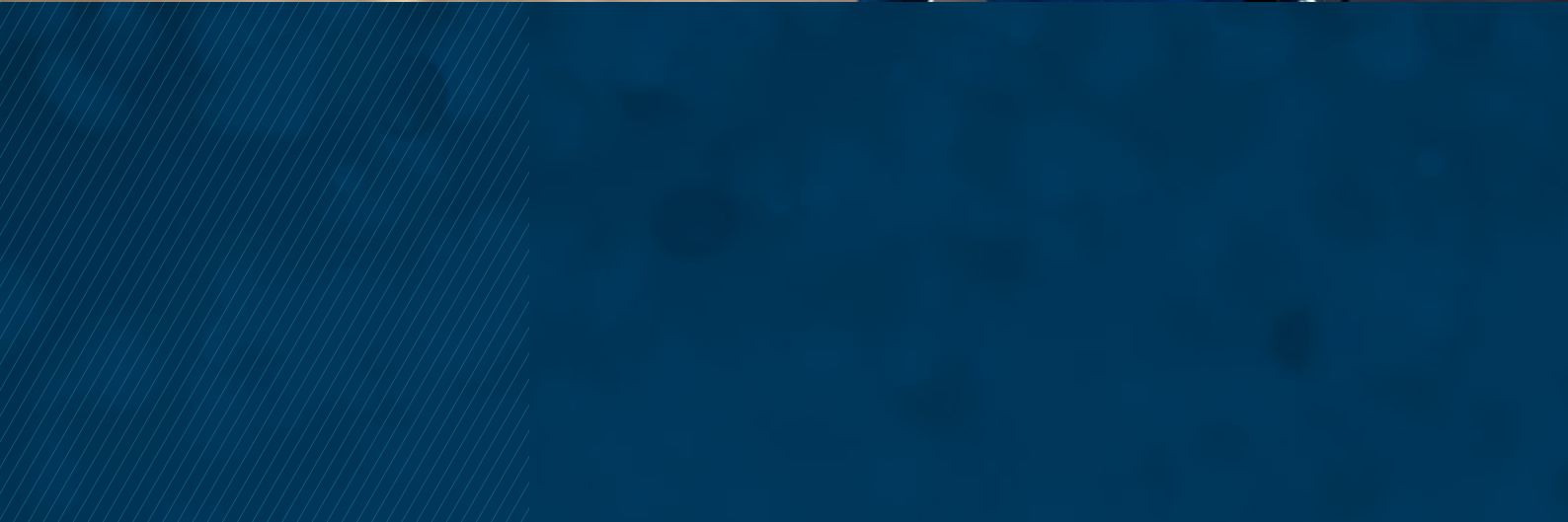




ANNUAL REPORT 2012

STRATEGY FOCUSED ON GROWTH, NEW CHALLENGES AND ACCOMPLISHMENTS

The actions that enable Braskem to build stronger relationships with Clients, Team Members and the Community and to respond firmly to economic, social and environmental challenges, while contributing to sustainable development.



CONTENT

INTRODUCTION 5

MESSAGE FROM MANAGEMENT 7

MESSAGE FROM THE BUSINESS LEADER 7

MESSAGE FROM THE CHAIRMAN OF THE BOARD 9

ODEBRECHT ENTREPRENEURIAL TECHNOLOGY 11

2020 VISION 11

RELEVANT THEMES FOR THIS REPORT 12

PROFILE 16

GLOBAL COMPANY 18

CORPORATE GOVERNANCE 22

VALUES AND PRINCIPLES 23

AWARDS AND RECOGNITION 24

BRASKEM'S 10th ANNIVERSARY 25

BUSINESS AND SUSTAINABILITY 27

PROGRESS ON THE EXPANSION PROJECTS 28

BRASKEM IDESA – ETHYLENE XXI PROJECT 28

COMPERJ-BRASKEM 29

COLLABORATION ON THE ACRYLICS COMPLEX 29

INNOVATION 30

MANAGEMENT 31

RESULTS, PROJECTS AND CHALLENGES 32

NEW DEVELOPMENTS FOR THE MARKET 34

RENEWABLES 36

PARTICIPATORY ACTION AND VOLUNTARY COMMITMENTS 38

ECONOMIC DEVELOPMENT 40

BUSINESS CHALLENGES 42

RISK RATING 44

INVESTMENTS 44

OPERATING PERFORMANCE 45

POLYOLEFINS (PE AND PP) 46

VINYLS 47

BASIC PETROCHEMICALS 48

INTERNATIONAL BUSINESS 50

OUTLOOK FOR 2013 51

SOCIAL AND ENVIRONMENTAL DEVELOPMENT 53

PEOPLE 54

DEVELOPMENT AND CAREER 56

PROFILE OF TEAM MEMBERS 58

REMUNERATION 62

HIRING AND TERMINATIONS 64

EHS MANAGEMENT 66

HEALTH AND SAFETY 68

ENVIRONMENT 72

WATER 72

ENERGY AND CLIMATE CHANGE 78

SOLID WASTE 88

ENVIRONMENTAL PROTECTION 91

VALUE CHAIN 94

CLIENTS 96

LIFE CYCLE ANALYSIS 97

PRODUCT RESPONSIBILITY 98

SUPPLIERS 100

STRATEGIC RAW MATERIALS 101

LOGISTICS 102

PROCUREMENT 102

COMMUNITY AND CULTURE 104

SOCIAL INCLUSION 105

ENVIRONMENTAL EDUCATION 106

CULTURAL INITIATIVES 107

GOVERNMENT 108

ABOUT THIS REPORT 111

KEY INDICATORS 2012 113

2020 VISION 114

GRI CONTENT INDEX 116

CORRELATION BETWEEN BRASKEM'S 2020 VISION, MATERIALITY AND GRI 128

CORRELATION WITH GLOBAL COMPACT 130

DECLARATION OF DNV GUARANTEE 132

KPMG REPORT 134

CORPORATE INFORMATION 136

CREDITS 138

GLOSSARY 139





INTRODUCTION

In this annual report, Braskem presents its accomplishments and challenges in 2012, its social, environmental and economic results, the progress made in its business strategy based on the principles of sustainable development, on innovation and on advances in management, as well as the indicators that reflect its performance in the period.

The complete version of this document is available on the Braskem website, in applications for tablets and in PDF format. The print version presents only a summary of the year's highlights.





MESSAGE FROM MANAGEMENT GRI 1.1

MESSAGE FROM THE BUSINESS LEADER

CARLOS FADIGAS

Despite challenging, 2012 was also rich in opportunities and achievements that reinforce our confidence in the future.

The year was marked by the international economic crisis, with markets contracting and repercussions on business performance. Despite this adverse scenario, Braskem concluded the two capacity-expansion projects planned for the period: the new industrial units, one for the production of PVC located in the state of Alagoas, and another for the production of butadiene in the state of Rio Grande do Sul.

Concluded on-time and on-budget after two years of construction, the PVC unit received investment of R\$1 billion, which is the largest amount ever invested in a single project since the Company's creation ten years ago. The decision to expand our operations in this segment was taken with the aim of better serving our Clients to help them meet the strong growth in Brazil's construction and infrastructure sectors.

With the progress made in the industrial project in Mexico, we continue to advance our international expansion. We ended 2012 with approximately 20% of the project completed and this year we began the electromechanical assembly. Operations are expected to start in 2015.

In the United States, as a strategy to ensure the competitive supply of feedstock to our operations, we acquired the propylene splitter and forged partnerships that will allow us to use, starting in 2015, propylene made from propane feedstock derived from shale gas. We also continue to make progress on our initiatives currently being analyzed in Venezuela and Peru.

By staying focused on its Clients, Braskem strengthened its positioning in the Brazilian market, with its market share reaching 70% for the group of resins formed by polyethylene, polypropylene and PVC. Our growing investments in innovation contributed significantly to this achievement. In 2012, these investments amounted to R\$188 million, increasing 30% from 2011, and made possible the development of new applications and new plastic products as well as the launch of 28 new resins, which helped improve the performance of the production chain.

In the area of green plastic, which is made from ethanol, a 100% renewable feedstock, new relationships were forged with clients such as Kimberly-Clark, DuPont, Tigre, L'Occitane, Tecnar, Plantic and Faber-Castell.

Given the economic difficulties in the international scenario, the profitability of thermoplastic resins and basic petrochemicals declined in the year in relation to 2011. In 2012, Braskem suffered from the impacts associated with the continued volatility in the price of its main feedstock, naphtha. On the economic front, Braskem reported net consolidated revenue of R\$35.5 billion, an increase of 9% from 2011. EBITDA was R\$4 billion, up 6% on the prior year. The net result in the period was a loss of R\$738 million, which is mainly explained by the contraction in petrochemical margins.

In accordance with sustainability principles and seeking better results, Braskem operates on an integrated basis with regard to its economic, social and environmental dimensions. Reflecting our continuous efforts to improve our environmental indicators, we obtained excellent results between 2002 and 2012, with an improvement of 11% in energy consumption and reductions of 39% in wastewater generation and 61% in solid waste generation. Over these last ten years, water consumption increased by 2%, but we are working to reverse this trend by, for example, significantly increasing the amount of water reused already in 2012. In the period we set a new record by reducing the injury frequency rate with and without lost time to 1.04 per million hours worked. We continue to invest resources and efforts in eliminating risks and preventing workplace accidents in all units of the Company, in keeping with our commitment to the health and safety of Team Members and of the Communities where our operations are located.

Our commitment to sustainable development received important external recognition in the period. At the international level, Braskem was selected as a component of the newly launched Dow Jones Sustainability Emerging Markets Index. In Brazil, the recognitions include being highlighted as a model company in the Sustainability Guide published by Exame magazine and the FINEP award in the Sustainable Innovation category for the green plastic project. Braskem also confirmed its continued inclusion as components of the Corporate Sustainability Index (ISE) and Carbon Efficient Index (IC02), both of which track the performance of stocks of companies that adhere to sustainability principles and are traded on the BM&FBovespa - Securities, Commodities and Futures Exchange.

Knowing that people are key to its growth, Braskem also invested in training and developing its Team Members through programs based on the concepts of education through work and education for work, as well as technical development, with the investments in these initiatives amounting to R\$15 million. We continued the actions to strengthen our corporate culture guided by the Odebrecht Entrepreneurial Technology (TEO), focusing special attention on integrating the new teams in Germany, Mexico and the United States, as well as the social investments to strengthen our relationships with the Communities where our operations are located, which amounted to R\$12.6 million in 2012. It is also important to note that Braskem reaffirms its commitment to the principles established in the Global Compact of the United Nations (UN), to which the Company has been a signatory since 2007.

I thank our Clients for their relationship based on trust and partnership, our Team Members for their dedication and commitment to the Company and also our Shareholders for their endorsement of our management and belief in our long-term strategy, which has been continually reaffirmed over these years during which we have worked to ensure that Braskem reaches new spaces and new horizons.



MESSAGE FROM MANAGEMENT GRI 1.1

MESSAGE FROM THE CHAIRMAN OF THE BOARD

MARCELO BAHIA ODEBRECHT

In 2012, Braskem completed ten years since its creation, a trajectory that can be traced back to the late 1970s when the Odebrecht Organization made its first investments in the petrochemical industry. Since then, Braskem has grown in step with Brazil by supporting the plastics production chain and expanding its activities into new frontiers.

Observing the current scenario, we see how our growth was fundamental to enable us to overcome the challenges posed by the international context, which, following a strategy designed to strengthen Brazil's petrochemical industry, presented us with the opportunity to expand beyond Brazil's borders.

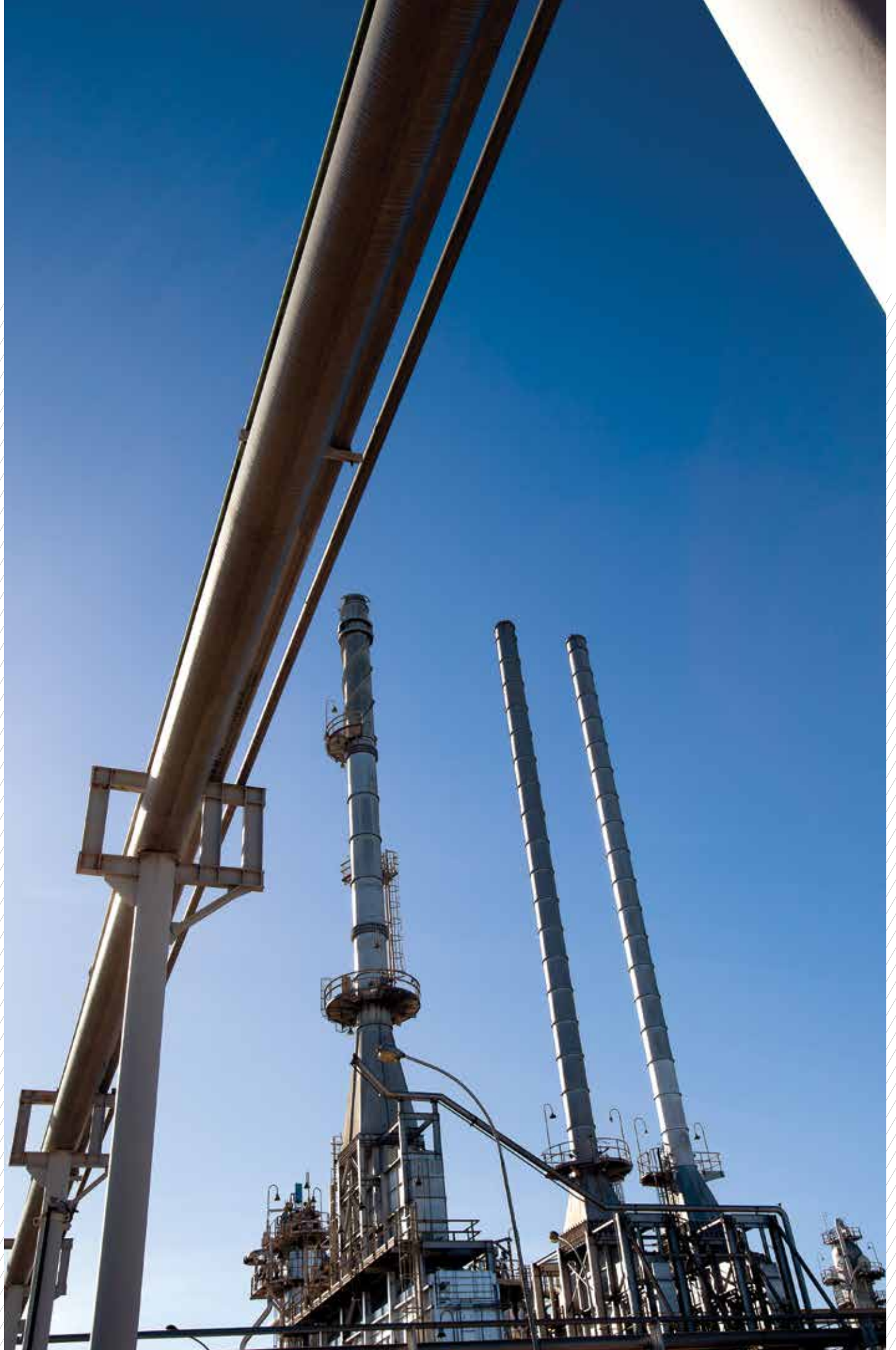
These opportunities bring with them new challenges, including the need to train and integrate more Leaders who identify with our culture and are also capable of strengthening the capabilities and knowledge incorporated through the Company's internalization process.

With regard to our tangible results, we are confident that we will overcome the current adverse scenario. To achieve this, it is crucial that we further narrow our focus on productivity, on capturing synergies, on financial discipline and management, on maintaining selectivity in our investment decisions and, most importantly, on reinforcing the small enterprise spirit throughout all of Braskem by strengthening even further planned delegation, the Team Member-Leader relationship and the focus on Client satisfaction.

Braskem's activities are based on a solid corporate culture, the Odebrecht Entrepreneurial Technology (TEO), which fosters bonds of trust in relationships between people, is firmly rooted in the spirit of service to our Clients and provides the fundamental references for our Team Members' growth. The principles of sustainable development, which are practiced by all companies that form the Odebrecht Organization, guide our business activities and determine that results must be achieved synergically in three areas: economic, sociocultural and environmental.

We defend the achievements obtained to date, conscious of the fact that building the future is a daily task and that the guarantee of perpetual progress lies in permanent dissatisfaction with the results achieved and the continuous capacity to improve and innovate. On this permanent path towards the survival, growth and perpetuity of our business, the continued evolution in Braskem's Environment, Health and Safety indicators, which was further confirmed in 2012, shows that we are moving in the right direction.

I reaffirm my confidence in the capacity of Braskem's Team Members to generate tangible and intangible results that are increasingly higher and better, while identifying opportunities to create value from the combination of potential opportunities and meeting the demands of Clients, Partners, Society and Shareholders, among which I highlight in particular Petrobras and BNDESPAR. This will allow us to maintain our investment program, which translates Braskem's binding commitment to the industry's competitiveness, to the growth of our Clients, Partners and Team Members, to the well-being of the Communities with which we interact and to the social and economic development of the countries where we operate.



ODEBRECHT ENTREPRENEURIAL TECHNOLOGY GRI 4.8

The Odebrecht Entrepreneurial Technology (TEO) is the foundation of the culture of the Companies controlled by the Odebrecht Organization, which include Braskem. Focusing on the spirit of service and centered on education, TEO is a philosophy of life applied to work that is based on confidence in people and their limitless capacity to develop, and establishes the ethical and moral foundations that guide the activities of the Organization's Team Members regardless of where they work.

To learn more go to: <http://www.braskem.com.br/site.aspx/Principles-and-Values-USA>

2020 VISION

Set out in 2010, the 2020 Vision serves as the foundation of Braskem's planning for its long-term growth. From the perspective of sustainability, the 2020 Vision encompasses three strategic pillars: increasingly sustainable feedstocks and operations; a portfolio of increasingly sustainable products; and solutions for an increasingly sustainable life. In 2012, the highlights of each pillar were:

"TO BE THE WORLD LEADER IN SUSTAINABLE CHEMISTRY, INNOVATING TO BETTER SERVE PEOPLE."

INCREASINGLY SUSTAINABLE RESOURCES AND OPERATIONS

New records set for significant Environment, Health and Safety indicators: accidents, energy consumption and solid waste generation.

Inauguration of water reuse projects: Aquapolo (Mauá, SP) and Água Viva (Camaçari, BA).

95% of ethanol purchased from mills that are signatories to Braskem's Code of Conduct for Ethanol Suppliers.

INCREASINGLY SUSTAINABLE PRODUCTS

Launch of the Maxio product line, which offers significant gains in energy efficiency and environmental impacts.

Measurement of the carbon footprint for five product families, which show lower emissions than the average of the U.S. and European chemical industries.

SOLUTIONS FOR A MORE SUSTAINABLE LIFE

Development of solutions jointly with Clients that accelerate universal access to water and basic sanitation.

Leadership in the development of the Brazilian Business Network for Life Cycle Analysis (LCA).

Around 130,000 people benefited by the environmental education, cultural and social inclusion projects sponsored by Braskem.

Solid foundation: strong culture and management aligned with sustainable development principles

For more information, please go to: <http://www.braskem.com.br/site.aspx/2020-Vision-Usa>



RELEVANT THEMES FOR THIS REPORT

GRI 1.2 | 3.5 | 4.14 | 4.15 | 4.16 | 4.17

Braskem's business agenda is based on the principles of sustainable development in terms of economic, social and environmental responsibility. Based on this perspective, the main challenges related to the Company's activities are reflected in this report.

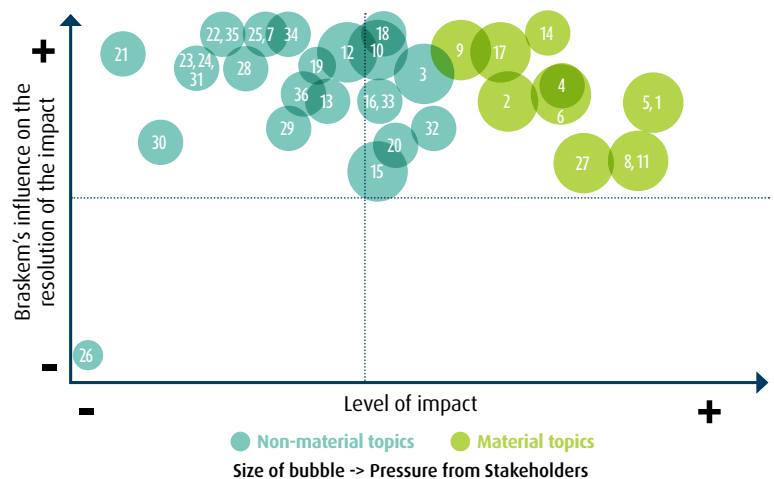
As in 2010 and 2011, the content of this document was determined through the consideration of topics relevant to Braskem's contribution to sustainable development. These topics were established based on interviews conducted in 2009 with Leaders of the Company and representatives from eight stakeholder groups: Shareholders, Clients, Team Members, Suppliers, representatives of the state governments of Alagoas, Rio de Janeiro and Bahia, Academia (universities and other educational and research institutions), Financiers and representatives from the Communities neighboring the industrial plants in the states of Alagoas, Bahia and São Paulo.

The formal stakeholder consultation process is being conducted once again in 2013 to update the Company's understanding of the priority themes in which it can contribute to sustainable development and to support the revision of goals through 2020. Certain macro objectives are expected to be revised so that more actions regarding products and solutions offered by Braskem are included, in line with the principles of sustainable development.

RELEVANT TOPICS – MATERIALITY MATRIX

This matrix represents the results of the consultation process and the assessment of each topic's relevance from the viewpoint of Braskem and of the representatives of the stakeholders consulted.

Thirty-six aspects, which were extracted from the Global Reporting Initiative (GRI) sustainability reporting guidelines version 3.1, were considered and 11 were identified as priorities.



