



NON-FINANCIAL STATEMENT

20 21

**WE VALUE
NATURAL RESOURCES
FOR A BETTER LIFE**



PLACING ROMANIA ON THE GREEN MAP OF THE WORLD



Protecting the resources and biodiversity



Tree planting



Reduce - Reutilize - Recycle



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CHIMCOMPLEX

THE MESSAGE FROM THE CEO

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Victor Avram



What we set out to do for 2021 was to finish high. In order to maintain ourselves on this path of steady and profitable growth that we have positioned ourselves on in 2020, we have continued to implement the growth plan through concrete and carefully designed actions.

We have focused our attention on encouraging employees, focusing on customer needs, and supporting our communities. We have launched internal programs to promote vaccination, skills development, leadership, and digitalization trainings, we organized internal activations and events that brought us together to increase the cohesion of the Group. I worked with clients in real time, I visited them again when the restrictions were lifted, or I saw them again during the Open Doors Day event in Rm. Vâlcea or at international fairs. We joined our communities in Vâlcea and Bacău and organized planting and greening campaigns, we supported the largest blues festival in Romania, in Brezoi, we encouraged the education of young people by offering scholarships and we opted for a healthy lifestyle supporting swimming with the Romanian Water Polo Federation.

Our main objective was - sustainable development - in everything, to add value to Romania's natural resources. Therefore, we focused on the most important strategic objective: to integrate Chimcomplex into the European circular economy, to create greater value and reduce the ecological footprint. The investments of over 245 million Euro carried out by Chimcomplex in recent years have created the premises for an efficient and sustainable development. Currently, projects of over 55 million Euro are in the final execution phase and projects worth over 125 million Euro are being prepared and started. The economic and geopolitical context has become uncertain since the second half of the year.

Consequently, we had to show determination and reaction in order to maintain our positive momentum and achieve our goals. We are confident in our future and continue to make significant investments to support our long-term plans. We are proud that our work puts Romania on an important place on the map of world chemical production. I congratulate our team for the notable results in 2021 and thank everybody for their dedication and involvement. Chimcomplex became the largest company listed on the AeRO market of the Bucharest Stock Exchange in 2021 through teamwork. We continue to focus on strengthening the positive results. Together, we manufacture products that no one else almost makes anymore, at least in the region, for some of the most advanced companies and industries in the world and know that we have just scratched the surface of our potential. We got here because we trust what we do, and we know how to do it well.

ABOUT **US**

We are the main producer and supplier of vital chemicals in the region and we operate the largest chemical plants in Romania, in Râmnicu Vâlcea and Onești.

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, petrochemical products. We specialize in polyols, chlorosodics and Oxo-Alcohols.

WE ARE PART OF THE PROGRESS

We are a private chemical company with over 60 years of experience and 2000 employees, which develops quality products for a better life and a sustainable future. We continuously invest in new technologies to increase efficiency while keeping the focus on environmental protection and sustainability at the heart of our strategy.

WE OFFER EXPERTISE AND QUALITY GUARANTEE

We are a company with a high level of technical know-how and specialized workforce, which engages in long-term projects. We guarantee results for our customers by capitalizing on our long experience, product quality and high innovation capacity.



WE ARE THE LARGEST EXPORTER WITH ROMANIAN PRIVATE CAPITAL

We produce and market inorganic and organic chemicals.
As an "industry of industries" we help downstream industries and value chains achieve their goals.
We are part of the progress, we sustainably produce the materials that society needs.



KEY MEMBERS

Chimcomplex is an active member and has leadership positions in various national, regional, European and international associations.

Membership of these bodies has an important role in the development and implementation of industry standards and best practices in areas such as: safety and safety at work, research, chemistry of the future, sustainability and sustainable development, taxonomy, REACH regulations.

Chimcomplex participates in the meetings of these associations to support us in understanding problems, sharing knowledge, developing standards and taking concrete measures.

Chimcomplex is a member of:

- **APDCR** (Association of Manufacturers and Distributors of Chemicals in Romania)
- **CEFIC** (European Chemical Industry Council)
- **EuroChlor**
- **AMCHAM** (American Chamber of Commerce in Romania)
- **AHK** (Romanian-German Chamber of Commerce and Industry)
- **CCIR** (Chamber of Commerce and Industry of Romania)
- **A.N.E.I.R.** (National Association of Exporters and Importers in Romania)



2021 FINANCIAL RESULTS

These results were determined by corroborating several factors, internal and external, including:

- refurbishments and overhauls carried out mainly at the membrane electrolysis and Oxo-Alcohols technological installations;
- maximizing the use of production capacities, which allowed the constant increase of the quantities sold from all categories of finished products;
- seamless operation of the logistics chain and the supply of key raw materials to support production;
- shortage of supply in the polyol-polyethylene and propylene market, caused by weather conditions in the first quarter and many production disruptions caused by force majeure, which led to higher international quotations.

The **turnover** obtained in **2021**, amounting to **2,244 million lei**, doubled compared to that of 2020, an increase mainly determined by the selling prices that increased for all the finished products capitalized by Chimcomplex, following the trend that international quotations had.

A significant influence in the evolution of turnover was also had by the increase in the quantities sold on most of the company's products, the emphasis being placed on those more specialized products with a high profitability margin. Chimcomplex maximized polyol production in 2021, reaching 91% of production capacity.

In 2021, the company produced and delivered three product categories:

- Polyols – polyethers with a share of 66% in total sales;
- Chlorosodic products with a share of 20% in total sales;
- Oxo products – alcohols with a share of 12% in total sales.

The products with the highest share in turnover are represented by polyols.

The company plans to focus its activity on the polyol/polyethyl and caustic soda sectors.

Hydrochloric acid and sodium hypochlorite are by-products obtained in the electrolysis process and are predominantly recovered on the internal market, which require special storage and transport conditions.

Between January and December 2021 compared to the same period of 2020, the structure of the products in the turnover was changed, due to the fact that the sale of oxo-alcohols was resumed, the installation being restarted in December 2020.

The strong results in the first quarter of 2021 gave us additional liquidity that we used to make investments and early repayments of debt.





MAIN OUTLETS

The main markets in 2021 were: Europe (85%), Middle East (11%), Asia-Pacific (2%), America (less than 1%) and Africa (less than 1%).

The sale of products is made directly to end users or through companies specializing in the distribution of chemical products. The sale of the products through distributors ensures that the risk of non-payment of the final consumer is taken over, the financing of the production through advance payments, logistical conditions (authorized auto means for the transport of dangerous goods, warehouses), the reduction of selling costs in more distant geographical markets, the redistribution of products in small quantities to small consumers, the prospecting of the market and the promotion of products.

