



Sustainability Report Chimcomplex

January 1 – December 31

2022



CONTENTS

**We go for zero.
Zero regrets.
Endless possibilities.**

Sustainability Report Chimcomplex SA BORZEȘTI

Reporting period: January 1 – December 31, 2023

- Foreword of the CEO - [page 5](#)
- Report profile - [page 6](#)
- About Chimcomplex - [page 9](#)
- Governance for sustainability - [page 24](#)
 - [Materiality analysis - page 25](#)
 - [Material topics - page 26](#)
- Sustainability risk mapping - [page 34](#)
- Transition to low-carbon business - [page 40](#)
- Climate Change and Energy Transition - [page 47](#)
- Responsible Operations - [page 58](#)
- Our Commitment to People - [page 70](#)

Foreword of the CEO



Chimcomplex is an example of transformation and adaptation to the market economy with an exponential growth potential, considering the aces up our sleeve: we value natural resources, we have know-how, and we have the market.

We started 2022 in a unique way, coming after a period in which our group had healthy growth and consolidated among the best performing companies in the regional chemical industry.

On January 17th, after 25 years of presence on the Romanian capital market, **we debuted on the Regulated Market of the Exchange under the ticker symbol CRC**, following the transfer from the AeRO market. **At the time of the transfer, Chimcomplex Borzești was the largest company listed on the AeRO market**, with a market capitalization of almost RON 8 billion (EUR 1.6 billion).

In a short time, we were faced with unprecedented socio-economic challenges in the context of the war in Ukraine. We decided to act to counteract negative market trends and preserve the stability of the company by reducing the economic losses felt. We had to work 10 times harder, but this goal was achieved. We continued to support educational projects, offer scholarships for pupils and students, encourage sports and cultural events: from the Brezoi Blues Festival to the organization of the National Chemistry Conference!

Chimcomplex employees have been an absolute priority for the company, together with them we have continued the ongoing investment programs and actions to maintain our competitive advantages and ensure the consumption needs of vital products for industries in Romania and neighboring countries.

As of June 2022, we increased the average gross monthly income offered to employees by 24.3%. Chimcomplex has thus relied on increasing the company's performance, by increasing and encouraging the performance of each employee and maintaining their lifestyle above the level of other guilds.

At the same time, we focused our attention on maximizing the production of polyols / polyethers and the manufacture of products for which low energy consumption is required. Thus minimizing dependence on gas and energy, whose prices have risen rapidly.

In the context of international macro-economic evolution, the company stepped into a new stage of development, and the integration of a new management team was a natural step, dictated by the market and the global context we were going through.

The results evolved at a good pace, on the back of increasing our activities and further achieving cost savings, thanks to numerous operational synergies within the CRC Group.

At the same time, our company consolidated its service portfolio in 2022 by acquiring Sistemplast S.A. Râmnicu Vâlcea, a company located on the Râmnicu Vâlcea platform, specialized in providing integrated solutions for mechanics, design, construction, verification, and monitoring of industrial works.

We ended the year with the inauguration of a new special polyol plant in Rm. Vâlcea and two ongoing investment projects: 49Mw high-efficiency cogeneration plant and monitoring of energy consumption.

All these projects are in line with the company's strategic sustainability values and priorities.

This report reflects our strong commitment to sustainable development, highlighting our progress and achievements in sustainability. Chimcomplex will continue to actively support the transition to circular green chemistry, hydrogen, and technological and energy efficiency. We are what we do every day! Romanians who develop Romania and have the courage to go against the current.

Dr. Ștefan Vuza,
Chairman, Board of Directors & CEO
Chimcomplex






Report profile



BUILDING A SUSTAINABLE FUTURE



Our need to communicate about the measures we have taken to reach zero emissions is vital to ensure we meet our sustainability goals. We have a clear vision and strong determination to act responsibly and minimize negative impacts on our environment and communities.


This Sustainability Report completes the Chimcomplex Annual Report 2022 with the mandatory legal information for non-financial reporting, specified by the Minister Orders no. 1938/2016 and no. 2844/2016.

Since 2019, Chimcomplex has prepared and published annually Non-Financial Statements. This 2022 Report has been prepared in accordance with the latest Global Reporting Initiative (GRI) standards and the information included in the report refers to the financial year 2022 (from 1 January to 31 December 2022). The reporting period for financial reporting is aligned with the period for sustainability reporting.


More information about Chimcomplex, including contact details, can be found in the Annual Report 2022 and on the website: www.chimcomplex.com.

We are aware of the challenges we face, such as the energy crisis and climate change, but we are determined to find solutions and avoid any negative impacts in the future. We work with valuable people, including teachers, employees, flexible providers, NGOs and business partners, who share and act on our common goal of sustainable development.


IN THIS REPORT, YOU'LL EXPLORE KEY TOPICS SUCH AS:




Our environmental performance: We will showcase progress in reducing greenhouse gas emissions, water, and energy consumption, and measures we have implemented to improve our energy efficiency and reduce our environmental impact.



Social responsibility and community: We will highlight our efforts to support local communities, address social responsibility projects and collaborations with non-governmental organizations and local authorities.



Innovation and research: We will highlight our commitment to being an innovative R&D company in the chemical industry. We will present our projects and partnerships in the field of sustainable innovation and how we contribute to the development of sustainable solutions.



Corporate governance and ethics: We will outline our corporate governance principles, the ethical standards we adhere to, and our commitment to transparency and accountability in all our operations.

HERE'S WHAT THE 2022 FINANCIAL YEAR LOOKED LIKE OVERALL:

We have continued to invest in the professional training of our colleagues, whether they are at the beginning of the road or have a well-defined career.

We have perfected the circular approach: we continue to optimize our production processes so as to minimize waste generation and recover and recycle used materials.

We have developed solutions to minimize the lifecycle impact of our products.

Our policies and practices to use natural resources in a sustainable and responsible way have been perpetuated. We used renewable raw materials, reduced water consumption, recovered waste and reintroduced materials that could be reused into the value circuit.

We have complied with environmental regulations and exceeded our legal obligations. The impact of our activities on soil, water and air is measured and kept within sustainable parameters, and emissions monitoring shows the gradual annual decrease and our move towards zero.

We have acted responsibly towards local communities, we are committed to contributing to their development, so we are sensitive to requests from local authorities, NGOs and other stakeholders to identify and implement projects and initiatives that contribute to increasing the quality of life in the regions where we operate.

Chimcomplex is a Responsible Care certified company, a voluntary commitment of the global chemical industry to which we have adhered with confidence and the desire for continuous improvement and to achieve excellence in environmental performance, health, safety, and security at work.

About Chimcomplex



GRI 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES;

GRI 102-4 LOCATION OF OPERATIONS

ABOUT CHIMCOMPLEX

Chimcomplex is the main producer and supplier of vital chemicals in the region, a strategic company for the Romanian economy, founded in 1954 in Borzești, Onești.

Chimcomplex currently manages the largest chemical plant, with two industrial platforms in Onești, jud. Bacău and Râmnicu Vâlcea, jud. Whirlwind.

Chimcomplex is a national company, with majority Romanian shareholders and a clear objective to attract many other Romanian investors. A company well positioned to provide strategic value to its potential shareholders, as it capitalizes on market trends and will put Romania on the green map of the world thanks to the projects it considers.

WE ARE THE LEADING MANUFACTURER AND SUPPLIER OF VITAL CHEMICALS IN THE REGION

What do we do?

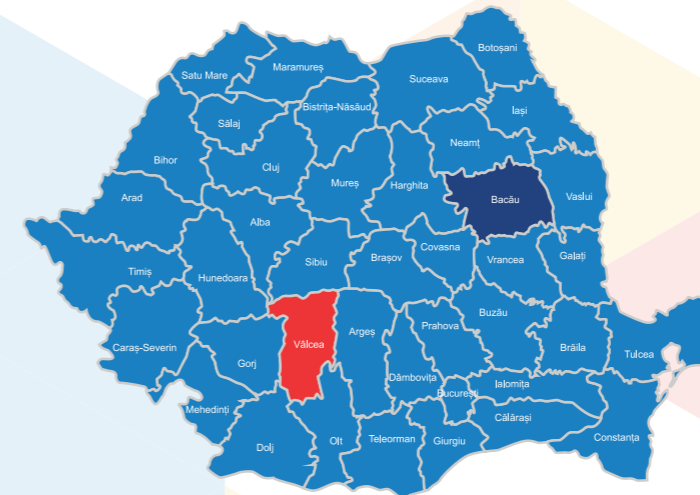
We produce and trade inorganic and organic chemicals. We specialize in polyols, Chlor-alkali and oxo-alcohols.

- Chimcomplex is a strategic unit of the national economy through:
- supply of basic chemicals (caustic soda and hydrochloric acid) for the energy industry, ion exchange regeneration processes;
 - providing products (chlorine, sodium hypochlorite, lime chloride) necessary for drinking water for more than 99% of drinking water stations in Romania, Bulgaria, Republic of Moldova, Greece.
 - providing sodium hypochlorite-based biocides for the disinfection of hospitals and public spaces;
 - provision of basic chemicals (ferric and ferrous chloride coagulants, pH correction agents) for wastewater treatment and treatment (municipalities and industry).
 - providing the necessary products for various industrial applications (ferrous and non-ferrous metallurgy, detergents and cosmetics, food chemistry, industrial gases – hydrogen, automotive industry, furniture industry, oil and gas industry, fertilizers, plasticizers, solvents, etc.).

Products manufactured by Chimcomplex are used daily to produce thousands of other safer and durable products: from polyurethane shoe soles and mattress foams to wind blades and hybrid car batteries. Our products help us get home safely and easily. We contribute to increasing the quality of life for a more dynamic and comfortable world.

GREY 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES

Chimcomplex is an internationally recognized brand through its two industrial platforms. Thanks to its strategic geographical position, it is able to easily respond to market demands in Europe and other continents.



- ONEȘTI 171 ha Production facilities**
- Electrolysis Plant
 - Solid Caustic Soda Plant
 - Liquid Chlorine Plant
 - Hydrochloric Acid Plant
 - Ferric Chloride Plant
 - Alkyl Amines Plant
 - Lime Chloride Plant
 - Calcium Chloride Plant

Energie: 2 unități cogenerare
 • 7.4 MWe și 17.8 Gcal abur
 • 7.7 MWe și 10.1 Gcal abur

- Rm. Vâlcea 223 ha Production facilities**
- Electrolysis Plant
 - Solid Caustic Soda Plant
 - Oxo-Alcohols Plant
 - Hydrochloric Acid Plant
 - Propylene Oxide Plant
 - Flexible Polyols Plant
 - Rigid Polyols Plant
 - Graft Polyols Plant



Products
Inorganic Chlorides

Chlorosodic Products

Amines and Derivates



Products
Propenoxide Polyols Polieters

Chlorosodic Products

Oxo-alcohols Plasticizers

We give value to national resources

We are a strategic company for the Romanian economy, which gives value to the resources of salt, limestone, lime, soda ash, natural gas, petrochemicals.

We are part of the progress

We are a private chemical company with 70 years of experience, developing quality products for a better life and a sustainable future. We continuously invest in new technologies to increase efficiency while keeping our focus on environmental protection and sustainability.

Both platforms have easy access to land transport routes (car and CF) and have means of transport suitable for the categories of capitalized finished products. The products obtained have an assured market for the operation at maximum capacity of the installations.

The technological and utilities flows exploited are integrated for the superior capitalization of the obtained products, meaning that a large part of the raw materials needed in technological processes are produced on our platforms, and the utilities are produced entirely in Borzești and partially in Rm. Vâlcea.

Industrial platforms are strategically located near salt mines that provide us with the brine necessary for the electrolysis process. The salt mines are connected by pipelines with the two platforms providing a long-term supply of brine delivered continuously at low costs.



FLEXIBLE FOAM

Petol 48-3MB
Petol 48-3S
Petol PP 452
Petol S 38-3B

APPLIANCE INSULATIONS

Petol PS 500-5G
Petol PS 500-4G
Petol PA 640-4E

ADHESIVE

Petol 56-2
Petol 400-3

REBONDED FOAMS BINDER

Petol 36-3BR



**PRODUSELE FABRICATE DE NOI SUNT FOLOSITE ZILNIC
PENTRU MII DE ALTE PRODUSE SIGURE ȘI UTILE.**

A photograph of a modern building with a glass facade at night, illuminated from within.

**SPUMĂ RIGIDĂ,
PENTRU EFICIENȚĂ
ENERGETICĂ SPORITĂ**

A photograph of a wind turbine in a green landscape with mountains in the background under a sunset sky.

**MATERIALE INOVATIVE
PENTRU SURSE
DE ENERGIE VERDE**

A photograph of a car's interior, showing the steering wheel, dashboard, and center console.

**POLIOLI PENTRU
COMPONENTE AUTO
FIABILE**

SHAREHOLDING STRUCTURE

CHIMCOMPLEX is a company listed on the Bucharest Stock Exchange, on the regulated market, Standard Category, CRC symbol starting with 17.01.2022.

From 21.07.2015 until 17.01.2022, Chimcomplex was listed under the Alternative Trading System, Financial Instruments Section on ATS, Equity Sector, Share Category, CHOB Symbol.

The main activity of the company, according to NACE coding, is 2013 – manufacture of other basic inorganic chemicals.

The group of companies within which Chimcomplex is the parent company consists of: Greencomplex SRL, A5 Invest SRL, Sistemplast SA, which mainly represent service providers in order to streamline activities.

There were no liquidations, mergers, or reorganizations within the group in 2022.

During 2022, Chimcomplex became a shareholder in the affiliated company Sistemplast SA Râmnicu Vâlcea, by acquiring the package of shares held by UZUC SA Ploiesti, representing 94.4% of the share capital of **Sistemplast SA**.

The shareholding structure is as follows:

December 31, 2022	Shares	Shareholding
Shareholders		
CRC Alchemy Holding B.V.	259.151.301	84.99%
AAAS	27.305.181	8.96%
Legal entities	14.363.583	4.71%
Individuals	4.087.786	1.34%
Total	304.907.851	100%

405-1 DIVERSITY OF MANAGEMENT STRUCTURES

COMPANY MANAGEMENT

The administration and coordination of the activity of Chimcomplex SA Borzești in 2022 were ensured by a Board of Directors, consisting of 5 members between 01.01.2022 and 31.07.2022, as follows:

1. ȘTEFAN VUZA	Chairman of the Board of Directors
2. BĂNCILĂ VIRGILIU	Member of the Board of Directors
3. COJOC IULIU LIVIU	Member of the Board of Directors
4. FRANK HAJDINJAK	Member of the Board of Directors
5. DAN MIHAI TODOR	Member of the Board of Directors

Between 31.07.2022 and 31.12.2022, the administration and management of the company were ensured by a Board of Directors consisting of 7 members, as follows:

1. ȘTEFAN VUZA	Chairman of the Board of Directors
2. PLATINUM ADVISORY SERVICES SRL, represented by MADELINE ALEXANDER	Member of the Board of Directors
3. PREOTEASA VERONICA	Member of the Board of Directors
4. TISCHER GABRIEL	Member of the Board of Directors
5. WITOLD URBANOWSKI	Member of the Board of Directors
6. COJOC IULIAN LIVIU	Member of the Board of Directors
7. ERIC KISH	Member of the Board of Directors (12.08.2022-25.10.2022)
8. COMAN DUMITRU	Member of the Board of Directors since 25.10.2022

CORPORATE GOVERNANCE

The Company applies a corporate governance code in accordance with the provisions of the Romanian Commercial Code and as part of the inclusion of its shares on the Bucharest Stock Exchange.

The Board of Directors is responsible for setting the company's strategy and overseeing its implementation.

His main responsibilities include approving the financial statements, appointing the Chairman and preparing the agenda of the Annual Meeting of Shareholders.

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Corporate governance policies aim to ensure transparent and sustainable value creation through clear delineation of responsibilities, management processes and continuous monitoring of the performance and efficiency of the Board of Directors, and appropriate decision-making process regarding the policy of principles and controls.