1 – Economic performance
2 – Market presence
3 – Indirect economic impact
4 – Use of materials
5 – Use of energy
6 – Use of water
7 – Biodiversity
8 – Air emissions
9 – Effluents
10 – Solid waste
11 – Impacts of products and services
12 – Environmental compliance
13 – Impacts of transport

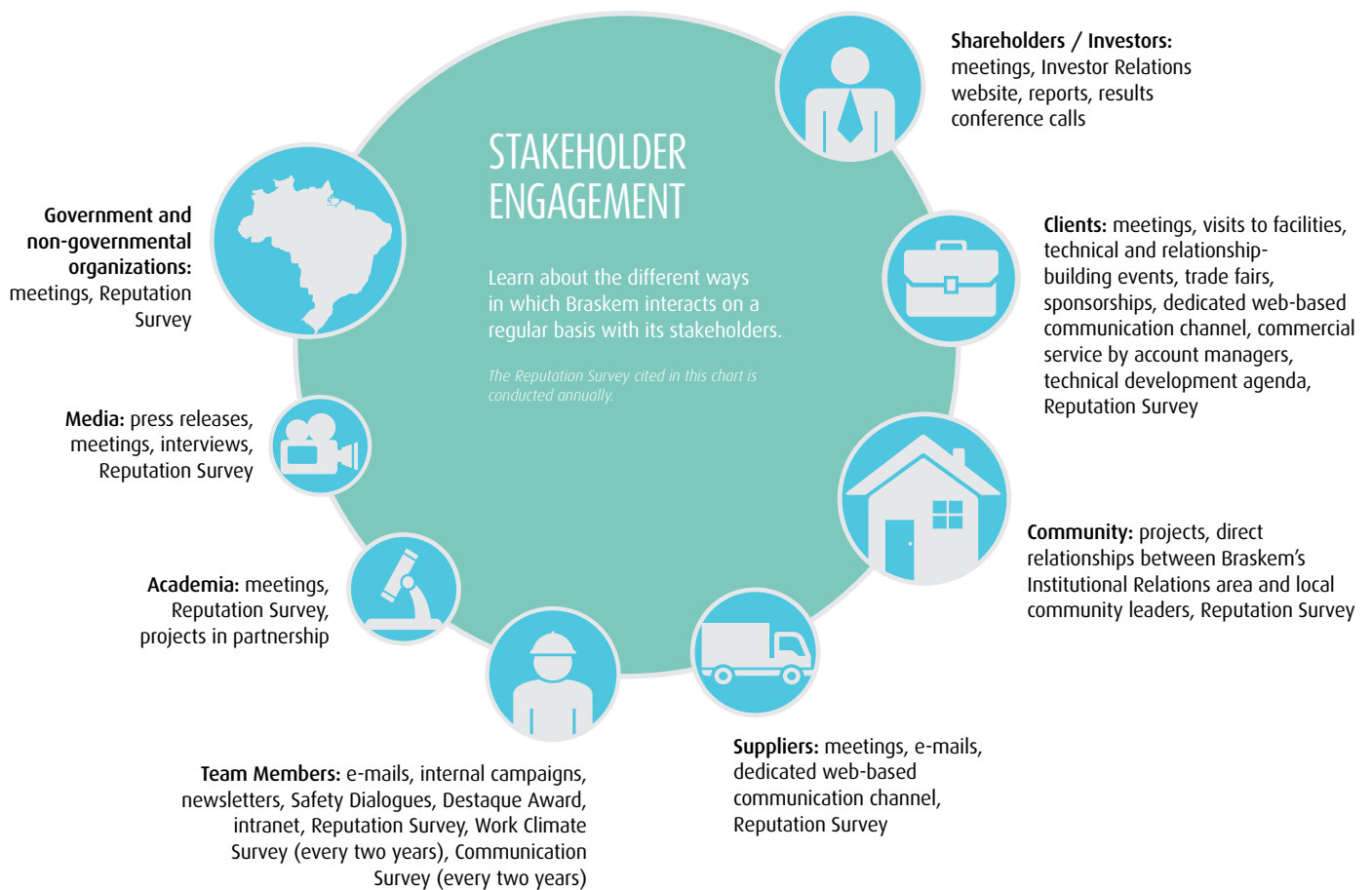
14 – Environmental investments
15 – Employment
16 – Collective bargaining
17 – Workplace health and safety
18 – Training and education
19 – Equal opportunity
20 – Investments and procurement
21 – Non-discrimination
22 – Freedom of association
23 – Child labor
24 – Forced labor
25 – Business security
26 – Indigenous rights

27 – Communities
28 – Corruption
29 – Public policy
30 – Anti-competitive behavior
31 – Compliance
32 – Customer health and safety
33 – Product labeling
34 – Marketing
35 – Customer privacy
36 – Compliance regarding the supply and use of Braskem products

The aspects related to economic results were deemed to be already advancing adequately and the other eight aspects were grouped by type. This led to the creation of seven macro sustainability objectives to define how the Company would contribute to sustainable development in these themes through continuous and step-change improvements. These are:

- Chemical safety
- Greenhouse gases (GHG)
- Water efficiency
- Energy efficiency
- Renewable raw materials
- Post-consumer plastic destination
- People (human development)

The seven macro objectives apply across the three strategic pillars of the 2020 Vision (increasingly more sustainable feedstocks and operations; increasingly sustainable product portfolio; solutions for a more sustainable life). For each theme, initiatives and goals were set for periods through 2020, which may be consulted at <http://www.braskem.com.br/site.aspx/Goals-Initiatives-USA> and also in the table 2020 Vision – Progress.





REPUTATION PLATFORM

To Braskem, reputation is a source of sustainable competitiveness. It is an intangible asset that helps preserve the social legitimacy of the Company's business and therefore is a factor that enables the value generated in this context to be maximized through its relationships. To better understand and strengthen its reputation with stakeholders, Braskem launched a program to enhance its reputation management.

To this end, management activities aim to confer greater agility to the process of identifying and responding to reputational risks and social expectations, helping to strengthen the relation between the Company and its various stakeholders and as such contribute to the sustainability of these results over the long term.

The monitoring of the Company's reputation began in 2009, with the support of the Reputation Institute, which is a global reference in this field. Since 2011, the program has been supported by an Image and Reputation Management Committee that involves executives from 13 different areas of the Company, from the business units to the corporate areas. The committee discusses the main risks and opportunities that emerge in the process of strengthening the trust and admiration of Braskem's stakeholders.

PROFILE

Braskem's profile is marked by its leadership in resins production and its market recognition.





GLOBAL COMPANY

GRI 2.1 | 2.2 | 2.3 | 2.4 | 2.5 | 2.6 | 2.7 | 2.8 | 2.9

7,364

Team Members

Created in 2002, Braskem operates in the chemical and petrochemical industries and has 36 industrial units located in Brazil, the United States and Germany. Through its commercial offices located in the Americas, Europe and Asia, it serves Clients in more than 70 countries.



INDUSTRIAL UNITS

BRAZIL

Alagoas (3)
Bahia (8)
Rio Grande do Sul (9)
Rio de Janeiro (3)
São Paulo (6)

BASIC

PETROCHEMICALS:
Camaçari (BA)
Duque de Caxias (RJ)
Mauá (SP)
Triunfo (RS)

PE:

Cubatão (SP)

PP:

BRAZIL
Paulínia (SP)

UNITED STATES

Pennsylvania (1)
Texas (3)
West Virginia (1)

PVC:

Maceió (AL)
Marechal Deodoro (AL)
Camaçari (BA)

GERMANY

Schkopau
Wesseling

UNITED STATES

Marcus Hook (PA)
La Porte (TX)
Oyster Creek (TX)
Seadrift (TX)
Neal (WV)

GERMANY

Schkopau (1)
Wesseling (1)

PE AND PP:

Camaçari (BA)
Mauá (SP)
Duque de Caxias (RJ)
Triunfo (RS)

PE
Polyethylene

PP
Polypropylene

Green PE
Polyethylene made from ethanol, a renewable source of feedstock

ADMINISTRATIVE OFFICES

ADMINISTRATIVE HEADQUARTERS

São Paulo (offices of the administrative and management departments)
Philadelphia (USA)
Frankfurt (Germany)

ADMINISTRATIVE OFFICE

Salvador
Rio de Janeiro
Porto Alegre

INNOVATION AND TECHNOLOGY

TECHNOLOGY AND INNOVATION CENTER

Triunfo (RS)
Pittsburgh (PA)

INNOVATION AND TECHNOLOGY ACTIVITIES AT LABORATÓRIO NACIONAL DE BIOCÊNCIAS (LNBIO), A PARTNER LABORATORY
Campinas (SP)

COMMERCIAL OFFICES

Germany
Argentina
Austria
Chile
Singapore
Colombia

United States
Netherlands
Mexico
Peru
Venezuela

The commercial office in Germany was inaugurated in September 2012 in the city of Frankfurt and serves as the Company's operational headquarters in the country, while also handling the sales of the products manufactured locally and supporting the operations to import PP, PE and Green PE into Europe. The office in Vienna, Austria was inaugurated in early 2013 to support naphtha feedstock negotiations with suppliers in Europe and North Africa.



ANNUAL PRODUCTION CAPACITY

(INCLUDES BRAZIL, USA AND GERMANY)

exceeds **16**
million
tons

production capacity of thermoplastic resins and other petrochemical products

7.5
million
tons

The Company is the leading producer in the Americas of thermoplastic resins (polyethylene, polypropylene and PVC)

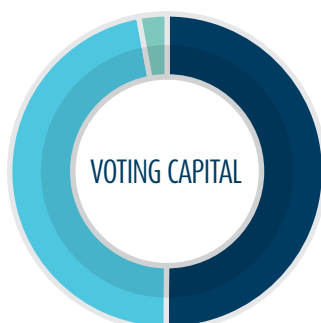
nº1
the largest polypropylene producer in the United States

200
kton

of annual capacity (world leader) in plastics made from renewable resources

BRASKEM'S OWNERSHIP STRUCTURE

ON DECEMBER 31, 2012



50.1%	ODEBRECHT	38.4%
47%	PETROBRAS	36.2%
–	BNDESPAR	5.5%
2.9%	OTHER***	19.9%

*** Excludes treasury shares (0.14% of the total capital)



CAPITAL STOCK GRI 2.9

On December 31, 2012, the subscribed and paid up capital stock of the Company amounted to R\$8,043,222, represented by 797,265,348 shares without par value, comprising 451,668,652 common shares, 345,002,878 class "A" preferred shares, and 593,818 class "B" preferred shares, distributed among the following shareholders:

	Common shares	%	Preferred shares class A	%	Preferred shares class B	%	Total	%
OSP and Odebrecht	226,334,623	50.11%	79,182,498	22.95%	—	—	305,517,121	38.32%
Petrobras	212,426,950	47.03%	75,792,589	21.97%	—	—	288,219,539	36.15%
BNDESPAR	—	—	44,069,052	12.77%	—	—	44,069,052	5.53%
ADR (i)	—	—	34,193,744	9.91%	—	—	34,193,744	4.29%
Other	12,907,079	2.86%	110,610,237	32.06%	593,818	100%	24,111,134	15.57%
Total	451,668,652	100%	343,848,120	99.67%	593,818	100%	796,110,590	99.86%
Braskem shares owned by subsidiary of Braskem Petroquímica (ii)	—	—	1,154,758	0.33%	—	—	1,154,758	0.14%
Total	451,668,652	100%	345,002,878	100%	593,818	100%	797,265,348	100%

(i) American Depositary Receipt, negotiated in the New York stock market (USA).

(ii) These shares are treated as "treasury shares" in consolidated Equity.

TREASURY SHARES

	Parent company		Consolidated	
	2012	2011	2012	2011
Quantity				
Common shares		411	—	411
Preferred shares class "A"		1,542,258	1,154,758	2,697,016
		1,542,669	1,154,758	2,697,427
Valor		11,325	48,892	60,217

In the consolidated financial statements for the periods ended December 31, 2012 and 2011, the Company held in the item "treasury shares" the amount of R\$48,892 corresponding to 1,154,758 class "A" preferred shares issued by Braskem and owned by the subsidiary Braskem Petroquímica (Note 2.1.2(a.ii)).

On December 4, 2012, Braskem cancelled 4,400,269 shares, of which 411 were common shares and 4,399,858 were class "A" preferred shares. The changes in treasury shares are shown below

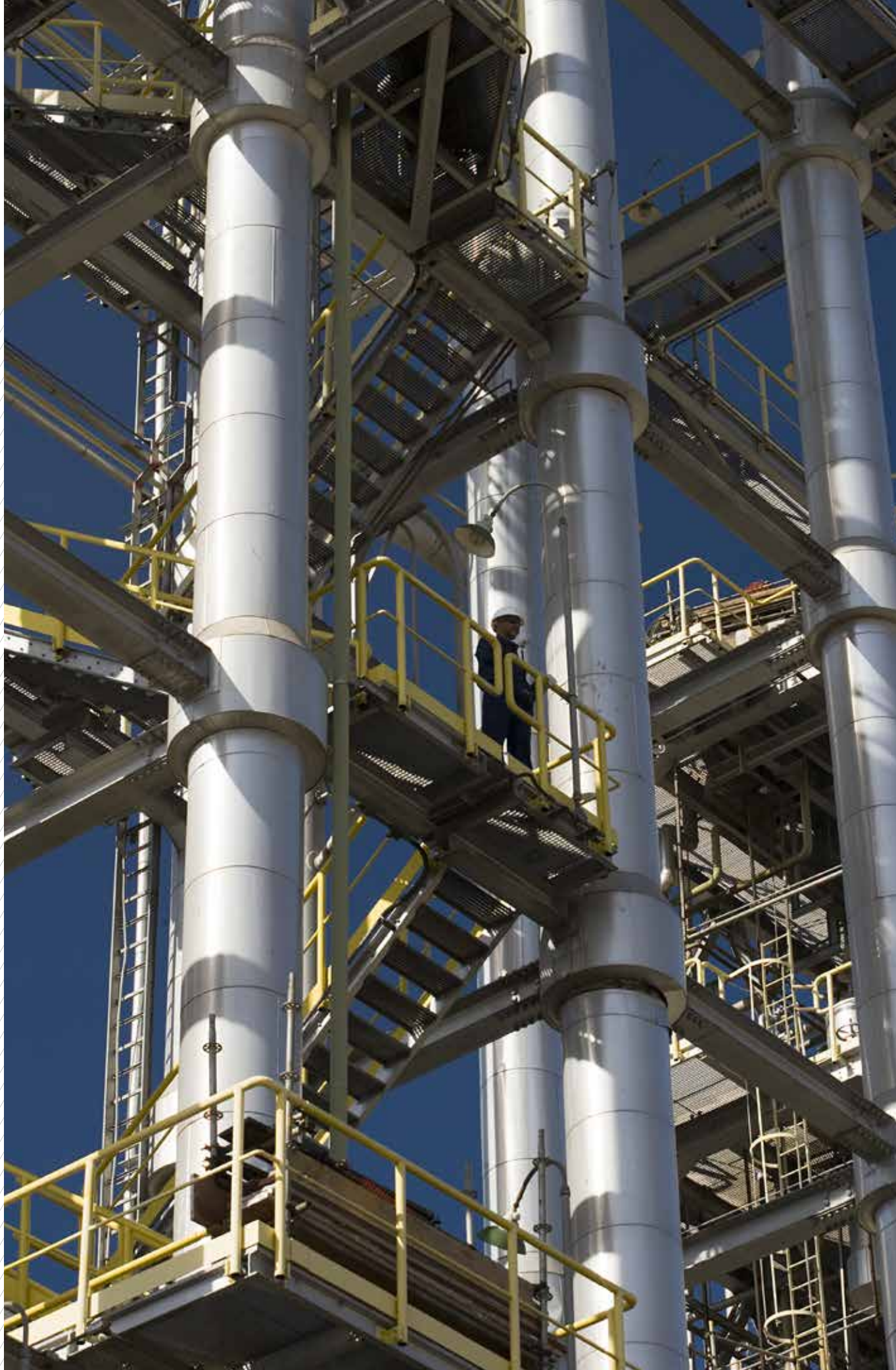
	Parent company		Consolidated	
	Quantity	Balance	Quantity	Balance
Common shares	411	4	411	4
Preferred shares class "A"	1,542,258	11,321	2,697,016	60,213
As of December 31, 2011	1,542,669	11,325	2,697,427	60,217
Acquisition in 3rd repurchase program	2,595,300	33,204	2,595,300	33,204
Aquisição no 4º programa de recompra	262,300	3,489	262,300	3,489
Acquisition in 4th repurchase program	(411)	(4)	(411)	(4)
Cancellation of treasury shares – common	(4,399,858)	(48,014)	(4,399,858)	(48,014)
Total	—	—	1,154,758	48,892
Common shares	—	—	—	—
Preferred shares class "A"	—	—	1,154,758	48,892
As of December 31, 2012	—	—	1,154,758	48,892

For more information on Braskem and its products, industrial units and global presence, please go to:

<http://www.braskem.com.br/site.aspx/Braskem-Profile-USA>

<http://www.braskem.com.br/site.aspx/Our-Business-Usa>

<http://www.braskem.com.br/site.aspx/Global-Presence-USA>



CORPORATE GOVERNANCE GRI 4.1 | 4.2

A publicly listed corporation, Braskem complies with the rules of the Securities and Exchange Commission of Brazil (CVM) and the BM&FBOvespa - Securities, Commodities and Futures Exchange. Outside of Brazil, it complies with the rules of the New York Stock Exchange (NYSE) and the Latibex market for Latin American stocks on the Madrid Stock Exchange.

The Company's management mechanisms ensure the adoption of international standards of transparency and ethics in conducting its business activities. Braskem's corporate governance structure is composed as follows:



BOARD OF DIRECTORS* (REPRESENTATIVES OF SHAREHOLDERS)

Marcelo Bahia Odebrecht
Chairman of the Board of Directors

José Carlos Cosenza
Vice-chairman of the Board of Directors

Alfredo Lisboa Ribeiro Tellechea
Almir Guilherme Barbassa
Álvaro Fernandes da Cunha Filho
Felipe Montoro Jens
José Alcides Santoro Martins
Luiz de Mendonça
Newton Sérgio de Souza
Patrick Horbach Fairon
Roberto Zurli Machado

STANDING COMMITTEES OF THE BOARD OF DIRECTORS
People and Organization Committee
Finance and Investment Committee
Strategy and Communication Committee

BOARD OF EXECUTIVE OFFICERS

Carlos Fadigas
Chief Executive Officer

Marcela Drehmer
Décio Fabrício Oddone da Costa
Edmundo José Correia Aires
Fernando Musa
Luciano Nitrini Guidolin
Marcelo Arantes de Carvalho
Marcelo Lyra do Amaral
Marcelo de Oliveira Cerqueira
Maurício Roberto de Carvalho Ferro
Roberto Bischoff
Rui Chammas

BOARD OF AUDITORS (STANDING MEMBERS)

Maria Alice Ferreira Deschamps Cavalcanti
Chairman of the Board of Auditors

Aluizio da Rocha Coelho Neto
Antônio Luiz Vianna de Souza
Ismael Campos de Abreu
Manoel Mota Fonseca

AUDIT (EXTERNAL AUDIT AND BUSINESS SECURITY, WHICH EXERCISES THE ROLE OF THE INTERNAL AUDITOR)

To ensure the transparency of its actions and provide ample access to documents, the Company maintains a channel dedicated to Analysts, Investors and other stakeholders through the website:
www.braskem.com.br/ri

ETHICS COMMITTEE (ADVISORY AND DELIBERATIVE LEVEL)

*Base: 12/31/2012

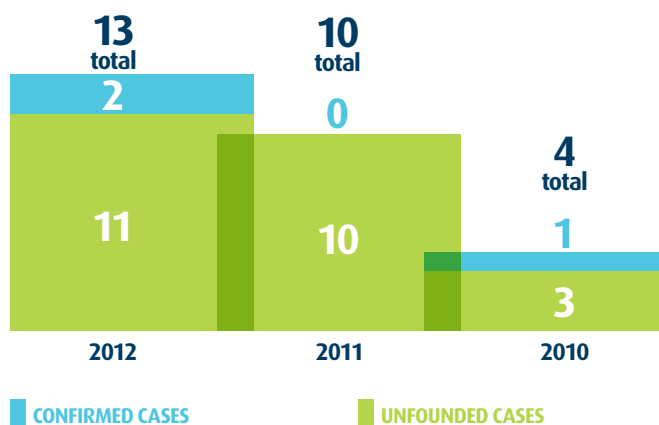
VALUES AND PRINCIPLES GRI HR4 | HR11 | 4.8

The values, principles and practices of the corporate culture are expressed in the Code of Conduct, which is distributed to all Team Members of the Company. Denouncements involving violations of this Code may be made through the Braskem Ethics Hotline Channel, which is open to all of Braskem's Team Members, Clients, Suppliers and other stakeholders.

The Channel is accessible by e-mail, telephone or PO box, with the Business Security area charged with the responsibility of registering and analyzing the reports, always in absolute confidentiality. All incidents communicated and the results of the respective analyses are presented and discussed in the Ethics Committee.

In 2012, 13 complaints related to human rights were registered. All complaints were investigated and in two incidents corrective measures were recommended. Both incidents involved people who were not acting in accordance with the values of the Organization, creating a hostile workplace. One person was temporarily suspended and the other person had improvement actions negotiated as part of their individual targets for 2013.

INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN



Note: the incidents registered between 2010 and 2011 were investigated and only one of them, in 2010, was confirmed and required corrective actions. The Team Member identified received feedback from the Leader and will be the subject of permanent monitoring and evaluation.

To learn more about Braskem's governance model and mechanisms please go to:

www.braskem.com.br/site.aspx/Corporate-Governance-USA

www.braskem.com.br/Portal/Principal/Arquivos/Download/Upload/code_conduct_eng_24.pdf

www.braskem.com.br/site.aspx/Ethics-Line-USA

INCLUSION IN THE DJSI EMERGING MARKETS, ISE AND ICO2 STOCK INDEXES

Due to its commitment to corporate sustainability and social responsibility expressed in its 2020 Vision, Braskem became an international reference by being selected for the newly launched Dow Jones Sustainability Emerging Markets Index. The index is composed of 69 companies from 20 countries that demonstrate leadership in their industries considering their economic, environmental and social performance.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

For the eighth consecutive year, Braskem was also selected as a component of the Corporate Sustainability Index (ISE) of the BM&FBovespa - Securities, Commodities and Futures Exchange. This is formed by 51 stocks from 37 corporations representing 16 industries that have aggregate market capitalization of R\$1.07 trillion. The current portfolio composition of the index is in effect from January 7, 2013 to January 3, 2014.

Índice de Sustentabilidade Empresarial **ISE** 2013

For the second consecutive year, Braskem was included in the Carbon Efficient Index (ICO2), also of the BM&FBovespa. Created in 2010, the ICO2 is formed by the component stocks of the IBRX-50 index that adopt transparent practices regarding their greenhouse gas (GHG) emissions.

Índice Carbono Eficiente **ICO2**

AWARDS AND RECOGNITION IN 2012 GRI 2.10

In recognition of its business performance and commitment to the principles of sustainable development, Braskem was included in *Exame* magazine's "2012 Biggest and Best Guide" (*Guia Melhores e Maiores de 2012*) and received the Abrasca Value Creation Award sponsored by the Brazilian Association of Publicly Traded Companies (Abrasca), placing first in the category Oil and Gas, Chemicals and Petrochemicals. Braskem was also recognized by the *Exame Sustainability Guide* as one of the 21 model companies in corporate social responsibility in Brazil and also received the FINEP Innovation Award in the category Sustainable Innovation for its Green Ethylene project. See a complete list of the awards and recognitions conferred to Braskem in 2012:



Braskem's 10th anniversary: image from the filming of the commemorative video

NATIONAL

"Best and Biggest" guide published by *Exame* magazine (11th overall among the 500 companies analyzed and 1st place in the chemical and petrochemical sector).
Recognized by the *Exame Sustainability Guide* as one of the 21 model companies in corporate social responsibility in Brazil.
FINEP Innovation Award, Sustainable Innovation category, for the Green Ethylene project.
Abrasca Value Creation Award: Brazilian Association of Publicly Traded Companies (Abrasca), 1st place in the category Oil and Gas, Chemicals and Petrochemicals.
Recognition as one of the 50 largest organizations to adopt the FEL methodology for managing investments and installing projects: from Independent Project Analysis (USA).
Business yearbook "Anuário Época Negócios 360°": Época magazine (7th among the 500 largest companies in terms of net revenue. Among the 200 best, it placed 1st in innovation, 1st in corporate governance, 2nd in financial performance and 3rd in social and environmental responsibility).
Most conscientious companies regarding environmental risks: Valor Econômico newspaper.
Most admired companies in Brazil: *Carta Capital* magazine.
Best Companies for Shareholders: *Capital Aberto* magazine.

"Biggest and Best Yearbook": *Digesto Econômico* magazine published by *Diário do Comércio* (1st place in net revenue).
DCI Award of the newspaper *Diário Comércio, Indústria & Serviços*: Most admired company in the chemical and petrochemical industry.
Best Sustainability Practices: Benchmarking Brazil.
Chico Mendes Social and Environmental Award: Instituto Chico Mendes.
Green Project Awards: Honorable Mention for the Green PE project, organized by the Portuguese consulting firm CGI.
Ser Humano Luiz Tarquinio Award – Brazilian Human Resources Association (for the 2020 Industrial Worker project).
Aberje Award of the Brazilian Business Communications Association (Aberje): Company of the year in Corporate Communications.
Sustainability Report: highlight in Materiality study in Brazil for the 2011 Annual Report.
Aberje Award of the Brazilian Business Communications Association (Aberje): Best communication campaign for the internal public ("Plastic: in everybody's life in every way").
Best Supplier to Tetra Pak.
Samarco Excellence Award: category Best Input Supplier.
Companies that best communicate with journalists: Chemical and Petrochemical category – *Negócios da Comunicação* magazine.