The company's activities are procedured within the integrated quality management system - environment ISO 9001:2015, ISO 14001:2015, ISO 17025:2015.

The company has a wide and varied range of quality products with multiple areas of use, products with great demand both on the domestic and external market. For some products in the manufacturing profile, Chimcomplex SA is the main or even unique supplier internally, being the company that supports with raw materials a number of sectors of activity in the country, namely: aluminum industry, manufacture of artificial and cellulosic fibers, energy industry, pharmaceutical and food industry, plastics processing industry, construction industry.

Given that in 2021 the level of operating income is 90% higher than in 2020, and operating expenses increased by 67% compared to the previous year, there is an operating profit of MDL 640,376 thousand compared to MDL 208,953 thousand achieved in 2020, with an increase of 206%.

SUSTAINABILITY STRATEGY

We are a company with a consistent long-term "green strategy" focused on the transition to the green economy and digitalization. That is why we give value to Romanian natural resources for a better life, being extremely attentive to the impact we have on the environment. We are exploring technological and investment alternatives that allow us to evolve sustainably and progressively. We are committed to using low-carbon, affordable and competitively priced energy.

We want to create clean products using processes that do not affect nature. Reducing the carbon footprint is one of the main objectives of our development strategy. We have in the pipeline a very exciting scheme of "renewable energy + recycled raw materials + zero pollution technology = green products". At the moment we are working on the technical and economic details.

Most of these projects are eligible for European funding as they will result in increased energy efficiency, hydrogen production capacity, investments in photo voltaic parks and the chemical recycling of PET waste. In addition, we are waiting for the Modernization Fund and PNRR to implement our energy strategy, focused on a mix of renewable energy and energy from high-efficiency cogeneration with low CO₂ emissions.

At the same time, we have been recycling chemically for many years. In 2021 we recycled over 1,000 tons of hydrochloric acid. We continue the investments in the new technologies that will increase the mass of CO₂ that we will capture and reprocess in 12 finished products, from 6 manufacturing lines. We capture and reprocess over 50,000 tons of CO₂ year after year. Chimcomplex absorbs CO₂ emitted by other industries and uses it in chemical processes alongside hydrogen.

Most investment projects have an effect in reducing the carbon footprint and increasing energy efficiency. Among them we mention the construction of a highefficiency cogeneration capacity of gas and hydrogen (installed power of 55 MWe 4 turbines); the completion of the new polyol production line in 2022 that will allow the doubling of the current volumes and the modernization of the electrolysis plants that will strengthen the company's national leadership position in the production of hydrogen from water. At the same time, the emphasis is on digitalization and the start of green chemistry projects through which a new segment with sustainable products will be opened in the company's portfolio. Our products have a direct impact in reducing CO₂ emissions in Romania as well as in the European Union, taking into account that 70% of our production is exported.

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 palettes of wind turbines (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.

The ongoing monitoring of our energy and carbon reduction plans aims to guarantee the operational excellence of our processes, which is fundamental to progress towards the objective of reducing greenhouse gas emissions by 2030 and total elimination by 2050. The energy efficiency performance at Chimcomplex is based on an innovative concept of integrating the production of high-efficiency energy with gas turbines and with energy recovery of electrolytic hydrogen from water that have a validated overall energy efficiency of over 90%. By comparison, in Romania, thermoelectric power plants have an average overall energy efficiency of maximum 50%.

Chimcomplex's energy projects contribute to the achievement of CO₂ reduction targets through technical and technological solutions that ensure the lowest values, respectively below 235 g CO₂/kWh. For a sustainable development, Chimcomplex needs a balance between operational efficiency and energy efficiency, in the current context, in which we are witnessing major changes in the energy market. The desire to reach this balance was one of the basic arguments that led to the realization of the acquisition of a package of assets of CET Govora put up for public auction in November 2021. It is a strategic investment, with a good potential both for the company and for the local community in Rm. Vâlcea.



In the short and medium term, from an operational point of view, the management efforts will be focused on the modernization of the current installations as well as on the construction of new high-efficiency cogeneration capacities based on natural gas.

The capacities envisaged must cover the electricity and heat consumption on the industrial platform and hopefully, in collaboration with the local authorities, the need for thermal energy for the city. These investments will address several important issues: they will ensure energy security, make it possible to develop sustainably and will allow us to remain competitive in the market while reducing the region's carbon footprint.

The company's priority investments in the energy field will focus in the coming years on improving performance. In this regard, the company intends to implement complex solutions that include high-efficiency gas turbines, photo voltaic parks and energy production through hydrogen, the requirement in European directives to reduce the impact of carbon dioxide emissions.

The investment package will generate:

- Cogeneration installations with high efficiency gas turbines realized in three stages 49 + 33 + 85 MW ee > NB The 49 MW Cogeneration Project of which 33MW will be put into operation in 2022 represents the largest high-efficiency cogeneration plant (>90%) put into operation in Romania.
- Modernization of the plant of Oxo Alcohols by increasing the consumption of green hydrogen and the captured CO₂ for use in chemistry.
- The new plasticizer plant based on the manufacture of DOTP 20,000 t/year that will integrate products resulting from the chemical recycling of PET plastic waste.

Chimcomplex plans to invest in photo voltaic panels for renewable energy, chemical recycling PET and PUR polyurethanes and green methanol through Syngas.

We are confident that we will continue the good developments so far and confirm our growth potential favored by the competitive advantages, the opportunities brought by the decarbonisation process, green chemistry, hydrogen and energy.

Environmental protection is a key aspect of Chimcomplex's strategy and as the company grows it continues to set new and ambitious goals to address climate change.

RISK FACTORS

By implementing the requirements of the new ISO 9001:2015 and ISO 14001:2015 standards, both the risks generated by the processes identified at company level and those associated with the environmental aspects generated by the activities, products and services carried out were identified and evaluated and we documented the management of these risks. The management has the obligation to permanently monitor the risk register together with the program of measures to minimize them. Thus, process managers systematically analyse the risks related to the performance of their activities and will develop appropriate plans to limit the possible consequences of these risks.

