

# CORPORATE SOCIAL RESPONSIBILITY STRATEGY

of BorsodChem Zrt.

*The Company records its social and environmental responsibility activities in a separate CSR strategy, which supports the achievement of ESG objectives.*

## CSR<sup>1</sup>

BorsodChem, as a chemical company with more than seven decades of history, continuously develops its operations through the gradual and conscious integration of sustainability considerations. Its innovation activities focus on solutions that contribute to increasing the efficiency of production processes, reducing environmental impact, and ensuring the safe and reliable use of the products. The Company believes that innovation creates excellence, therefore regards it as the key to its competitiveness both in the daily work and in the long-term development efforts. BorsodChem, through innovations, also strives to enhance societal well-being by providing high-quality raw materials that are indispensable in everyday life.

The Company's sustainability efforts are supported by concrete measures, including the monitoring of greenhouse gas emissions, the analysis and optimization of water use, and the development of partnerships across the value chain. These activities are aligned with BorsodChem's sustainability objectives and contribute to ensuring long-term sustainable operations.

## RESPONSIBILITY TOWARDS EMPLOYEES

The Company strives to provide its employees with stable and secure long-term employment, which is reinforced through the continuous improvement of working conditions and programs that support employee well-being. BorsodChem places strong emphasis on ensuring safe working conditions, protecting employees' health, offering a wide range of training opportunities, and maintaining a predictable and competitive compensation system. The employer practices also include family-friendly measures that contribute to supporting a healthy work-life balance.

In addition to the conscious development of the employer brand, Collective Agreement—providing significantly more favourable employment and compensation conditions than those stipulated in the Labour Code—supports the achievement of BorsodChem's objectives.

Due to the knowledge-intensive nature of the chemical industry, continuous development and professional preparedness are essential for long-term success. Accordingly, the Company places special emphasis on ensuring development opportunities for the employees at every stage of their careers—whether through expanding professional knowledge, developing competencies, or strengthening leadership skills.

BorsodChem's wide range of fringe benefits is designed with flexible, customizable elements to adapt to the diverse life situations, needs, and workplace comfort of the employees. These include core benefits aimed at financial recognition and retention, programs to keep employees' knowledge up to date, various forms of support and services to enhance financial awareness, rewards granted in recognition of excellence, community-building initiatives, programs supporting physical and mental well-being, and measures to increase safety awareness.

The Company organizes its operations based on ethical principles, which are set out in the Code of Ethics. Ethical compliance is supported by reporting system (Ethics Line) and internal procedures governing the investigation of misconduct, incorporating accepted ethical values. These include respect for individuals and human rights, the importance of cooperation with the employees, and partnership with employee representative organizations. In connection with ethics, BorsodChem continuously provides training on various topics and offers employees the opportunity to confirm their commitment to the Company's ethical values by signing an Integrity Declaration.

*Employee programs and measures contribute to the Company's ESG objectives, particularly to strengthening the social (S) pillar.*

## **RESPONSIBILITY TOWARDS PARTNERS**

The Company, in its partner relationships, strives for long-term, predictable cooperation, which are support through flexible operations and ability to adapt to customer needs. Digital solutions—such as the online ordering interface (BorsodChem Web Ordering portal)—contribute to improving the efficiency of customer service and to more transparent operations.

BorsodChem conducts customer satisfaction surveys on a regular basis and also provides opportunities for on-site audits at the Company. Based on the feedback received, improvement proposals are incorporated into the operations.

The Company places great emphasis on product safety; therefore, for all products distributed, safety data sheets as well as technical data sheets summarizing product quality parameters and transportation and storage requirements are provided, thereby supporting safe use and compliance with applicable regulations.

Recognizing that achieving the sustainability objectives also requires the active involvement of the suppliers, BorsodChem has developed and implemented a Supplier Code of Ethics. It is important for the Company to handle complaints effectively in the procurement area as well; for this purpose, an internal system is operating where stakeholders can track processes, and complaints are considered during the annual evaluation of suppliers.

*The management of customer and supplier relationships contributes to the Company's ESG objectives, particularly to strengthening the social (S) and governance (G) pillars.*

## **RESPONSIBILITY TOWARDS LOCAL COMMUNITIES**

As one of the leading companies in the region, it strives to strengthen its relationships with local communities. At the core of BorsodChem's support policy are the region and its values.

In this spirit, the Company is committed to contributing to the enrichment of the cultural life of Kazincbarcika and the surrounding settlements, supporting environmental initiatives and events, and actively promoting a healthy lifestyle—both within and outside the Company. It also plays an important role in encouraging mass sports. In addition, BorsodChem supports organizations that assist socially disadvantaged groups, participates in improving the educational standards of the region, contributes to building the next generation of chemists, and promotes awareness and appreciation of Chinese culture. As part of this effort, it supports opportunities for learning the Chinese language and provides study trips and cultural training programs for its employees.