REGIONAL

Environment, Health and Safety Complex Award: Industrial Development Committee of Camaçari (BA).
Environment Performance: Bahia State Manufacturers' Federation
FIERGS / CIERGS Award (Rio Grande do Sul State Manufacturers' Federation and Center): Industry distinction for the Green PE project.
Henrique Luiz Roessler Environmental Merit: *Ecologia e Meio Ambiente* magazine, with the support of the Rio Grande do Sul State Environmental Department.
Rio Grande do Sul Export Award: Association of Sales and Marketing Managers of Brazil.
Ozires Silva Entrepreneurship Award: Environmental Entrepreneurship category, for the Green Plastic project – business school Instituto Superior de Administração e Economia and Grupo Paranaense de Comunicação.
Top Marketing in Rio Grande do Sul Award: Top Sustainability category – ADV/RS.
Best Internship Practices: Instituto Euvaldo Lodi (BA).



BRASKEM'S 10th ANNIVERSARY GRI 4.8

Braskem was incorporated on August 16, 2002, from the merger of six companies in Brazil's petrochemical industry. Its history, however, can be traced back to the late 1970s, when Odebrecht, which until then had focused on the construction industry, was invited by the Brazilian government to invest in the petrochemical industry.

Odebrecht's first initiative was to acquire a 33% stake in Companhia Petroquímica Camaçari, a PVC producer in the state of Bahia. Over the course of slightly more than two decades, successive acquisitions formed the petrochemical conglomerate that would later become Braskem.

In 2002, the Company was formed by 13 industrial units, as well as offices in Brazil and commercial bases in the United States and Argentina. In the same year, the Company consolidated its research and development assets through the creation of the Technology and Innovation Center at the Triunfo Petrochemical Complex in the state of Rio Grande do Sul.

The values and principles that have guided Braskem's activities since its creation are set forth in the first document disclosed by the Company, entitled "Public Commitment". The growth strategy based on new acquisitions in Brazil, the United States and Germany, and the construction of a new petrochemical complex in Mexico, as well as economies of scale, portfolio diversification and investments in innovation and competitiveness, have led to the company that today is Braskem, which was built with the support of all its Team Members.

To mark its ten years of accomplishments and challenges, an advertising campaign was launched with the theme of collaboration, a corporate value that permeates the Company. The celebration involved the entire Company and, to create the commemorative video, 40 Team Members from all countries where the Company has industrial operations were selected to form an orchestra that represented Braskem and its team in the TV commercial. Braskem believes that its strong growth over these years was only made possible by the collaboration of its Clients, Team Members and other partners.

Read more about the milestones of this journey at www.braskem.com.br/site.aspx/History-USA

Also read the Public Commitment drafted at the time of Braskem's creation:

<http://www.braskem-ri.com.br/show.aspx?idCanal=/KMWxwLk4ftxa3HYzTRwxQ==>





BUSINESS AND SUSTAINABILITY

The expansion projects based on competitive feedstocks, innovation, renewable products and product launches that were on Braskem's agenda in 2012.

PROGRESS ON THE EXPANSION PROJECTS GRI EC9

BRASKEM IDESA – ETHYLENE XXI PROJECT

The excellent prospects for the **Ethylene XXI Project** being developed by Braskem in Mexico in association with local petrochemical producer Idesa (joint venture Braskem Idesa, with stakes of 75% and 25%, respectively) were confirmed in late December, with the signing of financing contracts worth US\$3.2 billion for the petrochemical complex's construction and operation.

The project finance was structured with the support of a multinational pool of seven banks and leading credit agencies and ten subordinated banks. Construction is advancing to comply with the project's timetable, with operations at the complex slated to start in 2015.

With this project in Mexico, Braskem moves forward in its growth strategy, which is based on the international expansion of its industrial operations and the sourcing of more competitive feedstocks. Learn more: www.braskem.com.mx

In addition to the Ethylene XXI Project, Braskem's Latin America Unit also continues to make progress on the feasibility studies for the development of an integrated petrochemical project in Peru, while also analyzing opportunities in Venezuela and Bolivia.

ETHYLENE XXI PROJECT

Ethylene XXI is a petrochemical complex for the integrated production of polyethylene located in the Mexican state of Veracruz. The project features an ethylene cracker based on competitive feedstock (ethane derived from natural gas), whose supply is ensured for 20 years by PEMEX (Mexico's state-owned oil and gas company), as well as three polymerization plants. The complex's annual production capacity is 1 million tons of low and high density polyethylene, which corresponds to about two-thirds of the total volume of PE currently imported into Mexico.

PROGRESS MADE ON THE PROJECT IN 2012

- Braskem Idesa signed a US\$2.8 billion contract with the construction consortium, a joint venture formed by Odebrecht, Technip and ICA Fluor, for the Engineering, Procurement and Construction (EPC) phases.
- Obtaining the environmental construction licenses and conduction of the Participatory Environmental Monitoring alongside local Communities to establish a baseline for the project's environmental impact.
- Acquisition of another 100 hectares for the relocation of the flora and fauna from the site where the complex will be located, creating an environmental protection area close to the project site. Following the relocation, the plant survival rate was of 91%.
- Establishment of mechanisms for providing project information to local Communities, with seven events carried out (open houses and community meetings) that focused on consultation of the needs of these neighboring Communities.
- Prevention and mitigation of Community impacts, providing assistance to the local population and resolving 90% of cases within 15 days.
- Completion of 20.2% of the complex's construction by December.
- Start of pre-marketing activities for the sale of products in the domestic market.
- Establishment of commitments to local Communities for the training and qualification of local labor, which complements the training programs being developed by the local government.
- Signing of an agreement with the Rural Training and Development Unit (a local organization) in order to train people and improve agricultural activities in Communities in the region (one of the social and environmental projects).

OUTLOOK FOR 2013

- Advances in the EPC services, which include: concluding the engineering detailing and starting electromechanical assembly, given the arrival on site of the main pieces of equipment and materials; expanding the pre-marketing activities; and hiring and training people to run the future industrial operations.
- Developing new business opportunities for Braskem Idesa in Mexico.
- Around 8,000 workers are expected to be needed during the most intense phase of construction (2013 and 2014), and the goal is to hire up to 85% of this labor from local Communities. Once it becomes operational, which is expected in 2015, the plant should create approximately 3,000 direct and indirect jobs.

COMPERJ-BRASKEM

During 2012, progress was made on the studies for the final detailing (FEL 2 phase) of the Comperj-Braskem Petrochemical Complex in Rio de Janeiro. This phase focused on, for example, the technologies to be used, the specification of products and the other aspects required to define the dimensions of the industrial units to be built.

The execution of the preliminary feedstock supply contracts for the complex's operations was also concluded with Petrobras, a partner in the project, which included defining the feedstock characteristics and quantities, with the discussion of prices still pending. With the progress made, the initial team of 30 project specialists reached more than 50 professionals in 2012.

The project will play an important role in the Company's growth strategy by ensuring its ability to supply the growing demand in the Brazilian market for thermoplastic resins and diversifying the feedstock matrix in pursuit of higher competitiveness. The timetable for 2013 calls for the conclusion of the engineering studies, the start of work on the project for the basic engineering designs for the industrial units (FEL 3 phase) and the negotiation of the feedstock supply contracts. In 2014, Braskem is expected to determine the best way to develop and install the project, which will be examined by the Board of Directors, which is charged with taking the final decision regarding the investment.

COLLABORATION ON THE ACRYLICS COMPLEX

Advancing the execution of the agreement signed in August 2011, Basf and Braskem began work on construction of Basf's Acrylics Complex in Camaçari, Bahia. By guaranteeing the supply of propylene, liquid soda and utilities, Braskem contributed to the feasibility of this project, which had been in Basf's plans for years. As such, Braskem performs its role as a Supplier of products to the chemical industry, in keeping with its objective of strengthening the operations of its production complexes.

Basf will invest € 500 million in the project, which is estimated to have a positive impact on Brazil's trade balance of around US\$300 million. Braskem will invest in the interconnections to carry the feedstock and the utilities required for the project.

The complex will include plants for the production of acrylic acid, butyl acrylate and superabsorbent polymers that should be concluded in the second half of 2014, while the 2-ethylhexyl acrylate plant is expected to start operations in 2015. The production from these plants will meet the needs of various industry segments, including paint, adhesive, diapers, mining, textile, paper, construction and oil extraction.



INNOVATION GRI EN26 | EN6

Always evolving, Braskem's innovation strategy focuses on developing new technologies for products and applications, as well as for processes. In the one decade since its founding, the renewal of its product portfolio has represented an important competitive advantage for the Company.

The teams in Brazil, the United States and Europe work together with the two Technology and Innovation Centers located in Triunfo, Rio Grande do Sul and in Pittsburgh, Pennsylvania. In all, Braskem has 24 innovation laboratories and eight pilot plants in Brazil and the United States, and a team of 330 professionals specializing in and dedicated to developing a portfolio of 242 projects.

In 2012, spending on Innovation and Technology (I&T) amounted to R\$188 million. Examples of ongoing projects include developing more competitive catalysts (materials used in the manufacturing of polymers) for use in the polymer plants and advancing the projects for the development of new products made from renewable feedstocks.

A highlight was the progress made on the pilot plant for **UTEC**[®] fiber (ultra-high-density polyethylene) in Camaçari, Bahia to ensure the continuous and normalized production of this product. The fiber is manufactured using **UTEC**[®] resin, which was developed by Braskem and whose process utilizes 100% local technology. Because of its high impact resistance and low wear from abrasion, **UTEC**[®] fiber can be used, for example, to make bullet-proof vests and offshore cables for exploration activities in Brazil's pre-salt oil deposits. Another highlight made possible by the Company's innovation efforts in 2012 was the launch of the Braskem Maxio seal.

BRASKEM MAXIO

The Maxio product line was launched in October 2012, initially with 11 PP and EVA (copolymer and ethylene vinyl acetate) products that provide better performance in applications, enabling Clients in the plastics chain to capture gains such as lower energy consumption, lower product weight and higher productivity.

Various tests were conducted at Clients' plants, which were accompanied by other companies and by the Mauá Technology Institute to validate the results.

Improvements in the impacts caused:

- higher energy efficiency and lower costs due to the use of lower resin-processing temperatures than those typically used;
- higher energy efficiency, lower costs and higher productivity in the manufacturing process due to the use of faster cycles;
- higher efficiency in material usage and lower costs due to the lower volume of raw material used.

The benefits are the result of the continuous evolution in Braskem's resins in order to maintain or improve the mechanical, chemical and optical properties of its Clients' finished products.

In view of these characteristics, the Maxio family is synonymous with environmental advantages and is aligned with Braskem's 2020 Vision of becoming the world leader in sustainable chemicals, with innovation being one of the main pillars of this vision.



Braskem Maxio®

The new EVA resin, which is part of the Maxio product family, enables faster and more sustainable production of footwear

MANAGEMENT

Consistent with its goal of always improving the service rendered to Clients, Braskem's innovation management focuses on efficiently and effectively developing opportunities in this field by monitoring market trends and new technologies, by forging strategic partnerships, by tapping financing lines, by maximizing the use of resources and by developing and training the Team Members dedicated to innovation.

An important tool supporting this effort is the Braskem Innovation Program, which is a methodology for managing innovation projects that combines discipline with creativity. Implemented in 2004, the program works to transform ideas into new technologies, products and applications that add value to its Clients' operations, to the plastics chain and to society. The process begins by identifying opportunities, which are registered in a parameterized system and aligned with the Phase Gate concept in order to mitigate risks and ensure that resources are invested in the projects that offer the highest potential for generating revenue.

To encourage the development of innovative ideas and the filing of new patents to protect the Company's intellectual capital, Braskem has an Inventor Incentive Program. The contributions made can be in the form of innovations in products, processes or applications and even improvement projects. In 2012, 26 professionals filed patents and received trophies in recognition of their efforts.

THE MAIN ACHIEVEMENTS IN INNOVATION MANAGEMENT ARE DESCRIBED BELOW:

Dissemination of the management best practices and model among Clients, partners and other companies in the Odebrecht Organization.

Harmonization of metrics and enhancement of management tools with the aim of supporting all of Braskem's business units.

Optimization of the process for managing ideas and projects.



RESULTS, PROJECTS AND CHALLENGES

The main results, ongoing projects and challenges in the area of Innovation and Technology during 2012 include:

18% of the Company's revenue generated by PE and PP resins in 2012 was based on new products developed in the last three years by the Innovation team;

370 Clients supported by the Innovation & Technology center in Triunfo, Rio Grande do Sul through 12,000 support analyses;

242 projects in the Company's pipeline to meet the needs of the various business areas;

47 new patents filed, bringing the total number of patent processes in Brazil, the United States and Europe to 650 (135 of these arose from the merger of the businesses acquired from Dow Chemical in 2011). The patents filed in the period reported involve projects in fields that include biotechnology, green chemicals, naphtha-based chemicals and new products;

five research projects on biomass received approval from the Brazilian Development Bank (BNDES), in partnership with FINEP, a research and project finance mechanism linked to the Ministry of Science and Technology. The associated contract is expected to be signed in 2013;

partnerships with universities and research centers, including Laboratório Nacional de Biociências (LNBio) in Campinas, São Paulo, which is linked to the Ministry of Science, Technology and Innovation. Braskem's team at LNBio conducts research in processes based on biotechnology. This research is expected to lead to new biotechnology routes that will support the Company's renewable products matrix;

creation of the Braskem Biotechnology Platform, which aims to develop completely new sources of renewable feedstocks for the production of green chemicals;

partnerships with **Novozymes** and **Grace** for the development of new products made from renewable raw materials;

projects to increase the production of products derived from the cracking of naphtha, such as benzene, butene, butadiene, isoprene and other aromatics, in order to meet market demand, which continues to strengthen;

adaptation of practices and procedures for the use of inputs and additives in order to comply with the more stringent regulations in the countries where the Company maintains industrial operations;

investments are being made in the development of process technologies for resin production, to give Braskem greater independence in this area.

NOVOZYMES

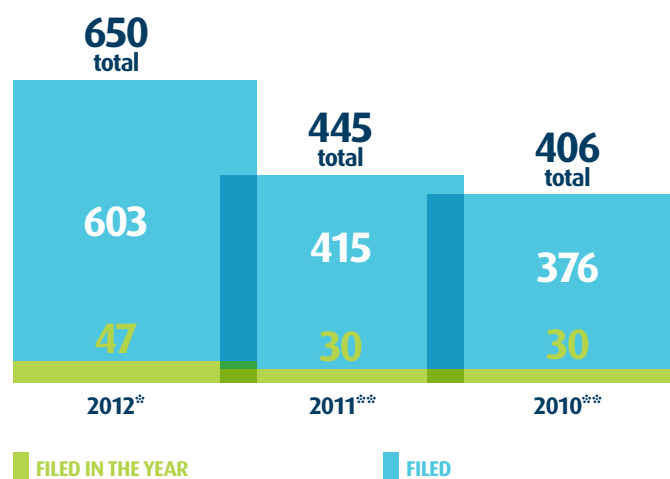
Braskem and Novozymes work in partnership on the research and development of polypropylene made from sugarcane, a 100% renewable resource. The partnership was signed in December 2009 and is still ongoing. Novozymes, a biotechnology company based in the Netherlands, is the world leader in the production of industrial enzymes.

GRACE

The agreement between Braskem and Grace was signed in July 2012 and foresees the development of technologies for obtaining chemical products from renewable feedstocks. The technology under development is based on the use of renewable carbons created by agricultural processes. W.R. Grace & Co. is a U.S. company specializing in catalysts.



PATENTS



* 2012: includes patents filed in Brazil and abroad.

** 2011 and 2010: does not include the filing of patents arising from the acquisitions of assets in the United States and Europe.

NEW DEVELOPMENTS FOR THE MARKET

Learn about some of the product launches in 2012 that offer advantages in the area of sustainability.

FOR THE FOOTWEAR INDUSTRY

The new EVA resin (an ethylene and vinyl acetate copolymer), which is part of the Maxio product family, enables faster and more sustainable production of footwear by eliminating the curing process, which uses an ultraviolet radiation phase, during sole adhesion. The technology reduces up to 26% in the cost of this phase and eliminates the ozone emissions associated with the use of ultraviolet equipment. The resin is unprecedented in the global industry.

PE WATER TANKS

The project was developed in partnership with Acqualimp, a Braskem Client who manufactures water tanks and won the bid to supply the federal government program to ensure universal access to water known as Água para Todos. The program's objective is to install one million water tanks in Brazil's semiarid region. To develop the product, the Braskem team accompanied the Client to Australia and Mexico, which are references in the use of rainwater in regions that suffer from water stress. Characteristics of the PE water tanks: rapid installation, long durability, five-year quality guarantee and expected product lifespan of ten years.

PE FOR FUEL TANKS

This new resin for the passenger vehicle, bus and truck segments of the auto industry allows performance improvements in manufacturing processes and produces fuel tanks with excellent surface finish.

NEW PVC PRODUCTS

PVC, whose traditional applications in the construction industry are window frames and tubes and fittings, has been used for some years now in buildings through PVC Concrete building systems and, since 2011, to manufacture roofing tiles. Now the resin is beginning to be used in the construction of buildings from two to three floors. In addition to their technical advantages, such as resistance to chemical agents, lightness and durability, PVC roofing tiles remain highly stable even when impacted by storms and hailstorms. Other new PVC applications include the development of resins that allow for improvements in the properties of final products, such as synthetic leathers and laminate flooring, by increasing their resistance to abrasion and compression.





APPLICATIONS IN PP

Braskem launched a new resin that imparts excellent stability and increases productivity in processes using high-speed machines. For the disposable packaging market, it launched a resin that leads to productivity increases, while reducing energy consumption and material losses. Braskem is also investing in the development of polypropylene solutions for the construction and building industries. PP is present, for example, in the plastic forms used in the construction of waffle slabs and hollow-core slabs, which reduce the use of concrete and steel and speed up the construction process. Another example is the development of the macro-fiber and micro-fiber markets. Macro-fibers are used as structural reinforcement in the same way as steel. Meanwhile, micro-fibers are incorporated into concrete and prevent the propagation of cracks and fissures in flooring for high-traffic areas.



RENEWABLES

The performance of Braskem's Green PE, which is a biopolymer made from sugarcane, a 100% renewable resource, made significant advances in relation to the previous year, with increases in sales volume and in the applications and products offered to consumers. Growth would likely have been even stronger were it not for the international crisis, since two-thirds of sales volume is shipped to foreign markets. Since September 2010, when the Green PE industrial unit was inaugurated in Triunfo, Rio Grande do Sul, contracts have been signed with more than 50 Clients. In 2012, new contracts were signed with Kimberly-Clark, L'Occitane, Adimax, Faber-Castell, Tecnar, Plantic and others.

A highlight was the partnership forged between Braskem and DuPont Packaging & Industrial Polymers for the creation of a new line of products made using green plastic. The new line of adhesive resins and polymer modifiers was developed as an alternative to similar products made from fossil fuels.

In 2012, Green PE was used for the first time in the construction industry. Tigre, a leading manufacturer of tubes and fittings and a traditional Client of Braskem for other products, signed a Green PE supply agreement for its use in the production of ecological drain covers and grates.

A new Life Cycle Analysis (LCA) study of Green PE was also conducted based on operational data in order to substantiate the product's environmental performance. The study covered the process from the planting of sugarcane until the Green PE leaves Braskem's factory gate. The study is part of the Company's plans to provide ever more detailed information to its Clients to support the understanding of green plastic's performance and environmental balance. Green polyethylene captures and sequesters CO₂ from the atmosphere, reducing greenhouse gas emissions.

The technical and commercial feasibility studies for the construction of a green polypropylene (Green PP) industrial plant were finalized in 2012 and are awaiting approval by Braskem's Board of Directors. The expectation that the project would be reviewed and investments would commence in the period was not fulfilled due to the adverse economic scenario, which led the company to take a more prudent view on new investments and prioritize the capacity expansion projects already underway.



OUTLOOK FOR 2013

Expansion of the market for green plastic.

Continuous improvement on the industrial front, with the development of cutting-edge manufacturing technologies to obtain greater efficiency and competitiveness.

Progress on the government agenda for green chemicals in order to foster this industry's development in Brazil.



AWARD-WINNING CLIENTS

The use of Green PE in packaging has led to market recognition of Braskem's Clients. Examples include:

Kimberly-Clark: a manufacturer of personal hygiene products, Kimberly-Clark was recognized in the "2012 Sustainability Guide" published by *Exame* magazine for expanding its line of sustainable products. One of the strategies was the use of 60% polyethylene made from renewable feedstock (Braskem's Green PE) in the packaging of its Neve Compacto line of toilet paper.

Johnson & Johnson: received the Great Packaging Cases award from magazine *Embalagem Marca* for its use of Green PE in the bottle of its Sundown 30 (FPS) sunblock. The manufacturer combined 60% Green PE and 40% recycled PE and then coated the internal and external walls of the bottle with virgin resin. The product bears the I'm green™ seal that identifies Braskem's green plastic.

L'Occitane: the French cosmetics multinational received the "Packaging Oscar" award in the New Materials category for its Bonne Mère product line. The award is sponsored by the French magazine *Emballage Magazine*.

Danone: the world's leading producer of fresh dairy products won the Greener Packaging Awards in the category Origin of Materials – large companies, for the packaging of Danone Actimel. The award is sponsored by the Belgian organization Fost Plus & Gondola.

Ecover: the Belgian producer of ecological cleaning products won the Greener Packaging Awards in the category Origin of Materials – small companies for its dishwashing detergent Ecover.

PARTICIPATORY ACTION AND VOLUNTARY COMMITMENTS

GRI 4.12 | 4.13

Braskem has made various public commitments and participated in initiatives aligned with the business community's contribution to sustainable development, which include (in alphabetical order):

Brazilian Business Council for Sustainable Development (CEBDS): in 1997, Braskem (formerly Copene) was one of the founding companies of this council. In 2012, alongside another 70 large Brazilian companies, Braskem participated in the drafting of the "Brazil Vision 2050", which proposes pathways and practices, as well as targets and objectives, for a more sustainable future. The program is divided into nine pillars and addresses economic, environmental and social themes. The document was presented and endorsed in 2012 during Rio+20, the United Nations international sustainability conference. Within CEBDS, the company also participates in the Climate Technical Chamber and, as of 2013, will participate in the Program for Carbon Management in the Value Chain and the Water Technical Chamber.

Carbon Disclosure Project (project for reporting carbon management information): an international non-governmental organization initiative, launched in 2000, which aims to gather and publish greenhouse gas emissions data of companies in over 60 countries. Braskem has supported this initiative since it was launched and, in 2006, began to report its GHG emissions to the CDP. The information may be found on www.cdp.net.

Global Compact: Since 2007, Braskem has been a signatory to the United Nations Global Compact, and since 2008, has been a member of the Global Compact Brazilian Committee (CBPG), on which it currently serves as chairman for the 2013-14 period. Through this report, the Company presents the progress achieved and informs the initiatives developed with regard to the ten principles of the commitment. Learn more in the chapter **About this report/Global Compact**.





At Rio+20, Braskem leaders participated in debates and events on sustainable development alongside representatives from the business community, government agencies and NGOs

International Council of Chemical Associations (ICCA):

Braskem is a member of the ICCA's executive leadership group and participates in the energy, climate change and chemical safety groups. Braskem also actively contributes to the following initiatives through the Brazilian Chemical Manufacturers' Association (Abiquim) and the American Chemistry Council (ACC):

Responsible Care: a voluntary initiative created by the global chemical industry through the ICCA. In Brazil, Responsible Care, the program that works to improve the environmental management of chemical companies and their production chains, was officially adopted by Abiquim in April 1992. Since that year, Braskem has been a signatory to the document.

Global Product Strategy (GPS): Braskem, working in conjunction with the Brazilian Chemical Manufacturers' Association (Abiquim), is spearheading the implementation of the program in Brazil and other Latin American countries to promote the recognition and dissemination of the potential risks posed to workers, consumers and the environment arising from the production, handling and sale of chemical products.

International Declaration on Cleaner Production: part of the United Nations Environment Program (UNEP), the declaration has the goal of disseminating environmentally clean policies and more sustainable production and consumption practices. Braskem was the first Brazilian company to sign the declaration, in 2004.

Letter of commitments Rio+ 20 (2012): signed by 226 Brazilian organizations committed to sustainable development. As a signatory to the document, Braskem sees itself as part of the solution to promoting a green and inclusive economy.