By the nature of the activities performed, the company is exposed to risks that include, without being limiting, the risks presented below:

Capital risk management - The objectives of management are to protect the entity's ability to continue its business in order to provide benefits to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

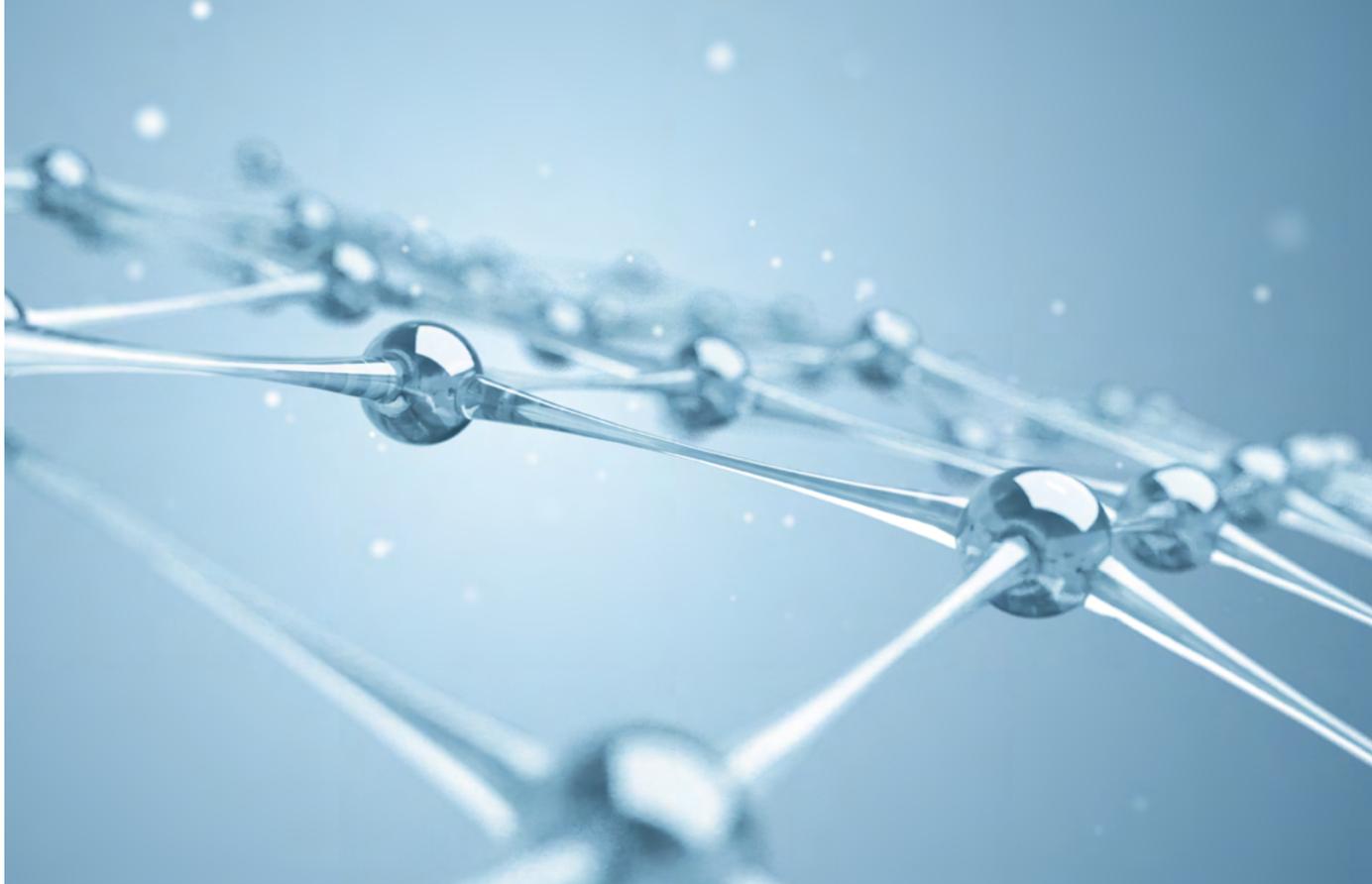
The company uses loans that are usually secured by its assets. If the company cannot generate adequate cash flows to cover the debts, it may suffer a partial or total loss of capital. A relatively small movement in the value of assets or income can cause a large disproportionate, unfavorable or favorable movement in the value of the company's economic indicators.

CAPITAL RISK MANAGEMENT is done using the indebtedness indicator, which shows the degree to which equity ensures the financing of the activity by indicating the extent to which its medium- and long-term commitments are guaranteed by equity. It is calculated as the ratio between medium- and long-term liabilities and total capital.

CREDIT RISK - represents the risk of financial losses for the company in the event that one of the parties to a financial instrument contract fails to fulfill its contractual obligations. The company's exposure to credit risk is mainly influenced by the individual characteristics of each client so that a large customer base reduces lending risk.

LIQUIDITY RISK - prudent liquidity management involves maintaining sufficient available cash and credit lines, through continuous monitoring of the estimated and actual cash flow and by correlating the maturity dates of financial assets and liabilities. Given the nature of its business, the company aims to be flexible in terms of financing options by keeping the lines of credit available for financing operating activities as well as investments.





MARKET RISK - the macroeconomic environment in general and the chemical market in particular continue to be affected by the economic crisis, with negative consequences on the company's development potential. The market risks to which the company is subject include: currency risk in commercial and financial transactions and price risk.

INTEREST RATE RISK - the company could be subject to a risk that future cash flows will fluctuate due to changes in market interest rates on loans and cash held.

ECONOMIC RISK - any economic recession generally negatively affects the value of a company, so the return on an investment in a productive company depends largely on economic conditions in the domestic and international market, the volume of orders received and the value of contracts concluded, as well as changes in the prices of raw materials and finished products.

IMPACT OF GOVERNMENT LAWS AND REGULATIONS - the company is subject to laws and regulations relating to taxation, planning, laws and regulations that by applying them can have an effect of increasing expenses and decreasing revenue or rate of return:

TAXATION - the taxation system in Romania is in a continuous change / modification and is trying to consolidate and harmonize with the European legislation. In this regard, there are still different interpretations of tax legislation. In certain cases, tax authorities may deal differently with certain tax issues, including transfer pricing, and additional taxes and charges and the related interest and penalties are calculated.

DISPUTES - the company is subject to several legal actions arising in the course of the normal course of business. They will not have any material adverse effect on the financial performance and financial position of the Company.

ENVIRONMENT - environmental regulations are in a development phase in Romania and Chimcomplex did not register debts as of December 31, 2021 for any anticipated costs, including legal and consulting fees, design and implementation of environmental remediation plans.

ECONOMIC, POLITICAL AND SOCIAL CONDITIONS IN ROMANIA OR OTHER COUNTRIES

The performance of the company may be particularly affected by changes in legal norms, by:

- regulation and taxation, as well as general financial conditions at national and global level.
- changes in the political, economic and social conditions in Romania and / or other countries in Central and Eastern Europe;
- changes in Government policies or changes in laws and regulations, or the interpretation of laws and regulations;
- changing the regulations on the exchange rate;
- the measures that can be introduced to control inflation and the interest rate;
- changes in the percentages or methods of taxation.