The election of the board members was made by majority vote within the OGMS, the candidates being proposed by the shareholders.

The composition of the Board of Directors faithfully reflects the participation in the capital (over 70% of the capital is represented in the CA). There are no family ties between directors or members of executive management with third parties due to whom they were elected/appointed to office.

The diversity of the members of the Board of Directors allows capitalizing on skills, experience, and complementary professional knowledge in different fields. The majority of board members are non-executive directors, so a balance of authority is ensured.

In 2022, the Board of Directors met on a monthly basis, with all members present in person or using postal voting. The level of allowances of the members of the Board of Directors is established by the shareholders' decision in the general meeting.

Corporate governance policies aim to ensure transparent and sustainable value creation through clear delineation of responsibilities, management processes and continuous monitoring of the performance and efficiency of the Board of Directors, and appropriate decision-making process regarding the policy of principles and controls.

No member of the administrative, management or supervisory bodies has been convicted in relation to possible fraud committed in the last five years.

The main management, management and supervisory structures of the company are the Board of Directors, the Directors, the Audit and Risk Committee, the Integrity Committee, the Nomination and Remuneration Committee and the Strategy, Development and Investment Committee.

Chimcomplex appointed a new executive team, thus strengthening the management structure of the company. The new executive team has the role of implementing the company's development strategy.

REMUNERATION POLICY

The remuneration of directors shall be determined by the decision of the Board of Directors.

The annual gross remuneration and other advantages, including that approved by the GMS through BVC due to the management, cannot exceed 5% of the value of the equity capital, established by the annual balance sheet.

In order to comply with the legal obligations introduced by Law nr. 158/2020 amending Law no. 24/2017 on issuers of financial instruments and market operations, the Remuneration Policy for directors, executive directors and members of the Audit Committee was developed and approved at the 2022 GSM.

NOTE: Given that we are a company listed on the Bucharest Stock Exchange (BVB) and we have reporting obligations to both BVB and ASF, the changes within the Board of Directors, as well as the amendment of the Articles of Association in this regard, were notified to BVB and ASF at that time. For more information about the Remuneration Policy and please consult our website www.chimcomplex.com.

AFFILIATIONS

- Chimcomplex is represented in the following associations and organizations:
- APDCR (Association of Chemical Producers and Distributors in Romania)
- AMCHAM (American Chamber of Commerce in Romania)
- AHK (Romanian-German Chamber of Commerce and Industry)
- A.N.E.I.R. (National Association of Exporters and Importers in Romania)
- ACER (Association of Energy Consuming Companies in Romania)
- CEFIC (European Chemical Industry Council)
- EUROCHLOR

NATIONAL RECOGNITION IN 2022

Capital Romania awarded Chimcomplex in the category "The best performing player in the chemical industry" at the Elite Companies Gala 2022.

For the second consecutive year, Chimcomplex occupies position 1 in the Industry category and position 6 in the "Top 25 most valuable Romanian entrepreneurial companies" according to ZF Top 100 most valuable companies in Romania, 2022 edition.

2022 FINANCIAL RESULTS

Chimcomplex reported total revenues of 2,415,212 thousand lei, of which 2,385,750 thousand lei operating income.

The increase in utility purchase prices, well above those of direct competitors in the European Union, had a significant impact on production costs, which led to a lower profitability margin compared to 2021.

Compared to the same period of 2021, the structure of products in turnover changed, increasing the share of caustic soda to 44%, from 20% in 2021.

The company has increased its portfolio of international customers, especially from the region, with exports accounting for 71% of turnover. Europe is the market that consumes 92.45% of the products manufactured in Rm. Vâlcea and Onesti. In the last 12 months, the company has maintained a high level of sales on the national and international market, even if it is invaded by products from Asia, much cheaper.

Chimcomplex paid taxes, fees and contributions of approximately RON 140 million to the Romanian state in 2022, up 3% compared to 2021.

The 2022 results showed that Chimcomplex's integrated business model and strategic plan 2022-2030 were the key to a positive performance.

PRODUCT AND USE PORTFOLIO

Chimcomplex provides a wide range of products that have applicability in a lot of essential markets: metallurgy, steel, thermoenergetics, food and beverage industry, automotive industry, building materials, extractive industry, textile, pulp, and paper, pharmaceutical, plastics, electronics, furniture, home appliances, packaging, sanitation and public hygiene, furniture industry, automotive industry, household appliances, inks and paints industry and More.

On the two industrial platforms, Chimcomplex operates two brine electrolysis plants, with ion exchange membranes, with similar production capacities, of over 120,000 tons/year caustic soda. The products obtained - caustic soda, chlorine and hydrogen are used internally for the manufacture of other products or are sold in the domestic and foreign market

The utilization rate of the facilities that operated in 2022 was 71.23% and includes the following:

- Membrane Electrolysis Plant, Propenoxide, Polyols-Polyethers, Oxo-Alcohols Section.
- The Oxo-alcohols section was shut down for 10 months during 2022.

CHIMCOMPLEX PRODUCTS:

CAUSTIC SOLUTION SODA is used in the chemical industry in the manufacture of soaps, detergents, pesticides, fertilizers, bleaching agents, and ion exchange regeneration, in the petrochemical industry in the refining of petroleum products, in the wood industry, in the textile industry in the manufacture of cellulose, viscose, in the sugar industry, in the oil industry for their purification from free fatty acids, in the aluminum industry.

CAUSTIC SODA FLAKES have similar uses to the caustic soda solution, but have the advantage of lower storage, handling, and transportation costs.

LIQUID CHLORINE is used in the chemical industry for organic and inorganic synthesis, in the manufacture of chlorine-rubber, in the manufacture of plastics, in the synthesis of dyes, pesticides, in the pharmaceutical industry, in the paper industry as a bleach, in the chlorination of water.

HYDROCHLORIC ACID is used in oil extraction, acidization of oil wells, metallurgical industry, steel pickling/degreasing, chemical industry, manufacture of inorganic salts, fertilizers, resins and dyes, food and beverage industry, textile industry, pharmaceutical industry, ion exchange resin regeneration, water demineralization stations.

SODIUM HYPOCHLORITE is used as a bleaching agent for textiles, detergents, pulp and paper, in oxidation processes of organic products, in oil refining, in water disinfection and sterilization of sanitary facilities.

POLYETHER-POLYOLS are used in the synthesis of unsaturated epoxy polyurethane resins, elastomers, adhesives, anti-foamers, lubricants and brake fluids. Their most important use is the manufacture of flexible or rigid polyurethane foams. Polyurethane foams are obtained by a block or linear foaming process.

They are used in the furniture industry at tapestries, in the automotive industry at various parts (dashboard, steering wheel), car upholstery. They are also used for low-temperature thermal insulation (refrigerators, cold rooms). Polyurethane foams are used to obtain foam core for sandwich panels.

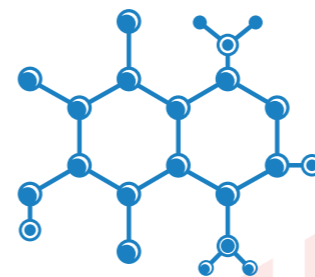


BUILDING MATERIALS

Petal 480-4G
Petal PZ 400-4G
Petal PZ 360-4G
Petal PM 410-4N
Petal PA 450-4E

WIND TURBINE

Petal 400-3
Petal PZ 360-4G



PROPYLENE GLYCOL is mainly used in obtaining antifreeze, polyethers, polyols, antifoams, paints, varnish industry, as solvent for obtaining printing dye and laundry detergents, as plasticizer to improve plastics processing capacity, in cosmetics and pharmaceuticals.

OCTANOL (2-ethylhexanol) is used in the manufacture of plasticizers, synthetic lubricants, surfactants and antifoamers, as a solvent for animal fats, vegetable, and mineral oils, wetting and dispersing agent for textiles.

ISOBUTANOL AND NORMAL BUTANOL are used in varnish industry based on nitrocellulose and alkyd resins, solvent for the manufacture of artificial leather, extraction agent for oils, medicines, perfumes, raw material in the manufacture of hormones, vitamins, solvent for kiln drying varnishes based on urea and phenolic resins.

FERRIC CHLORIDE is used as a flocculant in the treatment of drinking and industrial water, in the treatment of metal surfaces, in the electronics industry, in the manufacture of integrated circuits, in chemical polishing and galvanoplasty of stainless steels, as a pigment for decorating ceramic objects.

CALCIUM CHLORIDE is used as a defrosting agent for winter road maintenance, as an anti-dust agent on unpaved roads, in the extractive industry (dust control in mining, addition to drilling mud), in the transport and winter storage of ores, as a drying agent in cold technology, as an additive in the food industry.

LIME CHLORIDE is used in public hygiene as a deodorizing and disinfecting agent, in water chlorination, in the pulp and paper industry as a bleach, in the textile industry.

MONOMETHYLAMINE is used in organic syntheses to obtain insecticides, solvents, drugs, explosives, anionic detergents, emulsifiers, dyes, polymers and polymerization catalysts, vulcanization accelerators, photographic substances.

DIMETHYLAMINE is used in organic syntheses to obtain emulsifiers, corrosion inhibitors, insect fungicides, solvents, drugs, ion exchangers, chemical fibers, polymers and polymerization catalysts, vulcanization accelerators and photographic substances.

TRIMETHYLAMINE is used in organic syntheses to obtain quaternary ammonium salts, choline hydrochloride, emulsifiers, insectophorides, solvents, drugs, ion exchangers, dyes, detergents, photographic substances.

ISOPROPYL AMINE is used as a corrosion inhibitor, in the manufacture of some dyes, pharmaceuticals and pesticides.

FLEXIBLE FOAM

Petal 40-348
Petal 40-35
Petal PP 452
Petal S 38-38

APPLIANCE INSULATIONS

Petal PS 500-5G
Petal PS 500-4G
Petal PA 640-4E

ADHESIVE

Petal 56-2
Petal 400-3

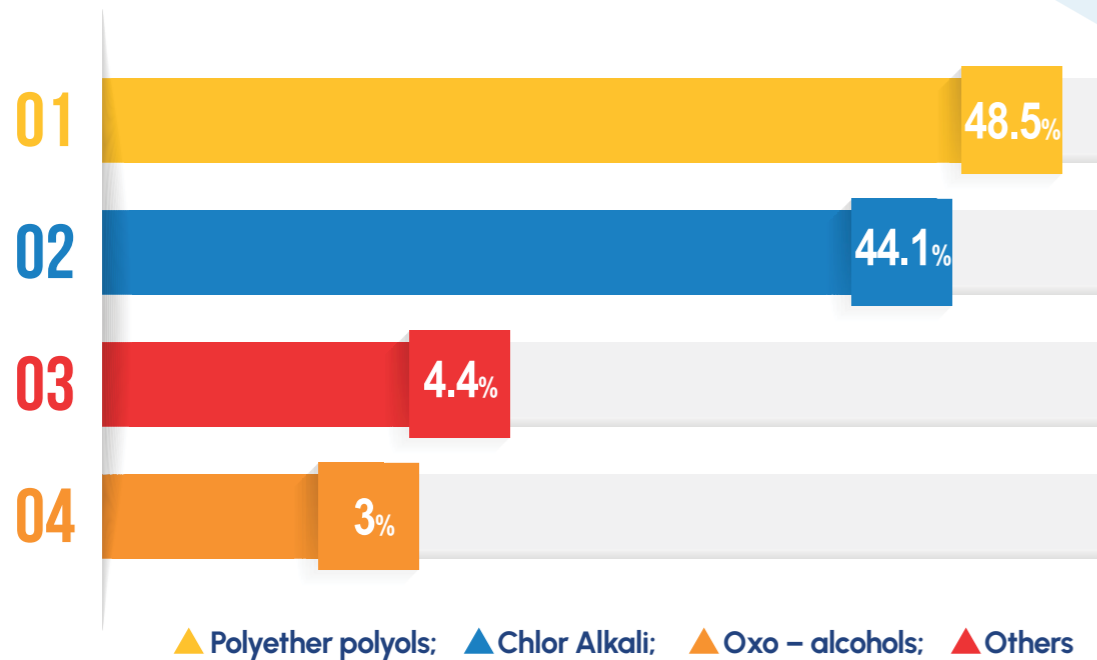
GREY 102-6 MARKETS SERVED

In 2022, Chimcomplex produced and marketed a wide range of chemical products, which can be grouped as follows:

- ▶ Polyols – polyethers;
- ▶ Chlor-alkali;
- ▶ Oxo – alcohols;
- ▶ Inorganic chlorides;
- ▶ Alkylamines;
- ▶ Other products.

The structure of sales achieved by product groups in 2022 is shown in the following figure:

SALES MADE BY PRODUCT RANGE 2022



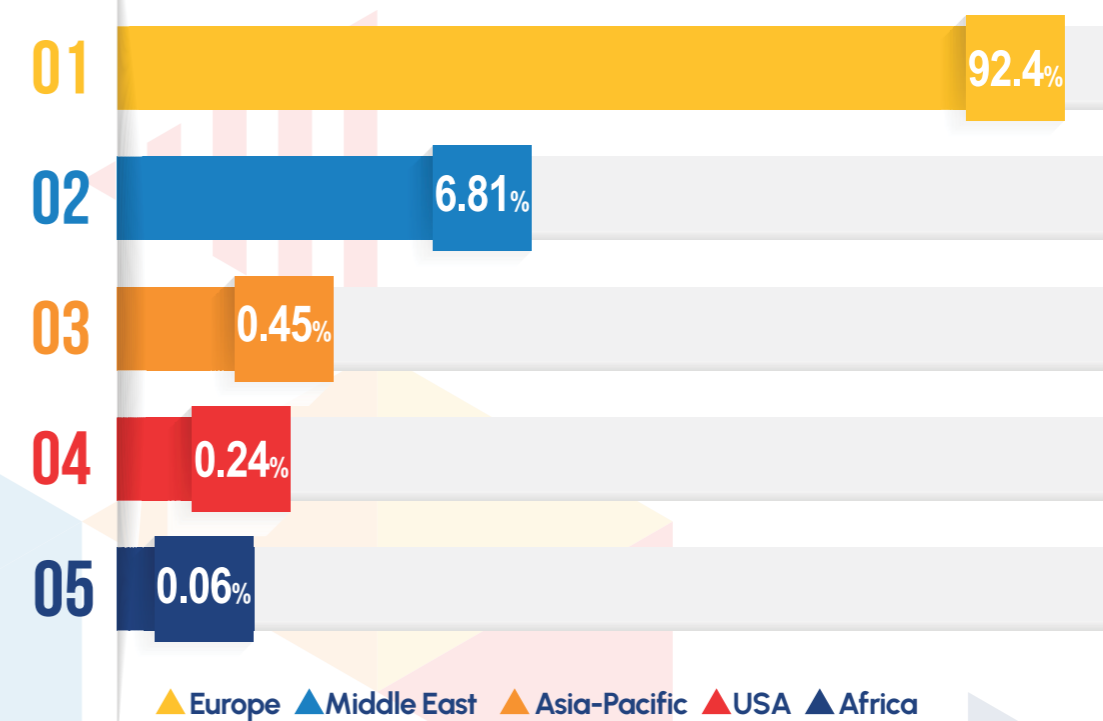
Chimcomplex has focused its activity on the polyether-polyether and chlor alkali sectors, which have a high market demand and a high profitability margin.

In 2022, the share of chlor alkali products in realized revenues increased, as a result of the increase in prices of caustic soda.