FORUMS AND ASSOCIATIONS

In addition to fulfilling its public commitments, Braskem also has direct and strategic participation in the following forums and associations (in alphabetical order):

- AKATU Institute
- American Fuel and Petrochemical Manufacturers (AFPM)
- American Plastics Council (APC)
- Bioplastics Council
- Brazilian Association of Large Industrial Energy Consumers (ABRACE)
- Brazilian Association of Manufacturers of Sanitation Materials (ASFAMAS)
- Brazilian Chemical Manufacturers' Association (ABIQUM)
- Brazilian Chlorine Manufacturers' Association (ABICLOR)
- Brazilian Packaging Association (ABRE)
- Brazilian Plastics Institute (INP)
- Brazilian Terminals and Ports Association (ABTP)
- Business Commitment to Recycling (CEMPRE)
- Center for Chemical Process Safety (CCPS)
- Ethos Institute
- INP – Export Plastic
- Mexican Commercial Association (ASEMEXBRA)
- National Association for Research and Development by Innovative Companies (ANPEI)
- National Industry Confederation (CNI)
- Plastivida – Social and Environmental Institute for Plastics
- PVC Institute
- Trata Brasil Institute
- World Economic Forum (WEF)

ECONOMIC DEVELOPMENT

*Growth strategy evolves despite
the challenging year.*





BUSINESS CHALLENGES GRI EC4 | EC1

Faced with a difficult economic environment, 2012 was marked by a continuation of the previous year's trend: the euro zone impacted by a financial crisis, the United States slowly recovering and Asian countries affected by slow world economic growth and even contraction in certain industries. In Brazil, the official expectations for more accelerated growth did not materialize and, despite a series of initiatives by the government to spur consumption, Gross Domestic Product (GDP) grew by a mere 0.9%.

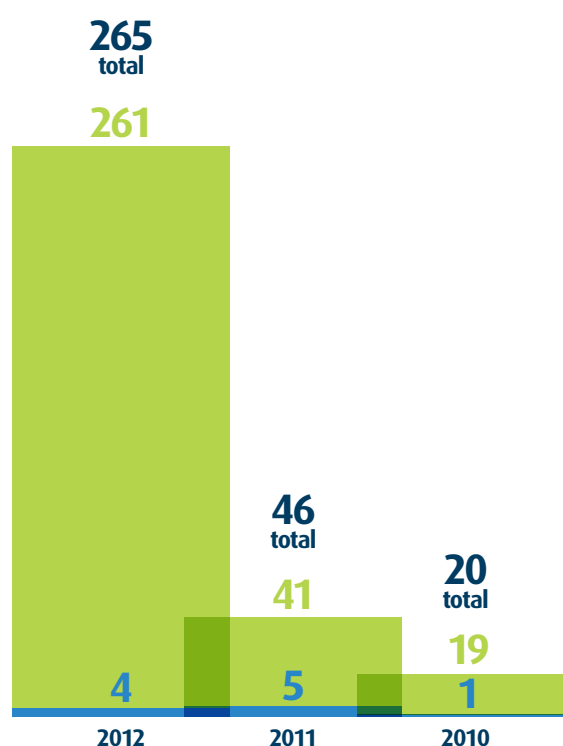
The profit margins of thermoplastic resins and basic petrochemicals declined in the year compared to 2011. Another significant factor was the large-scale use of ethane feedstock derived from shale gas for the production of polyethylene by Braskem's competitors in the United States. Significantly more competitive than naphtha and liquefied petroleum gas (LPG) as feedstock, shale gas has been attracting global petrochemical industry investments to the United States and has come to represent an important competitive advantage in the PE market.

Braskem was impacted in 2012 by the continued high volatility in the price of its main feedstock naphtha, which accounts for 72% of the feedstock used by the Company, and by stiffer competition from more competitive PE producers in the United States. In Brazil, demand for thermoplastic resins and basic petrochemicals was impacted mainly by a slowdown in the local economy. Despite the adverse business scenario, the Company increased its domestic market share to 70% at year-end.

In 2012, consolidated EBITDA was R\$4 billion, up 6% on 2011, and included the positive impact of R\$860 million from nonrecurring items, such as the compensation for breach of the propylene supply contract at one of the plants in the United States, the discount received from the prepayment of tax liabilities renegotiated under the Refis tax amnesty program and proceeds from the divestment of non-strategic assets. In U.S. dollar, EBITDA was US\$2 billion, down 11% from 2011. The growth in sales volume was insufficient to fully offset the lower spreads in thermoplastic resins and basic petrochemicals, which decreased by 21% and 7%, respectively, in line with international markets.

On December 14, 2011, Federal Law 12,546 was sanctioned, effectively converting Provisional Measure 540 of 2011 into law, which, among other provisions, created the Reintegra program. The program aims to return to exporters the federal taxes levied on their production chain through reimbursements in cash or credits to offset their outstanding federal taxes. Reintegra is applicable to exports made as from December 31, 2013.

GOVERNMENT INCENTIVES (R\$ million)



Tax incentives / credits

Reintegra Program (as from 2011) and ICMS tax incentives granted by the State Government of Alagoas through the Alagoas State Integrated Development Program (PRODESIN)

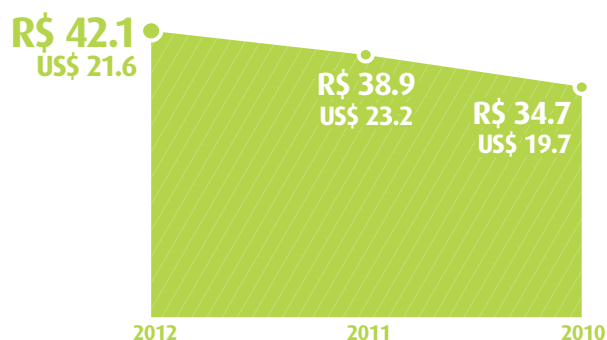
Subsidies for investment, research and development

FINEP and INOVATEC

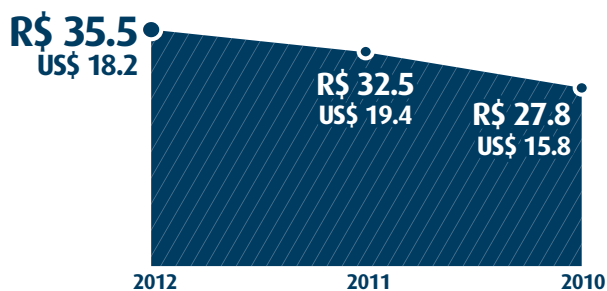
Note: Indicator applied only to units in Brazil.

In 2012, Braskem recorded a net loss of R\$738 million. The financial expenditure of R\$3.3 billion, significantly influenced by the depreciation of the Brazilian real, which fully offset operating income in the period, contributed to the result

CONSOLIDATED GROSS REVENUE (billion)



CONSOLIDATED NET REVENUE (billion)



EBITDA (billion)



VALOR ECONÔMICO DIRETO GERADO E DISTRIBUÍDO

	2012 (R\$ million)	2011 (R\$ million)	2010 (R\$ million)
(+) Direct economic value generated	43,897	40,422	32,580
a) Revenues	43,897	40,422	32,580
(-) Economic value distributed	43,698	40,247	29,165
b) Operating costs, including payments to Suppliers	37,331	33,553	24,840
c) Team Member wages and benefits	808	762	786
d) Payments to providers of capital	4,391	4,224	1,676
e) Payments to Government	1,156	1,692	1,843
f) Community investments	13	16	18
(=) Economic value retained	199	175	3,415

Note: This statement was recalculated for all years based on the Statement of Value Added (SVA) that is part of the audited Financial Statements of the Company, given the understanding that this methodology for calculating the SVA is closest to the methodology proposed by the GRI for this indicator. As from 2012, the amount includes Community Investments related to the Ethylene XXI Project in Mexico.

RISK RATING

The investment grade ratings assigned to Braskem by the three major global credit risk rating agencies were maintained in 2012. Despite the change in the outlook to negative due to the lower operating cash generation in 2012, the ratings attest to the good financial condition of the Company and its capacity to honor its debt within the established time periods.

Moody's
Baa3

Fitch Ratings
BBB-

Standard & Poor's
BBB-

INVESTMENTS GRI 2.9

In view of the challenges imposed on the business by the global economic environment, Braskem restricted its investments in 2012 and disbursed R\$1.7 billion (not including capitalized interest) to its various projects, in line with the estimate made for the period. For 2013, investment is estimated at around R\$2.2 billion.

Around 40% of this amount, or R\$670 million, was allocated to capacity expansion and asset improvements projects. The projects involving the construction of new plants – a PVC plant in the state of Alagoas and a butadiene plant in the state of Rio Grande do Sul – received investment of R\$531 million in the period. The Company also invested R\$341 million in maintenance, in line with the objective of maintaining its assets operating at high levels of operating efficiency and reliability. Meanwhile, R\$173 million was invested in Productivity and in Environment, Health and Safety (EHS).

In view of the challenging scenario in 2012, and in keeping with the commitment to safeguarding its financial health, Braskem opted to divest assets not related to its core business, with the conclusion, in late 2012, of the transfer of control of Cetrel and the Camaçari Water Treatment Unit to Odebrecht Ambiental for R\$652 million.

In the last three years, when evaluating and defining its disbursements, the Company has observed sustainability criteria that consider not only the aspects of economic return and growth, but also factors such as job creation and social and environmental development. Automation is another important consideration, since it interferes directly in the optimum point of operation of the industrial plants by increasing production, reducing costs and increasing safety in facilities and processes. The investments adhered to the commitment made to obtain returns above the cost of capital.





OPERATING PERFORMANCE

Brazil's thermoplastic resin market reached approximately 5 million tons in 2012, increasing 2% from the prior year. Demand growth was below expectation due to the deceleration in the country's economic growth rate. Despite this scenario, Braskem maintained its growth strategy and registered total sales of 3.5 million tons, or 10% more than in 2011.

The Company's industrial plants operated at high utilization rates in order to meet the demand in the Brazilian market and in the international markets in which it operates. However, these rates were adversely affected by the interruption in electricity supply caused by power outages. The damages were partially covered by insurance, but the interruptions caused impacts such as the inability to use products, the need for unscheduled maintenance at the affected plants and even the recovery and/or replacement of damaged equipment.

POLYOLEFINS (PE AND PP) GRI EC9

One of the operational highlights of the year was the optimization of the PE and PP production mix at the units recently acquired in Brazil. The duplication of grades manufactured at different plants was eliminated and systems and processes, including the Environment, Health and Safety (EHS) system and the logistics network, were fully integrated.

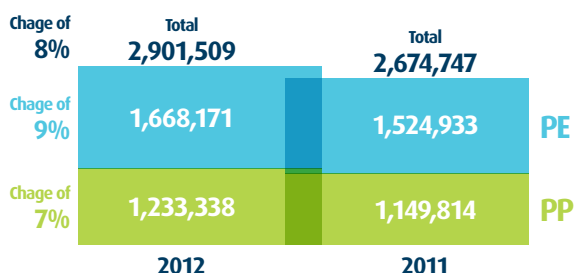
In 2012, a new record was set for annual PE and PP production. In addition, a new record for monthly polypropylene production was set in March, of 151 kton. For 2013, the expectation is to increase production even further through operational improvements and plant optimizations aimed at boosting competitiveness. The Polyolefins Unit is working to continue growing, with the highlight being the launch of new PP products and applications, such as for the construction industry.

Brazilian PE and PP demand in 2012: **3.8 million tons**, up 2% from 2011.

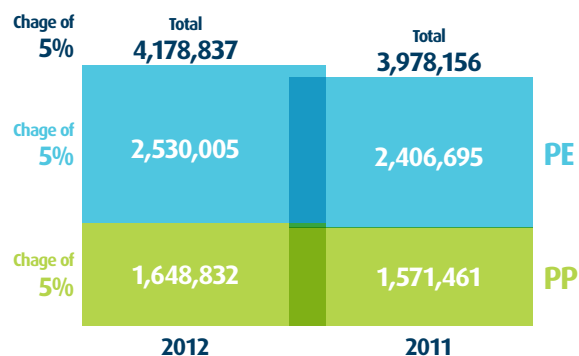
Braskem sales volume in the domestic market in 2012: **2.9 million tons**, up 8% from 2011, with a market share gain of 5%.

PERFORMANCE (tons)

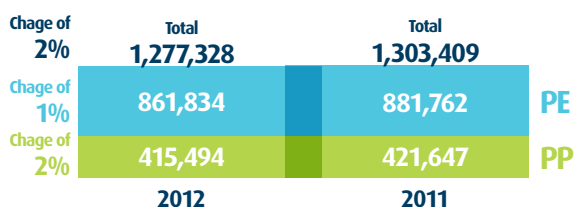
SALES – DOMESTIC MARKET



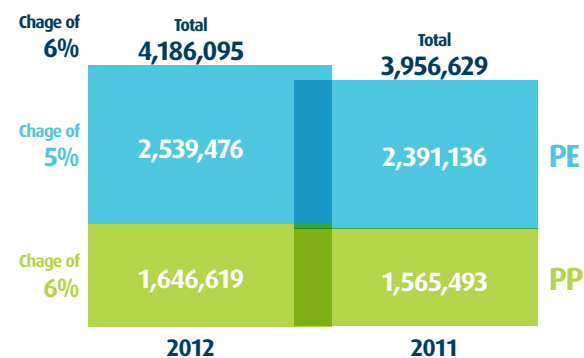
TOTAL SALES



SALES – INTERNATIONAL MARKET



PRODUCTION



VINYLS GRI EC9

The highlight in 2012 at the Vinyls Business Units was the inauguration in August of another PVC plant, the main characteristics of which are described below:

Location: José Aprício Vilela industrial district in Marechal Deodoro, Alagoas;

Production capacity: 200 kton/year;

Investment: around R\$1 billion, the largest ever made by Braskem in a single project.

The decision to install the project was taken in view of the strengthening of Brazil's construction and infrastructure sectors and is consistent with the Company's strategic pillars of growing in step with the Brazilian market and its clients in order to meet domestic demand and strengthen the plastics production chain.

The plant's construction took two years to complete and during its peak employed 3,500 workers. The Acreditar program of Construtora Odebrecht, the contractor responsible for the construction project, trained local workers by offering 11 different training courses in order to qualify rebar setters, boilermakers, carpenters, electricians, plumbers and professionals in other trades. Approximately 1,200 people registered for the program, of which 700 were trained and more than 400 were hired.

Another highlight at the Vinyls Business Unit in 2012 was the progress made on developing process-control and protection systems to make the plants even safer. Note that the Chlor-Alkali Unit in Maceió, which was originally founded as Salgema Indústrias Químicas Ltda., completed 35 years in 2012. Over these more than three decades, the unit has twice changed its name and transferred its control: to Trikem in 1996 and to Braskem in 2002.

The main challenge in 2012 was the compression in international spreads, which were pressured by the surplus of PVC exports from the United States caused by the country's real estate crisis and associated with the more competitive costs with raw materials, electricity and natural gas. The scenario for 2013 points to slight recovery in world PVC demand, which should be leveraged by the gradual recovery in the U.S. construction industry.

Brazilian PVC demand in 2012:

1.1 million tons,
or 1% higher than in 2011.

Braskem's sales volume:

561 kton, increasing 16% from 2011, reflecting the startup of the new PVC plant in the state of Alagoas.

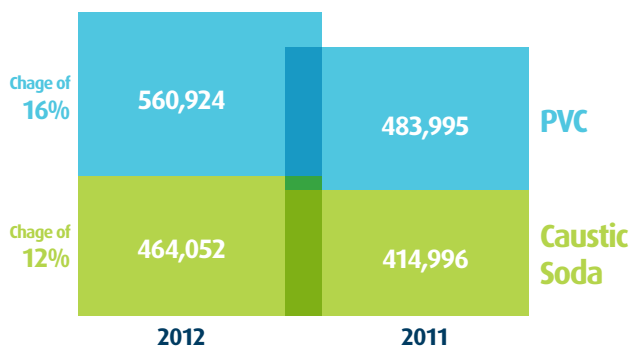
Brazilian liquid soda demand in 2012:

2.5 million tons,
or 1% less than in 2011.

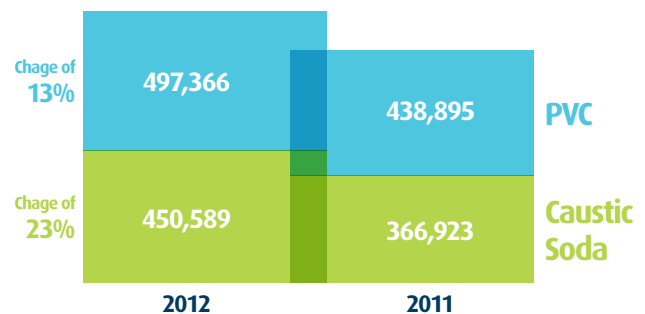
Braskem's sales volume grew by 12% compared to 2011, when the supply of energy was lower, amounting to 472 kton.

PERFORMANCE (tons)

SALES – DOMESTIC MARKET



PRODUCTION





BASIC PETROCHEMICALS GRI EC9

In 2012, the average capacity utilization rate of Braskem's crackers stood at 89%. The Company made progress in its strategy of producing petrochemicals from the two feedstocks used at its plants, gas and naphtha, while investing in productivity and competitiveness.

The higher production in the industry of ethylene from gas-based feedstock (ethane) created an opportunity in the market for products manufactured using naphtha as feedstock. At the naphtha-based crackers in Camaçari (BA), Triunfo (RS) and Mauá (SP), the strategy is to intensify efforts and investments aimed at adding value to the streams generated from this feedstock.

Since only crackers that use naphtha as feedstock produce certain streams, these products have risen in value due to the supply-demand balance. One good example of this is butadiene, which is essential in rubber manufacturing and is produced at the petrochemical complexes in Triunfo, Camaçari and Mauá. To meet the growing world demand for this product, Braskem invested R\$300 million in a new plant with the capacity to produce 103 kton annually.

More than half of these funds was obtained through prepayment operations with Clients. Under the contract, the supply of butadiene by Braskem serves as the return on the investment made. This type of transaction is not very typical in the petrochemical industry, which demonstrates the relationship based on partnership, collaboration and trust that Braskem enjoys with its Clients.

The construction project, which employed 1,800 workers, some of them recruited from the nearby cities of Montenegro and Triunfo and trained through the Acreditar program implemented by the contractor Odebrecht with the support of the Municipal Government of Montenegro and National Industrial Training Service (SENAI), was concluded in 14 months, 50 days ahead of schedule. In July 2012, the new butadiene unit began operations, creating 60 direct jobs and increasing the Company's production capacity.

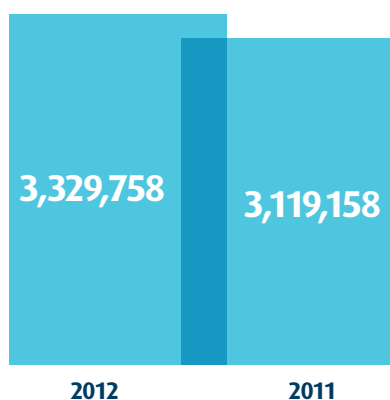
The additional volume produced by this plant will be exported to Clients in the United States and Mexico. Certain companies have demonstrated interest in installing plants in Brazil with the aim of consuming the product locally to serve the tire industry.

BASIC PETROCHEMICALS

PRODUCTION PERFORMANCE (TONS)

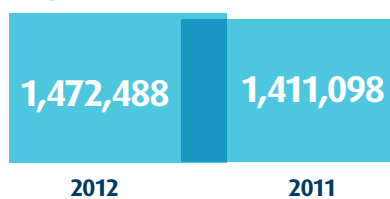
ETHYLENE

Change of 7%



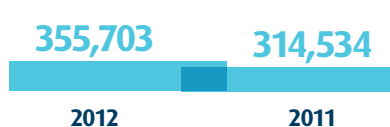
PROPYLENE

Change of 4%



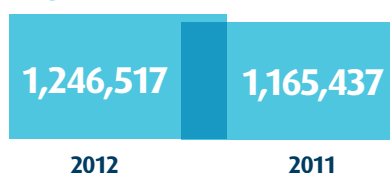
BUTADIENE

Change of 13%



BTX*

Change of 7%



TOTAL SALES PERFORMANCE (TONS)

ETHYLENE/PROPYLENE

Change of 7%



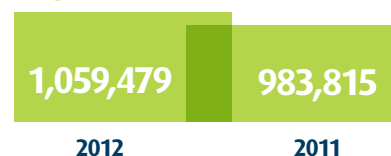
BUTADIENE

Change of 15%



BTX*

Change of 8%



BTX* - Benzene, Toluene, Orthoxylene and Paraxylene.



INTERNATIONAL BUSINESS

The International Business Unit, which is formed by the operations in the United States and Germany, posted PP sales volume of 1.7 million tons in 2012, or 72% more than in 2011. The increase is explained by the consolidation of the four polypropylene plants acquired in the second half of 2011 and by the more effective management of assets. The average capacity utilization rate of the industrial plants was 89%, increasing 4% from 2011.

In the first quarter of 2012, the continuity of feedstock supply to the Marcus Hook industrial plant in Pennsylvania was jeopardized by the closure of activities of its main Supplier, which triggered the payment of compensation to Braskem due to breach of contract. In July, the Company acquired the propylene splitter assets of the local refinery that was being deactivated, ensuring the supply of the feedstock for PP production as well as the continuity of operations at its plant in the region.

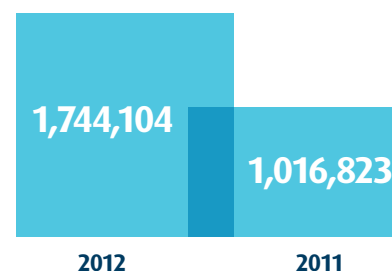
Also as part of its strategy to ensure the supply of feedstock to its operations in the United States, Braskem strengthened its partnership with Enterprise Products by signing contracts that guarantee the supply of 65% of the propylene feedstock required by its three plants in the U.S. Gulf region for a period of 15 years. Through this partnership, Braskem will use, as of 2015, propylene made from propane feedstock derived from shale gas, taking advantage of the opportunities to obtain more competitive gas-based feedstocks in the region.

On the commercial front, the highlight was the continued integration with Clients forming Braskem's portfolio after the acquisition of the PP assets in the country in order to strengthen the relationship with them based on trust, collaboration and partnership.

INTERNATIONAL BUSINESS PERFORMANCE (tons)

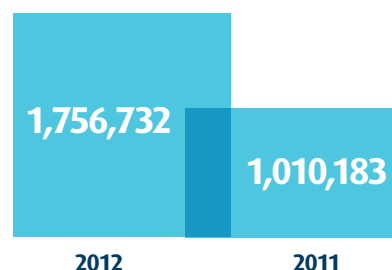
SALES PP

Change of 72%



PRODUCTION PP

Change of 74%



OUTLOOK FOR 2013

- Still-volatile macroeconomic environment, mainly in the euro zone, influenced by the global economy.
- Global petrochemical margins should remain pressured due to the low utilization of global capacity.
- In China, the new incentives implemented by the government should drive GDP growth.
- Despite the challenging external scenario, Brazil's economic growth is expected to recover, especially industrial activity, due to the various economic stimulus measures implemented by the government in 2012.
- Brazil's government is expected to announce new measures to boost the competitiveness of the local industry.

Braskem's growth strategy remains aligned with its commitment to:

- boost the Company's competitiveness, strengthen partnerships with Clients and with Brazil's petrochemical and plastics chain;
- maintain its leadership position in Brazil's thermoplastics segment by expanding its domestic market share;
- pursue higher operating efficiency and more cost reductions;
- add value to petrochemical streams;
- maintain its financial discipline;
- promote sustainable development and achieve progress on the goals of the 2020 Vision.





SOCIAL AND ENVIRONMENTAL DEVELOPMENT

Braskem's development strategy is based on the values of respect for the individual, preserving the environment and promoting quality of life in all aspects of the Company's activities, be it industrial operations, relationships with people, including local Communities, or cooperation with representatives from the industrial sector and society, to which the Organization reaffirms its commitment to sustainability.



