

**Dear Reader,
Dear Partner,**

We are pleased to publish the 6th issue of semi-annual Sustainability Newsletter of BorsodChem, in which we report on our sustainability activities implemented and results achieved in the second half of 2025, 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



Our Company's sustainability ambitions awarded with Gold rating by EcoVadis

We are pleased to announce that our Company has been awarded a Gold rating in the international, independent sustainability assessment conducted by EcoVadis this year. Our outstanding environmental and social commitment, as well as the broad application of sustainability principles within the company is demonstrated by the fact that **we have achieved 80 points** out of a possible 100 points, placing our Company into the **TOP 3%** of the assessed companies, surpassing more than 86000 companies worldwide.

We managed to increase our overall score by 7 points compared to the previous year, achieving improvements in all examined subcategories. The greatest improvement can be attributed to the Environment area, where our assessment improved **from 70 to 83 points** compared to 2024. This progress clearly demonstrates the effectiveness of our activities to reduce our environmental footprint and that our Company is able to meet the tightening international expectations.

We have also delivered outstanding performance in the areas of Labor and Human Rights, Ethics, and Sustainable Procurement, where we achieved above-average scores in each case in the chemical sector, which proves that BorsodChem not only meets, but also exceeds international sustainability expectations.

This recognition not only acknowledges our past achievements, but also encourages us to focus even more on sustainability innovations.

In the future, we will continue to work intensively to achieve our **Sustainability Objectives** and strive to improve our sustainability rating.

This recognition, in addition to being a reward, also places responsibility on us to set an example for others and to continuously improve ourselves in the field of sustainability and ESG, which is essential today.

Please visit <http://www.ecovadis.com> webpage for further information about the EcoVadis assessment.



REDUCING OUR GHG EMISSIONS



The LCA project kicked off

With the expanding presence of sustainability, monitoring and developing sustainable parameters of our products and ensuring communication about them have become a priority for BorsodChem in order to meet customer demands. With the aim of having a complete picture of the environmental impacts of our main products (toluene diisocyanate, methylene diphenyl diisocyanate, thermoplastic polyurethane, polyvinyl chloride and caustic soda), BorsodChem launched the life cycle analysis project of its products in the second half of 2025. This complex, lengthy process serves to examine the environmental impacts related to BorsodChem's products, while its result is the Environmental Product Declaration (EPD), which contains the environmental impacts of the production of a unit quantitatively.

In addition to BorsodChem's commitment to obtaining EPD declarations and performing life cycle analyses, growing customer needs also play a role. Due to the spread of sustainability approach, customers increasingly expect environmentally aware operations from our Company, as well as its transparent verification by third-party. Taking all of these into consideration, we have decided to apply the EN15804+A2 standard, so impact categories like eutrophication or ozone depletion are also part of the study, but it also includes product carbon footprint (PCF) calculations.

Completion of the LCA calculations and obtaining of the verified EPD statements are expected by Q2 2026, of which we will of course inform our customers.



Bay Zoltán
Alkalmazott Kutatási
Közhasznú Nonprofit Kft.



SOCIAL RESPONSIBILITY



Sustainability Supplier Forum

BorsodChem organized its online Sustainability Supplier Forum on December 1, 2025, which aroused broad interest among BorsodChem suppliers. In addition to the Hungarian-language event, our Company also organized an English-language forum at a separate time in order to involve international partners. A total of more than 100 supplier representatives from BorsodChem's domestic and international suppliers participated in the two events.

The goal of the forum was to strengthen cooperation between the Company and its partners, as well as to provide an overview of BorsodChem's current sustainability aspects and future visions.

The topics discussed on the event, among other things, included BorsodChem's strategic directions, policies, objectives related to sustainability, opportunities related to reduction of greenhouse gas emissions, as well as opportunities to develop supplier relationships. Compliance with sustainability reporting directives and presentation of the phases to climate neutrality were highlighted.

The online meeting not only made a good opportunity to build relationships and agree on future common goals, but also provided an effective platform for sharing current information.

BorsodChem pays special attention to active, transparent and regular communication with suppliers in the long term, which is fundamental for maintaining and developing stable, effective and mutually beneficial partnerships.