OUT OF CARE FOR THE ENVIRONMENT

We are committed to developing our company responsibly, that's why we focus on reducing environmental impact and conserving natural resources. Chimcomplex also capitalizes on local mineral resources using BAT technologies and complying with European standards.

The ability to use cleaner, more affordable and more sustainable energy resources is a key challenge in the effort to address the issues of climate change, volatile prices and declining resources.

Chimcomplex is a Responsible Care certified company and in 2021, 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 safety at work.



WATER POLICIES

WATER RECIRCULATION in over 70 cycles ensures a constant reduction in the consumption of this resource in production processes. In 2019 we reduced water consumption by 14% due to projects to save and optimize its use, in 2020 we reduced by another 10%.

During 2021, the quality indicators of the groundwater were maintained within the limits of the values recorded in the documentation drawn up for obtaining the integrated environmental permits.

WASTEWATER

During 2021, a volume of water of 1,911,607 cubic meters in continuous flow was purged in the Wastewater Treatment Plant in Borzești.

14 chemical operators, coordinated by the station manager, form the team that ensures the uninterrupted operation of the installation.

They have carried out 100% our environmental plans in 2021, regarding the management of wastewater, so that our operations have a low impact on the environment and the quality of the water that returns to the Trotuș River.

WASTE AND PACKAGING MANAGEMENT

The quantities of waste resulting from the manufacturing processes in 2021 registered increases compared to those of 2020 and were mainly determined by the quality of the brine, the operating schedule and the capacities in use and, implicitly, by the volume of the production made.

At Rm. Vâlcea and Onești, a part of the industrial waste generated is reused in other industrial processes.

Constant efforts shall be made to reduce the quantity of waste requiring disposal in authorized landfills or by incineration. In 2021, separate waste collection actions for recovery (paper and cardboard packaging waste, paper and cardboard waste from administrative activities, scrap metal, waste electrical and electronic equipment, used oil), incineration (medical waste), or handing over to authorized operators for collection / recovery (waste lighting fixtures) continued. For medical waste we have in progress a contract with an authorized operator who periodically picks it up for disposal.

The obligations regarding the recovery and recycling targets for packaging waste, as they are mentioned in Law 249/2015 on the management of packaging and packaging waste and in GEO 196/2005 on the Environmental Fund, were fully fulfilled in 2021.

Through proper waste management, we have recovered a quantity of 341.52 tons of waste and we have obtained a recovery rate of 96.4% of the generated waste.

Also, by collecting used HCl and trimming crusts from generators and using them to obtain the ferric chloride product, in 2021 we managed to recover from the market and capitalize on 1421.63 tons of spent hydrochloric acid and 4670.27 tons of trimming crusts. Thus, by recovering waste and processing it, we obtained a product widely used in water treatment.

SOIL

No soil quality monitoring analyses were carried out during 2021; the last analyses are those carried out in 2020 and the determinations did not show any exceedances of the limits in force.

AIR

The values recorded for the quantities of pollutants discharged into the atmosphere are lower or very close to those recorded in 2020, due to the operation of the installations within the planned parameters. During 2021, there were no exceedances of the measured concentrations at any of the determined pollutants, and the company did not receive any complaints from interested parties regarding the emissions to air generated by the activity of Chimcomplex.

NOISE

The noise is monitored at the perimeter limit, at the points established by the Integrated Environmental Permit no.1/2013, updated on 12.06.2018, with the frequency of 1 analysis / 3 years.

From the measurements made in 2021 by an accredited laboratory, it appears that the recorded noise level does not exceed the limitations in force, the values recorded being between 44.3 – 61.8 dB (compared to the maximum permissible limit of 65 dB).

ENVIRONMENTAL MANAGEMENT SYSTEM

In 2021 Chimcomplex obtained the recertification of the Environmental Management System as an Integrated Environmental Quality Management System, according to the provisions of the new standards ISO 14001:2015 and ISO 9001:2015.



MONITORING CO₂ EMISSIONS

In 2021, Chimcomplex continued to monitor the direct (from current activity) and indirect CO₂ emissions (associated with purchased and consumed electricity, raw materials consumed, internal transport, etc.) in order to determine by calculation the carbon footprint corresponding to the activity carried out.

For 14 years Chimcomplex has been calculating greenhouse gas emissions amounts annually. On the Onești platform, one of the cogeneration plants and one of the 2 thermal power plants also works with hydrogen obtained in the Electrolysis plant with ion exchanger membrane, which contributes to the reduction of CO₂ and flue gas emissions into the atmosphere.

PROTECTING BIODIVERSITY

The move towards biodiversity conservation is a serious commitment for us. Chimcomplex platforms are true spaces for biodiversity. Nature has recovered in full force with the support of people. The biodiversity of the areas on our platforms has a particular conservative value at national and European level.

PROTECTING RESOURCES

Chimcomplex acts according to values that it concretely supports through activities under the sign of protecting the environment, solidarity and protecting the heritage. What we decide now and how we act will produce important effects for us and for future generations. So we must decide wisely and act accordingly. The orientation towards the conservation of forests, water and biodiversity is an important commitment of our company. That is why we have turned our attention to the use of recycled raw materials and renewable energy sources to manufacture green products that will be used in various applications and will help reduce carbon emissions.

In 2021 we continued the planting actions by organizing in Borzești the event called "NEW Trees for a Better Life". The event was a symbol of hope, optimism and the action assumed by our team to contribute together to the protection of the environment.

With each year, Chimcomplex's activities consume fewer and fewer natural and energy resources for production processes. The natural resources used in the manufacturing processes from Onești are capitalized to their full potential, in the sense of incorporating about 90% of them into the commercialized useful products. For example, the NaCl solution is returned to the supplier's wells after use for use in dissolving the salt deposit and then reused in concentrated form.

COGENERATION

It is an intelligent system for the simultaneous production of electricity and heat with a global efficiency of over 85%. By comparison, separate production of electricity and heat has an efficiency of less than 55%. In the case of cogeneration, energy losses decrease considerably, amounting to no more than 15%-25%. As such, the impact on the environment is also low.



COMMUNICATION WITH INTERESTED PARTIES

Communicating with stakeholders in the environmental performance of Chimcomplex (employers' associations, financial bodies, regulatory and control authorities in the field of environmental protection, local community, suppliers of products and services, customers, etc.) is an important aspect in maintaining and improving the image in the local community and on the market of the organization.

During 2021, no complaints were registered regarding the environmental impact of Chimcomplex's activity.