PEOPLE

Braskem's people policies and practices follow the principles of the Odebrecht Entrepreneurial Technology (TEO), which is based on trusting and valuing the individual in their aspiration for self-development and overcoming challenges. The underlying pillars of people management include education and development, culture, appreciation and recognition. Each pillar is formed by a set of programs and initiatives that support the Company's growth and international expansion process, creating a motivating environment and strengthening the continuous practice of TEO principles, among other objectives.

To encourage creativity and disseminate the knowledge generated by its Team Members, Braskem holds an annual award called Destaque (Feature), organized by the People & Organization – Education and Career department. In 2012, 193 projects in Brazil and abroad were submitted in the award's four categories: (1) Adding Value for the Client; (2) Continuous Improvement; (3) Innovative Solutions; and (4) Environment, Health and Safety. Twelve projects involving 48 Team Members were awarded.



DEVELOPMENT AND CAREER GRI LA12 | LA10 | LA11 | HR5

To meet the need to develop the competencies required for Braskem's growth and the self-development of Team Members, in 2012, the People & Organization (P&O) department expanded its education through work and education for work initiatives. During the year, the Company invested around R\$15 million in the education and technical training of its professionals. The highlights were the leadership development initiatives and, in the operational areas, the educational actions focused on the technical teams. Programs developed in 2012 include:

Global Leaders: developed in partnership with the Dom Cabral Foundation, this program prepares executives for the international challenges related primarily to the advances of the business in the United States, Europe and Mexico. During the period, 26 managerial level executives received training. In 2013, a new group of executives is expected to be trained.

Team Leader Development Program: this new education for work program was implemented with the aim of strengthening the ability of Leaders to effectively manage their teams. In 2012, 180 Leaders, organized into six groups, participated.

Entrepreneur Development Program: this program aims to reinforce the important role that leaders play in disseminating the philosophical tenets of the Odebrecht Entrepreneurial Technology (TEO) and in enhancing the Organization's overall vision with regard to effective decision making. In 2012, 32 Team Members were trained, 23 from Brazil and nine from international operations.

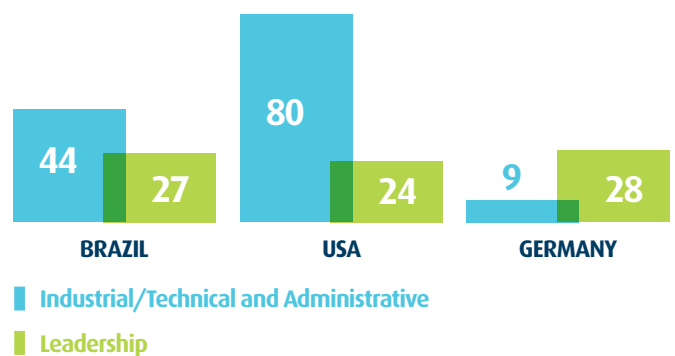
Sustainability Competencies Development Program: created in 2011 with Fundação Instituto de Administração (FIA), the University of São Paulo's (USP) business school. The program aims to develop a network of disseminators of sustainability concepts within the company, supporting Team Members to help them fulfill the 2020 Vision targets. 28 people completed the program in 2012, 23 being Team Members and five, external stakeholders.

Odebrecht Entrepreneurial Technology (TEO): various initiatives to reiterate and embed TEO concepts were carried out in Brazil, the United States, Germany and Mexico, seeking further strengthening of the principles and values of the corporate culture. One of the highlights was the "Bonfire Conversations" program, where senior Odebrecht Organization Leaders and Directors shared with 40 Braskem Leaders their experiences and stories of applying TEO, with a focus on entrepreneurship and educational leadership.

Operator 2020: aims to develop technical-level professionals (production, maintenance, laboratory), who currently represent more than 45% of Braskem's workforce. To coordinate this effort, the Industrial Education area was created, dedicated to developing the strategy to educate and enhance the technical teams. In 2012, 57 new interns in production areas began the program, which lasts 18 months and is divided into three phases that focus on building a theoretical and conceptual base supplemented by practical learning.

Labor relations and trade union seminars: in 2012, around 100 Leaders received training to strengthen the management approach based on the trust relationship between Leaders and their direct reports, as well as Braskem's position of recognizing and respecting the role of trade unions. It is important to note that the rights of Team Members to exercise freedom of association or collective bargaining were not put at risk at any of the Company's business units.

HOURS OF TRAINING PER YEAR PER TEAM MEMBER (HOURS)



Note: The total number of hours of training increased considerably from 2010 to 2011 driven by the Company's expansion and acquisition of new assets. From 2011 to 2012, the number of hours increased to a lesser degree due to the training programs conducted in the United States, Germany and Latin America. In 2010 and 2011, the hours of training administered to the units in Brazil were registered for only two employee categories: industrial workers and leaders. In the United States, the first year of data collection was 2011, but the base was different from that in 2012, since it did not include the most recent acquisitions of the PP plants. In Germany, the first year of data collection was 2012. Since this is the first year of data collection for this indicator in a standardized manner, there is no data series to report. Braskem's database does not allow the breakdown of this data by gender.

YOUNG PARTNERS PROGRAM

The Young Partners (interns and trainees) program is the main port of entry into Braskem for new talent. Accordingly, Braskem strengthened its partnerships with vocational schools and universities in order to attract a greater number of applicants that match the expected profile. In 2012, the demand for these programs increased.

Trainees: 19,709 applicants, 61% more than in the previous year. The total number of openings, 22, remained the same.

University internship: 29,385 applicants, 15% more than in 2011. A total of 272 interns were hired for various areas of the Company.

Technical internship: 140 interns were hired from vocational schools.

To help attract these young professionals, the portal Jovens Braskem (www.jovensbraskem.com.br) was active during the entire year, serving as a platform for the company's relationship with university students. The portal registered 220,000 hits and the number of registrations in the Company's database reached 124,000, a circa 50% increase on the previous year.

HORIZONS PROGRAM

For Team Members in Brazil who are planning to retire, Braskem offers the Horizons Program, which, for a period of one year, prepares and supports professionals and their family members for the post-career transition process. In 2012, 48 Team Members participated in the program.

The Horizons Program has two key pillars:

Life and career reflection: a process of increasing awareness of the new life phase that lies ahead;

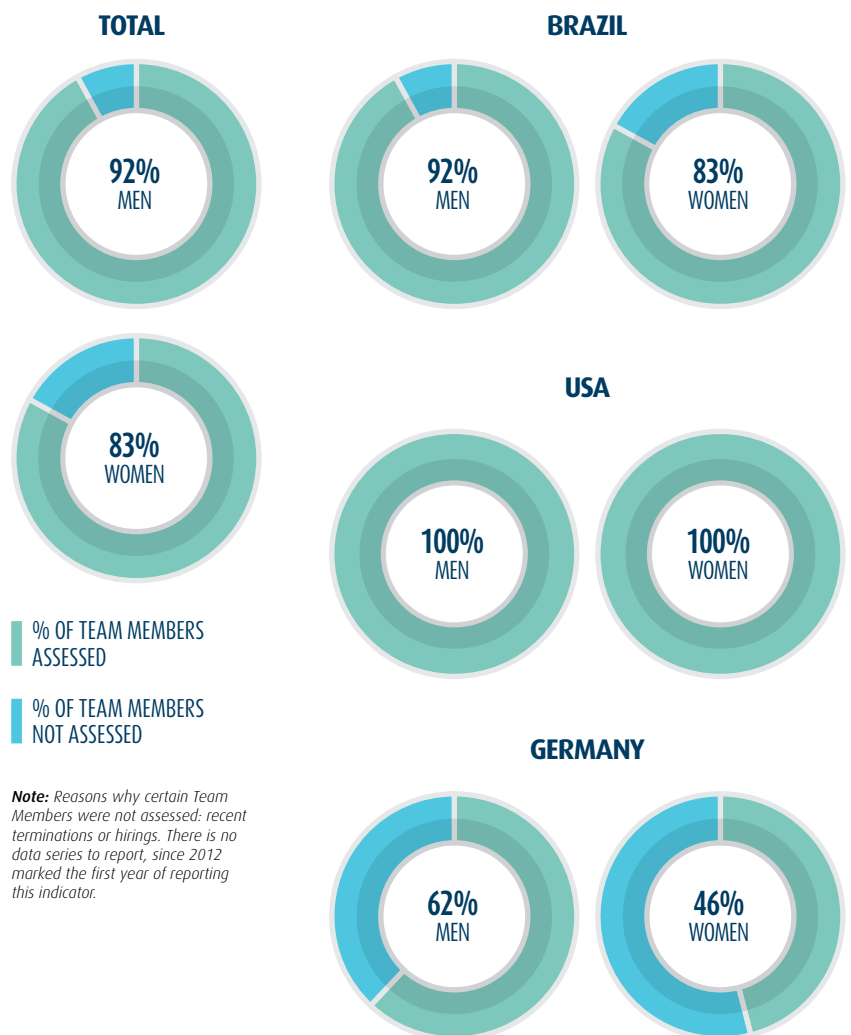
Planning and knowledge management: the objective is to ensure the continuity of the Company's business through a structured process to transfer knowledge acquired by Team Members over their careers, ensuring a successful succession process.

For Team Members at the units in the United States, Braskem offers support in the form of training, counseling and guidance to prepare them for a life without work. There are no post-retirement programs at the units in Germany.

CAREER AND PERFORMANCE MANAGEMENT – ACTION PROGRAM

Each year Braskem's Team Members undergo a formal assessment of their performance and development through Action Programs (AP), the process management tool used to support the process. At the start of each year, the results to be delivered by the end of the period are agreed upon with the team Leader, who is responsible for follow-up and feedback over the course of the year and for offering guidance to help them achieve the results. The AP cycle also includes self-assessments and appraisal dialogues with Leaders, which are conducted at the end of the year. At Braskem's units in the United States, this appraisal process is currently being implemented. In Germany, APs were implemented in 2012, and the first AP appraisal cycle will be conducted in 2013.

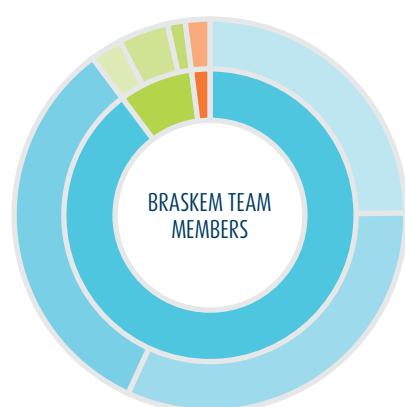
% OF TEAM MEMBERS ASSESSED BY APS IN 2012, BY GENDER



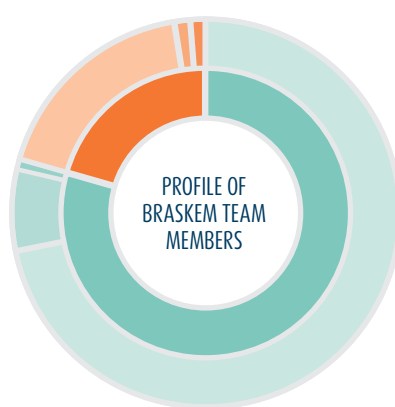
PROFILE OF TEAM MEMBERS GRI LA1 | LA13 | 4.1

Braskem ended 2012 with 7,364 Team Members. Of this total, 6,502 worked at the industrial units and offices located in five states of Brazil, 594 in the United States, 147 in Germany and 121 in countries where Braskem has projects under development or only commercial offices.

Approximately 80% of Braskem's Team Members are men and 20% are women. When Team Members are considered together with Partners (service providers), the proportion is 87.5% men to 12.5% women.

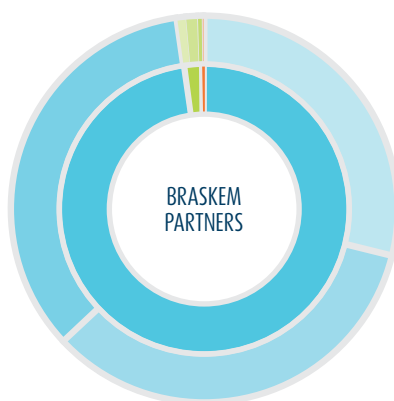


Country	Region	Total
Brazil	South	1,798
	Southeast	2,321
	Northeast	2,383
	Subtotal	6,502
USA	Texas	190
	Pennsylvania	298
	West Virginia	106
	Subtotal	594
Germany	Subtotal	147
Total Braskem		7,243*

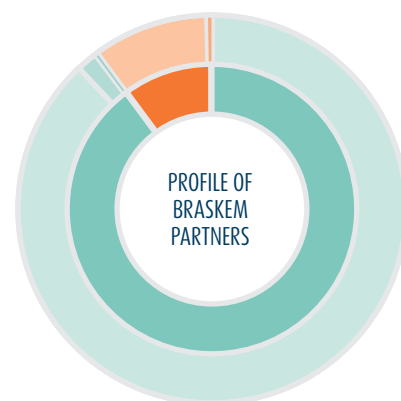


Country	Men	Women
Brazil	5,202	1,300
USA	499	95
Germany	53	94
Total Braskem	5,753	1,490

Note: Only three Team Members work on a part-time basis (all are women and based in the United States). Less than 1% of Team Members have fixed-term employment contracts. The data consider only the countries in which Braskem has production operations. Braskem's database does not register information on minority groups.



Country	Region	Total
Brazil	South	6,714
	Southeast	7,938
	Northeast	8,070
	Subtotal	22,722
USA	Texas	170
	Pennsylvania	230
	West Virginia	92
	Subtotal	492
Germany	Subtotal	40
Total Braskem		23,254

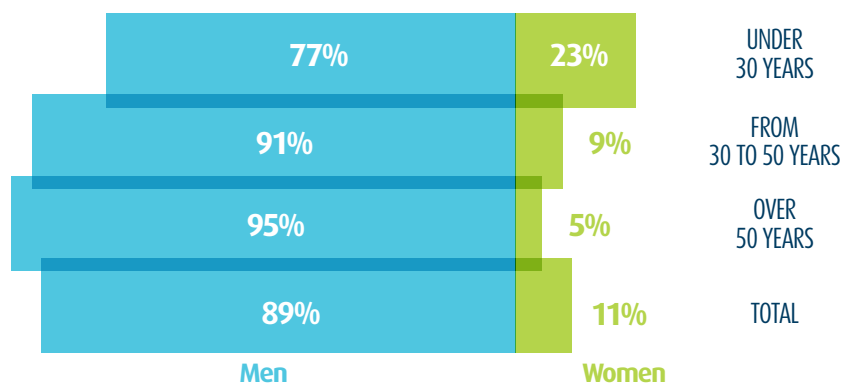


Country	Men	Women
Brazil	20,450	2,272
USA	408	84
Germany	37	3
Total Braskem	20,895	2,359

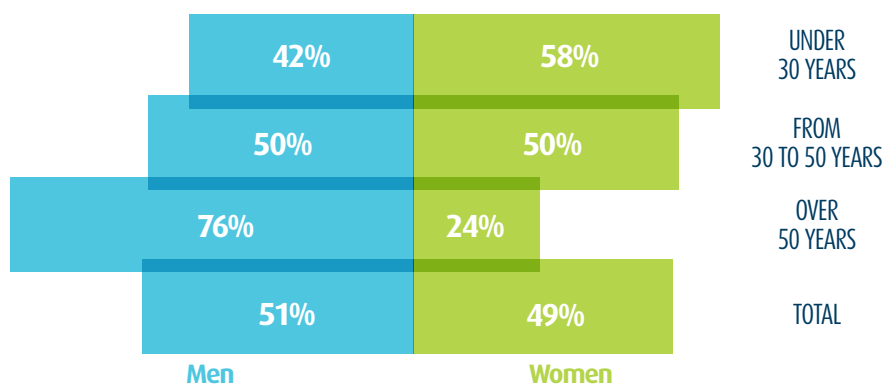
Note: The data consider only the countries in which Braskem has production operations. The main activities in which Braskem's uses Partners (outsourced workers) are: building and industrial maintenance, property security, resin packaging, logistics, people transport, food and cleaning. Braskem's database does not register information on minority groups.

PROFILE OF THE THREE MAIN EMPLOYMENT CATEGORIES

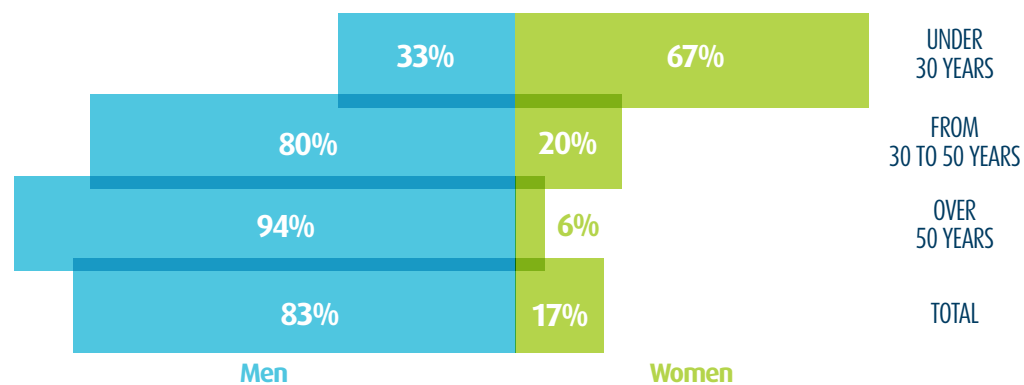
INDUSTRIAL/TECHNICAL



ADMINISTRATIVE



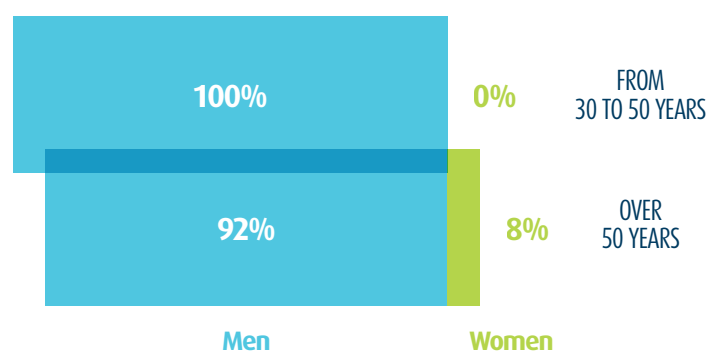
LEADERSHIP



The data consider only the countries in which Braskem has production operations. Braskem's database does not register information on minority groups.

PROFILE OF GOVERNANCE

BODIES BY GENDER (%)



Note: Braskem's database does not register information on minority groups.



REMUNERATION GRI ECS | LA14 | LA3

Braskem's compensation policy is based on the performance and capabilities of its Team Members, without any gender distinction. Therefore, the starting basic salary and benefits offered are equal for men and women. An analysis of the average salary paid in 2012 by category (see following chart) shows comparable levels between men and women, since the differences of up to 30% more for men's salaries is explained by the higher number of men with more experience in each category (for example, in all three professional categories, more than 75% of Team Members over 50 years are men).

RATIO OF THE SALARY RECEIVED BY WOMEN VERSUS THE SALARY RECEIVED BY MEN



Note: data for Germany not available. In 2011, we calculated this indicator based on total remuneration. However, we believe this results in an unsubstantiated distortion between men and women, since the variable remuneration gains a higher weighting as the level of seniority increases. Also in 2011, the data for the operations in the United States do not include the PP units acquired in the period and therefore are not comparable with the data for 2012. Braskem's database does not register information on minority groups.

BENEFITS

Braskem offers the following benefits to its Team Members:

- disability/invalidity coverage;
- retirement fund;
- health care;
- life insurance (exclusively for Brazil and USA);
- meal vouchers (exclusively for Brazil);
- accident insurance (exclusively for Germany).

The only difference is for Team Members hired on a part-time basis: in Brazil employees hired for six hours per day receive the same benefits as full-time employees, and in the United States employees hired for less than 30 hours per week do not receive benefits (only three Team Members were hired on a part-time basis in the United States).

Still on the subject of the salary policy, Braskem's lowest entry level wage varies between 1.6 (Alagoas) to 2.4 (Rio de Janeiro) times the local minimum wage in each region. In the United States, the lowest entry level wage is at least three times the minimum wage determined by law.

COMPARATIVE DATA

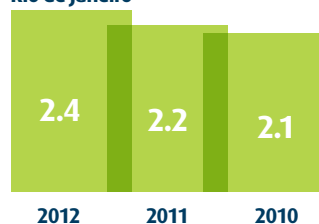
RATIO OF BRASKEM'S LOWEST ENTRY LEVEL WAGE TO THE LOCAL MINIMUM WAGE

Brazil

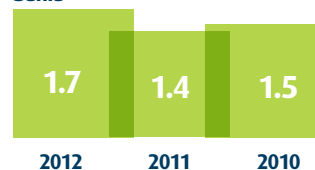
São Paulo



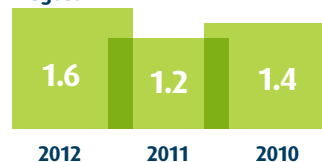
Rio de Janeiro



Bahia



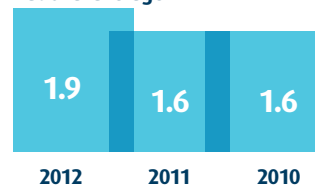
Alagoas



Rio Grande do Sul

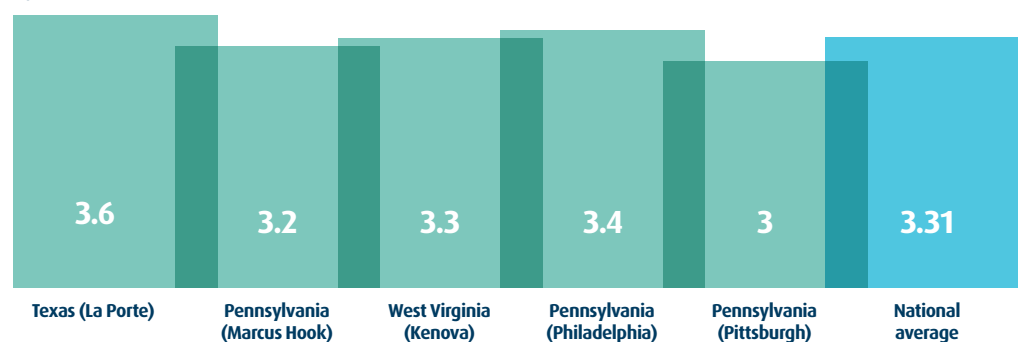


National average



United States

2012



Note:

- (1) the information is not reported by gender, since there is no difference in the entry level wage between men and women.
 (2) Data for the units in Germany is not available.

NEW EMPLOYEE HIRES AND TURNOVER GRI LA2

Braskem hired 702 people in 2012. Considering the 470 who left the company, 232 new jobs were created. Team Members who were terminated in the period received compensation. In Germany the age of the professionals is considered in the calculation of compensation, and in the United States these workers receive relocation services to help them find a new job.

The turnover rate was 8%, the same percentage as in the previous year.

NEW HIRES 2012

NEW HIRES BY GENDER, REGION AND AGE GROUP (2012)

		Women				Men				Total
		Under 30 years	From 30 to 50 years	Over 50 years	Total	Under 30 years	From 30 to 50 years	Over 50 years	Total	
Brazil	South	30	8	—	38	81	25	2	108	146
	Southeast	69	43	—	112	63	72	5	140	252
	Northeast	45	14	—	59	51	60	4	115	174
	Total	144	65	—	209	195	157	11	363	572
USA	Texas	—	—	2	2	2	4	—	6	8
	Pennsylvania	7	12	1	20	14	27	11	52	72
	West Virginia	—	—	—	—	3	5	2	10	10
	Total	7	12	3	22	19	36	13	68	90
Germany		8	17	—	25	4	11	—	15	40
Total Team Members		159	94	3	256	218	204	24	446	702

Braskem's database does not register information on minority groups.