The main markets for manufactured products and revenues from the sale of products on these markets in 2022 are:

GEOGRAPHICAL AREA	LEI
Europe	2.087.888.422
Middle East	153.819.813
Asia-Pacific	10.105.614
America	5.317.899
Africa	1.400.662
TOTAL	2.258.532.411

SALES MADE BY GEOGRAPHIC AREAS 2022



MARKET SHARE HELD BY CHIMCOMPLEX:

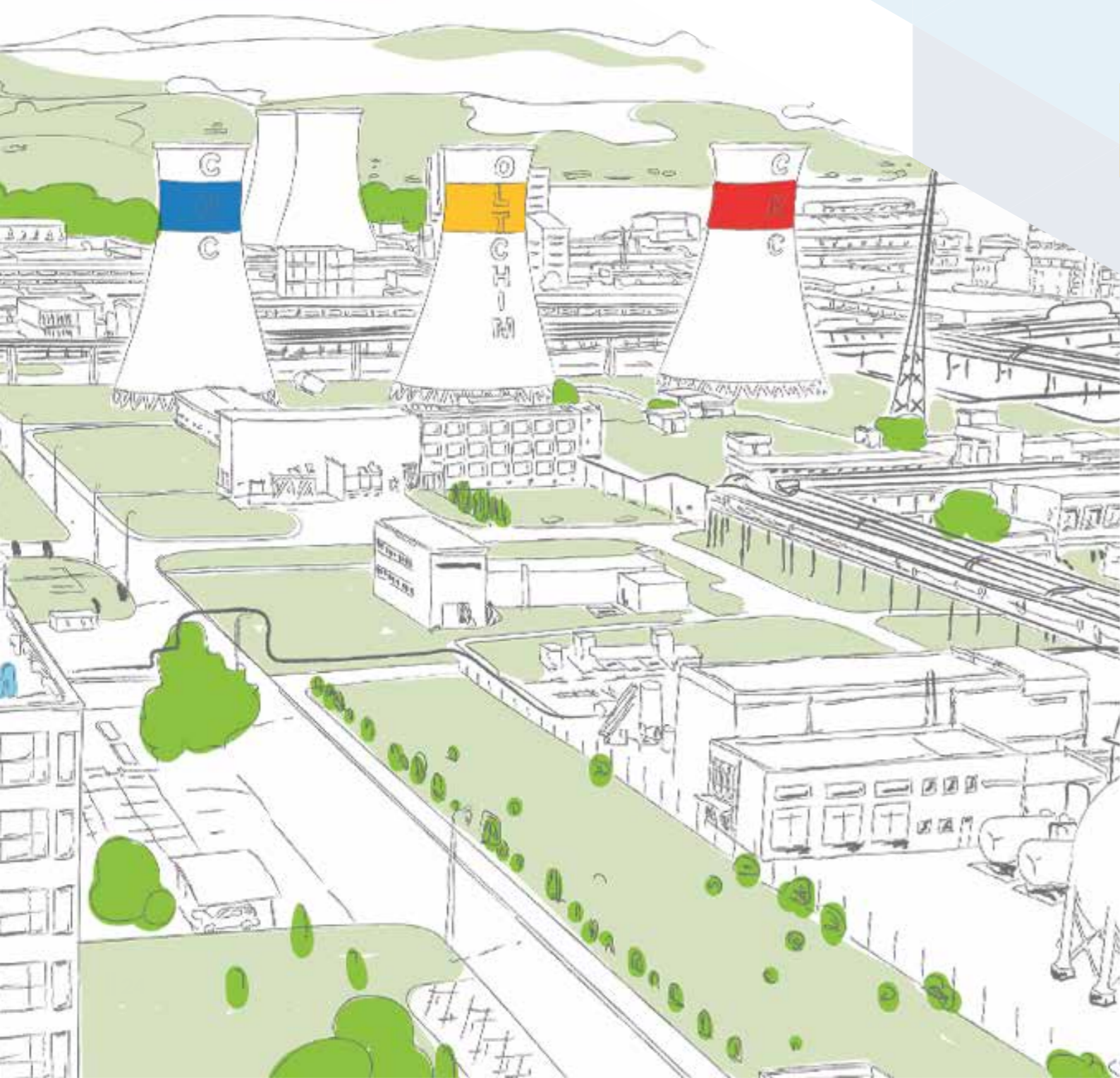
On the domestic market, the company holds, by product categories, the following market shares:

Chlor-alkali:	between 75% - 90%
Inorganic chlorides:	77%
Oxo-alcohol:	40%
Polyols:	between 60% - 70%

On the relevant foreign markets (Turkey, Bulgaria, Hungary, Greece, Poland, Czech Republic, Slovakia) Chimcomplex holds, by product categories, the following market shares:

Chlor-alkali:	between 20% - 50%
Inorganic chlorides:	30%
Polyols:	20%

Governance for Sustainability



GOVERNANCE FOR SUSTAINABILITY

Chimcomplex has a commitment to Net Zero operations by 2050 and has set itself ambitious GHG reduction targets for 2030 for all GHGs on the value chain. To achieve these goals, a significant amount of CAPEX will be allocated to low-carbon projects and activities by 2030. CAPEX's organic growth will be driven by investments in sustainable and low-carbon projects in all business segments.

SUSTAINABILITY IN OUR BUSINESS STRATEGY

Our strategy 2021-2030 shows our commitment to transforming towards a low-carbon future, with sustainability fully integrated into our business plans. Our sustainability actions focus on running operations responsible, empowering people and communities and harnessing innovation and digitalization.

The goals of the UN Agenda for Sustainable Development 2030 are an integral part of our sustainability mission, and the Sustainability Framework covers all relevant material topics.

GRI 102-15; GRI 102-30 MATERIALITY ANALYSIS

The content of our annual sustainability report is determined by a detailed materiality assessment, through which we identify and analyze the material aspects with the greatest relevance both for our business and for our stakeholders.

Materiality analysis is the basis of the sustainability performance reporting process. It helps us ensure that our efforts remain focused on those areas where we can have the greatest impact, and which are most relevant to our stakeholders.

Chimcomplex uses the process of double materiality to identify and prioritize aspects that have a significant impact on the success of its activity in order to develop an effective strategy and ensure effective communication with stakeholders.

FINANCIAL MATERIALITY



The impact of sustainability issues on the company

ENVIRONMENT AND SOCIAL MATERIALITY



The company's impact on the environment and society

SUSTAINABLE MATERIALITY

IDENTIFYING AND PRIORITIZING MATERIAL ASPECTS

The material topics relevant to the company are:

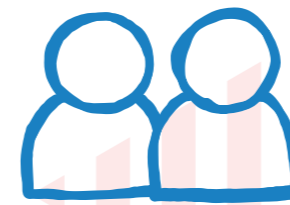
- Governance, compliance, and risk management;
- Business ethics and anticorruption
- Fair competition and transparency
- Sustainable partnerships in the supply chain
- Customer satisfaction
- Cybersecurity
- Sustainable partnerships in the supply chain
- Supplier evaluation
- Resource Management
- Operational security
- Climate change and energy transition
- Education and training
- Circular economy and innovation
- Digitization
- Human rights
- Investing in the community
- Health, safety, and well-being of employees.

GRI 102-40 LIST OF TARGET GROUPS

Stakeholder dialogue

We are firmly committed to maintaining active and transparent dialogue with stakeholders in our sustainability activities. We support a wide range of stakeholders through transparent communication and open dialogue with the aim of developing mutually beneficial relationships.

We constantly evaluate the social impact of our projects and engage in dialogue and support for the communities in which we operate. We are aware of our responsibility towards these communities and strive to support them in an effective way. We collaborate with state institutions and industry associations in the field of energy and oil, offering them our support in developing and implementing sustainable policies and regulations.



We understand the importance of clients' and investors' concerns about ESG (Environmental, Social, and Governance) issues and address them through one-on-one conversations or group meetings. We actively participate in relevant external events and are involved in stakeholder dialogues and working groups.

The constant involvement of our employees is a priority for us. In 2022, we organized 10 meetings between Executive Board members and various groups of employees. These meetings facilitated the exchange of ideas, constructive feedback and promoted a culture of transparency and open dialogue within the company.

We are committed to growing and strengthening our relationships with our stakeholders, considering their views, and addressing their concerns and needs. We take responsibility to continuously improve dialogue with stakeholders and contribute to the sustainable development of the communities in which we operate.


The management of Chimcomplex is committed to representing and promoting the interests of shareholders and to accountable responsibility for the performance and activities carried out. We are aware of our duty to shareholders and recognize the importance of continuous dialogue with them.


That is why we have taken several actions in 2022 to maintain an active presence in local and international capital markets. The company's management participated in relevant conferences and held meetings with analysts and investors. These interactions provided valuable opportunities to communicate our operational and financial performance, strategy implementation, and quarterly plans. We sought to regularly inform investors and analysts about our developments and respond to their questions and concerns.


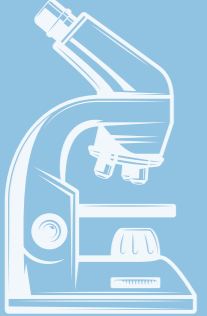
We are also aware of the importance of dialogue with trade unions in maintaining a solid social balance within our company. We appreciate the crucial role this dialogue plays in promoting harmonious working relations and achieving our common goals. The relationship of the four unions with the management is based on dialogue whose purpose is to harmonize employees' expectations with the company's possibilities, compliance with the provisions of the Collective Labor Agreement, consultation, and negotiation in the parity commission.

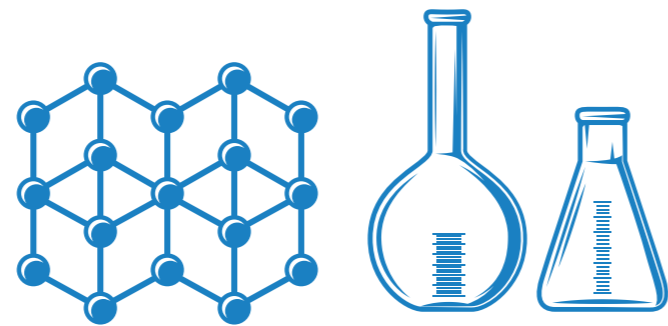
We will continue to improve our dialogue practices so that we can consistently ensure relevant and accessible information and develop constructive solutions to the questions and concerns raised.

SUSTAINABILITY PILLARS

STAKEHOLDER GROUPS	EXAMPLES OF COMMITMENTS
Suppliers & Contractors	 <ul style="list-style-type: none"> Negotiations and contracts Supplier audits and assessments Supplier meetings Report on common projects
Authorities Government/ Central	 <ul style="list-style-type: none"> Attending meetings Relationship Management Periodic reporting (as required legislation)
Employees	 <ul style="list-style-type: none"> Periodic events The company's internal online platform Newsletters Polls Constant dialogues with the union
Community Local	 <ul style="list-style-type: none"> Sustainability projects Sponsorships and donations Meetings for business projects Public debates Events organized by the local community
Associations (APDCR, CEFIC, Euro Chlor, etc)	 <ul style="list-style-type: none"> Participation in working groups Meetings/Debates Participation in workshops/conferences
Mass-media	 <ul style="list-style-type: none"> Transmission of press releases Organization of conferences/events Offering interviews/points of view
Market capital participants	 <ul style="list-style-type: none"> Industry meetings Contracts Participation in working groups Reports General Meetings of Shareholders Investor conferences
Organizations of Education Science and Research	 <ul style="list-style-type: none"> Joint projects with industry partners, scientific organizations, schools, and universities Organization of conferences and lectures Sustainability projects Employer branding activities
Clients	 <ul style="list-style-type: none"> Communication campaigns Organization of events Working visits
NGOs/NPOs	 <ul style="list-style-type: none"> Social projects Sponsorships and donations Stakeholder dialogue Reporting: Annual report, Sustainability report

SUSTAINABILITY PILLARS	ANALYZED MATERIAL ASPECTS	CHIMCOMPLEX APPROACH
Caring for the environment and climate 	<ul style="list-style-type: none"> Resource management, water management Waste management Carbon Management Responsabilitate pentru produs si clienti 	<ul style="list-style-type: none"> Using an increasing share of renewable energy; Efficient use of energy in production Optimization of resource consumption and minimal waste generation, possibility of waste recovery Use of advanced technologies (BAT) Landfill monitoring Emissions Scope 1, 2 Environmental compliance
Responsible operations 	<ul style="list-style-type: none"> Responsibility for product and customers Governance, compliance and risk management Business ethics and anticorruption Sustainable partnerships in the supply chain Supplier evaluation Operational security 	<ul style="list-style-type: none"> Own, strict rules on product quality upon delivery. Compliance with customer requirements, implementing improvement measures from notifications / complaints. Internal audit. Trained staff. Laboratory accredited SR EN ISO 17025. Open communication with the client. Setting policies and objectives, tracking their achievement in compliance with the reference standard. Verification of the functioning of the management system by: planning and conducting internal/ external audits as well as through management analysis. Integrity, transparency, anti-corruption policies, fidelity information. Long-term forecasts of sources of supply; Firm contracts with suppliers, based on the annual plan production; Product market monitoring. Business ethics of suppliers. Favoring suppliers who support sustainability programs. Equipment monitoring. Preventive maintenance. Staff training. Emergency safety systems.

<p>Employees and community involvement</p> 	<p>Health, safety and well-being of employees</p> <p>Human rights</p> <p>Investing in the community</p> <p>Education and training</p>	<p>Training of personnel with the provisions of the Regulations operation. Incident simulation exercises Programs attracting qualified personnel Planning periodic medical check-ups for employees; OSH control planning Compliance with rest and rest leave periods Personal motivation and loyalty. Recruitment, selection, hiring, staff motivation policy; Investigating employee satisfaction and their growth</p>
<p>Innovation and digitalization</p> 	<p>Circular economy and innovation</p> <p>Digitization</p>	<p>Development of new technologies for decarbonisation. Reducing the use of fossil resources and replacing it with renewable/green or recycled materials, in production. Developing cutting-edge technological skills and digitalization both among employees (as users digitalization) and investment.</p>



RISKS AND RESPONSE APPROACHES

- By the nature of the activities performed, the company is exposed to a series of risks that can be grouped as follows:
 - market and financial,
 - operational and strategic.
- These categories include market, financial, project, process, health, safety and security, tax, compliance, personnel, legal, regulatory, and reputational risks.
- Chimcomplex's actions to mitigate these potential risks, structured by sustainability categories, are presented below:

RISK	EFFECT OF RISK	CHIMCOMPLEX APPROACH
Sustainability pillar: Caring for the environment and climate		
Sustainable material aspect: Carbon Management		
Increasing the carbon footprint of purchased goods and services	Negative impact on the environment	Increasing transparency and awareness in the Procurement department. Product Lifecycle Analysis (LCA) Embracing the concept of sustainable procurement Monitoring, applying measures to reduce emissions. Purpose 1.2
Sustainable material aspect: Resource Management		
Excessive use of resources, resource exhaustion	Ecological imbalance	Optimizing resource consumption Awareness of the concept of exhaustible resource, renewable resource Use of an increasing share of renewable energy Use of advanced technologies (BAT) Efficient use of energy in production processes
Sustainable material aspect: Waste management		
Occurrence of environmental aspects with negative impact, non-compliance with waste legislation	Air, water, soil impurities Negative impact on the company's image	Compliance with the Environmental Permit, Water Management Permit Compliance with applicable law Permanent monitoring of environmental factors, environmental aspects Maintaining SR ISO 14001 certification Procedural rules on waste treatment Carrying out environmental inspections Minimizing waste resulting from technologies by recovering them