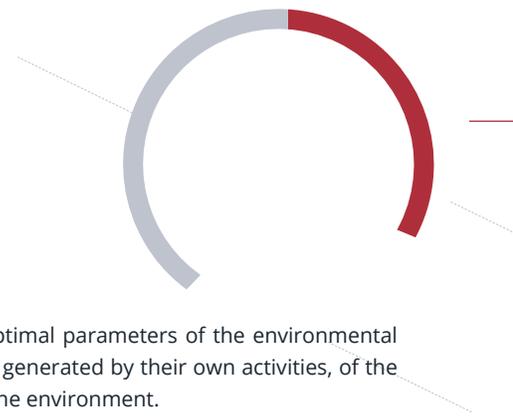
In order to comply with the legal provisions in force, during 2021 we conducted trainings of the staff with responsibilities in the field of environmental protection.

In the spirit of raising the awareness of the staff working in Chimcomplex about the possible dangers in case of non-compliance with the working conditions or the occurrence of an emergency situation, we have maintained the location of the information panels in the access points of the unit, we have placed additional information panels on the access routes to the finished product warehouses and the loading ramps and we have carried out simulations on the production of emergency situations, according to internal planning.

TECHNOLOGY AND INNOVATION

Chimcomplex branches are certified for Integrated Management System according to ISO 9001, 14001 and 17025. Moreover, Chimcomplex complies with the principles and requirements of ISO 45001:2018 standards on occupational health and safety management and ISO 50001:2019 - energy efficiency management. Thus, Chimcomplex respects its commitment to carrying out activities planned, controlled and with the trend of continuous improvement, using the best technologies, an efficient management of resources promoting the values of Chimcomplex: loyalty, honesty, trust, ethics, safety, trust, integrity and responsibility.





CONCLUSIONS

The proposed objectives for 2021, objectives that had as a common target the maintenance in optimal parameters of the environmental performance, could be achieved through the adequate management of the environmental aspects generated by their own activities, of the risks and the environmental opportunities associated with them, in order to control the impact on the environment.

In this regard, in 2021 we achieved:

1) maintaining a positive trend for environmental performance indicators by:

- recovery of used HCl taken from users and iron waste by obtaining useful product (ferric chloride solution);
- controlling the quantities of contaminants discharged into the environment (water and air) and keeping them below the threshold values set by the regulatory acts, by safely operating the technological processes.

2) optimizing the consumption of natural resources (water, natural gas) and streamlining the electricity consumption in the Electrolysis M installation through the proper operation of membrane electrolysers, as well as cogeneration installations 1 and 2;

3) continuing the program for the management of waste resulting from activities, by finding solutions for their recovery, for the recovery of useful products from waste, for compliant storage in a space arranged according to the legal provisions in force (ecological landfill for non-hazardous waste);

4) maintaining in optimal parameters the communication with the environmental performance stakeholders of Chimcomplex.

SAFETY AND SECURITY

Chimcomplex strictly complies with the requirements of the legislation on safety in production.

The company regularly carries out the assessment and management of safety risks, strengthens the control system for the management of emergency situations and raises awareness of the importance of safety and security measures of employees, in order to prevent all kinds of accidents.

Safety, our priority, is not negotiable, which is why we hope to keep the number of work accidents at zero, throughout the coming years.

Our goal is to provide a safe working environment for every employee.

Through the Prevention and Protection Plan 2021, we have established strict measures to reduce risks in the workplace.

The safety of people and assets is a priority for Chimcomplex. The company undertakes to put into practice all the means that allow to ensure the protection of its employees within the functions they have and also the necessary measures for the protection of its sites, installations and intellectual heritage. In addition, the company pays close attention to preventing damage to its image and reputation.

Ensuring a skilled workforce in accordance with the needs of the company in the medium and long term and continuous training within development programs are strategic objectives for which we have carried out concrete actions in 2021 as well. We have a great responsibility in terms of providing protective equipment and disinfectants, used by both our employees and delegates, who carry out work visits to the company's headquarters.

CONFORMITY

At the level of Chimcomplex, we pay special attention to the promotion of values, national legislation and rules of conduct adopted by international bodies in order to adhere to them.

In this regard, bodies and procedures have been established to allow the detection of legal risks by complying with the international, European and national standards applicable to the company.

Without being considered a constraint, compliance turns out to be a tool for the management and internal development of the company, a factor of accountability, strengthening the cohesion of members around an own culture that transforms it into a value in itself.

To achieve this, the company periodically raises awareness of its employees regarding compliance with applicable laws and regulations.

The Internal Code of Conduct defines and illustrates the types of behavior to be prohibited, being susceptible to corruption or influence peddling.

Employees must prevent or avoid any situation that creates or could create a real or apparent conflict between personal interests and those of Chimcomplex.

The personal interest of an employee means any advantage for himself or for relatives, friends or other persons or organizations that have a business relationship with the employee or company.

Chimcomplex strives to ensure compliance, in the performance of its contracts, with the confidentiality regarding the use of data, information, knowledge, intellectual and industrial property rights and business secrets, closely related to its activities.



PEOPLE

Innovation means people who get involved, who think and transform processes, and it all starts with passion and talent.

The experts who are part of the Chimcomplex teams bring technological know-how, thus reaching an excellent level of efficiency and professionalism for the operation of production equipment and energy equipment.

Innovation projects and the flexibility of the development teams are the company's strengths, that's why our products are exported and used in over 43 countries in Europe, Asia and Africa.

CLOSE TO OUR EMPLOYEES

At Chimcomplex we pay attention to and adhere to the promotion of values, national legislation and norms of conduct adopted by national and international bodies.

We rely on 2000 professionals. We invest in our teams to realize together the largest projects in the chemical industry in Romania.

Chimcomplex employees benefit from a professional working environment and development, fair labor relations, objective performance appreciation, safety and personal security.

Through **modern training programs**, our employees have the opportunity to update their certificates and professional qualifications, but also to acquire new skills of leadership, feedback and communication, organization and coordination, motivation and involvement.

In 2021 we also obtained accreditation for the **Chimcomplex Academy** – an authorized center for training, improvement and development of competencies for attracting and/or maintaining staff.

Within the educational partnership that we run through the Chimcomplex Academy with specialized organizations, we have organized within the company a free suite of courses and associated services.

The training courses accredited by the National Authority for Qualifications included the following specializations:

- digital skills to use information as a learning and knowledge tool;
- human resources inspector;
- human resources manager;
- instructor - training preparer;
- inspector in the field of health and safety at work;
- technical framework with PSI attributions;
- project manager;
- process improvement manager.

At the same time, our employees are offered services for the evaluation and certification of the competences acquired in a non-formal/informal setting for the specialization of mechanical locksmith maintenance.

We have proposed a strategy of constant and sustainable growth. We have a well-trained workforce and, together, the specialists on our platforms have achieved a great performance to bring us one step ahead of the regional market. The integration of the platforms has brought the improvement of our services to our customers: securing the supply chain, developing new products, more efficient processes.