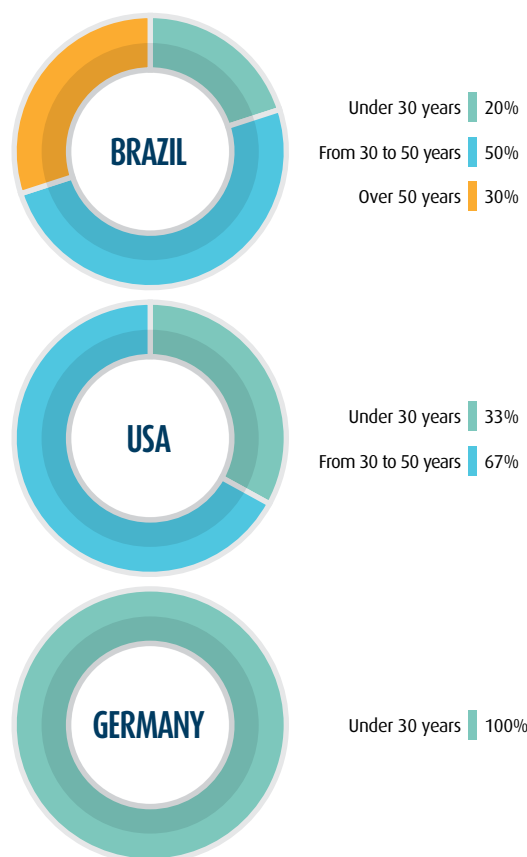
EMPLOYEES LEAVING EMPLOYMENT BY GENDER AND REGION 2012



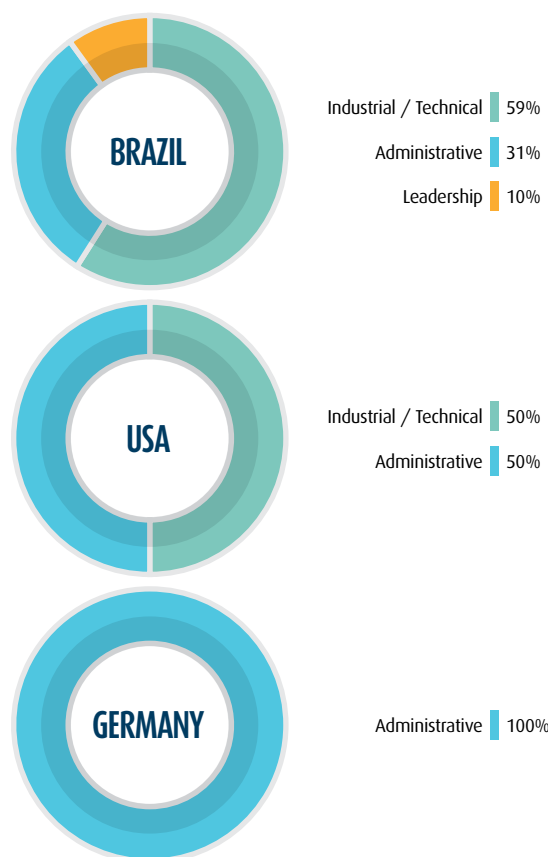
Country	Region	Men	Women
Brazil	South	77	23
	Southeast	155	59
	Northeast	120	32
	Total	352	114
USA	Total	2	1
Germany	Total	1	—
Total Team Members		355	115

Braskem's database does not register information on minority groups.

EMPLOYEES LEAVING EMPLOYMENT BY AGE GROUP (%) - 2012



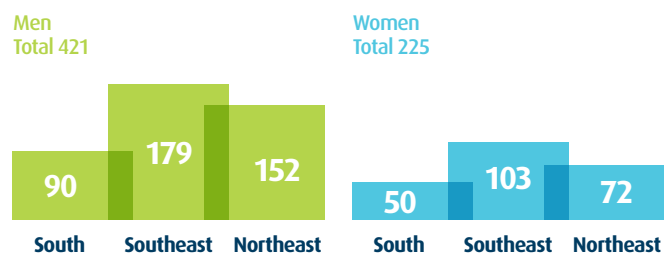
EMPLOYEES LEAVING EMPLOYMENT BY EMPLOYEE CATEGORY (%) - 2012



Braskem's database does not register information on minority groups.

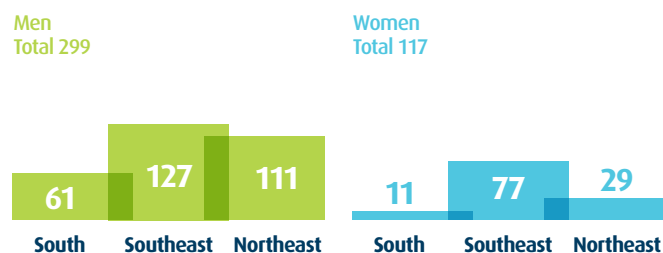
HIRES BY GENDER AND REGION (2011)

Brazil



EMPLOYEES LEAVING EMPLOYMENT BY GENDER AND REGION (2011)

Brazil



Note: The LAZ indicator data reported in 2011 adopted a different calculation than that required by GRI. The correct information for Brazil in 2011 is presented this year. It was not possible to recalculate this indicator for the previous year (2010) or for the operations abroad. Braskem's database does not register information on minority groups

Braskem's database does not register information on minority groups.

EHS MANAGEMENT

Braskem's strategic and operational Environment, Health and Safety (EHS) activities were integrated into a consolidated management program in 2005 with the aim of preventing and minimizing risks and human, environmental and material losses. This Integrated EHS System, which is known as SEMPRES – Excellence in EHS, features 16 Strategic Elements that form a set of guidelines and requirements to be followed by Team Members and Partners (outsourced workers) at all of the Company's units.

All teams are trained and required to follow the guidelines. Internal audits are periodically conducted to verify compliance with SEMPRES requirements at Braskem's units. As a result of the audits, action plans are drafted and implementation is monitored by Team Members working in the EHS areas of the industrial units, through the Environment, Health and Safety Committees.

In 2012, a revision of the SEMPRES manual was completed and five stages of implementation of the program at industrial plants were defined, with a focus on workplace and process safety, environment, occupational health and quality of life norms and procedures. The progression across each stage of implementation to be made by 2018 by each industrial unit was established, taking into account the profile of operations and associated risks. All of the plants are expected to reach at least stage 3 (prevention of major losses) within the next three years. Stage 5 (high performance in EHS) was determined as mandatory for the crackers, chlor-alkali plants and polyethylene and polypropylene plants of the industrial complex in Mauá, São Paulo.

The target for 2013 is for nine of the 36 industrial units to have evolved in implementing the SEMPRES system, reaching a stage above their current. The process will be audited annually. By 2018, eight plants must mandatorily reach stage 5; the other plants took on this challenge voluntarily. Therefore, the expectation is to have all units in the most advanced stage possible within this period.

The SEMPRES system covers:

training for Team Members and Partners on safety procedures, in accordance with each industrial unit's needs;

guidance on standards of conduct;

creating an environment of accident and risk prevention;

establishing roles and responsibilities;

promoting behavioral change and evolution in the culture of prevention.

SEMPRES Scale

1	construction of the foundation of EHS
2	prevention of human losses
3	prevention of major losses
4	assured performance in EHS
5	high performance in EHS



HIGHLIGHTS IN 2012

- More than 100,000 behavioral dialogues were conducted by Braskem's Leadership, while the process to strengthen discipline in following the Golden Rules was launched in January.
- Training programs involving around 600 people were conducted to support the implementation of the SEMPRES system.
- In partnership with the Brazilian Chemical Manufacturers' Association (ABQUIM), Braskem led the implementation of the Global Product Strategy (GPS), which supports the sector by establishing safe management practices for the chemical products companies handle, produce or sell.
- Following their audit of Braskem's offices, the report issued by the Dutch government confirmed that the Company demonstrated compliance with REACH (Registration, Evaluation, Authorization and Restriction of Chemical Substances) and other related regulations.
- Two significant wastewater reuse projects developed. In the state of Bahia, the Água Viva project started operations in early 2013, producing 800 cubic meters of treated water per hour. In the state of São Paulo, Aquapolo, a project executed by Sabesp and Odebrecht Ambiental to meet the needs of Braskem will supply the Company with around 2,340 cubic meters of treated water per hour. Aquapolo, the largest water treatment for industrial use project in Latin America, started operating in late 2012.
- Braskem was highlighted as one of the ten Brazilian companies with the best disclosure results in the Carbon Disclosure Project (CDP) for the transparency and quality of its greenhouse gas emissions inventory. Braskem also reached the Gold Category of the Brazilian Program of the GHG Protocol.

CHALLENGES FOR 2013

- Continue advancing in the implementation of SEMPRES, driving continuous improvement in all Environment, Health and Safety areas and indicators.
- Further enhance GHG emissions management, with the GHG Protocol and CDP as references, focusing on emissions performance improvements.

GOLDEN RULES

The Golden Rules are nine commandments established with the goal of saving lives. These rules were defined in keeping with the Odebrecht Entrepreneurial Technology (TEO), which establishes safety as the essential value for guiding attitudes, behaviors and decisions in day-to-day activities, strengthening the principle that every loss can and should be prevented.

Through the Golden Rules, Braskem plans to reinforce internal discipline, which is fundamental in strengthening the culture of prevention and driving continuous improvement in safety performance. All teams received training and the failure to comply with any one of the rules is cause for punitive measures. In 2012, 101 violations of the Golden Rules were registered, which led to administrative actions for 81 persons (including legal persons), resulting in the following measures:

- warnings: 57
- suspensions: 3
- companies fined (service providers): 3
- mandatory leave: 7
- dismissals: 11

The Company's Industrial Committee accompanies the application of the procedures and shares lessons

HEALTH AND SAFETY

GRI 5010 | LA6 | LA7 | LA8

Monthly monitoring of health and safety matters is conducted by formal committees, formed by managers and representatives from their teams, who define actions and provide guidance on related programs. The industrial units and offices in Brazil also have Internal Accident Prevention Committees (CIPAs), in accordance with federal law. A third type of committee is coordinated by the corporate EHS area with the participation of representatives from all units in Brazil. In addition to health, hygiene and occupational safety, this corporate structure focuses on issues such as chemical safety, impacts, dangers and risks.

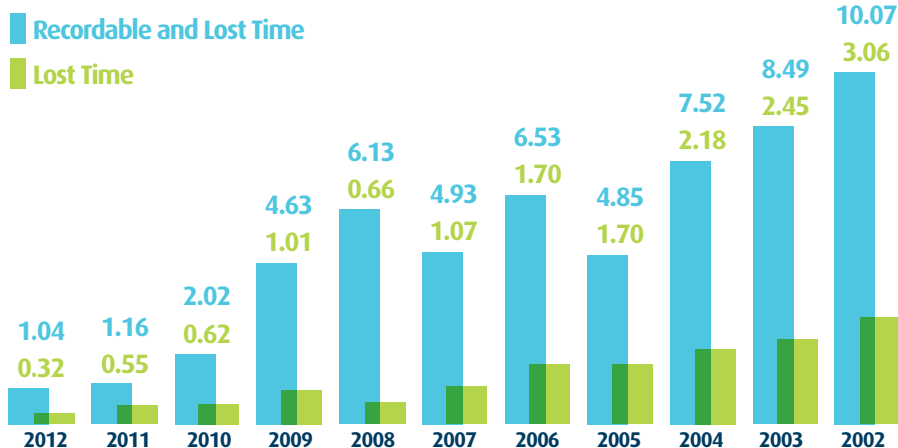
There is also a program called Quality of Life, which focuses on health promotion, disease prevention and monitoring chronic illnesses. These topics are equally included on the agenda of the behavioral dialogues – a daily activity conducted at industrial sites. The two most frequent occupational hazards discussed are:

Noise: one of the main risks associated with industrial activities, the incidence of diseases related to this factor is not high at Braskem.

Exposure to benzene: for Team Members and Partners engaged in activities that involve this chemical substance, Braskem maintains internal controls (enclosure of industrial processes where benzene is present, environmental monitoring and personnel with collection of biological indicators of exposure), training programs and complies with the applicable legislation.

In 2012, no fatal accidents were recorded and the company achieved its best historic performance records. Considering Team Members and Partners per million hours worked, the injury frequency rate with and without lost time was 1.04. The lost-time injury frequency rate was 0.32 and the severity rate was 27.5. Of those involved in the 15 lost time incidents in 2012, 11 had returned to their work activities by December 31.

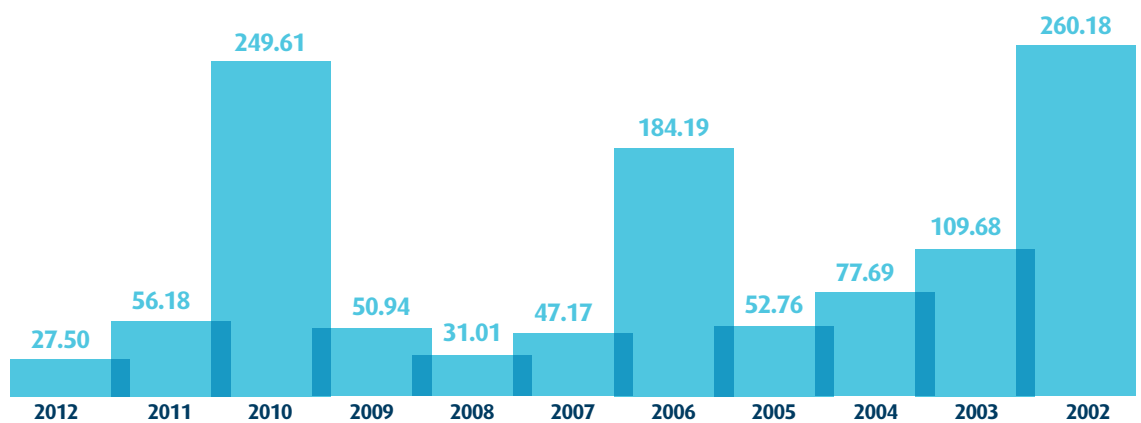
INCIDENT FREQUENCY RATE (1,000,000 hours worked)





SEVERITY RATE

(Days lost and deducted from LTIs *1,000,000 hours worked)





RATES OF INJURY, OCCUPATIONAL DISEASE, LOST DAYS AND ABSENTEEISM

	2012	2011	2010
Injury rate (IR) (Total injuries x 200,000 / Total hours worked)	0.47 (Brazil) 0.38 (USA) 0.73 (Germany)	0.24 (Brazil + USA)	0.40 (Brazil + USA)
Occupational diseases rate (ODR) (Total occupational diseases cases x 200,000 / Total hours worked)	0.01 (Brazil) 0 (USA) 0 (Germany)	0 (Brazil + USA)	0.004 (Brazil + USA)
Lost day rate (LDR) (Total lost days x 200,000 / Total hours worked)	14.34 (Brazil) 0.19 (USA) 1.46 (Germany)	11.24 (Brazil + USA)	49.92 (Brazil + USA)
Absentee rate (AR)* (Number of hours absent x 100 / Total hours worked)	0.54 (Brazil) N/A (USA) N/A (Germany)	0.026 (Brazil)	0.041 (Brazil)

Note: the calculation of lost days was based on calendar days. Braskem considers the day the "lost days" count begins as the day after the accident. No fatalities were registered in 2012. Braskem's database does not allow the breakdown of this data by gender.

*The data for 2010 and 2011 do not include the units in Germany.

As part of the Health management effort, corporate campaigns for voluntary vaccination against H1N1 flu and Health Week campaigns were conducted at all industrial plants and offices. These actions have impacts on quality of life and raise awareness on disease prevention.

PROCESS SAFETY

Risk management efforts to improve Braskem's process safety, considering the industrial and logistics operations, obtained the following results:

- completion of 99.6% of the risk analysis studies outlined in the five-year plans of the industrial plants;
- continued progress on the Major Risk Mapping Project, initiated in 2011, with 600 complementary Layers of Protection Analysis (LOPA) studies carried out, as well as vulnerability and quantitative risk analysis and the preemptive identification of 16 new high-risk scenarios;
- investment of R\$19 million in projects to eliminate high-risk scenarios in processes, with 11 scenarios being removed in 2012;
- process safety training given to around 200 Leaders, reaching a total of 400 Leaders trained in the last two years.



ENVIRONMENT

Braskem developed environmental improvement actions in 2012, which led to advances on the prior year in its eco-indicators. Liquid effluent generation and energy consumption indicators registered the best results since 2002.

The positive results in eco-indicators were mainly achieved through topic-led management efforts that seek multidisciplinary solutions. This approach made possible the optimization of production processes.

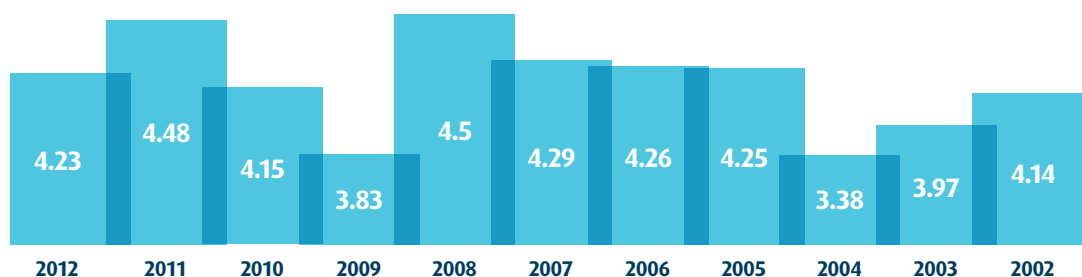
In parallel, structural initiatives were developed to strengthen Braskem's Integrated Environment, Health and Safety System (SEMPRE) guidelines and requirements in the environmental dimension. The highlight in this effort was the further standardization of environmental indicators in accordance with GRI guidelines, with definitions and results aligned across all production plants as of January 2012. In 2012, the new PVC industrial unit started operations in the state of Alagoas, which caused an increase in environmental indicators in absolute terms. However, the Company is manufacturing more of a product with higher added value. In the following section, Braskem's performance across eco-efficiency indicators is presented.

WATER GRI EN21 | EN9 | EN10 | EN8

CONSUMPTION

Braskem made progress on various initiatives that led to improvement in its water use indicators, reaching consumption of 4.23 cubic meters per ton of product produced in 2012, 5.6% less than in the prior year. There are various improvement performance initiatives related to the water efficiency macro objective at the industrial plants. Structured programs to eliminate leaks, campaigns to raise awareness on water use at both production and office sites, and improvements in industrial cleaning and various other procedures, combined with the operational efficiency of processes, are initiatives that have been implemented and once rolled out to more production plants will further improve results.

WATER CONSUMPTION (m³/t)



TOTAL WATER WITHDRAWAL BY SOURCE

Water use	BRAZIL			UNITED STATES		GERMANY	Total
	2012	2011	2010*	2012	2011	2012	
Total volume of ground water withdrawn (m ³ /year)	53,204,535	24,397,351	16,324,193	285,678	0	286,370	94,498,127
Total volume of rainwater collected directly and stored (m ³ /year)	15,258,228	105,120	0	8,912	0	0	15,372,260
Total volume of waste water collected from other organizations (m ³ /year)	56,940	0	593,715	0	0	0	650,655
Total volume of municipal water supplies or from other water utilities collected (m ³ /year)	1,296,200	11,969,269	16,121,036	0	0	0	29,386,505
Total volume withdrawn from surface water, including wetlands, rivers, lakes and oceans (m ³ /year)	N/A	41,965,539	50,285,423	N/A	2,400,210	N/A	94,651,172
Water transferred to other companies (m ³ /year)	17,781,011	N/A	N/A	2,418,025	N/A	60,643	20,259,679
Water purchased from sources external to the Company (t) (note 1)	762,915	N/A	N/A	90,612	N/A	N/A	853,527
Total volume of water withdrawn (all sources) (m³/year)	88,359,829	78,437,279	83,324,367	2,803,227	2,400,210	347,013	255,671,925

Nota: based on data reported in tons of steam. Data on water transferred and steam purchased are not considered in the sum of the indicator.

The 2011 data do not include the Braskem units in Germany.

* The data for 2010 do not include Braskem's operations in the United States and Germany.

** Total water withdrawal is the sum of all water drawn into the boundaries of the Company from all sources (including surface water, ground water, rainwater and municipal water supply) for any use over the course of the reporting period.



INITIATIVES TO REDUCE WATER CONSUMPTION

Basic petrochemicals: at the plant in Triunfo, Rio Grande do Sul, the highlights were the water reuse studies and tests conducted that involved reverse osmosis membranes for the treatment of inorganic effluents, as well as the project for the reuse of waste water at the water treatment station (theoretical). At the plant in the ABC region of Greater São Paulo, the highlight was the ongoing campaign for controlling consumption and the maintenance of systems to reduce leaks.

Vinyls: study of alternatives for reusing water drawn from the water extraction wells and/or reusing effluents in the production process at the PVC plant in the state of Bahia.

Polymers: the Marcus Hook plant in Pennsylvania installed continuous cooling towers, boiler water quality analyzers and discharge controls. Hydrosieves are also being installed to reduce the amount of water used in the extrusion zone. At the Neal plant in West Virginia, a reverse osmosis unit for boiler feedwater was installed to improve water quality and reduce the need for purging. In Brazil, the PE2 plant in Bahia is operating with a lower amount of make-up water for cooling, adjustments in steam purging equipment and lower demineralized water purging of the extruder.

WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER

In 2012, an analysis was conducted of the water sources used by Braskem's operations in Brazil. The water sources identified as potentially affected (in accordance with GRI guidelines) are listed below.

Triunfo, Rio Grande do Sul: Caí River, important for human consumption, industrial use, rice irrigation and navigation. The source is not located in a protected area, but six species of local fauna were classified as vulnerable. Source of 37 million m³ and flow of approximately 2,800 m³/h.

Marechal Deodoro, Alagoas: Remédios River, used to irrigate sugarcane and supply the cities of Satuba and Coqueiro Seco. Source of 37 million m³ and flow of 4,000 m³/h. Part of the river is located in the Environmental Protection Area (APA) of Santa Maria; and the Barreiras Aquifer, also located in the APA, with 324,000 m³ and flow of 37 m³/h, responsible for supplying the Remédios River.

Maceió, Alagoas: Marituba and Barreiras aquifers, located in Environmental Protection Area and responsible for part of the water supply to the Maceió metropolitan area. Size: 162 million m³ and flow of 543 m³/h.

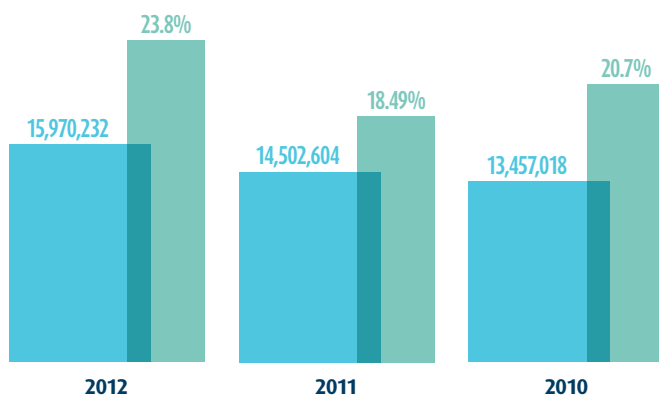
Mauá, São Paulo: Tamanduateí River, a source of water to other manufacturers, is located in a protected area. Flow of 3,500 m³/h.

Duque de Caxias, Rio de Janeiro: Guandu River, not located in a protected area, however, important because it accounts for 85% of the water supply to the Rio de Janeiro metropolitan area. Flow of 742 m³/h.

WATER REUSE

In the search for increasingly sustainable production processes and to mitigate situations of reduced water availability, Braskem has developed initiatives that prioritize the reuse of water. In 2012, the highlights were two projects that recycle waste water for industrial applications: Aquapolo, in which the Company participates as a consumer, and Água Viva, in which Braskem figures as partner and consumer.

PERCENTAGE AND TOTAL VOLUME OF RECYCLED AND REUSED WATER



Total volume of water recycled / reused by the Organization (m³ / year)

% of total volume of water recycled / reused in relation to the total volume of water consumed by the Organization



AQUAPOLO AMBIENTAL – a partnership with the water utility company Sabesp and Odebrecht Ambiental, an environmental services company of the Odebrecht Organization. With capacity to produce 2,340 cubic meters of treated water per hour, Aquapolo started operations in late 2012 and supplies the Capuava Petrochemical Complex in Mauá, São Paulo. Industrial reuse water is produced from treated sewage. To make it reusable, the waste water undergoes new treatment before being distributed. The project's installation was made possible by Braskem, which will consume 65% of Aquapolo's capacity. This will reduce Braskem's demand for drinking water by an amount equivalent to the consumption of a city of 300,000 inhabitants. The project has already had a positive impact on Braskem's water recycling and reuse indicators compared to 2011.