Sustainability pillar: Responsible operations		
Sustainable material aspect: Responsibility for the product released on the market and towards customers		
Non-compliance with technical and qualitative standards in accordance with customer requests	Negative impact on the company's image Accumulation of nonconforming product Decreased customer satisfaction with the company's products	Technological improvements High quality raw materials Preventive maintenance Product quality check on delivery, counter sample storage. Internal audit. Trained staff. Laboratory accredited SR EN ISO 17025
Sustainable material aspect: Governance, compliance and risk management		
The vision and mission of top management without real prospect of improvement	The regress of the company	Establishing appropriate policies in tune with sustainable development elements Setting realistic goals and pursuing them Verification of the functioning of the implemented management systems by planning and conducting internal/ external audits and by management analysis.
Sustainable material aspect: Business ethics and anticorruption		
Commercial market limitation	Negative impact on the company's image Financial decrease	Applying the principles of integrity, transparency, anticorruption policies, information loyalty.
Sustainable material aspect: Sustainable partnerships in the supply chain		
Dependence on a single supplier: Special suppliers	Termination of the supply contract with effect in stopping production.	Implementing a balanced procurement strategy for specific activities in accordance with the Company's needs or real demand Diversification supply range, long-term contracts.
Non-compliance with the principles of the Code of Ethics	Negative impact on company reputation (loss of customers)	Business ethics of suppliers Carrying out evaluations, audits at suppliers' premises Favoring suppliers who support sustainability programs
Sustainable material aspect: Operational security		
Accidental stoppages, accidents at work, environmental incidents	Decrease in the number of qualified personnel Fines from control bodies	Compliance with the rules of good practice Staff training Equipment operation monitoring Preventive maintenance Emergency safety systems
Sustainability pillar: Employees and community involvement		
Sustainable material aspect: Health, safety and well-being of employees		

Occupational diseases	Increasing the number of occupational illnesses / accidents Decrease in the number of active personnel with a decrease in the possibility of installation operating. Accidents at work. Fines from control bodies.	OSH controls; Authorization of ventilation systems working in toxic environment, electrical and automation equipment working in EX environment; Determination of pollutants in workplaces; Ensuring proper security signaling in the field of OSH; EIP, MIS and PA insurance.
Sustainable material aspect: Education and training		
Insufficiently trained employees	Wrong performance of working techniques – technological errors.	Recruitment, selection, hiring, staff motivation policy; Investigating employee satisfaction and increasing it Stimulating and supporting dual and postgraduate education.
Sustainable material aspect: Investing in the community		
Not paying attention to the internal context, not meeting the expectations of local communities in terms of economic benefits	Negative impact on the company's reputation.	Carrying out cultural and sports activities in the community Humanitarian aid for the elderly, children, disadvantaged people Community development investments.
Sustainable material aspect: Human rights		
Use of labor selectively, abusively	Decrease in ethical literacy Negative impact on the reputation of the company.	Non-discriminatory employment (age, gender, culture, religion, etc.).
Sustainability pillar: Innovation and digitization		
Sustainable material aspect: Circular economy and innovation		
Increasing contaminants from emissions above permissible limits and not complying with environmental objectives	Reduced capacity or even inability to function. Fines from authorized bodies Negative impact on the environment.	Development of circular economic technologies, decarbonization technologies, integrated into the current technological structure Clean and affordable energy Reducing the use of fossil resources and replacing them with renewable/green or recycled materials from production.
Sustainable material aspect: Digitization		
Stagnation of the development process	Outdated technologies in terms of quality, product impact and environmental aspects.	Developing cutting-edge technology skills and digitalization both in investment and among employees (as users of digitalization). Using information technology development to facilitate sustainability.





Sustainability risk mapping

The focus on social and environmental sustainability, in addition to economic performance, provides opportunities for real sustainability. The global opportunity is the very awareness of the need for sustainable development.

CHIMCOMPLEX ANALYZES AND PREPARES A STRATEGY TO COUNTERACT CLIMATE RISKS, IN CASE OF:

1. STRICTER REGULATIONS ON GREENHOUSE GAS EMISSIONS

The chemical industry is one of the largest sources of greenhouse gas emissions, meaning it can be affected by stricter regulations and emission reduction requirements.

Reducing CO₂ emissions is an objective that will contribute to the sustainable development of Chimcomplex in the future. We capture and reprocess over 10,000 tons of CO₂ every year. Chimcomplex absorbs CO₂ emitted by other industries and uses it in chemical processes alongside hydrogen.

Chimcomplex has implemented more energy-efficient technologies and improved production efficiency to reduce greenhouse gas emissions. At the same time, the company has invested in renewable energy sources and uses alternative sources of raw materials.

The company has established and already fulfilled concrete actions for sustainable development and emission reduction, materialized in:

- Realization of own cogeneration plants, which use natural gas and hydrogen for the production of heat and electricity, with a low carbon footprint;
- Modernization of brine electrolysis installations with ion exchange membranes and equipping them with state-of-the-art equipment with low energy consumption, which led to the reduction of CO₂ emissions by 18,800 tons/year (from reducing electricity consumption).
- Inauguration of a new special polyols production plant that allows operation with technological and energy efficiency 30% higher than current installations, as state-of-the-art machinery and equipment have been designed based on the most modern specific technologies.

The company's development plans provide for new actions with a direct impact on reducing CO₂ emissions by:

- Construction of a new 58 MW cogeneration plant on the site of Rm. Vâlcea,
- The construction of green hydrogen production plants by electrolysis, on the sites of Onești and Rm Vâlcea, with low energy consumption, which would reduce CO₂ emissions by 64,000 tons / year, both from reducing electricity consumption in the electrolysis unit and from replacing fossil fuels with hydrogen for energy production.
- Installation of photovoltaic panels on the sites of Onești and Rm Vâlcea, which would lead to a reduction of CO₂ emissions for electricity consumed by 10,000 tons / year.

In the long run, considering the domestic and international economic context, Chimcomplex will continue its development in the following directions:

- development through product diversification based on the implementation of new technologies (CO₂ capture in methanol production, green polyols production, use of green hydrogen in chemistry and energy production) and recovery of natural resources (in silicate production).
- circular economy, because chemical recycling of waste is an opportunity, and the result of this recycling will be able to replace a large part of the natural resources currently used in various production processes.
- application of sustainable green technologies for the production of green polyols and green epoxy resins.

2. CHANGES IN DEMAND FOR CHEMICALS

Public and government awareness of the impact on the environment can lead to changes in demand for chemicals, which can affect Chimcomplex's business.

We have a very exciting scheme in the pipeline of "renewable energy + recycled raw materials + zero pollution technology = green products".

We are currently working on the technical and economic details.

Chimcomplex has in its product portfolio 100% vegetable bio-polyols, made of castor oil, which are environmentally sustainable and have a low carbon footprint. The portfolio of sustainable products is growing cashew oil cashew oil polyols, polyols with integrated CO₂.

At the same time, we have been recycling chemically for many years. In 2022 we recycled over 1,000 tons of hydrochloric acid.

We prepare the recycling of polyurethane waste (for recovery of rigid polyols), PET waste (recovery of TPA for plasticizers – terephthalic acid for plasticizers) and waste rubber tires (from which we will recover pyrolysis oil), at the same time we focus on water and energy management at high levels of efficiency.

3. RISKS TO THE SUPPLY CHAIN

Climate risks can affect the supply chain, leading to disruptions in the supply of raw materials or increased costs for transport and storage.

The Chimcomplex capacity expansion plan consists of three complementary components: increasing the capacity of the final product, increasing the capacity of raw materials, and increasing energy production.

Being close to the largest regional salt mines (main raw material) with abundant supply, connecting pipelines to salt mines avoids the need to transport rock salts by rail, which would be much more expensive and with supply risks.

Chimcomplex has done a supply chain risk assessment and is working with suppliers to reduce climate risks in supply. 70% of raw materials come from local sourcing, and diversifying suppliers to reduce risks is part of the business strategy.

Chimcomplex has the best local and regional integration in the supply chain with minimal logistics costs.

4. INSURANCE COSTS

Climate risks can lead to increased insurance costs, which can affect the profitability of companies in the chemical industry.

Chimcomplex addresses climate risks holistically and is integrated into the business strategy. Through collective action, the company has reduced its risks, improved its sustainability, and developed sustainable business opportunities.

5. TEMPERATURE CHANGES AND EXTREME WEATHER

Extreme temperatures, such as heat waves or excessive cold, can affect the production and transportation of chemicals. Extreme weather events such as storms, floods and droughts can also cause damage or destruction to infrastructure and equipment.

Chimcomplex's sales are focused on CEE markets that have invested heavily in construction and infrastructure.

Chimcomplex works only with transport partners who offer logistics solutions adapted to climate change. At the same time, the company plans to invest in warehouses for safe storage of raw materials (see propylene sphere) and finished products.

The design of Chimcomplex installations is carried out for operation in wide temperature ranges (-300 and +500) and for storm, flood, and drought conditions.

6. SEA LEVEL RISE

Sea level rise can affect the transport of chemicals, especially in port areas.

Chimcomplex is working on a strategy to reduce exports via sea and find alternatives to sell products especially in high-growth markets in CEE/CIS, Turkey.

At the same time, the company is involved in environmental policies and initiatives, as part of APDCR (Association of Chemical Producers and Distributors in Romania) to influence government policies and promote collective action to combat climate change

7. MACROECONOMIC ENVIRONMENT

In the context of the war in Ukraine, when access to resources for heat and electricity production has been greatly diminished and the costs for securing them have increased greatly, the European Union's commitments under the Paris Agreement to reduce CO2 emissions to the stage of "neutrality" in terms of CO2 emissions, have put pressure on companies in the industry, and significantly on the chemical industry.

Unforeseen political events, such as the armed conflict in Ukraine, government changes and economic instability, have led to reduced demand for chemicals, increased transport costs and problems with suppliers. These developments have increased costs for us, and we have had to adjust prices and optimize operations to cope with the new conditions.

Chimcomplex reviewed the activities of the production departments, in order to restructure them in order to remain profitable, in the new conditions of increasing raw material costs and the gas-consuming sections were closed indefinitely.

We focused our attention on maximizing the production of polyols/polyethers and the manufacture of products for which low energy consumption is required. It thus minimizes dependence on gas and energy.

In the last 12 months, the company has maintained a high level of sales on the national and international market, even if it is invaded by products from Asia, much cheaper.

We have a long-term partnership with raw material suppliers, and together we have found the best solutions even during this period. Of course, where necessary, we looked for alternative suppliers of raw materials. At the same time, we develop investment projects that will allow us in a few years to have our own sources of raw materials, thus becoming much more integrated.

The chemical industry is often linked to demand in other economic sectors, such as agriculture, construction or automotive. Even though demand for chemicals fell, the company did not suffer a significant drop in revenue and profits. Chimcomplex has increased its portfolio of international clients, especially from the region, export accounting for 71% of turnover. Europe is the market that consumes 92% of the products manufactured in Rm. Vâlcea and Onesti.

SUSTAINABILITY OPPORTUNITIES

Opportunities

Sustainability pillar: Caring for the environment and climate

Sustainable material aspect: Carbon Management	Increasing energy efficiency by using renewable energy sources (own photovoltaic plants) Sustainable products obtained by capturing emitted CO2, with integration into new products
Sustainable material aspect: Resource Management	Implementation of renewable technologies with reduction of procurement costs, reducing environmental costs.
Sustainable material aspect: Waste management	Reducing the amount of waste and its recovery superior with financial and economic Effects on society

Sustainability pillar: Responsible operations

Sustainable material aspect: Responsibility for the product released on the market and towards customers	Reputation growth due to the superior quality of products offered to customers,
Sustainable material aspect: Governance, compliance and risk management	Transforming the company by adapting to legislative requirements
Sustainable material aspect: Business ethics and anticorruption	Development of the company through the principles of ethics promoted
Sustainable material aspect: Sustainable partnerships in the supply chain	Diversification supply range, increasing product portfolio, increasing the sales market, increasing turnover
Sustainable material aspect: Operational security	Appropriate security measures carried out by specialized and competent personnel

Sustainability pillar: Employees and community involvement

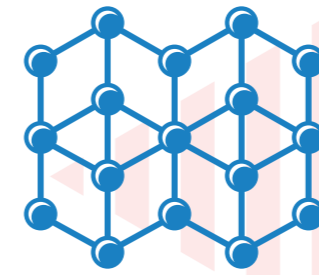
Sustainable material aspect: Health, safety and well-being of employees	The emergence of new protective materials specific to the field of activity, with reducing negative impacts on employee health
Sustainable material aspect: Education and training	Ensuring workforce continuity by implementing training programs
Sustainable material aspect: Investing in the community	Increasing confidence in the organization with effect on available human resources, raising the degree of civilization, quality of life
Sustainable material aspect: Human rights	Increased prestige due to respect for human rights with implications for increasing labor productivity.

Sustainability pillar: Innovation and digitization

Sustainable material aspect: Circular economy and innovation	Obtaining non-reimbursable funds for innovative investments
Sustainable material aspect: Digitization	Reducing production costs through digitization.



Transition to low-carbon business



Chimcomplex's development strategy is based on the orientation towards technological and energy efficiency, circular green chemistry and investments in hydrogen.

We are constantly moving. Our main objective is in everything – sustainable development – to add value to Romania's natural resources. So we focus on the most important strategic objective: to integrate Chimcomplex into the European circular economy, in order to create greater value for Romania.

Chimcomplex has already taken important steps towards achieving its goal of developing its portfolio of low- and zero-carbon products

GREEN REVOLUTION: CHIMCOMPLEX ON THE ROAD TO ECOLOGICAL POLYOLS

Chimcomplex runs on the Râmnicu Vâlcea platform, starting with April 2022, the project **"Investing in innovative green technology to produce new environmentally friendly polyols at Chimcomplex"**. The project is co-financed under the "Business Development, Innovation and SMEs" program, according to contract no. 2021/331014 concluded with Innovation Norway as program operator.

The total eligible value of the project is 2,431,000 Euro, of which the non-reimbursable financial assistance is 1,215,000 Euro. The project implementation period is a maximum of 22 months.

The overall objective of the project is to increase the competitiveness of Chimcomplex by investing in an innovative technology for the production of new polyols with ecological component. The aim of the project is to promote and optimize the production of special polyols including validation together with customers, adapting the formula according to their specific needs and increasing the capacity to use the existing production infrastructure.

The project is carried out in partnership with International Development Norway – a Norwegian organization with over 20 years of experience in international projects for the development of good practices in the eco-business field. The partnership will contribute to the development of a sustainable concept in order to increase Chimcomplex's competitiveness, to reduce the carbon footprint in production processes and to transform its activities in accordance with circular economy principles.

THE FUTURE OF POLYOL PRODUCTION

Chimcomplex, inaugurated in July 2022 in Rm. Vâlcea the newest special polyols production plant in Europe, part of a project worth 101 million euros. The plant increases polyol production capacity to over 187,000 tons per year. That is, in Romania will be produced almost 9% of the European production of polyols, which will bring the company to the 6th place in the top producers in Europe.

The new special polyols plant, which is an integral part of the Oltchim platform, is designed to have performance characteristics in terms of energy efficiency, digitization, and disposal of manufacturing waste.

Our installation is one of the most modern in Europe and worldwide. 400 specialists worked on this project at different stages. The concept of the plant integrates the production of polyols, with the design, which we do together with customers, adapting the formula according to their needs, with product engineering, with technical support for customers, and even with waste collection for recycling. Special polyols will also be produced here, such as 100% vegetable bio-polyols from castor oil, or flame-retardant polyols, which will be used in rigid foams for construction, used for example in the renovation of hospital rooms. By implementing this investment, we will be able to achieve, in addition to a more modern production structure, an increase in products with high demand and value.

The new plant, the largest investment made with local capital in Romania, covers an area of 5.6Ha and has a capacity 4 times larger than that of the existing special polyols factory. The installation allows operation with a technological and energy efficiency 30% higher than current installations, as state-of-the-art equipment and equipment have been designed based on the most modern specific technologies.

The plant has 12 energy-efficient synthesis reactors, which will also produce green polyols that use CO₂ as raw material, thus reducing Romania's carbon dioxide footprint. 51 years have passed since the first polyol was built in Romania and 15 years since the last polyol plant was put into use in our country. In the 3 years since the acquisition of Oltchim's assets, we have removed from conservation this investment, stagnated for 14 years, we have redesigned and invested in it to transform it into a reference factory for Europe. Chimcomplex, the only producer of polyols for polyurethanes in Romania, has oriented its development strategy towards technological efficiency, energy efficiency and green and sustainable chemistry, this is our direction, and we are fast moving forward.

The special polyols plant will also benefit from the experience of the Center for Advanced Research and Development of Polyols already existing on the platform, which has been operating for over 40 years and cooperates with customers around the world and with laboratories of Romanian and international universities and research institutions.