WE ARE INVOLVED IN THE COMMUNITY

We, the employees of Chimcomplex, want to live in a clean environment that we can transmit in good conditions to our children and grandchildren. We want to create clean products using processes that do not affect nature. We want to make sure that every colleague works safely and gets home healthy after work.

The main pillars of corporate social responsibility are: **environmental protection, education, culture and sport.**

The end of July 2021 brought us closer to the first Chimcomplex event dedicated to Family Day. It was a happy opportunity to gather together with colleagues and families and to enjoy the pleasant atmosphere of the Lotrulul Valley, in Brezoi, Valcea.

Around 150 people from Onești, colleagues accompanied by their families, visited Vâlcea on this occasion, discovered their colleagues, the tourist attractions of the area and had a trip that we hope they will remember fondly.

Our suite of events continued on August 6, 2021 when we had invited Beth Hart, the famous American blues singer, to Rm. Valcea. The first time in her career when she was invited to visit an industrial platform and saw what extraordinary things we do, what responsibility we bear and what an important role we have to fulfill. Beth Hart thus voluntarily becomes the ambassador of Chimcomplex, nationally and internationally, and the promoter of our team and of the work we carry out.

The artist held a unique series of 5 concerts within the event "Beth Hart - High Five Romania - Summer Camp Brezoi". The event that allowed the participation of 10,000 people and 2,000 fans at each concert was held by Chimcomplex. It is part of the company's communication strategy and represents our commitment to actively participate in the life of the community and to positively influence the mood of the employees and residents around the plant. This partnership was made possible by directing the 2021 corporate tax, a tax concession that allowed us to support an important cultural cause with multiple benefits.

On this occasion, we also organized an action to green the area around the plant from Rm. Valcea. Thus, on August 7, Beth Hart joined the approximately 50 Chimcomplex volunteers in an action aimed at protecting the environment against irresponsible landfilled waste. Our employees have set an example of environmentally responsible action in the case of waste that has been improperly deposited. The employees, together with the company's management, collected in a few hours 16 kg of plastic waste, 163 kg of PET recipients, 5 kg of cans and 23 kg of cardboard thrown on the bank of the Olt River, at Tătărani. The collected waste was taken over by the Children without Childhood Association. They have collaborations with recycling companies and with the money received on waste they raise houses and support children from families without opportunities to go to school. The rest of the household waste was subsequently picked up by the Urban sanitation company at the request of our company.



Chimcomplex employees benefit from a professional work environment and development, fair labor relations, objective appreciation of performance, safety and personal security. Also, the employees benefit from social protection measures, bonuses and other bonuses established by the Collective Labor Agreement.

The company pays special attention to recognizing the efforts and merits of each employee, sharing his achievements and values with colleagues, so that they feel that they have an important role in achieving the company's performance.

Feeling integrated, treated with consideration and fairness are key aspects for the daily involvement of employees, in accordance with the principles of promoting diversity, non-discrimination and the conditioning of acts of harassment.

The development of social dialogue, the support of employees in difficulty, the increased attention on the development of each one hold an important place in the management of our human resources.

The professional development of employees is achieved by developing their skills, but also by inciting to change, innovation, accepting professional challenges.

Chimcomplex's desire to improve human resources management every day is supported by an active policy of professional training and career support.

We have developed tools to amplify the sense of belonging to the group and reshape the culture of the organization. These initiatives have had positive results, through employee retention, voluntary participation in activities organized by the company and achieving better performance in the workplace.

In 2021, the internal transformation program called **"FOR TOMORROW"** also continued. It has determined voluntary involvement, reaction, optimization of internal communication and the development of projects with a major impact on the future of the company. "For Tomorrow" inspired colleagues to work together on solutions that became part of our business strategy.

The "For Tomorrow" program helped us get to know each other and realize how much creativity, passion and professionalism is "hidden" in our team. These are values that we encourage and that we want to build in the future.

Each team proposed on average two projects, developed them and took care of their implementation.

In the face of the challenges created by the pandemic crisis, through preventive actions and the establishment of specific procedures, we obtained a good control in limiting the spread of SARSCOV-2 within the organization and at the same time we managed to benefit from support measures aimed at limiting the effects of the crisis.

HEALTH AND SAFETY AT WORK

We want to make sure that every colleague works safely and gets home healthy from work.

Actions for prevention, in terms of health and safety mean the daily improvement of prevention policies, in close collaboration with our employees.

Best practices for preventing work accidents and occupational diseases, empowering managers, raising employee awareness, respecting work-life balance, etc. are identified with employees and then shared within the company.

HUMAN RIGHTS

Chimcomplex strictly complies with the laws and regulations on the protection of human rights.

We respect the right of employees to personal freedom, the right to leave, gender equality and the rights and interests of female employees and ethnic minorities.

40% of the management positions in the 2 industrial platforms of the company are occupied by women. Thanks to this assignment, there is a diversity of views in the discussions and decisions we make for the benefit of the company.

90% of them are mothers and 40% have been working in the company for over 20 years.

Internal policies prohibit all forms of discrimination: on the basis of sex, ethnicity, religion and nationality.

PROTECTIVE ACTIONS AGAINST COVID 19

The most important challenge was to protect the health of employees, in a continuous production flow 24/7. We organized ourselves internally to distribute the necessary anti-Covid 19 protection materials, we had an internal communication campaign to raise risk awareness and understand the new protection rules, we proceeded to select the entire staff by measuring the body temperature at all entrances to the company's area. At the same time, the company also brought changes in the organization of the activity at the workplace, implementing work at home where the activity carried out allowed it, as well as differentiated schedules to avoid crowding at the beginning and end of the work schedule. Also, within the departments where the work involves contact with external personnel, additional protection measures and physical distancing measures have been implemented. We constantly monitored medical absenteeism and found solutions to temporarily replace unavailable staff to avoid blocking the activity.



EMPLOYEE RETENTION

The retention of colleagues is the natural consequence of the programs of professional integration, training and professional improvement, of those of recognition and appreciation of professional performance and individual skills, and of the benefits we were discussing, of the labor relations, so the consequence of all the motivational elements that compete for the well-being of the employee. We carried out in 2021 a major project to harmonize the remuneration on the two platforms after initiating a comparative analysis at national level, in order to correctly position ourselves on the labor market that is evolving so rapidly.

JOB FOR THE FUTURE

In recent years, we have doubled the investment efforts in education: from the conclusion of partnerships with local educational institutions, to the establishment and sponsorship of technical vocational education classes for different qualifications, to the offering of scholarships to high school students and students as well as the establishment of the Chimcomplex Academy. Continuous involvement in education is our commitment to give young people the opportunity to shape them for a secure future in a sought-after profession.

