chamber of Commerce and Industry (BOKIK), the County Tax and Customs Directorate of the National Tax and Customs Office (NAV), and the Northern Hungary County Daily.

BorsodChem has recently expanded the capacity of its main product (MDI, methylene diphenyl diisocyanate) production plant, and has started production at the Aniline plant, which can produce the most important raw material for MDI locally, on the new Site IV. In addition, this latter facility, besides increasing the security of raw material supply, also contributes to reducing transportation costs and the carbon footprint compared to previous Chinese imports. Also last year, the new natural gas-fired combined heat and power plant began operation, which is essential to meet the increased steam demand resulting from the developments, and at the same time - together with the first, own industrial power plant built earlier - provides more than a third of the Company's electricity needs.



BorsodChem held Official Open Day

As open and honest communication with its employees and external stakeholders is of high importance to the owner and the management of BorsodChem, and our Company places great emphasis on cooperation with authorities and compliance with legislations, we held an Official Open Day on November 06, 2024, with the participation of the local governments of the surrounding settlements and our official partners.

Being fully aware of our responsibility for our environment, we are committed to innovation and the continuous development of our production technologies in order to minimize the company's ecological footprint. For the well-being of the community of the region, where our activities take place, and our employees, we are committed to continuously raising the standards of both our business activities and our safety, environmental and health protection systems.

As a responsible large company, our role in Hungarian economic life requires that our responsibility for society, the environment and employees be enforced at all times. We trust that the presentations held and the factory visits demonstrated our commitment to sustainability towards our participating partners.

If you have any further questions or suggestions regarding the topics of our newsletter, please contact us at:

sustainability@borsodchem.eu

We look forward to your kind feedback!