The investment in the new production unit was supported by its own funds and will be amortized within four years.

REGENERATION OF THE INDUSTRIAL PLATFORM THROUGH THE NEW COGENERATION PROJECT

The regeneration of the Chimcomplex industrial platform continued in 2022 with an indispensable element – a new cogeneration plant. This is another natural step for a new sustainable future of Chimcomplex.

A high-performance chemical platform needs a lot of expertise and energy. If on the expertise side we have everything we need, in terms of energy, we decided to build inside the platform a cogeneration plant that will provide us with sustainable energy for all sections. Cogeneration is the process by which we generate both electricity and heat – energy that can be used in all sections of the Chimcomplex Ramnicu Vâlcea platform.

The new plant will be provided, in the first phase in 2023, 33 MW. This means 60% of the needs of the entire platform today, but we plan to generate up to 85 MW by 2024, and the surplus energy will be transferred to the city.

This new component of the system will not only meet our energy needs while reducing CO₂ emissions by more than 80,000 tons per year in the first phase but will also help us to be even more economically competitive in an increasingly dynamic European market. High efficiency energy ensures the competitiveness of high value-added products in the polyether category.

Chimcomplex's participation in the event "Low carbon hydrogen and bilateral collaboration opportunities" organized in Paris by the Romanian Embassy in France in collaboration with the employers' organization MEDEF International was a good opportunity for networking between French and Romanian companies in view of establishing possible partnerships.

Chimcomplex produces the most energy efficient hydrogen – at a water electrolysis the energy consumption per kg of hydrogen is 60 kW, and in the case of an electrolysis of water mixed with salt, the consumption is 46 times lower, which gives us a major operational advantage.

The signing of a memorandum of cooperation between the Romanian Hydrogen Energy Association and the French association that brings together professionals in the hydrogen industry is a step forward in accelerating projects and involving all specialists in the field.

CIRCULAR ECONOMY

In the context of European environmental protection policies, Chimcomplex focuses on obtaining sustainable products through advanced technologies that result in lower CO₂ (GHG) emissions, as follows:

- The best available techniques are implemented to optimize production and minimize emissions into the environment.
- Resource efficiency in production processes, obtaining both economic and environmental benefits, reducing the amount of waste.
- Electricity production through efficient technologies - High efficiency cogeneration plants
- Energy efficiency in electricity consumption (operation of state-of-the-art electrolysis plants)
- Production of hydrogen and its use in CHP plants, reducing the carbon footprint by replacing part of the natural gas.

Even before this vulnerable climatic and macroeconomic context, Chimcomplex considered that reducing CO₂ emissions is an objective that can contribute to the economic growth of the company in a healthy environment, and therefore established and fulfilled sustainable development actions, materialized in:

- Construction of own cogeneration plants, on the sites of Onesti and Rm Vâlcea, which use natural gas and hydrogen for the production of heat and electricity, with a low carbon footprint;
- Modernization of brine electrolysis installations with ion exchange membranes and equipping them with state-of-the-art equipment with low energy consumption, which led to the reduction of CO₂ emissions by 18,800 t/year (from reduced electricity consumption).
- Production of green polyols by replacing fossil raw material with castor oil, which led to a CO₂ reduction of approximately 0.3 tons CO₂/t polyol produced.

New legislative changes and technological progress in chemistry and energy require transformations of the manufacturing chain and orientation towards energy efficiency of processes, green energy, sustainability, and capitalization of natural resources through innovative technologies.

The immediate future will bring new challenges, certain at least in the field of climate change and, in this regard, the company's development plans provide for new actions with direct impact on reducing CO₂ emissions by:

- Construction of a new cogeneration plant of 50+8 MW on the site of Rm Vâlcea (of which 33 MW will be commissioned in 2023) to use natural gas and ensure through a state-of-the-art technological process, the necessary electricity, which would contribute to reducing CO₂ emissions by 200,000 tons / year;
- New plant of special polyols. Special polyols will also be produced here, such as vegetable bio-polyols, from castor oil, or flame-retardant polyols, which will be used in rigid foams for construction. By implementing this investment, we will be able to achieve, in addition to a more modern production structure, an increase in products with high demand and value.
- The construction of green hydrogen production plants by electrolysis, on the sites of Onesti and Rm Vâlcea, with low energy consumption, which would reduce CO₂ emissions by 64,000 tons / year, both from reducing electricity consumption in the electrolysis unit and from replacing fossil fuels with hydrogen for energy production
- Installation of photovoltaic panels on the sites of Onesti and Rm Vâlcea, which would lead to a reduction of CO₂ emissions for electricity consumed by 10,000 tons / year.

In the long run, taking into account the domestic and international economic context, Chimcomplex will continue its development in the following directions:

- Development through product diversification, based on the implementation of new sustainable technologies:
 - CO₂ capture and green H₂ chemistry in methanol production;
 - production of green polyols having as raw material both vegetable oils and CO₂
 - production of sodium silicate and derivatives by capitalizing on natural resources (salt and quartz sand);
 - production of epichlorohydrin and green epoxy resins, having as raw material biogenic glycerin (and not propylene as the classical technology of obtaining epichlorohydrin) leading to:
 - reducing the carbon footprint of approximately 2.56 tons CO₂/ton of epichlorohydrin.
 - reducing the amount of wastewater generated from 40 to 5 t/t of epichlorohydrin.
 - chemical recycling of waste, thus generating renewable raw materials that will be used in various production processes, thus contributing to the development of circular economy; chemical recycling of PET - obtaining terephthalic acid that will be used in the new DOTP plasticizers plant.

Our innovation and circular economy activities contribute to the UN Sustainable Development Goals related to stimulating innovation and climate action.

EXPECTED (ESTIMATED) INVESTMENTS IN 2023 AND FURTHER UNTIL 2025:

ONEȘTI PLATFORM:

The Investment Program for the Onești Platform for 2023 is estimated at EUR 22,200,000 and contains:

- modernization of electricity distribution stations,
- realization of new installations for the production of green hydrogen, photovoltaic power plant and other modernizations and endowments.
- Equipment acquisitions / replacements are envisaged to continue modernization, capacity extensions and ensure the reliability of manufacturing and commercial flows.

RM. VÂLCEA BRANCH:

The Investment Program of Ramnicu Vâlcea Branch for 2023 is estimated at EUR 94,462,433 and contains the following investments:

- DGL-DLI refurbishment,
- modernization of the utility network (raw water, recirculated water, sewerage networks, etc.),
- cogeneration plants - for the production of electricity, steam, and chilled water for production plants in the branch,
- logistics import of raw materials and sale of finished products,
- Assembly of state-of-the-art electrolyzers, with low energy consumption, obtaining green hydrogen and increasing efficiency.

Climate change and energy transition



CLIMATE CHANGE AND ENERGY TRANSITION

Chimcomplex operated in 2022 based on the Integrated Environmental Permit no.1/2013, updated on 12.06.2018 for the site in Onești and based on the Integrated Environmental Permit no.1/11.03.2021 for the site in Rm Vâlcea. Integrated environmental permits are valid for as long as the operator obtains the annual visa. According to the provisions of these documents, air quality monitoring programs are applied on the two sites, which provide for measurements of the main pollutants emitted by fixed sources. These measurements are performed either by our own laboratory, accredited according to SR EN ISO / CEI 17025, or on a contract / order basis to other accredited laboratories, for those indicators for which the company does not have the necessary technical equipment. The results of these measurements are reported annually in the 'Questionnaire on emissions of pollutants into the atmosphere' for that year, as well as in the Annual Environmental Report prepared by each site.

The pollutants discharged and declared, according to the Questionnaire on pollutant emissions into the atmosphere are chlorine, hydrochloric acid, dust, flue-gas specific pollutants: CO, SO2, NOx, pollutants specific to chlorinated organic waste incineration plants.

To reduce emissions into the air, Chimcomplex uses an integrated strategy for their management and treatment.

At the same time, the operation of both platforms also falls under the ETS legislation and was carried out in 2022 in accordance with the provisions of the Greenhouse Gas Emissions Authorization no. 19/05.01.2021 – for the site in Onești and the Greenhouse Gas Emissions Permit no. 106/29.03.2023 – for the site of Rm Vâlcea, valid for the period 2021-2030, and of the monitoring and reporting plans of greenhouse gas emissions, approved by the National Environmental Protection Agency – Climate Change Directorate.

Annually, the report on greenhouse gas emissions achieved in the previous year and the report on the level of activity for adjusting the allocation of CO2 allowances are drawn up, reports that are verified and validated by a third party, accredited for this purpose, according to the applicable legal provisions.

Chimcomplex's activity resulted in the following quantities of greenhouse gas emissions in 2022:

GRI 305-1 DIRECT GHG EMISSIONS (SCOPE 1)

This category includes emissions for 2022 from:

- burning natural gas to produce electricity and heat in the cogeneration plants in Onești;
- burning natural gas for thermal energy production in thermal power plants from Rm. Vâlcea and Onești;
- burning natural gas for incineration of chlorinated organic residues in incineration plants from Rm. Vâlcea;
- combustion of natural gas as fuel for heating raw materials;
- the process of obtaining industrial lime at Rm. Vâlcea (process emissions);
- use of fuel for transport with own means of transport (cars, trucks, machinery and vehicles for handling and freight transport, CF locomotives), for carrying out the company's activity.
- Industrial cooling plants, which use fluorinated greenhouse gases as a coolant.

NO.	SOURCE	CO2e EMISSIONS (TONS)		TOTAL EMISSIONS CO2e (TONS)
		ONEȘTI	RM. VÂLCEA	
1.	Burning natural gas	37 828	22 315	60 143
2.	Transport fuel consumption	466	609	1 075
3.	Process emissions – industrial lime production	0	22 437	22 437
4.	Fugitive emissions from cooling systems	859	214	1 073
Total direct emissions GES = 84 728 to CO2e				

Direct GHG emissions represent 18% of the total emissions accounted for by Chimcomplex for 2022.

GRI 305-2 INDIRECT GHG EMISSIONS (SCOPE 2)

Indirect GHG emissions in 2022 are those related to electricity and heat purchased and used in the company's operations.

NO.	SOURCE	CO2e EMISSIONS (TONS)		TOTAL EMISSIONS CO2e (TONS)
		ONEȘTI	RM. VÂLCEA	
1.	Electricity purchased and used	42 175	176 776	218 951
2.	Heat purchased and used	0	160 305	160 305
Total indirect GHG emissions (scope 2) = 379 256 to CO2e				

Indirect GHG emissions – scope 2 – related to electricity and heat consumption are the segment with the largest share in the total GHG emissions accounted for by Chimcomplex for 2022 and this is due to the fact that we are a large consumer of energy, electricity, and heat.

The sodium hydroxide manufacturing plants by ultrapure brine electrolysis, operated on both platforms, use electricity as raw material and, in this context, GHG emissions related to electricity consumption have a considerable share in total emissions, with an impact on the environment.

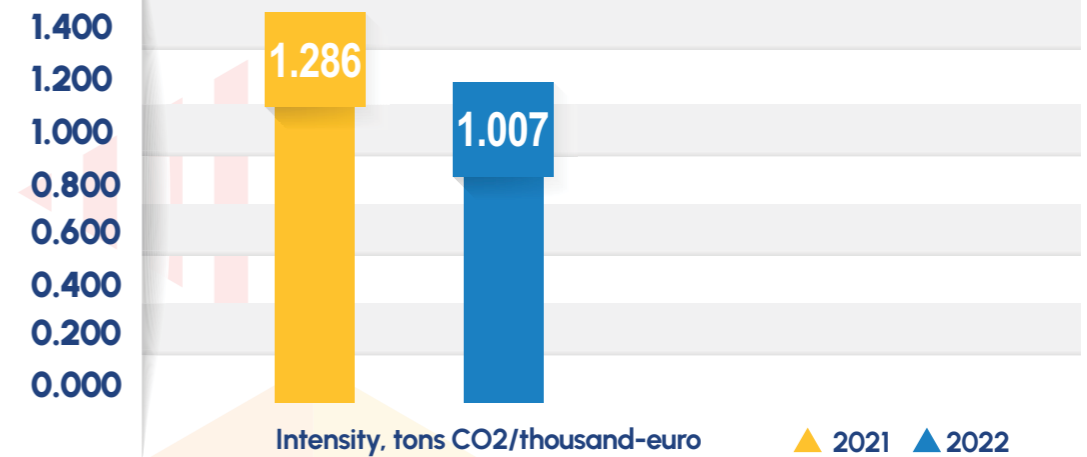
The efficient management of energy consumption, as well as the implementation of energy efficiency measures established by the company's development plans, have the immediate and direct effect of mitigating the climate effects generated by GHG emissions.

GRI 305-4 EMISSIONS INTENSITY

Given the diversity of products manufactured by Chimcomplex on the two platforms, we chose to calculate and relate GHG emissions intensity (scope 1 and 2) to turnover.

Therefore, for 2022 – the second year in which we calculate GHG emissions and relate them to turnover – the GHG emissions intensity was **1,007 tons CO2/thousand euros compared to 1,286 tons CO2/thousand euros in 2021.**

GHG INTENSITY EVOLUTION



GRI 306-3 WASTE GENERATED

Proper management of waste resulting from the activity is an obligation of any waste-generating economic operator and this requirement is regulated by a broad, constantly changing and updating legal framework.

From the manufacturing and marketing activities of chemical products carried out on the two sites, solid and liquid, hazardous and non-hazardous waste is generated, classified under the codes regulated by the legislation applicable at European level.

The most important quantities of non-hazardous waste generated in 2022 were in the categories:

- inorganic slurries from brine purification,
- waste from lime extinguishing,
- residues from lime calcination,
- sludge from wastewater treatment.

The hazardous waste generated in 2022 was from the categories:

- polyol filtration cake,
- residues of Di chloropropane,
- residues from distillation oxo alcohols.

Our company's approach to waste management follows the hierarchy established by legislation, namely:

- waste prevention, where possible;
- reuse of waste, in activities where technically and economically feasible;
- waste recovery and recycling;
- final storage, safe or disposal by incineration, with recovery of thermal energy.

At site level:

- the waste generated is temporarily stored in places specially designed for this purpose, the hazardous waste being separated from the non-hazardous waste;
- waste management records are kept, as provided by the legislation in force;
- The transport of waste for recovery / disposal is done with authorized operators, according to GD 1.061/2008, based on service contracts.

In 2022, Chimcomplex generated a total amount of 57,148 tons of waste on the two platforms, of which 4,915 tons of recoverable waste.

We recovered through recycling, recovery, and recovery of useful compounds 8.6% of the total waste generated during the year, respectively 99.5% of the total recoverable waste generated.

At the same time, we collected waste from Romania for recovery by recycling in the ferric chloride plant in Onesti, a quantity of 4,428.67 tons (tunder crusts and hydrochloric acid), which we recovered in proportion of 126% (quantities of waste collected in the previous year were also recycled).

For the disposal of non-recoverable non-hazardous waste, Chimcomplex owns on both platforms an ecological landfill for solid non-hazardous waste, made and operated in accordance with the legal provisions in force regarding waste storage. For the waste generated, for which we do not have a recovery / disposal facility, we have concluded service contracts with authorized economic operators for the disposal / recovery of the entrusted waste.

GRI 306-4 WASTE DIVERTED FROM DISPOSAL

A series of waste generated from the company's activity, such as:

- chlorinated organic residues,
- packaging waste,
- scrap metal,
- used tires,
- waste electrical and electronic equipment is selectively collected and either incinerated in incineration plants on the site of Rm Vâlcea or handed over for recovery to authorized economic operators for this purpose, avoiding through these actions the disposal of waste at landfills.

We are also authorized and carry out actions to collect hydrochloric acid waste from pickling and tunder crusts from metallurgical activities, waste that we recover in the ferric chloride plant in Onesti.