Dual education is a recipe that we have been using for years to support and prepare future Chimcomplex professionals. We went to the communities around the plants, we talked to the parents, to the students, to the teachers. We have invested in the education and qualification of new operators chemists, welders, electromechanical industrial machinery and installations.

In Vâlcea, together with five major economic operators in the county, we have formed an association to support the establishment of classes in order to specialize young people in the dual education system.

The employment of beginners in the profession only partially covers the need for operators and chemical laboratory workers until 2023, which is why we estimate that the partnerships with the **Technical College "Gheorghe Asachi" Onești** and the **Forestry Technological High School Râmnicu Vâlcea** for the establishment of a vocational education class with the granting of private scholarships to students during their studies is an important long-term measure.

In 2021 we also joined the **Rotary Club Onești Association** and the ProRuralis program and together we selected 5 students to benefit from scholarships worth 250 lei / month for a year, including during the school holidays, money that will help them continue their studies.

Students learn in Onești and come from rural areas, from families with precarious material situations – which does not prevent them from achieving good results in learning.



THE COMPANY'S INVOLVEMENT IN EDUCATION DOES NOT STOP AT DUAL EDUCATION.

Our company facilitates and logistically supports the instructive and educational process of the students of the **Faculty of Chemical Engineering and Environmental Protection "Cristofor Simionescu"**, the **"Gheorghe Asachi" Technical University of Iasi**, but also those of the **Faculty of Applied Chemistry and Materials Science, Polytechnic University of Bucharest**, based on the collaboration conventions we have with them.

The company is involved in the activities of promoting the educational offer of the faculties in the pre-university environment, organized both for students and for teachers (thematic workshops, meetings with former graduates employed at Chimcomplex).

We also participate in activities dedicated to students such as: virtual visits, study visits to society, thematic workshops and meetings with former graduates employed at Chimcomplex, career fairs.

We organize internships and technological documentation and scientific research.

We organize internships for graduates from bachelor's or master's degree programs who have specialized training in accordance with the specifics of the activities carried out within the industrial platforms.

The support of the educational activities for the students from the bachelor's, master's, doctorate is materialized by:

- ensuring the working conditions within the industrial installations in which the students will be assigned,
- providing financial support.

Periodically and at the end of the internship programs, the performance and potential of the students will be evaluated, and depending on the assimilated knowledge, the degree of involvement in the activities provided in the programs, the recommendations of the mentors, after graduating from the educational institutions, firm offers of employment are made.

CHIMCOMPLEX ACADEMY

In order to ensure our need for qualified personnel, given the lack of qualified personnel on the labor market, the high average age of employees and the non-existence of vocational training schools in the trades of interest to us, we have established a center for professional training of potential employees, in order to acquire the necessary skills for employment in the organization.

At the moment we are in the process of authorizing the company as a provider of adult training for the trades of interest to us.

The professional training courses will take place within the two industrial platforms, with internal trainers, and the practical activity of the participants in the professional training programs will take place within the production sections, under the supervision and guidance of the trainers and the specialized staff.

By organizing professional training courses, we aim to:

- carry out the processes of continuous education by developing the knowledge, competences and skills of potential employees for employment in our organization;
- attracting the workforce that does not possess the specific qualification of our field of activity;
- preparing successors for key positions filled by employees approaching retirement age;
- obtaining a qualification tailored to our requirements;
- increasing the degree of adaptability and competence in activity for the holding group by increasing the capacity of understanding and operation with the new technologies used in production;
- development of vocational training programs adapted to the requirements of jobs in society;

- obtaining a nationally recognized qualification;
- carrying out professional retraining programs.

SOCIAL INVOLVEMENT PROJECTS

Our socially responsible initiatives are made in the field of environmental protection, culture, education, sports and employee safety. We plant trees, support educational institutions and run safety programs for our colleagues.

ENVIRONMENTAL PROTECTION

The company makes every effort to raise awareness and education on how we use natural resources and we are actively involved in the development of projects under the sign of environmental protection and solidarity.

Chimcomplex is committed to investing in recovery and recycling by developing a mix of technology, moderate use and increased efficiency to conserve resources, both at the level of internal activities and in relation to customers.

The consumption of natural resources is carefully monitored and we ensure that they are used efficiently and embedded in useful products marketed. We operate energy-efficient machinery and equipment. We also develop manufacturing processes that use waste from other industrial processes (spent hydrochloric acid and trimming – scrap metal waste), with the production of products with a wide use, in various current areas (ferric chloride).



CONCERN FOR PEOPLE

The care for the development of the employees is manifested through the programs of transfer of expertise and the career management of the people from Chimcomplex, on the one hand, but also through the responsible approach to the aspects of health and safety at work, on the other hand.

Chimcomplex's training and development programs include training courses, personalized development programs, coaching, mentoring, shadowing, integration and professional adaptation programs to the requirements and specificities of the workplace, refresher courses and internships, exchanges of experience, participation in conferences, apprenticeships or on-the-job training programs, as well as self-study programs based on a topic specific to the individual needs of development.

The company is a supporter of sports and movement, sponsoring also in 2021 the **Romanian Federation of Sports Tourism** and **OXY Sport** and the **Rareș Cojoc Sports Dance Association**. Thus, we support and encourage the ecological spirit and the promotion of a healthy lifestyle and the touristic potential of Romania.

For over three 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 the waters in swimming pools allows for safe training, and we are glad that our involvement also contributes to the increase in the number of practitioners of this sport, both in juniors and children.

The Chimcomplex people from Rm. Vâlcea and Onești prepared together in 2021 hundreds of packages with food and good thoughts to bring smiles on the faces of families in need and elderly people in the care centers in Rm. Valcea and Onești.