ÁGUA VIVA – developed in partnership with Cetrel, an environmental services company specializing in waste water and solid waste treatment, the Água Viva project will allow the use of stormwater runoff and treated waste water. The project received investments of R\$22 million in construction works, equipment and tubing and received support from FINEP, a research and project finance mechanism linked to the Ministry of Science and Technology. The project will be able to supply approximately 800 cubic meters per hour of reused water to the Camaçari Industry Complex. The project launched in early 2013 and will reduce Braskem's demand for water resources in its industrial processes by an amount equivalent to the consumption of a city of approximately 60,000.

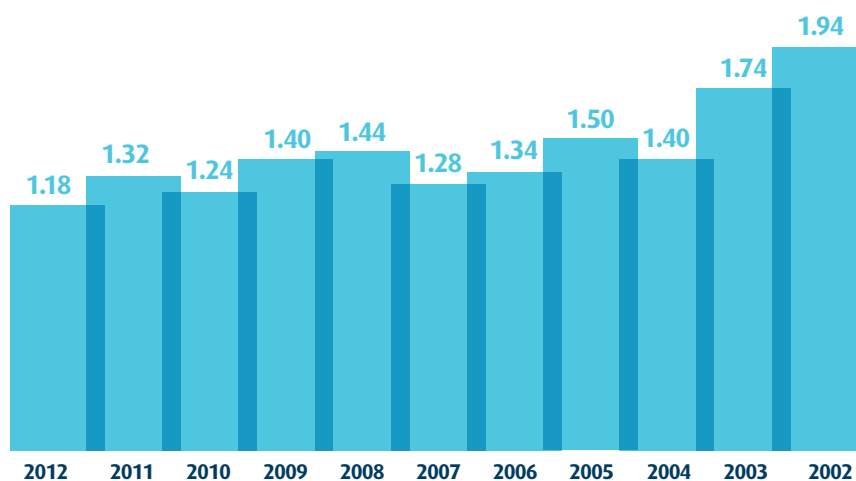


WASTEWATER

The rate of discharge of water effluents stood at 1.18 m³/t of product produced, which is the best result in the historical data series since 2002 and represents improvement of some 10.6% from 2011. The indicator's good performance is a reflection of the improvements made, such as the initiatives associated with the specific consumption of water and water reuse, which seek to increase the operating efficiency of processes.

All wastewater is treated before being returned to the environment, including those cases in which it cannot be discharged directly into waterways. In these situations, the wastewater is treated using specific procedures, such as dispersion over land. The specifications for treated effluents vary across regions and are typically defined in the operating licenses of each project, or in the locally applicable environmental legislation, considering municipal, state and federal requirements.

WASTEWATER DISCHARGE – m³/t



Note: planned and unplanned discharges of wastewater do not exclude sanitary sewage due to the inability to obtain a direct measurement and/or estimates at most of the industrial plants.



TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION

State	Destination	Volume discharged (m³/year)	Treatment method	Biochemical Oxygen Demand (BOD) at discharge (kg/year)	Total Suspended Solids (TSS) (kg/year)*	Other significant quality parameters (kg/year)*
Rio de Janeiro	Coelho Canal	709,449	Biological	7,350	71	N/A
	Biological Treatment Station UNIB4	76,626	BIOX / Biological treatment	N/A	N/A	
Bahia	Cetrel Treatment Station	6,309,717	Biological pretreatment with water/oil separation	931,758.51	213,816.23	1.91 mercury 1,910,000 chloride 12,922 dichloroethane 40,090 oils and fats, phosphate, zinc, chrome, cyclohexane and methylene chloride (data not available)
Alagoas	Oceanic dispersion	3,681,672	Neutralization / Aerobic process (activated sludge)	31,294	305,211	N/A
Rio Grande do Sul	External Effluent Treatment Station	1,034,008	Stabilization ponds	1,758	26,884	1,272 oils and fats
	REPLAN Effluent Treatment Station	93,878	N/A	N/A	N/A	N/A
	Perequê River	394,827	Primary	9,231	51.24	5,988 oils and fats
São Paulo	Tamanduateí River**	8,761,353	Physical, physio-chemical and biological	316,477	1,293	3,155 oils and fats
			Conventional			
			Primary			

Note:

*Partial data. Since this was the first year of data collection for this indicator, it was not possible to obtain complete data for all of the quality parameters at all of the industrial plants. It was also not possible to collect data for the units in the United States and Germany.

**In preparation for the change in wastewater classification at the polyethylene and basic petrochemicals plants in the ABC Paulista region of Greater São Paulo, improvements were made to the wastewater measurements systems in 2012. Improvements in the treatment systems were found to be necessary to ensure compliance with the regulations applicable as of 2013. These improvements began to be implemented in 2012.

ENERGY AND CLIMATE CHANGE

GRI EN20 | EN17 | EN4 | EN18 | EN16 | EN7 | EN6 | EN5 | EN3 | EC2

ENERGY

In accordance with Braskem's Sustainable Development strategy, the Energy Efficiency macro objective supports improvement in operational indicators in tandem with efforts to develop more energy efficient products and solutions. In this light, various initiatives associated with this macro objective were implemented, some with a view to optimize and increase the efficiency of operating processes through better use of resources and fuels, taking into account the type and quality. Medium- and long-term process improvements were also developed. Energy consumption was 10.59 GJ per ton of product produced, which is the best result in the historical data series since 2002 and represents improvement of 1.7% from 2011.

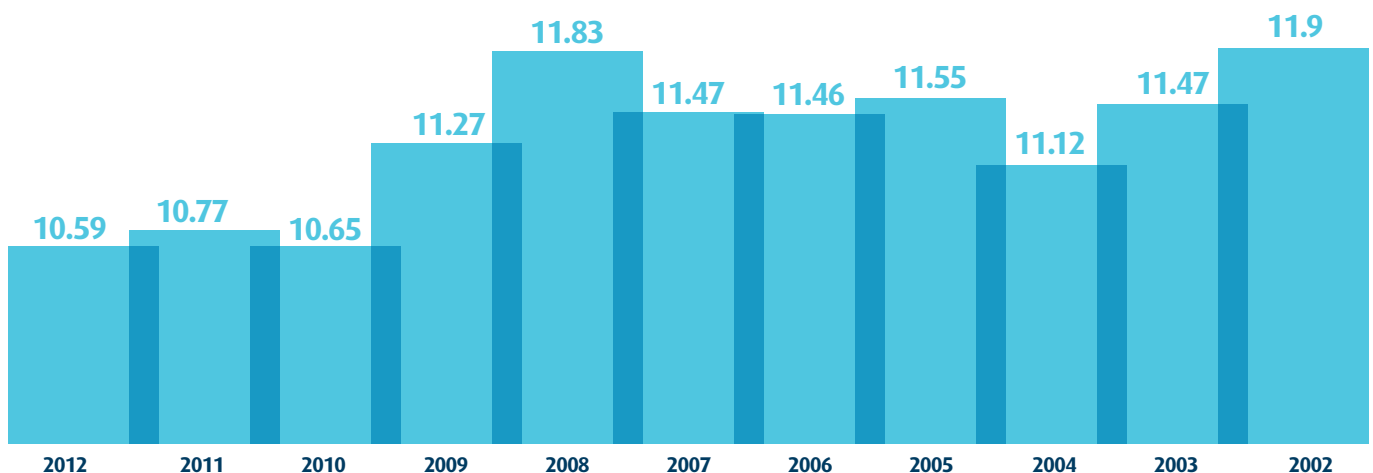
IMPROVEMENTS

The following initiatives at the basic petrochemicals plant located in the ABC Paulista region of Greater São Paulo are examples of improvements implemented in 2012 to reduce energy consumption:

- Installation of advanced controls for the pyrolysis furnaces, which generated savings of R\$4.3 million;
- Heating of boiler water using rejected low-pressure steam, taking advantage of existing equipment that was underused with no need for investments;
- Reactivation of soot blowing in boilers to increase the thermal exchange of the convection section and the equipment's efficiency. The initiative was integrated into maintenance costs and therefore was not considered an investment;
- Increased energy recovery from the effluent stream of the furnaces in the hot area to reduce steam consumption in dilution steam generation. The initiative involved changes in procedures, maintenance repair of instruments and other measures that did not require investments;
- Substitution of the catalyst in the xylenes isomerization unit (using Zapheis catalyst), leading to savings of R\$7.065 million;
- Reduction in steam consumption in the polyisobutylene unit through changes in procedures and operational adjustments that did not require investments.

As a result of the conservation and efficiency improvement initiatives implemented in 2012, savings in energy consumption totaling some 1,359,613 GJ were achieved.

ENERGY CONSUMPTION – GJ/t



DIRECT AND INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE

Non-renewable energy sources (GJ)		2012	2011*	2010*
Direct (EN3)	Coal	6,483,423	4,941,701	5,618,611
	Natural gas	23,293,820	22,671,597	29,619,944
	Fuel distilled from crude oil**	142,120,194	128,704,117	109,054,289
Indirect (EN4)	Electricity ***	5,521,483	4,588,233	4,863,086
	Steam			
Subtotal non-renewable sources		177,418,920	160,905,648	149,155,930
Renewable energy sources (GJ)		2012	2011*	2010*
Direct (EN3)	Ethanol	879	1,145	Not calculated
	Hydrogen	520,709	414,955	1,195,538
	Green ethylene flare gas	443,505	834,549	Not broken down from the amount of fuel distilled from crude oil
	Biodiesel	1,928	1,475	
Indirect (EN4)	Electricity***	16,479,988	14,888,035	15,855,443
Subtotal renewable sources		17,447,008	16,140,158	17,050,981
Total		194,865,928	177,045,806	166,206,911

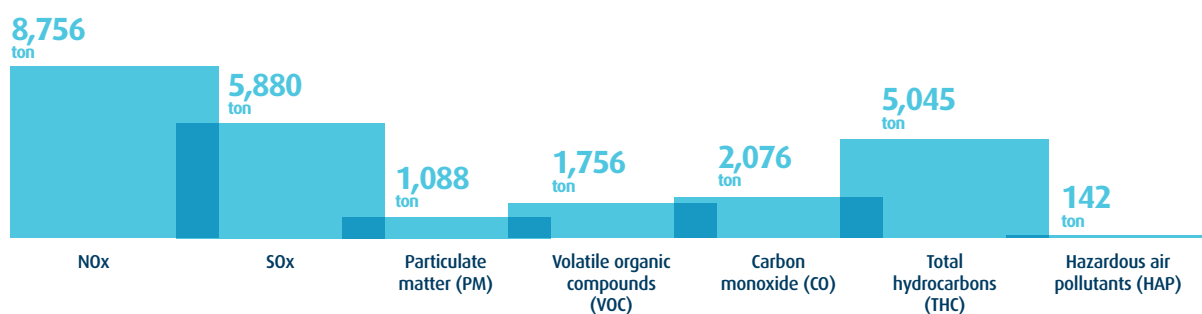
* The data for 2010 and 2011 do not include the operations in the United States and Germany. Due to errors identified in the calculations, the amounts for 2010 and 2011 were restated.

**Includes gasoline, diesel, LPG, CNG, LNG, butane, propane, ethane, etc.

***It was not possible to obtain data for corresponding primary energy, i.e., the energy that was required to generate and transport the electricity and steam purchased by Braskem from third parties. Due to lack of data, in order to separate electricity from non-renewable and renewable sources in 2010 and 2011, the proportion measured in 2012 was applied to the total electricity consumed. This is a conservative estimate, since the use of non-renewable sources in Brazil's energy matrix increased in 2012. All steam was considered as originating from non-renewable sources.

In 2012, no significant impacts caused by air emissions were identified.

AIR EMISSIONS IN 2012



Note:

1. For Braskem's units in the United States, data was only reported for the La Porte, Marcus Hook and Neal units. Air emissions data was not available for the units in Germany. Since the plants that did not send data are polypropylene units, for which air emissions are extremely low (less than 1% of the emissions of a basic petrochemicals plant), we believe there are no significant information gaps.

2. 2012 was the first year for this indicator. Therefore, it was not possible to obtain historical data. The data collected was used for a more detailed assessment of the materiality of this matter.

MANAGEMENT OF GREENHOUSE GASES

Braskem recognizes that it is a major GHG emitter, individually as well as in its value chain. It has been acting systematically and consistently on this front to minimize the negative impact that its production activities could have on climate change. In addition to pursuing higher efficiency in its operating processes, it also invests in research and innovation for new products. The Company's short-term strategy mostly sought to influence production-process improvement efforts with a view to reducing greenhouse gas emissions intensity and energy consumption.

As part of the Greenhouse Gas macro objective of the 2020 Vision and its Climate Change Manifesto entitled "We must Mature to be Green"

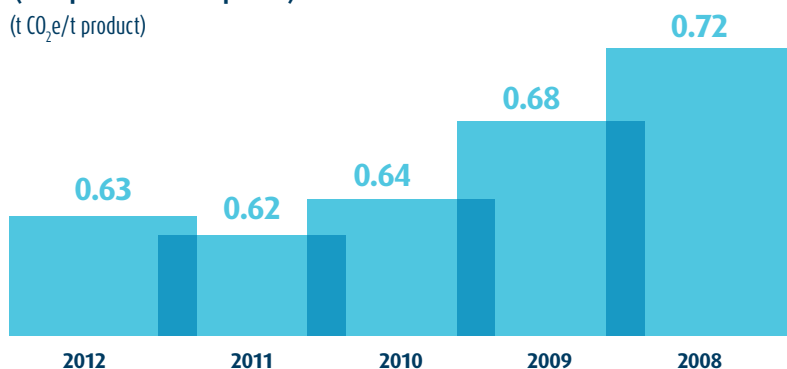
www.braskem.com.br/site.aspx/Manifesto-Climate-Change-USA,

Braskem set a Brazil emissions intensity reduction target of 11% by 2012 (compared to 2008), as well as a long-term target of achieving 0.6 tons of CO₂e per ton of product by 2020, which represents a reduction of 17% on the 2008 baseline. In 2012, the target was exceeded, with a 12.8% reduction in intensity, and CO₂e per ton of product reaching 0.63 ton.

From 2011 to 2012, although the results show improvement in energy efficiency, the same was not verified in greenhouse gas emissions, for two reasons: the higher use of natural gas-fired thermal power plants, leading to an increase in the average emissions factor of Brazil's power grid, and Braskem's fuel grid also registered a higher emissions factor than in 2011 due to the consumption of heavier fuels. Through focused initiatives in 2012, Braskem achieved a reduction of 54.7 thousand tons of CO₂e, of which 21.9 thousand tons were due to mandatory requirements. See the initiatives developed on pages 88 and 89.

GHG EMISSIONS INTENSITY (scope 1 + scope 2)

(t CO₂e/t product)







Braskem has strengthened its stakeholder engagement initiatives throughout its value chain with the aim of raising awareness and driving progress on issues associated with climate change. As part of this effort, it adhered to initiatives alongside CDP Supply Chain, CEBDS, GVCes, the National Industry Confederation (CNI) and other organizations to provide training and encourage its main Clients and Suppliers to conduct GHG emission inventories and identify opportunities.

In terms of public policy development, Braskem has actively participated in technical and strategic forums in Brazil in order to support and positively influence the drafting of new standards for a low carbon economy.

Braskem's seventh corporate greenhouse gas emissions inventory, for the 2012 period, is presented below. All categories applicable to the operations, across the three scopes, were included: direct emissions from processes and indirect emissions, related to energy acquired for all industrial plants and corporate centers. Data was also collected for the 15 categories of Scope 3, which are the emissions controlled by other parties in the supply chain. The inventory was compiled in accordance with the GHG Protocol methodology and was assured by KPMG, an independent third party.

BRASKEM'S GHG EMISSIONS FROM 2008 TO 2012 – SCOPES 1 AND 2

Emissions - Scope	Emission Source	Emissions (tCO ₂ e)				
		2012	2011*	2010*	2009*	2008*
Direct Emissions (Scope 1)	Combustion emissions	3,305,001	3,068,989	2,917,710	9,394,633	8,925,862
	Fugitive emissions	6,236,106	5,954,759	6,461,439	126,986	1,273,588
	Waste disposal and effluent treatment (internal)	23,617	23,155	N/A	N/A	N/A
	Total Scope 1	9,564,723	9,046,917	9,379,149	9,521,618	10,199,451
Indirect Emissions (Scope 2)	Emission Source	770,519	872,257	1,020,731	922,214	958,598
	Purchased electricity	343,747	289,008	394,169	429,467	ni
	Transfer of electricity (between units)					
	Total Scope 2	770,519	872,257	1,020,731	922,214	958,598
Total Scopes 1 and 2		10,335,242	9,919,174	10,399,880	10,443,832	11,158,049

Note:

N/A: not applicable

ni: no inventory

* Braskem's acquisitions policy is to re-calculate historical emissions to include industrial plants acquired. In 2012, it concluded the inclusion of all plants, and therefore data for 2008 to 2011 were adjusted. For plants where reliable historical data were not available, estimates were based on the emission intensity indicator for 2012. In 2009, these estimates represented 30% of Braskem's total emissions (scope 1 + 2). Between 2009 and 2011, only 5% to 7% were estimated. As of 2012, all plants provided actual data.

BRASKEM'S GLOBAL GHG EMISSIONS – SCOPE 3

Emissions - Scope	Emission Source Categories*	Emissions (tCO ₂ e)			
		2012	2011**	2010**	2009**
Indirect Emissions (Scope 3)	1 – Purchased goods & services	6,088,693	5,655,642	5,606,371	4,859,959
	2 – Capital goods	159,997	43,582	ni	ni
	3 – Energy- and fuel-related activities	494,165	404,524	ni	ni
	4 – Upstream transportation	659,512	169,112	180,076	134,942
	5 – Waste generated in operations	71,430	111,485	75,748	71,771
	6 – Business travel	8,080	9,605	9,282	12,304
	7 – Team Members commuting	7,285	8,192	7,780	9,386
	8 – Leased assets	4,482	4,814	ni	ni
	9 – Downstream transportation	766,816	587,748	ni	ni
	10 – Processing of sold products	2,970,324	3,552,457	ni	ni
	12 – End-of-life treatment of sold products	531,195	800,066	ni	ni
	15 – Investments	237,855	N/A	ni	ni
	Transfer of raw materials (between units)	5,321,214	3,873,625	5,611,730	4,061,985
	Total Scope 3	11,999,834	11,347,227	5,879,256	5,088,362

Note:

ni: no inventory.

N/A: not available.

* each category offers a set of possible sources of emissions; the numbering follows the GHG Protocol Corporate Value Chain Standard. Categories 11, 13 and 14 do not apply to Braskem.

** Braskem started to measure scope 3 in 2009. Emissions from 2009 to 2011 were estimated for the international units based on the 2012 intensity indicator; due to lack of actual data.

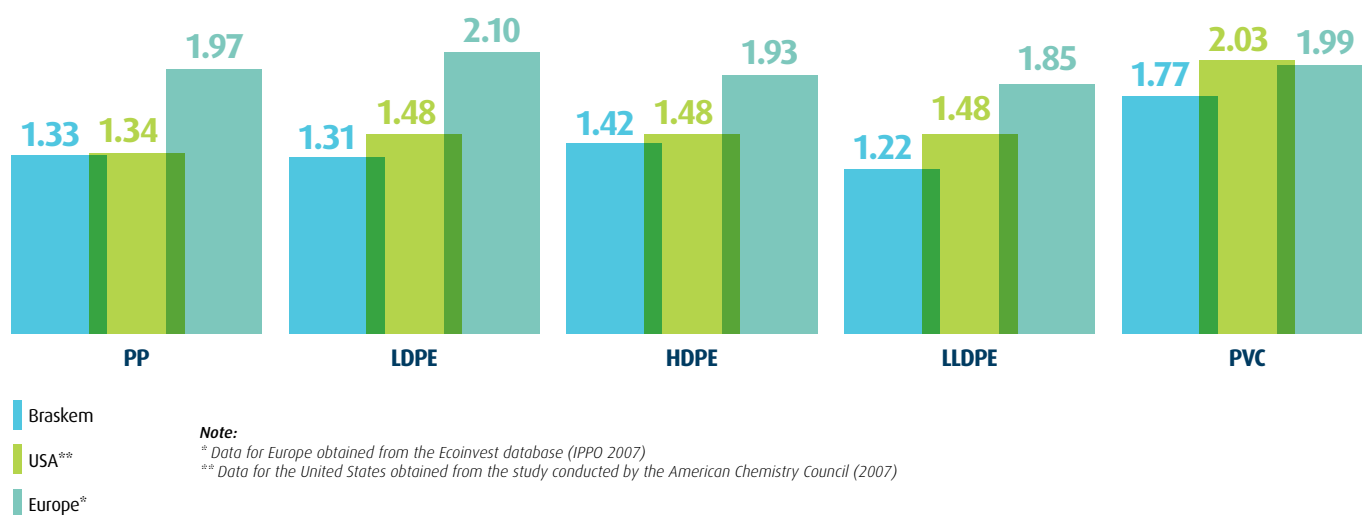
In 2012, Braskem was featured in Brazil by the Carbon Disclosure Project (CDP), an international non-governmental organization that encourages companies to disclose their results. The responses submitted by the Company to the CDP questionnaire were considered one of the ten best in Brazil in terms of transparency. Braskem also achieved, for the third straight year, the Gold category of the Brazilian Program of the GHG Protocol, which is an assessment conducted by the Getúlio Vargas Foundation (FGV) on how companies report their GHG inventories. The assessment conducted in 2012 was based on the inventory for 2011, which encompassed all industrial plants and corporate centers.

PRODUCT VIEW

One of the highlights of 2012 was the calculation of the carbon footprint of Braskem's main product families, which were found to be more competitive than the international benchmarks, given their lower impact in terms of emissions.

CARBON FOOTPRINT STUDIES

CARBON FOOTPRINT STUDIES CONDUCTED OF FOSSIL-BASED RESINS



In general, the use of products manufactured by Braskem for the plastics chain avoids greenhouse gas emissions because of their lower weight (to watch the video www.braskem.com.br/site.aspx/Multimedia-Details-USA/Chemistry-and-the-low-carbon-economy). In this way, Braskem contributes indirectly to mitigating climate change and supports its Clients in the development of solutions that reduce GHG emissions over products' full life cycle.



RISKS AND OPPORTUNITIES

To Braskem, financial implications and other risks and opportunities arising from climate change are associated with various factors, including:

National Climate Change Policy: establishes a target for reducing emissions by 2020. Once it comes into force, the regulation could bring new costs to Braskem's operations. The Company believes it has already anticipated any adjustments required to meet the likely industry target to be set by the Brazilian government, since it has already implemented energy-efficiency and emissions-reduction projects.

Carbon taxes or charges: as part of the petrochemical industry, Braskem is exposed to the risks faced by its naphtha suppliers, which could be taxed on the production and sale of oil distillates and pass through this cost increase to the Company. Many initiatives are being discussed around the world involving the introduction of taxes or restrictions on oil and oil distillates, especially in developed countries, which could result in higher operating costs for the Company. Braskem has found in the development of green products a way to protect itself partially from risks of increases in the cost of fossil-based feedstocks, which are expected in the event of higher taxation.

Emissions reporting: the current scenario of encouragement for GHG emissions reporting could lead to a mandatory requirement for annual inventories. Braskem has adopted this practice since 2006, preempting this potential requirement and mitigating the impacts of this potential risk. The Company has been subject to the Mandatory Greenhouse Gas Reporting Rule of the U.S. Environmental Protection Agency since 2011.

Product-efficiency standards and regulations: Braskem believes that considerable regulatory risk exists for its Suppliers and Clients regarding emissions-reduction targets and the use of products that are less carbon-intensive over their life cycle. In this aspect, however, plastics (which are the destination of a good part of Braskem's products) have an advantage over their alternatives, such as metal and glass, given that, primarily due to their density, plastics reduce greenhouse gas emissions during the product use phase.