NO.	NAME OF WASTE	QUANTITY GENERATED (TONS)	QUANTITY COLLECTED (TONS)	QUANTITY RECOVERED (TONS)
1.	Collected hazardous waste (hydrochloric acid)	-	1189,23	1189,23
2.	Hazardous waste generated (chlorinated organic residues, filter cakes, fluorescent and Hg-containing tubes)	2528,187	-	2539,867
3.	Non-hazardous waste collected (trimmer crusts)	-	3239,44	4126,89
4.	Non-hazardous waste generated (scrap metal waste, waste electrical and electronic equipment, paper and cardboard waste, paper and cardboard packaging waste, etc.)	2343,564	-	2352,712

GRI 306-5 WASTE DIRECTED TO DISPOSAL

For non-recoverable waste, for which we do not have recycling / recovery solutions, waste such as inorganic slurry from brine filtration, sludge from wastewater treatment, cakes from filtering the obtained products, etc., the company owns on the two platforms a landfill for the disposal of non-hazardous waste. Also, for waste that cannot be disposed of on these landfills, we have contracts with authorized operators for the disposal of generated waste.

GRI 302-1 ENERGY CONSUMPTION IN THE COMPANY

Chimcomplex is an important industrial consumer of electricity and heat, used in chemical manufacturing processes.

Chimcomplex is interested in ensuring independence for thermal energy on its industrial platforms (100% realized on the Onesti platform) and a large part of the electricity produced in high-efficiency cogeneration installations with low CO2 emissions.

Consumption in 2022:

INDUSTRIAL PLATFORM	ELECTRICITY, MWH	HEAT, GCAL
Onesti	231.138,729	106.552,96
Vâlcea	342.934,929	411.101
Total	574.073,658	517.653,96

GRI 307-1 NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Knowledge and compliance with environmental regulations is a permanent concern of Chimcomplex. Therefore, in the organizational structure are provided functions of coordination and execution of all actions deriving from them. The personnel with responsibilities in the field of compliance with environmental regulations is trained accordingly to the specifics of the company's activity.

How to comply with the requirements of the Integrated Environmental Permit no.1/2013, updated on 12.06.2018, for the Onesti site and of the Integrated Environmental Permit no.1/11.03.2021 for the site at Rm Vâlcea is periodically reported to the control and regulatory authorities (Environmental Protection Agency Bacau, National Environmental Guard Bacau, Environmental Protection Agency Vâlcea, National Environmental Guard Vâlcea) and is checked at least once a year, the result of the checks being recorded in an inspection report.

During 2022, 10 site visits took place, carried out by representatives of GNM – Bacău County Commissariat, Bacău Environmental Protection Agency and AN Romanian Waters – ABA Siret Bacău, respectively GNM – Vâlcea County Commissariat, APM-Vâlcea: in order to verify the compliance of Chimcomplex's activity with the provisions of the environmental permits in force, of the legislation in force regarding waste storage, to the biocide regime, to the REACH Regulation – requirement REF 7, to the Seveso III Directive. As a result of these checks, no non-compliances were identified.

Chimcomplex aims to improve communication with stakeholders interested in environmental performance, with the local community, control and regulatory authorities, collaborators, etc., carrying out actions for the exchange of ideas, thematic debates, etc. (direct meetings). In this regard, the modernization works and investments with possible impact on the environment were carried out in accordance with the legislation in force, but also with the information of the public and interested parties to highlight the interest and effort of our organization in complying with and applying the legal provisions and for the continuous improvement of environmental performance.

GRI 303-2 MANAGEMENT OF IMPACTS RELATED TO WATER DISCHARGE

The quality of discharged water is monitored by the company with frequency and for indicators specified in regulatory acts. The indicators are analyzed by RENAR accredited laboratories. On a monthly basis, the quality of discharged water is monitored by representatives of water management authorities and semi-annually by representatives of environmental protection authorities. During 2022, there were no differences between the monitoring carried out by the company and those carried out by the authorities.

On both platforms, plans are applicable and implemented to prevent and combat accidental pollution of water use, in accordance with the legislation in force. The scenarios contained in these plans shall form the basis for periodic exercises simulating an accidental pollution situation of water use.

The quality of the water discharged in 2022 falls within the limits set in the Water Management Permit for the Onești platform.

On the platform from Rm. Valcea, due to the technology of obtaining Propenoxide by chlorhydrination (approximately 50% of European capacities use this technology), results in large volumes of contaminated waters with calcium chloride and organic compounds, a deficiency common to all technologies based on the chlorohydrin route, recognized and accepted by producers and authorities at EU level. For these reasons, the platform from Rm. Valcea pays penalties to ABA Olt for the quantities of contaminants that exceed the limits imposed by the Water Management Authorization.

At the same time, for a good management of impacts related to water discharge, the platform at Rm. Valcea periodically monitors the influence of discharged wastewater on the quality of the emissary - Olt River, upstream and downstream of discharges from the industrial platform, in 3 distinct sections: Socket OLT, Cremenari and Băbeni Marcea-hydropower plant (1 upstream and 2 downstream). The monitoring is carried out by an external laboratory, accredited by RENAR, based on a service contract.

Taking into account the fact that the wastewater flows discharged from the platform from Rm Valcea (average discharge flow of 463 l / s - according to the provisions of the Water Management Authorization in force) are much lower than the flow of the Olt River in the analyzed sections, flows of 90,000 - 150,000 l / s, from the monitoring carried out and reported annually to the environmental authorities, it is noticed that, in general, the water quality of the Olt River retains its qualitative parameters downstream of the platform

GRI 303-4 DISCHARGE WATER

From the activities carried out within the company, in 2022, the following types of water resulted from the Chimcomplex sites:

ONEȘTI PLATFORM:

1. **chemically impure inorganic and organic non-biodegradable waters** from technological processes and washing of routes, machinery and tanks, directed through the sewerage system of each plant to its own Wastewater Treatment Plant 019, from where they are discharged into the emissary – Trotuș River;
2. **domestic water directed through the sewerage system** of each workplace in the household collector of the municipal zonal operator (RAJA Constanta);
3. **meteoric waters** directed into the Trotuș River through two meteoric collectors M I and M III.

During 2022, a volume of water of 2,289,962 cubic meters was treated in the Wastewater Treatment Plant 019 on the Onești site.

RM. VÂLCEA PLATFORM:

1. **chemically impure biodegradable organic waters** from manufacturing processes through organic sewage and domestic water, directed through the pumped sewerage system to the Biological Treatment Plant, from where they are discharged into the emissary - Govora stream.
2. **chemically impure inorganic waters**, originating from manufacturing processes, through local pre-treatment plants by neutralization and treatment, then taken over by inorganic sewage to the Final Control Station and then to the Mixing Chamber, from where they are discharged into the Olt River through the open channel "Olt Spillway".
3. **uncontaminated meteoric and technological waters** (conventionally clean) resulting from cooling systems, collected through the sewerage network for conventionally clean and rainwater waters, discharged to the mixing chamber and then into the Băbeni accumulation, from the Olt River through the open channel "Olt Spillway".

During 2022, a volume of water of 3,210,721 cubic meters was treated and discharged through the Biological Treatment Plant on the Ramnicu Valcea site, and through the mixing chamber (open channel "Olt Spillway") a volume of water of 5,613,982 cubic meters.

GRI 303-5 WATER CONSUMED

Within the Onești site, the water needs in 2022 were ensured as follows:

- drinking water for hygienic-sanitary use – 51,031 cubic meters taken from the drinking water supply from Valea Uzului and from the drinking water network of SC RAJA Constanta – Onești branch, where the water flow taken is measured with a turbine water meter mounted on the pipe;
- drinking water for industrial use – 477,100 cubic meters for obtaining demineralized water, from the Valea Uzului pipeline and on the route belonging to SE Borzești; the sampled water flow is measured with a turbine water meter mounted on a pipe with Dn 250 mm on each of the two inlets;

- raw river water – 825,000 cubic meters from the Trotuș River, through the GIB channel from the exploitation of AN “Romanian Waters” – Siret Water Basin Administration; this water is distributed to consumers by the Industrial Water Treatment Plant. The flow rate and volume of water sampled is measured with a diaphragm with flange sockets with recorder and meter.

On the platform from Rm. Vâlcea, the water needs in 2022 were ensured as follows:

- water for drinking purposes - 259,859 cubic meters captured through 5 fronts located in the terrace of Bistrita River;
- drinking water for industrial use - 571,258 cubic meters for obtaining demineralized water, from the centralized city drinking water network of S.C. APAVIL S.A.
- water for technological purposes – 18,414,565.92 cubic meters, water from surface source captured through 2 shore intakes, property of A.N. APELE ROMÂNE – ABA Olt (outlet II and outlet III), located on the right bank of the Olt River.

WATER RECIRCULATION in more than 70 cycles ensures a constant reduction in the consumption of this resource in production processes.

In 2022, the quantity of water purchased and used did not exceed the quantity contracted and regulated by water management permits for both sites.

INNOVATION AND IMPROVEMENTS KEEP US GOING

We continuously invest in new technologies, modernization of industrial processes and preventive maintenance, which guarantee quality and reliability, contributing to economic and social development.

Our journey is therefore reflected in our mission to make chemistry happen, to create sustainable value for all stakeholders, whether they are shareholders, customers, suppliers, employees, partners, or society. In this regard, we maintain a functioning supported by pillars such as quality, respect for the environment, interaction with the community, in addition to strict operating standards in the safety and appreciation of the employee, always having sustainability as a guide for business performance.

Chimcomplex has constantly improved its technologies and equipment to increase quality, productivity, and energy efficiency. For example, there have been a number of improvements to brine electrolysis, today using Zero Gap cell technology to reduce energy consumption and carbon footprint. By increasing efficiency and using renewable resources, we are committed to making even more improvements to our processes.

RESEARCH AND DEVELOPMENT ACTIVITY

MAIN ACHIEVEMENTS OF 2022

Organization of the National Conference of Chemistry, XXXVI edition. Over 200 national and international participants presented 200 papers focused on current concerns in chemistry, chemical and petrochemical engineering, major research directions, the situation and perspectives of our industry in the European context.

Synthesis and laboratory evaluation of a diol homopolymer with mass 18000 Da

Laboratory-level synthesis and evaluation of a PZ 450-6G

Preparation of documentation for accessing Gant Innovation Norway

Testing and evaluation of new types of antioxidants for polyethers.

Synthesis and testing of polyol samples for market prospecting and market product portfolio development.

Synthesis and laboratory evaluation of a reactive Diol with mass circa 2300 Da and 30 % ethylene oxide.

Laboratory testing the recrystallization of sodium chloride from depleted brine from Soda M to obtain recrystallized salt.

Testing and evaluation at laboratory level of technologies for recovery of PET packaging waste to obtain terephthalic acid.

Laboratory testing and evaluation of technologies for obtaining silica precipitated from Na silicate and CO₂ (as technology for potential recovery of CO₂) and/or sodium silicate and HCl.

Tests to identify processes / methodologies for recovery of aluminum from scrap containing aluminum oxides.

Testing, methodologies for recovery and purification of glycerin from the raw glycerin phase resulting from the manufacture of biodiesel.

Responsible operations



Exercițiu de alarmare activități de intervenție și salvare pe platforma Rm. Vâlcea 2022.

Chimcomplex is firmly committed to achieving business goals in a responsible manner and addressing climate challenges with determination. We prioritize the health and safety of our employees, customers, and partners, while focusing on resource efficiency and environmental protection, and act with integrity and transparency towards all stakeholders.

At Chimcomplex, transparent integration and achieving our operational objectives in a responsible manner are issues of strategic importance for our long-term performance and that of the entire supply chain. We are constantly striving to take steps to prevent or reduce the negative impact of our operations, considering production management practices involving health, safety, security and environmental protection, as well as sound business principles and supply chain management.

We are determined to be a positive force in our industry and make significant contributions to sustainability and social responsibility. We focus on innovation and developing sustainable chemical solutions designed to benefit both the environment and society. We are convinced that only by working closely with all our partners, adhering to the highest standards and adopting transparent and ethical practices, can we ensure a sustainable future for the chemical industry and the communities in which we operate.

Chimcomplex is committed to being a model of excellence in the Romanian chemical industry, by adopting policies and practices that contribute to protecting the environment, promoting the health and safety of employees, as well as developing a sustainable economy. We are committed to being a trusted partner for everyone involved and actively contributing to building a better future for all.





	TINTE 2025	STATUS
Health, Safety, Security, Environment	Zero deaths from accidents at work	0
Supply chain	> 10 supplier audits on sustainability topics by 2025	All new providers reviewed against ESG mandatory criteria during supplier prequalification before Establishment of project resources (reference year 2022)
	All new providers reviewed against ESG mandatory criteria during supplier prequalification before establishing project resources (reference year 2022)	50%
	Annual expenses with local suppliers must be at least 85% of total procurement expenses	70%

CONCERNS ABOUT ENSURING OCCUPATIONAL SAFETY AND HEALTH FOR CHIMCOMPLEX EMPLOYEES

Compliance with occupational safety and health legislation
 In order to comply with the Law on Safety and Health at Work nr. 319/2006 – amended and updated, GD 1425/2006 amended and updated with GD 955/2010 on the approval of the Methodological Norms for the application of Law 319/2006 with subsequent amendments and completions and GDs regulating specific activities, the following were achieved:

The identification sheets of the professional risk factors for the newly hired personnel and for the employees who changed the position / workplace during the year have been completed.

The risks of injury and occupational disease from workplaces in society have been reviewed. For all identified accident risks, prevention and protection measures have been established.

Following the reassessment of the risks of injury and occupational disease, the Chimcomplex Prevention and Protection Plan was revised with technical, organizational, hygienic-sanitary measures; the prevention and protection measures were approved by the SCSM members and approved by the company's management.

The Occupational Safety and Health Committee functioned based on its own Regulation. The MSCS members appointed by decision met quarterly; the minutes drawn up following the meetings were sent to ITM Bacău. In 2022, the SCSM meetings analyzed the causes that led to the events that took place in the company, the measures established to prevent similar events.

The training-testing program in the field of occupational safety and health at company level and the topics for periodic training of employees in the field of OSH by jobs and categories of personnel have been drawn up.

The participation of the new occupational safety and health workers' representatives in the 40-hour OSH course was ensured.

HEALTH, SAFETY, SECURITY

The activities carried out in the combine emphasize the importance of training, on the awareness of all staff of the need to comply with the applicable legal requirements, the rules to which the company subscribes and prompt intervention in case of emergency situations such as fires or accidents at work.



- ▶ Checks were carried out at workplaces to verify compliance with OSH legislation, workers' wearing of personal protective equipment, working conditions and hygiene of toilets. The OSH control was carried out by mixed teams consisting of OSH inspectors from the Internal Service for Prevention and Protection and OSH managers from the company's departments, based on a control schedule for all departments. Checklists have been drawn up to ensure verification of all security requirements in each compartment and measures with deadlines have been established for identified nonconformities.
- ▶ The authorization of the personnel was ensured in order to exercise the professions of: bottler of pressure fluids, forklifts, crane operator, fuchists, electricians.
- ▶ In order to prevent the infection of employees with COVID-19, the following measures were taken:
 - purchase and distribution to employees of protective masks;
 - purchase of hygienic-sanitary materials (liquid soap, sanitary alcohol, alcohol-based disinfectants);
 - purchase and installation of thermometers to check the body temperature of employees.
 - internal display with recommendations on preventing infection with the COVID 19 virus;
 - disinfection of enclosed spaces, disinfection of buses for public transport of employees to/from work;
 - rules have been established to be observed by employees to reduce the risk of infection with COVID 19 and training of all employees has been ensured;
 - signaling regarding the keeping of distance at the access gates and at the access place of the delegates.
- ▶ Periodically, the need for OSH signaling panels was inventoried and established; the panels were purchased and displayed at workplaces.
- ▶ Quarterly, alarm exercises were conducted in accordance with the provisions of Order no. 1637/2007 – Normative regarding the organization of intervention and rescue activity at industrial units with potential danger of toxic and/or explosive gas emissions. The exercises aimed to verify the readiness of the rescuers composing the Rescue Station, the use of insulating devices and all devices and materials necessary for first aid. The rescue and intervention works were carried out based on the Intervention Programs prepared by the head of the rescue station.