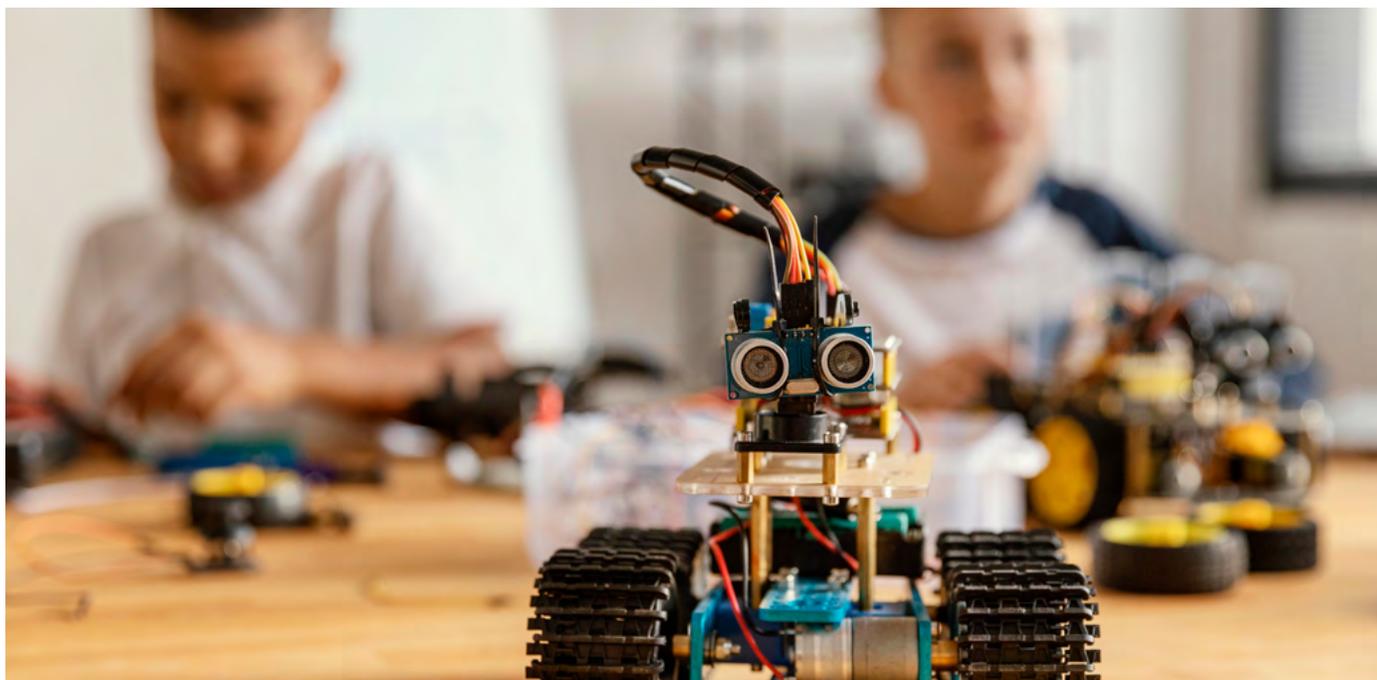
EDUCATION AND CULTURE

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

In 2021 we joined as supporters of the **Mentor Rock Association** for organizing the Beth Hart - High Five Romania - Summer Camp Brezoi concerts, Valcea. It was an extraordinary cultural manifestation of the community in which we operate, which we all needed during the period of relaxation of anti - Covid restrictions. Over 10,000 people attended the events in Brezoi.

Chimcomplex encourages digitization and robotization, that's why in 2021 it started to support **Bionic Royals** projects so that students attracted by robotics can use their talents for Romania.

We are also with the **Association of Children without Childhood** from Vâlcea County. Together we support the education of children with school dropout risk and to give them a chance at normality.



NATIONAL RECOGNITION

 Chimcomplex won the "Excellence Award for building the most powerful chemical industrial group in Romania". The award was announced by The Bursa Newspaper at the Bursa 2021 Gala. The recognition of our performance, has brought extra energy to the dedicated and loyal people who work daily on the Chimcomplex platforms.

 Almost half of the 60-year history of Chimcomplex S.A. Borzesti is written on the Bucharest Stock Exchange. In 2021 the company celebrated the 25th anniversary of being listed on the Stock Exchange, in the AERO segment, with the stock symbol CHOB.

 The CEO of Chimcomplex was elected president of APDCR (Association of Chemical Manufacturers and Distributors in Romania) in 2021. Our company encourages the cooperation and sustainable development of the chemical industry, which will help APDCR to continue to act as a dialogue partner of the European institutions and other actors involved in achieving Romania's green deal objectives.

DIGITIZATION

In 2021 we launched a massive digitization project within the company. We have a common ERP in the 2 industrial platforms, we have and continuously develop SCADA control systems, we permanently improve the digital culture in the company. Our goal for the future is to have 100% of decisions based on facts and figures.

All flows of material resources, energy generate large volumes of data that are mostly processed in real time and that ultimately end up being processed and reflected in the financial statements. Through digitalization we aim to optimize the use of resources, develop internal capabilities, promote innovation, improve the interaction with business partners, with the external environment, with the ultimate objective of aligning us to the requirements of the 4th industrial revolution. Through digitalization we are adapting this industry with tradition, to the new industrial revolution based on data flow management.

We are confident in our future and continue to make significant investments to support our long-term plans.

FUTURE

On December 1, 2021, we celebrated 3 years since the acquisition of Oltchim's assets by Chimcomplex. During this time, Chimcomplex became the largest company listed on the AeRO market of the Bucharest Stock Exchange. We continue to focus on consolidating the positive results and focusing on the most important strategic objective: to integrate Chimcomplex, part of the CRC group, into the European circular economy.

Starting from the principle of specializing the activities of the companies in the group and understanding the existing opportunities from this perspective, Chimcomplex intends to deepen and exploit all the synergies, optimizations and integrations at group level, under the umbrella of the CRC (acronym of the phrase Compania Romaniana de Chimie).

The CRC Group's strategic plan aims, in the medium and long term, to start and optimize the established activities, as well as to organize the transition to new activities and strategic activities.

Thus, it is envisaged the organization of the CRC group on 8 divisions, as follows:

- Chemical Division - will include the chemical platforms Chimcomplex Borzești and Chimcomplex - Vâlcea Branch with 22 production lines in organic and inorganic chemistry.
- Energy Division including:

A6 Dej – the largest national producer of green energy from biomass;

The assets awarded by Chimcomplex from CET Govora SA – in reorganization, on which it is planned to develop a high-efficiency energy complex, which totals 4 groups of over 200MW and the first trigeneration plant in Romania.

- Research Division which will include three research centers organized within Chimcomplex – working point Bucharest, CRC Alchemy, Chimcomplex - Valcea Branch.
- International Trade and Business Division
- Maintenance and Support Services Division including, among others, the companies Sistemplast S.A. Rm. Vâlcea and A5 Impex SRL Onești.
- Logistics and Transport Division – which will exploit the identified opportunities and the experience of companies with a tradition affiliated;
- The Green Division specializes in the production of green chemicals, green energy and hydrogen.
- White Division focused on environmental affairs.

We want to talk about the CRC Group as a chemistry plant, which will attract new companies to its group, partners and investors, in order to consolidate its role as the core of the chemical industry in Romania and a benchmark for the industry with Romanian capital.

The next important step in Chimcomplex's strategic plan is the completion, in the next period, of the transfer process to the main market of the Bucharest Stock Exchange to category 1. With this approach, the company intends to trade the shares under the symbol CRC, replacing CHOB.

CHIMCOMPLEX
**NON-FINANCIAL
STATEMENT**

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