It is of utmost importance to the Company to maintain open and honest communication with both its employees and external stakeholders. Each year, it organizes an Open Day for representatives of authorities and local municipalities, where they can receive information about the Company's operations, safety and environmental protection activities, ongoing and planned investments, as well as their corporate social responsibility initiatives. Participants also have the opportunity to ask questions to management and to visit a guided bus tour.

In cooperation with the city of Kazincbarcika, BorsodChem is significant supporter of local spectacle team sports, and it is pleased to contribute to the development of sports clubs focused on succession training and public sports facilities. The Company contributes to the success of the region's most popular cultural event, the Kolorfesztivál, as a gold-level sponsor, and supports the organization of the Kolorfutás as a title sponsor, in which it has also participated with its own team since 2017.

*Community partnerships and support programs contribute to the Company's ESG objectives, particularly to strengthening the social (S) pillar and stakeholder relationships.*

## **RESPONSIBILITY FOR SUCCESSION**

The Company is committed to promoting natural science careers and building the "future generation of chemists," and it is playing an increasingly important role in the training of chemical industry professionals. It has been running career orientation programs for students as early as primary school age (factory visits, chemistry clubs, Chemical Industry Career Orientation Day) and it also participates in events targeting the youngest age groups with similar themes.

In cooperation with a local secondary school, the Company has been offering a chemistry specialization since 2018, aimed both at sparking the interest of 11th and 12th grade students in chemical industry careers at secondary or higher education levels, and at preparing them for their chemistry final examinations.

As a dual training provider, BorsodChem has been participating in higher education since 2016. Based on cooperation agreements with three universities, it hosts students of chemistry, materials science, mechanical engineering, and economics. Since 2022, it has also joined dual vocational education at the secondary level.

To strengthen its professional and educational partnerships, the Company has established off-campus chemical industry departments in cooperation with two universities. It also considers as a particularly significant achievement that, together with chemical industry companies in the region, it contributed to the launch of bachelor's and master's programs in chemical engineering at the University of Miskolc. This enables young people to complete their chemical engineering studies locally and later begin their professional careers at the Company as a potential employer.

However, its training activities do not stop at formal education. To meet its increased workforce needs, BorsodChem operates chemical process operator retraining programs in the form of adult education for job seekers

and individuals seeking career changes. To enhance training efficiency, it has established its own Training Center at the Kazincbarcika site, equipped with practical teaching tools. In addition to retraining programs, the facility also hosts various internal training sessions and practical training for secondary school students.

*Education and talent development programs contribute to the Company's ESG objectives, particularly to strengthening the social (S) pillar and supporting long-term workforce development.*

## **RESPONSIBILITY FOR THE ENVIRONMENT**

As one of the most significant chemical companies in the region, BorsodChem ensures its long-term success through technological solutions and products that create high added value for the environment, the economy, and society. In the daily work and decision-making processes, the Company emphasizes the principles of sustainable development, to which the deep commitment is demonstrated by the Sustainability Strategy, Policy, and Objectives. Key focus areas identified include the protection of water and the environment, the health and safety of employees, and the Company's corporate social responsibility. The Company not only plans to develop its sustainability activities in the short term, but has also set long-term targets related to waste management, the water quality of the Sajó River, employee safety, and long-term decarbonization and emission reduction goals.

BorsodChem's renewed Integrated Policy and Objectives demonstrate the commitment to responsible and sustainable business practices, as well as environmentally conscious, socially responsible, and ethical operations.

On an annual basis, the Company prepares comprehensive company-wide greenhouse gas inventories in order to gain an overall picture of emissions, identify areas for improvement, and develop targeted strategies to reduce environmental impact.

The Company holds ISCC Plus certification for the production and sale of sustainable products based on a mass balance approach. In order to support the water management objectives, a corporate water balance system is being established, enabling the quantitative tracking of water flows and the identification of water-saving and process development opportunities.

To support its environmental and social responsibility objectives, BorsodChem also participates in nature conservation and awareness-raising projects. Within the framework of the LIFE-Climcoop Project, in cooperation with the Aggtelek National Park, a nature trail and a bird-watching tower have been created, which are accessible to all visitors. This initiative contributes to strengthening environmental awareness and developing relationships with local communities.

*Environmental protection measures and developments contribute to the Company's ESG objectives, particularly to strengthening the environmental (E) pillar.*

## **ENGAGEMENT WITH STAKEHOLDERS**

The Company places particular emphasis on open and transparent communication with its stakeholders. The Company maintains regular dialogue with, among others, its employees, customers, suppliers, and local communities, and integrates their feedback into the continuous improvement of the operations. The strengthening of stakeholder relationships is supported by feedback and complaint-handling processes, as well as public information events, all of which contribute to transparent operations and the strengthening of trust.

*The processes supporting stakeholder dialogue contribute to the Company's ESG objectives, particularly to strengthening the social (S) and governance (G) pillars.*

**The Company expects its business partners, suppliers, and subcontractors to respect ESG principles and applicable legislation in the performance of their contractual obligations.**

Kazincbarcika, May 2026

LÁSZLÓ KRUPPA  
President