<p>Number of OSH training sessions provided to employees according to applicable national legislation: general introductory training, on-the-job training and periodic training.</p> <p>The duration of these trainings and their periodicity are established by instructions approved at company level.</p>	<ul style="list-style-type: none"> • 90 general introductory training sessions for new employees or other categories personnel for whom such training is carried out. • 8 hours of on-the-job training for new employees and workers who change jobs within the company. • periodic training is being carried out for all employees, has a duration of 2 hours and a periodicity established by categories of staff: personnel from production and maintenance activity - monthly; Non-production TESA staff on a quarterly basis. • training carried out in awareness campaigns on chemical risks; fire and explosion risks, use, handling, storage of chemicals dangerous and other topics communicated by the Labor Inspectorate - when launching campaigns; In 2022 there are 2 such campaigns. • specific training, carried out for certain categories of personnel, in order to internal authorization: electro-ama staff - annually; members of intervention teams and rescue set up at unit level for emergency response internal – quarterly.
<p>Number of OSH training sessions provided to contractors/contractors:</p>	<p>335 general introductory training sessions for providers / contractors of works</p>
<p>Number of OSH training sessions provided to practitioners (pupils – students)</p>	<p>9 General Introductory Training Sessions for Practitioners</p>
<p>Occupational safety and health measures for processes and activities carried out in production areas</p>	<ul style="list-style-type: none"> • adopting, as a priority, collective protection measures over individual protection measures; • providing workers with appropriate instructions and procedures, and conducting appropriate training. • adaptation of work to humans, particularly as regards job design work, choice of work equipment, methods of work and production, with a view to increasing safety at work and reducing their effects on workers' health; • analyzing workers' capacities with regard to safety and health at work when entrusting them with work tasks; • adaptation to technical progress so as to increase safety at the workplace. work and reduce the effects on workers' health; • where possible, replacing what is dangerous with what it is not dangerous or with what is less dangerous; • developing a prevention policy covering technologies, work organization, working conditions, social relations and the influence of factors in the work environment;

STAFF TRAINING

For all categories of personnel, topics have been drawn up for periodic training in the field of occupational safety and health and the training of subordinated personnel by workplace managers has been ensured. During these trainings, emphasis was placed on knowledge of health and safety risks at work and prevention and protection measures established to prevent work accidents and occupational diseases.

The personnel coming from third companies that carried out activities on the territory of Chimcomplex was trained with the risks specific to Chimcomplex activities and prevention measures, traffic rules on the territory of companies and workers' obligations established by the Convention - SSM + SU concluded between the parties.

SITUATION OF OCCUPATIONAL DISEASES

In 2022, no occupational illness was reported, researched and registered at company level.

In order to prevent occupational diseases, the following actions were carried out:

- carrying out periodic medical check-ups of employees;
- monitoring the health status by groups of diseases;
- monitoring the evolution of the pathological condition of employees at each workplace;
- staff awareness on the obligation to wear personal protective equipment in order to prevent the occurrence of medical conditions or occupational diseases through: trainings, communications with workers at checks carried out at workplaces, trainings at the Occupational Safety Office.

IN ORDER TO PREVENT ACCIDENTS AT WORK IN 2023, WE CONSIDER THE FOLLOWING:

- carrying out the measures established by the Chimcomplex Prevention and Protection Plan;
- updating own OSH instructions from workplaces on production floors;
- reassessing the risks of injury and occupational disease at workplaces in society and updating the Chimcomplex Prevention and Protection Plan;
- informing and training employees on the use of hazardous chemical agents in workplaces - information provided by the Safety Data Sheets of chemical agents present at workplaces;
- establishing topics for all phases of occupational safety and health training;
- making workplace managers aware of the importance of occupational safety and health training, with emphasis on practical demonstrations on the use of personal protective equipment, intervention-alarm means, firefighting, evacuation of workers and first aid; wearing personal protective equipment; application of questionnaires to assess the knowledge offered in training;
- raising staff awareness on compliance with OSH legislation and internal regulations in force through trainings at workplaces and at the Occupational Safety Cabinet;
- staff awareness for compliance with traffic rules on the company's territory and OSH instruction on employees' travel to / from work;
- providing safety signage panels at workplaces in the company, in accordance with the provisions of GD 971/2006 with subsequent updates and amendments;
- signalling tanks and pipelines of hazardous chemicals with hazard pictograms as specified in the Safety Data Sheets;
- training workers with specialized firms in order to develop first aid skills at work.

PROFESSIONAL RECOGNITION

Our colleagues from S.P.S.U. Rm. Valcea and Onesti won the first place at the County Stage of the Professional Competitions of voluntary and private services for emergency situations.

The winners received diplomas, cups and medals for their individual results, but also for those obtained on the team in each event.

Our firefighters demonstrated their skills and professional experience at the three races of the competition: "Intervention device", "100 m obstacle course" and "4x100m relay". Colleagues from S.P.S.U. Chimcomplex represented Bacău and Vâlcea counties at the inter-county stage, which took place in Drobeta-Turnu Severin and Iasi.

The competition tests are identical to those of the international sports competitions of firefighters, organized by the International Committee for Fire Prevention and Extinguishing (C.T.I.F.).

In recent years, our colleagues have presented themselves with very good results at the national phase, occupying leading positions every time, which shows involvement, seriousness and intense preparation for emergency situations

PRODUCT SAFETY

We take responsibility for developing and supplying safe, high-quality chemicals, thereby protecting human health and the environment. In this regard, we implement the following actions and policies within our company:

- **Safety Data Sheets (SDSs):** We make safety data sheets available to customers and stakeholders on our website www.chimcomplex.com, providing detailed information about the potential health, safety and environmental risks associated with our products. These SDS provide clear guidance on the safe handling and use of our products.
- **Hazardous Substances Management:** We have an internal hazardous substances management standard that ensures compliance with applicable regulations, including REACH and CLP. We assess and manage the risks associated with hazardous substances in our products and take steps to minimise those risks.
- **Monitoring regulations and recommendations:** We are constantly connected to the latest regulations and recommendations issued by the European Chemicals Agency and other relevant organizations. We actively participate in REACH groups and working groups of industry associations to ensure that we are up-to-date on the latest requirements and best practices.
- **Promoting low-carbon products:** In line with our commitment to sustainability, we focus on developing and supplying low-carbon products. We invest in high-performance installations to minimize our impact on the environment.
- **Continuous Health and Environmental Impact Assessment:** We conduct regular assessments of our products to identify and address any potential chemical hazards and risks. We ensure that our products meet the highest health and safety standards, thereby protecting people and the environment.

Our commitment to product safety is an important step in ensuring that our customers and the environment benefit from reliable and responsible chemicals.

GRI 417-1 INFORMATION AND LABELLING REQUIREMENTS FOR PRODUCTS AND SERVICES

Chimcomplex knows and complies with the applicable European and national legislation in the field of manufacturing and placing on the market of chemical products. In addition, products are manufactured and marketed under certified and accredited management systems in the fields of quality, environment, food safety and chemical testing, which are continuously improved.

Some of our products are classified as hazardous chemicals, some of which are biocides or active substances for the production of biocides.

Chimcomplex also manufactures products used in the food and beverage industry, as food additives and for sanitizing production facilities.

Products are classified as hazardous because of their toxic, flammable, oxidizing, corrosive or hazardous nature to the environment. Also, some products are subject to specific legal regulations, being prohibited for certain uses - precursors for the manufacture of chemical weapons, drugs or explosives.

Throughout the chain of supply, production and marketing of chemicals, Chimcomplex constantly communicates with suppliers and customers, in order to comply with the legal requirements in force at national and European level, as well as their other requirements. The main European regulations, which govern the activity with chemical products, from the manufacturing range of our company, are:

- Regulation (EC) No 1907/2006 (REACH) concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency;
- Regulation (EC) No 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures (CLP);
- Regulation (EU) No 528/2012 of the European Parliament and of the Council concerning the making available on the market and use of biocidal products;
- Regulation (EC) No 1333/2008 of the European Parliament and of the Council on food additives.

For the products it provides, Chimcomplex provides customers with documents with updated information about the company and products: product data sheets, safety data sheets, biocide approvals, sanitary approvals, instructions for use, brochures for use, declarations, completed questionnaires.

For authorising the placing on the market and use of the biocidal products we manufacture - chlorine, sodium hypochlorite and lime chloride - they have been registered in the R4BP register according to Regulation (EU) No 528/2012. The files are currently being evaluated by the authorities in the EU Member States, where Chimcomplex markets these products.

PACKAGING AND LABELLING

The chemical products supplied by our company are packed in specific packaging, made of materials resistant to the action of products, suitable for the state of aggregation (solid, liquid, pressure gas, liquefied gas), provided with tight closing elements, allowing safe transport to destination.

All packaged chemicals are individually and collectively labelled, in accordance with applicable legislation, with product labels. If the product is dangerous to transport, in accordance with the provisions of ADR / RID, each individual and collective packaging will be labeled with transport hazard labels.

If the size of the label does not allow all the necessary information to be displayed, instructions shall be attached to each package loaded with the product to the label.

The transport of chemicals shall be carried out by clean, covered means of transport appropriate to the product being transported. If the product is dangerous for transport, the means of transport are ADR/RID authorized for the hazard class in which the product is classified.

417-2 INCIDENTS OF NON-COMPLIANCE REGARDING THE INFORMATION AND LABELLING OF PRODUCTS AND SERVICES

No complaints, incidents or non-conformities related to the information and labeling of products provided by Chimcomplex in 2022 were registered.

CYBERSECURITY

Our company recognizes the importance of cybersecurity and commitment to protecting critical technology, assets, and information. Thus, we commit to implementing robust measures and investing in education and cybersecurity, in a concerted effort to protect our information system and prevent any threats or unauthorized access that could affect our business.

Our goal is to maintain the integrity and confidentiality of our data, as well as our IT systems and infrastructure. That is why Chimcomplex operates continuous security monitoring 24/7. At the same time, we aim to maintain our impeccable reputation and avoid any damage or financial loss caused by possible cybersecurity incidents.

Chimcomplex launched in 2022 the internal campaign "Let's protect our data together", thus encouraging all our team members to be vigilant and take precautions to prevent cyber-attacks and report any incident or suspicion related to cybersecurity.

We recognize that maintaining a healthy information system, free from potential security breaches and risks, is an essential element for our efficient operation and for the protection of our entire business. Therefore, we will ensure that we implement and regularly update appropriate technological security measures and protocols to prevent and manage cybersecurity incidents.

MEASURE

We regularly evaluate with the IT team the possible risks identified and we make sure to have available systems and tools to identify and combat possible cyber-attacks, so that all data is protected against loss, theft, or damage.

The most important IT systems with impact on the company's activity in the financial and operational sector were audited internally and by an independent entity, and the recommended measures were implemented.

No data loss events were observed, and no own IT systems were affected in any way.

ACT

We implement and keep permanently updated dedicated and globally recognized systems that ensure the highest degree of protection against cyber-attacks (such as firewalls, antiviruses, other information protection software).

PERSPECTIVE

We will do whatever is necessary to maintain a safe and secure environment for our business and protect a precious asset – our data.

Our commitment to people



In line with the Universal Declaration of Human Rights and aware of the specifics of the chemical industry in which people work, Chimcomplex reaffirms its commitment to promote and protect the rights and well-being of employees, communities, and society as a whole.

As a leader on the Romanian chemical industry market, we consider ourselves an integral part of this sector and we are determined to be a model of sustainability and social responsibility.

Promoting human rights:

We are committed to ensuring a safe and healthy work environment for all our employees, promoting diversity and inclusion within the organization, and taking concrete steps to prevent any form of discrimination or harassment.

Respect for ethics and integrity:

We take responsibility for adhering to the highest ethical and integrity standards in all our activities. We promote transparency, regulatory compliance, and commitment to good governance. We ensure that our employees receive adequate training and resources to comply with applicable laws and regulations, as well as to conduct their work in an ethical and responsible manner.

Protection of the environment and communities:

We are aware of the impact our work can have on the environment and communities in which we operate. We are committed to developing and implementing sustainable practices to minimize environmental impact, protect natural resources and reduce polluting emissions. At the same time, we are actively involved in local communities, supporting sustainable development, education, and health projects to contribute to increasing people's quality of life and well-being.

102-41 COLLECTIVE LABOUR AGREEMENT

In 2022, negotiations took place for the conclusion of the Collective Labor Agreement at company level for the period 2022 – 2024. In June 2022, the Collective Labor Agreement concluded at unit level for the period 2022 – 2024 was registered at ITM Bacau.

Working conditions, vacation days, cash aid, health and safety at work, professional training are stipulated in the Collective Labor Agreement, which all employees benefit from.

401-1 CASTING

The labor market faces new challenges such as demographic developments, labor migration and the economy exacerbating the shortage of skilled labor. Also, the acceleration of digitalization and technological changes will determine the transition to new profiles for employees, including new skills and a new approach to the employee-employer relationship. On the employer's side, multiple specializations of employees are increasingly demanded, and on the other hand, greater flexibility and increased possibilities for improvement are required. It is expected that, at least in the short and medium term, there will be real challenges in recruiting employees with a high level of expertise and accepting working conditions that they consider obsolete. Salary packages are no longer the only motivational leverage. Non-financial benefits and an organizational climate are increasingly important for attracting and retaining valuable employees. Opportunities for career advancement, broadening the area of competence and assigning increased responsibilities must be part of the strategies and tools used.

In 2022, it was decided to start a reorganization plan at company level, as a necessary and opportune measure to adapt to the market context, given the evolution of financial and operational performance recorded in recent years.

Through these initiatives, a series of strategic objectives were pursued, such as increasing financial and operational performance, transforming the organizational culture, focused on efficiency and performance, ensuring business sustainability, work efficiency, staff improvement and specialization, accelerating the adoption of good practices and new technologies, with benefits in optimizing processes and lowering costs.

As of December 31, 2022, Chimcomplex S.A. had an effective number of 1,648 employees, 18% less than in 2021.

NEW EMPLOYEES AND THEIR RETENTION

CATEGORIES	2022			
	NEW EMPLOYEES*		EMPLOYEES GONE	
	NR. OF EMPLOYEES	PERCENT	NR. OF EMPLOYEES	PERCENT
Gender				
Women	22	1.2%	160	8.8%
Men	33	1.8%	293	16.1%
Total	55	3.0%	453	24.9%
Age**				
<30 years	8	0.4%	17	0.9%
30 - 50 years	28	1.5%	82	4.5%
>50 years	19	1.0%	354	19.5%
Total	55	3.0%	453	24.9%

*The number of new employees does not include employees who have been rehired following retirement.

** Data refers to the age of the employee at the time of employment in the company and at the time of departure from the company.

$$\text{Percentage of new employees} = \frac{(\text{Number of new employees in 2022})}{(\text{Average number of employees in 2022})} \times 100$$

$$\text{Percentage of employees gone} = \frac{(\text{Number of employees gone in 2022})}{(\text{Average number of employees in 2022})} \times 100$$

Average number of employees for 2022: **1.817**.

EMPLOYEES BY CONTRACT TYPE AND GENDER*

TYPE OF CONTRACT	2022	
	WOMEN	MEN
Contract for an indefinite period	562	1118
Fixed-term contract	63	74
Total	1817	

*average monthly values of contracts in progress in 2022

EMPLOYEES BY WORKING TIME AND GENDER*

NORM OF WORK	2022	
	WOMEN	MEN
Full-time contract	622	1118
Part-time contract	3	4
Total	1.817*	

* average monthly values of contracts in progress in 2022

In Chimcomplex, employees carry out their activity based on individual employment contracts, concluded for an indefinite period in a proportion of over 92%, and over 99% are full-time employees, thus offering employees greater confidence in their future within the team.