New era in BorsodChem's reporting: preparing Sustainability Report based on ESRS and ESG Report

BorsodChem Zrt. has reached an important milestone in its sustainability reporting: our Company is preparing its Sustainability Report for 2024 already according to the new **European Sustainability Reporting Standards (ESRS)**, and in parallel, it has also started compiling the **ESG Report** for 2025. This step not only represents progress towards the legal compliance, but also reflects the Company's long-term commitment to responsible operations.

Sustainability reporting on a new basis

BorsodChem is preparing its Sustainability Report for 2024 already according to the European Sustainability Reporting Standards (ESRS), in line with the EU requirements set out in CSRD (Corporate Sustainability Reporting Directive).

The new standard regulates in detail what kind of environmental, social and governance (ESG) information organizations must present and how they must be disclosed in a structured way.

The new framework aims to present transparent, comparable and reliable sustainability information, with a particular emphasis on the principle of dual materiality.

By starting to prepare the report according to ESRS, BorsodChem responds to the changes in a timely manner, enabling gradual preparation and conscious development of reporting processes. The availability of the new Sustainability Report according to ESRS may facilitate more favourable eligibility criteria for green loans in the future, as it contains a variety of information that makes the company's operations and the associated sustainability and financial risks more transparent.

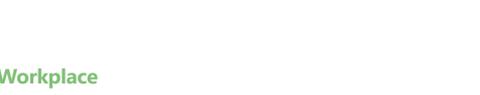


ESG Report

In parallel with reporting according to ESRS, BorsodChem has also started preparing the ESG Report based on the Hungarian ESG Act, which supports a strategic approach to environmental, social and governance aspects.

The aim of the ESG report is to provide a comprehensive picture of the company's responsible operations, risk management practices and long-term value creation efforts – taking environmental impacts, responsibility towards employees and communities, as well as transparent and ethical governance into account.

The report contributes to strengthening stakeholder trust and to making sustainability an integral part of corporate decision-making. Its application creates an opportunity for our Company to present its environmental and social impacts, as well as its sustainability-related risks and opportunities in a structured way. As part of the ESG report, BorsodChem performs a sustainability due diligence and risk assessment of all its direct suppliers, which will help to map the risks affecting BorsodChem and other actors in the value chain.



BorsodChem was recognized with CSR Hungary Award and as a Lovable Workplace

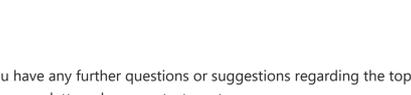
Over the years, CSR Hungary Award has become a recognized platform that facilitates sharing of best practices and knowledge between companies. This is the second time that our company has received this recognition, which confirms the professional soundness of BorsodChem's sustainability efforts.

In 2025, BorsodChem won the prestigious award in the 'Best 'Net Zero' Solution' category, recognizing the Company's long-term sustainability and circular economy goals.

The award recognizes the strategic thinking and approach that treats economic efficiency and environmental responsibility not as opposing forces, but as mutually reinforcing factors. The company's goal is to achieve net carbon neutrality by 2050, and to this end, it has launched comprehensive development programs in the areas of energy efficiency, water management, and renewable energy sources.

BorsodChem has won the Lovable Workplaces title for the fifth time in 2025, further strengthening the company's appeal in the labour market, as this prestigious award is based on employee votes. The Lovable Workplace title proves to us that employee satisfaction and a positive corporate culture are among BorsodChem's most important values.

The competition was themed 'Competitive Advantage Through Diversity – The Power of Generational Diversity' and focused on cooperation between different age groups. The award is the result of the individual and collective commitment of our employees, which has been achieved through cross-generational care and development. As a large chemical company, BorsodChem pays special attention to recognizing experienced workers, while also consciously prepares for involving and developing the future professional.



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!

STAKEHOLDER ICONS - LEGEND:



BANKS



FUTURE GENERATION



EDUCATIONAL INSTITUTIONS



LOCAL RESIDENTS



SUBSIDIARIES



PROFESSIONAL ASSOCIATIONS



AUTHORITY



MEDIA



SUPPLIERS



AUDITORS



CUSTOMERS



BOARD OF DIRECTORS



EMPLOYEES



OWNERS