In 2022, Chimcomplex did not face protest industrial actions, and relations with the social partner are amicable. As of December 31, 2022, approximately 74.4% of the company's employees were union members

401-2 EMPLOYEE BENEFITS

Chimcomplex offers its employees a series of benefits, both financial and non-financial, established in accordance with the Collective Labor Agreement.

In 2022, the total value of benefits offered to employees was 21,716,198 lei

BENEFITS	VALUE - LEI -
Meal vouchers	9.942.190
Help with personal events (wedding, birth, death, social assistance, etc.)	361.411
Cash compensation in retirement	1.192.197
Holiday vouchers and bonuses for employees and minor children of employees	9.877.390
Other social expenditure (transport of employees)	343.010
Total	21.716.198

401-3 PARENTAL LEAVE

Parents' rights are respected in Chimcomplex, both women and men being encouraged to benefit from the right to parental leave, respectively the right to paternity leave.

GENDER	Number of employees entitled to parental leave
Women	8
Men	3
Total	11

In 2022, 11 employees applied for and received parental leave (8 women and 3 men), and 3 of them returned to work after the end of parental leave and are still employed.

There were 6 requests from employees for paternity leave. In addition to the days granted according to the law, Chimcomplex grants 5 paid days off on the occasion of the birth of a child, so that employees in the first days of the newborn can be with the family.

404-1 / 404-2 AVERAGE NUMBER OF HOURS OF TRAINING, PER YEAR, PER EMPLOYEE, IMPROVING EMPLOYEES' SKILLS

Continuous professional training largely determines individual professional performance and contributes directly to the overall performance of the company. Thus, one of our most profitable investments is investing in the professional training of our own employees.

People are very important to us, and we strive to promote a culture of performance based on diversity, innovation, and progress in the company.

We constantly invest in the training and development of our employees, so that they can reach their full potential. In 2022, 367 employees participated in training courses organized by professional training service providers in the country or abroad.

Average number of hours of training in 2022

CATEGORY	Number of hours of training
External training	24.128
Internal training	157.020
Average number of hours of training/employee	99

$$\text{Average number of training hours/employee} = \frac{\text{External training hours} + \text{Internal training hours}}{\text{Average number of employees in 2022}}$$

At the level of the organization, three programs to improve employees' skills were continued for the second consecutive year:

1. Language skills development program – English – attended by 88 employees
2. Digital skills development program – with 59 employees
3. Program for developing managerial skills - project manager - where 22 employees participated.

404-3 PERCENTAGE OF EMPLOYEES BENEFITING FROM PERIODIC CAREER DEVELOPMENT ASSESSMENT PROGRAMS

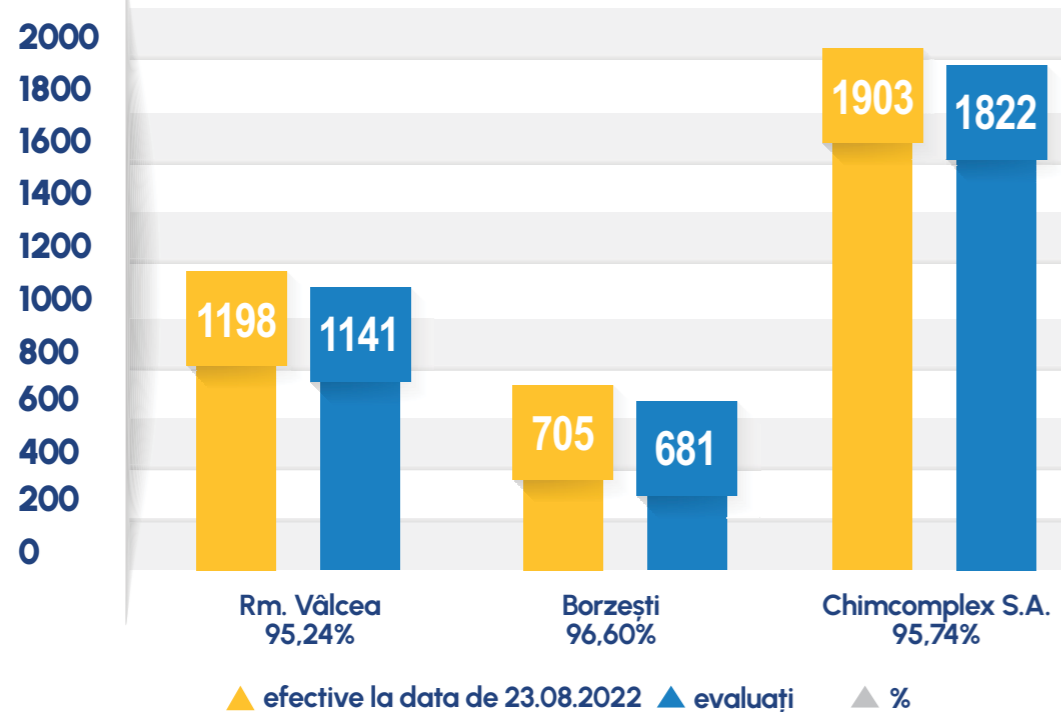
In the company, the "Professional Performance Evaluation Regulation" applies, an internal document that describes how to organize and conduct the employee performance evaluation process based on previously established evaluation criteria, in accordance with the labor legislation in force, with the provisions of the Internal Regulation, as well as with those resulting from the employment contracts applicable at company level.

The provisions of the regulation apply in all departments, for all categories of personnel, except for employees who are on probation or performing an adaptation or internship contract.

The evaluation of employees' professional performance is carried out in **August** each year. For 2022, the period under assessment was **January 1 ÷ July 31**.

Platform	Effective on 23.08.2022	Number of employees	%
Rm. Vâlcea	1198	1141	95.24%
Borzești	705	681	96.60%
Chimcomplex	1903	1822	95.74%

STATUS OF EVALUATIONS REPORTED TO THE HUMAN RESOURCES DEPARTMENT (NUMERICAL AND PERCENTAGE)



Through the activity of periodic evaluation of professional performance, the company also aims to achieve **career development objectives**, such as:

- providing supporting information in substantiating career and succession plans,
- providing supporting information in substantiating reward programs,
- identification of training, training and further training needs,
- professional reorientation of employees according to professional knowledge, skills and aptitudes,
- providing information supporting decisions in the case of collective redundancies and in resolving disputes related to promotion.

DIVERSITY AND EQUAL OPPORTUNITIES

We are firmly committed to promoting diversity and equal opportunities within Chimcomplex. We are dedicated to creating an inclusive work environment where every employee feels valued and respected.

To make this commitment a reality, we take the following internal actions:

- Promoting diversity in recruitment and selection: we implement policies and practices to ensure recruitment and selection based on competences, skills and merit, without discrimination of any kind. We actively seek to attract and recruit talented candidates from different backgrounds and with diversity of experiences.
- Developing and promoting equal opportunities: we provide a work environment where every employee has equal opportunities for professional development and advancement, regardless of gender, race, ethnicity, religion, sexual orientation or other personal characteristics. We implement mentoring and development programs to support employees in reaching their full potential.
- Cultivating a culture of respect and inclusion: we foster a work environment where all employees feel respected, valued and included. We will conduct diversity and inclusion training and awareness programmes to encourage open dialogue, mutual understanding and respect.
- Assessing and eliminating disparities: We regularly conduct reviews of our practices and internal policies to identify any disparities or inequities in diversity and equal opportunities. We take corrective action to address them and ensure a fair and inclusive work environment.
- Performance monitoring and reporting: We will establish performance indicators and monitor our progress in achieving diversity and equal opportunities goals. We will report results transparently and are open to feedback and suggestions from employees and stakeholders to continuously improve our practices.

PARTNERSHIPS CONCLUDED WITH EDUCATIONAL INSTITUTIONS

We need young colleagues who want to use their voice and show their talent among people, the soul of the most important company in the chemical industry in Romania. Given the general shortage of workforce in trades specific to the chemical industry, in order to ensure the continuity of activity and the replacement of staff at retirement age, as well as to ensure the specialized technical training of young people, Chimcomplex has concluded various partnerships with technical education institutions for the professional training of students through technical vocational education or dual education.

The classes are organized in industrial high schools, where students prepare according to a curriculum adapted to the needs of the market and practice within our organization, so that, after graduating from the courses, they can be easily integrated into our teams of specialists.

In the school year 2021-2022, 29 students benefited from monthly scholarship, internships and theoretical training under the guidance of our specialists, protective equipment and excellent training conditions, for three specialized profiles in our field of activity:

1. operator of the organic chemical industry;
2. electrician of electrical and energy appliances and equipment;
3. electronics appliances and equipmen.

Dual education – 2021 – 2022

Partner	Nr. of students	Class	Specializations
Forestry Technological High School Rm. Vâlcea	9	10	organic Chemical Industry Operator
	10	11	
Energy College Rm. Vâlcea	5	9	electrician electrical and energy appliances and equipment
Total	24		

Vocational education – 2021 – 2022

Partner	Nr. of students	Class	Specializations
Technical College "Gh. Asachi" Onești	5	9	electronics technician for devices and equipment
Total	5		

In the academic year 2021 – 2022, 17 students from the Technical University "Gh. Asachi" Iasi, benefited from scholarships granted by Chimcomplex following a sponsorship contract.

University education – 2021 – 2022

Partner	Nr. of students	Study program	Specializations
Technical University "Gh. Asachi" Iasi	4	license	chemical engineering chemical engineering chemical engineering Engineering of clean processes chemical engineering
	4	license	
	4	license	
	1	masters	
	4	license	
Total	24		

Based on the partnership concluded with the Faculty of Environmental Protection - Chemical Engineering Iasi, 4 students carried out an internship program at Chimcomplex for 2 months (August-September 2022) under the guidance and supervision of tutors appointed to acquire skills / competences in the field of chemical engineering.

Many students joined our presentations at the Career Fair, organized by the Faculty of Chemical Engineering and Environmental Protection "Cristofor Simionescu", the Technical University "Gheorghe Asachi" of Iasi, as well as at Chemistry Fest, organized at the Polytechnic University of Bucharest.

At the Chimcomplex stands young people found attractive offers of practice, internship, jobs and robotics demonstrations made by partners from RO042 Bionic Royals

We trust that the discussions with our colleagues inspired the young people present to want to become very good at what they do and for this to decide to take part in our educational programs, where they will learn from some of the best chemical specialists in Romania.

CULTIVATING TALENT: THE SEED OF EDUCATION, SPORT, AND CULTURE IN THE COMMUNITY

Involvement in education, culture and sport represents the company's commitment to actively participate in the life of the city and positively influence the development of young people.

In 2022 we joined as supporters of the Mentor Rock Association for organizing the music festival "Live Music Summer Camp Brezoi 2022".

A novel concept, initiated by Mentor Rock Association, in partnership with Brezoi City Hall. Brezoiul World started with the Open Air Blues Festival Brezoi. Blues Festival, organized in July in Brezoi, Valcea County, in the heart of the mountains, on Valea Lotrului. A complete experience with good music and beautiful people gathered together in an enchanting natural setting and a community of shared values.

Summer Camp Brezoi has become a space for cultural tourism and the most courageous musical season in Romania. At its third edition, of which the last two editions were supported by Chimcomplex, the project brings together, in a fairytale landscape, nationally recognized artists, people who love culture and are passionate about nature. The audience experiences a unique concept, coming into contact not only with famous names that approach the entire spectrum of quality music genres, but also with a new previously untapped tourist area and sustainability activities. An extraordinary cultural manifestation of the community in which we operate and within which we organized the Chimcomplex Employee Day. Over 10,000 people attended the events organized in Brezoi.

Chimcomplex supported Mont Blanc Expedition, a hardcore team that successfully completed a tough 7-day expedition that spanned the highest peaks in three countries:

- Italy – Monte-Rosa peak with the highest chalet in Europe – Margherita, at 4,554m, for acclimatization,
- France – Mont Blanc peak – 4.810m, complete route with 3 refuges and chalets,
- Switzerland - Top of Europe – 3,571m, with the famous rack trains, for over 100 years.

The expedition team also included Mr. Stefan Vuza, President of Chimcomplex, along with his daughter Andreea, who just turned 18.

The involvement of the company and Mr. Vuza in this expedition emphasizes Chimcomplex's commitment to performance, environment and sport. We are a supporter of strong characters, physical and mental strength that we are happy to promote every day.

The eighth edition of the '**Nadia Comaneci Cup competition** in artistic gymnastics designated its winners, and Chimcomplex was there to support and encourage their performance. Organized by Nadia Comaneci Foundation and Onesti Municipal Sports Club, with the support of Onesti City Hall and Chimcomplex, in the 'Nadia Comaneci' Hall of CSM Onesti, the competition brought together over 80 gymnasts from all over the country.

For over four years we have been partners of the **Romanian Polo Federation**, supporting the development of this sport at national level. The use of our products for chlorinating swimming pool waters allows safe training, and we are glad that our involvement also contributes to increasing the number of practitioners of this sport, both in juniors and children.

Chimcomplex encourages digitization and robotization, so in 2022 it continued to support **Bionic Royals** projects so that students attracted to robotics can use their talents for Romania.

We are also close to Sports Club "Tema Sport" and **OK Sport Onești** from Bacău County, but also to the **Youth Association ONESTIN**, the **AR Tennis Sports Club Association** and the **Managers of the Future Foundation**.

Merit Scholarships ing. Gheorghe Fagarasanu, named in honor of our colleague, a specialist in technological engineering, defeated in the fight against Covid-19, reached the deserving students in Onesti for the second consecutive year through our partnership with the Rotary Club Onești Association, part of the **Pro Ruralis project**.

At the same time, Chimcomplex S.A. Borzesti joined on October 27 the initiative of the **Embassy of Sustainability in Romania** on Sustainability Day in Romania, to remind that the future of our natural resources lies in everyone's hands.

We know that responsible action in the name of sustainability will be the key that opens the future, which is why all our current and future investments have a strong sustainability component.

Buildings in Europe are responsible for more than 1/3 of greenhouse gas emissions. Our polyols are part of the most effective building insulation solutions to reduce emissions and increase energy efficiency.

The polyols exported by us are found in the most efficient wind turbine blades (produced from polyurethane foams) and are part of solar panel projects that create the so-called prosumer, the energy consumer who is also a producer.

PUBLIC POLICY

We are committed to promoting responsible communication and to being actively involved in debates and initiatives aimed at our interests and those of society. The actions taken in 2022 ensured:


- **Transparency and corporate governance:** We are committed to a high standard of corporate governance, ensuring transparency and predictability in our activities. We provide relevant and accurate information to stakeholders, including shareholders, customers, employees and the community.
- **Monitoring and involvement in regulations:** We pursue and engage to convey positions, memoranda to policy and regulatory initiatives at national and international levels affecting our industry. We make sure that we are aware of legislative developments and that we can respond appropriately and in a timely manner.
- **Advocacy through professional associations:** We actively engage in professional associations relevant to our industry, participating in debates and contributing to the development of standards and informing regulators. We use public advocacy channels to promote our position and bring our expertise to debating issues of interest.
- **Public disclosures and media communication:** we send press releases and position papers to publicize our positions and commitments in relevant areas. We ensure that our statements are accurate, balanced and in line with our values and goals.
- **Active participation in debates and development of a sustainable future:** We will continue to be an active voice in debates on the future of Romanian industry. We engage in constructive discussions with legislators, businesses, and society to contribute to the green transition and promote sustainable solutions.

We take responsibility to be a credible source of information and actively contribute to shaping a sustainable future. Chimcomplex is an apolitical company.





TAX TRANSPARENCY



Our business activities bring significant income and involve various tax responsibilities. We fulfill our payment obligations regarding corporate taxes, royalties, production fees, labor fees and other taxes. At the same time, we collect and remit payroll taxes as well as indirect taxes and VAT. These taxes we collect and pay represent a significant economic contribution to Romania's budget.



At Chimcomplex, we are committed to being responsible and strictly complying with tax legislation, while maintaining open and constructive relations with tax authorities.





We add **value to**
natural resources
for a better life

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