Supply chain: Electricity generation in Brazil requires new investments over the medium term. Given the increase in environmental risks associated with water reserves, there are risks associated with the shortage of this type of energy. Braskem also considers the risks associated with its operations and the possibility of increases in fuel and feedstock prices. To preempt any potential risks in the supply of oil distillates like naphtha or increases in the prices of these products, Braskem invests in the development of non-fossil-based alternatives and in diversifying its operations geographically in order to strengthen its position in regions with more competitive fossil-based feedstocks.

INITIATIVES TO REDUCE GREENHOUSE GAS EMISSIONS AND REDUCTIONS ACHIEVED

State	Emissions type	Voluntary or mandatory (e.g., legal obligation)	Description of the emissions reduction initiative	Emissions reduction achieved tCO ₂ e	Total investment in the initiative (R\$)	Economic return/Payback (in years)
Alagoas	Fugitive emissions	Voluntary	Deactivation of A-714 - Ethylene Liquefaction - Not operating the area resulted in a reduction of 38,524 kg/year of propylene.	81	R\$ 0	0.0
			Deactivation of A-711 - distillation of crude dichloromethane to control pressure at the opening of PV711011, with the vent gases from distillation column sent to incineration at A-714.	13	R\$ 0	0.0
	Generation of electricity, steam or heat	Voluntary	Reduction in consumption of steam (15 kgf/cm ²) produced in the boilers by steam generated in the heat exchange P-1408 (production of steam 3 kgf/cm ² used in the reboilers at the plant MVC1 of PVCZAL).	3,217	R\$ 4,959,058	2.2
			Installation and recovery of purgers.	1,028	R\$ 573	1.5
			Reduction in steam consumption (42 kgf/cm ²).	136	R\$ 0	0.0
Bahia	Other process combustions (e.g., flare)	Voluntary	Optimization of furnaces, implementation of blowtorch maintenance plan and elimination of leaks.	2,193	R\$ 0	0.0
	Generation of electricity, steam or heat	Mandatory	Six Sigma project to reduce the consumption of steam (42Kgf/cm ²).	N/A	R\$ 500,000	0.4
			Gains achieved in 2012: 21,831.6 tons of steam (42 kgf/cm ²).			
		Voluntary	Reduction in electricity consumption: ongoing change in anode technology, with substitution of Runner anodes with SLM. Not an investment, but rather an improvement action that is part of routine cell maintenance.	247	R\$ 0	0.0
			Six Sigma project to reduce consumption of steam (15 kgf/cm ²) at the polymer plant. Reduction of 11,800 t in 2012 through use of system to identify and implement actions aimed at optimizing consumption and reducing losses in the field.	1,892	R\$ 0	N/A
			Six Sigma project to reduce natural gas consumption at the polymer plant. Reduction of 2,369,439 Nm ³ in 2012 through use of system to identify and implement actions aimed at optimizing consumption and reducing losses in the field.	1,197	R\$ 0	N/A
Rio de Janeiro	Fugitive emissions	Voluntary	Reduction in R22 consumption: constant monitoring to identify and correct leaks.	2,100	R\$ 0	0.0
			Simplification of system using HCFC-22 gas, reducing consumption.	870	R\$ 0	N/A
	Other process combustions (e.g., flare)	Voluntary	Better control of flare emissions and reduction in operating events.	15,623	R\$ 0	0.0
São Paulo	Generation of electricity, steam or heat	Voluntary	Installation of advanced controls for pyrolysis furnaces.	N/A	R\$ 4,300,000	0.8
			Heating of boiler water with low-pressure reject steam (EA-990). Existing and underused equipment was used, with no need for investment.	N/A	R\$ 0	<1
			Reactivation of soot blowing in boilers (BF-902 and 903) to increase the thermal exchange of the convection section and the equipment's efficiency. The service was carried out as a maintenance cost and was not considered an investment.	N/A	R\$ 0	<1
			Increase in energy recovery from the effluents stream from furnaces in the hot area to reduce the consumption of steam in dilution steam generation. The initiative involved changes in procedures, recovering instrumentation through maintenance and other measures that did not require investments.	N/A	R\$ 0	<1
			Reduction in steam consumption in the polyisobutylene unit through changes in procedures and operational adjustments that did not require investments.	N/A	R\$ 0	<1
	Physical or chemical processing	Voluntary	Substitution of the catalyst in the Xylenes Isomerization Unit (with ZAPHEIS catalyst).	N/A	R\$ 7,065,000	2.3
	Other process combustions (e.g., flare)	Voluntary	Reduction in natural gas purging for flare.	59	R\$ 0	N/A
		Mandatory	Reduction in venting into the atmosphere (operational discipline).	N/A	R\$ 0	N/A
	Other	Voluntary	Monitoring of fugitive emissions.	N/A	N/A	N/A

INITIATIVES TO REDUCE GREENHOUSE GAS EMISSIONS AND REDUCTIONS ACHIEVED

State	Emissions type	Voluntary or mandatory (e.g., legal obligation)	Description of the emissions reduction initiative	Emissions reduction achieved tCO ₂ e	Total investment in the initiative (R\$)	Economic return/ Payback (in years)
Rio Grande do Sul	Generation of electricity, steam or heat	Voluntary	Reduction in energy index and maximization of production at the plant Butene-1.	0*	R\$ 0	N/A
			Operational reduction in steam 23-T-01 (ex-APC).	0*	R\$ 0	N/A
			Implement DMC at A23.	0*	R\$ 0	N/A
			Reduction in VM injection at the Steam Generator.	0*	R\$ 0	N/A
			Energy optimization at the dilution steam generator (cleaning of heat exchangers).	0*	R\$ 0	N/A
			Reduction in steam consumption for flare PL2.	0*	R\$ 0	N/A
			Reduction in Technical Index of waters at PP1 site: reduction in steam consumption by creating a steam control algorithm for deactivating the catalyzer.	107	R\$ 0	N/A
	Other process combustions (e.g., flare)	Voluntary	PE 6 self-sufficient in steam generation: taking advantage of the steam generated in the reactor water system due to the heat released in the reaction.	3,396	R\$ 9,470	0.0
			Reduction in production losses, monomers and maintenance costs on systems PK-20501 and PK-20301: improvements in the propylene recovery system for the process.	168	R\$ 1,000	0.1
			Reduction in the Technical Index for Monomers at PP1: reduction in flare losses.	904	R\$ 0	N/A
			Higher performance Sulzer PP2: increased performance of the compressor avoiding flare losses.	96	R\$ 0	N/A
	Other	Voluntary	Availability gains at plant PP2: reduction in plant stoppages, reducing need for flare purges.	397	R\$ 0	N/A
			Recovery of effluents T401/402 (spherilene plant): simultaneous reductions of 2 m3/h in EO generation and cooling tower make-up flow rate.	10	R\$ 120,000	2.0
	Fugitive emissions	Voluntary	New static filter for V-230D (Tubular plant) for removing fines and strips from the overflow water of vessel V-230D, enabling it to be reused. Reduction of 13,140 m3/year in demineralized water use and subsequent reduction in wastewater generation.	8	R\$ 300,000	5.0
			Reduction in ethylene consumption by reducing the pressure in the low-pressure separator vessel, reducing the undesired emission of ethylene through venting.	24,990	R\$ 0	0.0

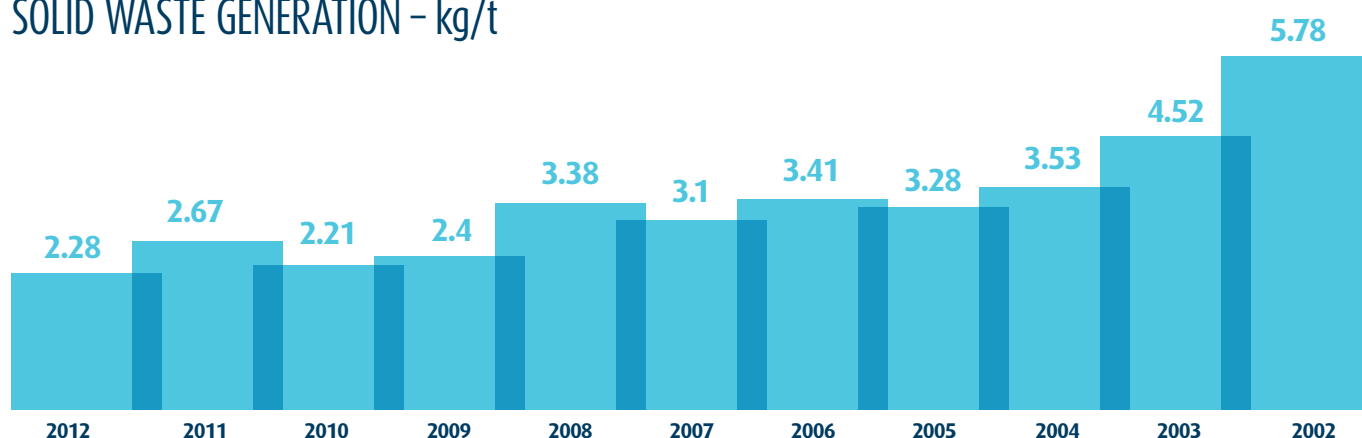
Note:

1. Braskem's units in the United States and Europe did not report their initiatives to reduce greenhouse gas emissions.
2. N/A = not available
3. Initiatives reporting reductions of 0* are projects that were implemented but did not generate the expected reductions.

SOLID WASTE GRI EN24 | EN23 | EN22

The rate of generation of solid, liquid and viscous waste was 2.28 kg/t of product produced, which represents improvement of 14.6% from 2011. Braskem standardized this indicator, as well as other environmental indicators, to align them with GRI standards, and since January 2012 has sought to manage all of the associated matters to obtain more sustainable results in its operations. After identifying the types of waste generated, it was possible to identify solutions for those that can be composted, reused, recycled or recovered. Thus it has been possible to transform some industrial waste into business opportunities and to replicate certain practices in other areas, leading to improvements in the waste indicator.

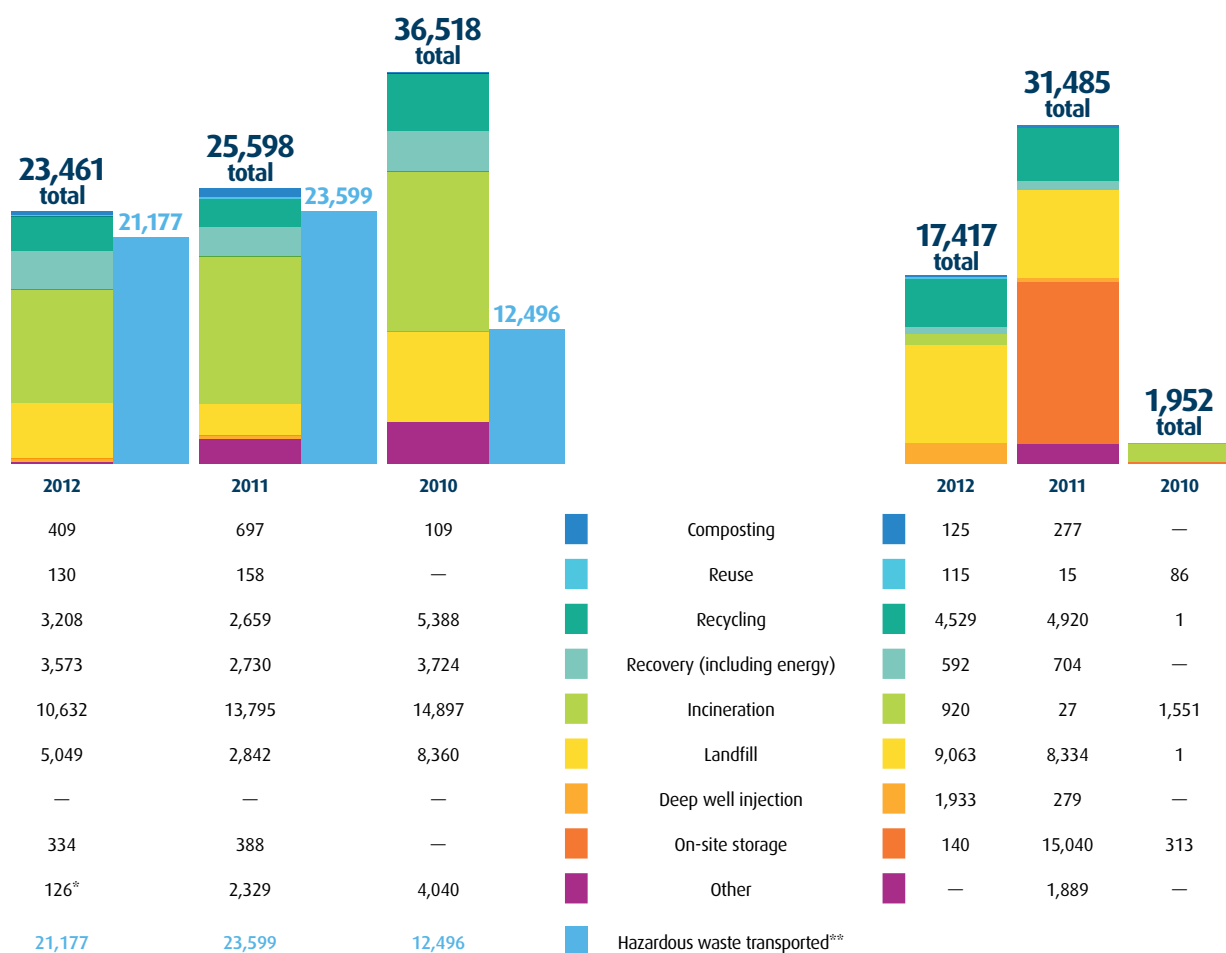
SOLID WASTE GENERATION – kg/t



The following tables show the solutions adopted with regard to the waste generated by the Company's operations, as well as the volume of hazardous waste transported.

HAZARDOUS WASTE (‘000 kg)

NON-HAZARDOUS WASTE (‘000 kg)



* Other: autoclave; vacuum thermal demercurization; waste co-processing in rotating clinker furnaces for cement production; soil decontamination through thermal desorption.

** Braskem uses third parties to transport hazardous waste; in the previous year, it was incorrectly reported that transport was carried out by own vehicles. No hazardous waste is imported or exported. All hazardous waste transported was treated.

TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS

Six significant spills were registered in the reporting period.

São Paulo: a respirator container overflow led to the release of 3.9 m3 of mineral oil onto gravel and soil.

Bahia: release of six tons of para dimethylbenzene (PDEB) in an underground line. There was also a release of 2.3 tons of flux oil.

Rio Grande do Sul: release of fuel oil onto soil at the Santa Clara Terminal. A sand trap overflow was also registered, releasing organic wastewater onto soil and into the runoff channels of the east-west pipeway.

Rio de Janeiro: release of 23,256 liters of 90% sulfuric acid. The release was contained in the tank dike.

These events were duly handled by specialized teams that, applying the standards and resources provided under the Company's emergency response contingency plans, minimized impacts and meant that these occurrences did not constitute emergencies or environmental incidents.

SPILLS 2011 AND 2010

As in 2012, the spills that occurred in 2010 and 2011 were handled to minimize the impacts and did not constitute emergencies or environmental incidents.

2011

Unit	Description	Volume (l)	Material of spill	Impact
Unib RS	Gasoline spill at the battery limit of Olefins 2.	N/A	Fuel	Contamination of the waterway (internal runoff) limited to within the Company's area.
Unib RS	Oil spill on pipeway C (Utilities area).	200	Oil	Contamination of the waterway (internal runoff) limited to within the Company's area.
Unib RS	Spill on the ethanol transfer line from loading to the tank area.	4,300	Fuel	Contamination of the waterway (internal runoff and accumulation and safety bay no. 7). Main impact limited to the Company's area. No significant external impact.
QB PE DCX	Release of oily stream due to a valve leak, contaminating the runoff channel, which consequently reached the water way (Coelho Channel).	200	Oil	Temporary impact, corrected immediately, which extended to the external area, reaching the waterway (Coelho Channel).
UNIB BA	Gasoline spill.	1,800	Fuel	Contamination of the soil limited to within the Company's area.
UNIB BA	Sulfuric acid spill.	6,000	Chemical	Contamination of the soil that reached the common effluent treatment system of Cetrel (an environmental services company).

2010

Unit	Description of the spill
UNIB RS	Toluene spill via the safety valve.
UNIB BA	Spill involving a mix of hydrocarbons (BTX and DMF).

Note: the two spills in 2010 amounted to 1,300 liters.

ENVIRONMENTAL PROTECTION GRI EN26 | EN15 | EN14 | EN12 | EN30 | EN13

To control potential environmental impacts, Braskem has a management system to ensure compliance with all regulation concerning air emissions, industrial effluents and solid waste, and also conducts: biannual monitoring of ground water, monitoring of surface water and sediments, of air emissions and air quality, and of fauna and flora at the environmental stations located adjacent to its complexes in the states of Rio Grande do Sul, Alagoas and Bahia.

BIODIVERSITY

The main impact on biodiversity from Braskem's operations occurs when new units are built in areas that previously had no industrial activity.

To assess the impacts on biodiversity caused by the construction of the petrochemical complex in Mexico, the species (fauna and flora) at risk of extinction were identified (listed in accordance with Mexican standards and with the International Union for Conservation of Nature and Natural Resources) and a biodiversity study of the site where the project will be located was conducted. The study covered species at risk of extinction and their distribution and the confirmation of *Ceratozamia miqueliana* (flora) as having major relevance in determining the extent of the project's impact.

Since the first step of the Ethylene XXI Project required clearing the area of vegetation, three measures were proposed to reduce the impacts on biodiversity: (i) program to relocate vegetation; (ii) program to rescue and relocate wild fauna; and (iii) reforestation program. The plants and animals rescued were relocated to the Jaguaroundi Ecological Park, a natural reserve owned by the Mexican petrochemical company PEMEX.

RESULTS OBTAINED

- Rescue of 426 adult specimens of seven different species of flora, with special attention given to *Ceratozamia miqueliana* (336 adult plants, 1,480 seedlings and 773 seeds), given its critical protection status. The species rescued are monitored every three months and, even after intense weather events, the survival rate stood at 91%.
- Rescue and relocation of 529 amphibian, reptile and mammal individuals.
- Reforestation of 2,039 trees, with a survival rate of 95%, covering 17.39 hectares. The goal is to reach 200 hectares.

MAIN COMPENSATION ACTIVITIES

- Maintaining 30 hectares as a conservation zone within the area of the Ethylene XXI Project, from where the majority of adult specimens of *Ceratozamia miqueliana* and other plant species were transplanted.
- Acquisition of an additional property (Benjamín Area) that will house 100 hectares of midland forest in the final stage of management, to recover the primary habitat affected by the initial stage of construction of the Ethylene XXI project.

AT OTHER UNITS

HABITATS PROTECTED OR RESTORED

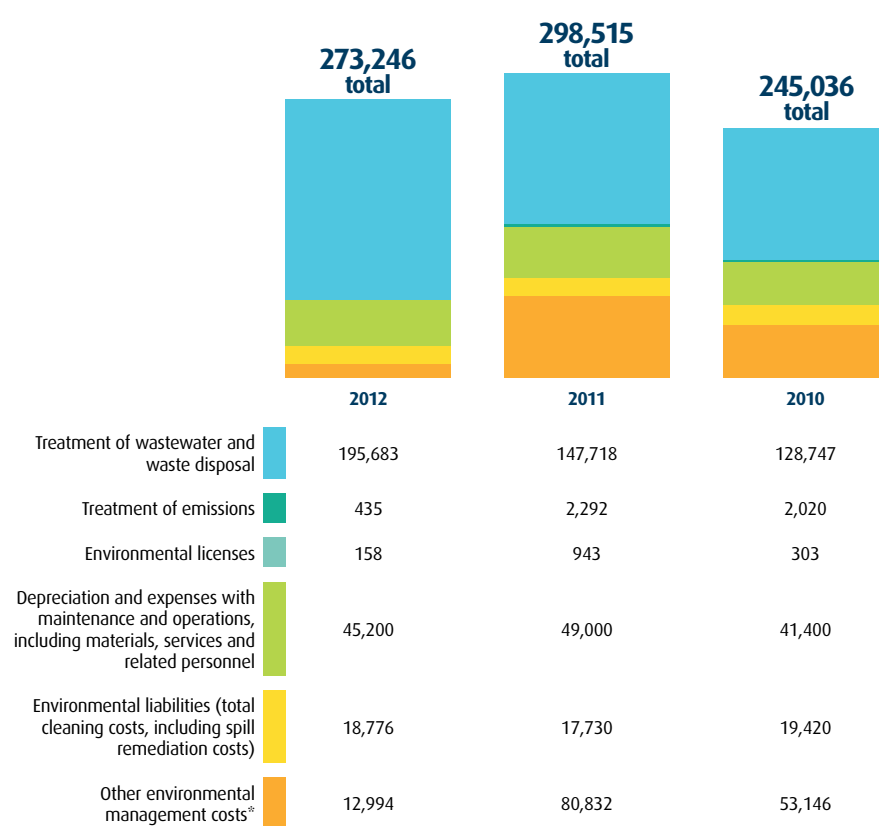
Social, environmental, educational and cultural projects developed by Braskem have been carried out in protected areas or in areas surrounding the industrial units of the Company in regions rich in biodiversity. The Company identifies, monitors and reports the associated risks in order to prevent and minimize them. Between 2010 and 2012, a total of 972 hectares were protected and 50 hectares were restored. The following table reflects the situation in 2012, with the changes in the last three years highlighted.

Region	Size of habitat areas protected (ha)	Location of the habitat areas protected	Size of habitat areas restored (ha)	Location of the habitat areas restored	Description of external specialists' approval of restoration measures
SP	N/A	N/A	1.46 (new in 2011)	Mauá	The Environmental Agency of the ABC region of Greater São Paulo requested the environmental recovery of an area of 2.31 hectares where the Aquapolo water pipeline passes. To meet this demand, seedlings were planted in a 1.46 hectare area in the Mauá Detention Reservoir (May 2011), the cost of which was absorbed by the environmental services company Aquapolo Ambiental. To complement the remaining area of 0.85 hectares, Aquapolo Ambiental was responsible for contracting another company to reconstitute the forest in Parque do Pedroso, an area conceded by the utility Serviço Municipal de Saneamento Ambiental de Santo André. Braskem did not invest financial resources in this initiative, but is one of the coordinators of the forest rebuilding process.
BA	N/A	N/A	28	Forest ring (Camaçari), riparian vegetation around Santa Helena Reservoir (Dias d'Ávila), headwaters of Ipitanga River (Simões Filho)	The area restored by Braskem received the denominations of Mata Atlântica (Atlantic Forest) Biosphere Reserve granted by Unesco and the National Council of the Atlantic Forest Biosphere Reserve, and of Fauna and Flora Conservation Nursery Areas (Criadouro Conservacionista) granted by Brazil's environmental agency Ibama. This is a public area on which 121,000 seedlings were planted through an initiative by the Fábrica de Florestas project. The restoration process is currently ongoing.
AL	904	Maceió, between the municipalities of Marechal Deodoro and Coqueiro Seco	50	Pontal da Barra district on the area surrounding the Chlor-Alkali Unit in Maceió	
RS	68	Municipality of Triunfo, one kilometer from Braskem, within the preservation area of the petrochemical complex	0		
Total areas protected (ha)	972		79.46		

ENVIRONMENTAL INVESTMENTS AND EXPENDITURES

Braskem's environmental protection expenditures and investments in 2012 are described below:

(R\$ '000)



* Energy and water for office areas, environmental monitoring, including groundwater management, additional expenditures on green purchases, external certification of management systems, external services and other costs, personnel responsible for general environmental management activities, education and training personnel.

Note: the data for 2010 and 2011 do not include Braskem's units in the United States and Germany.

VALUE CHAIN

Actions that strengthen Braskem's value chain, from the management of its Suppliers to its relationship with Clients and the Community.







CLIENTS

Braskem's relationship with its Clients is based on the Odebrecht Entrepreneurial Technology (TEO) and its spirit of service. This relationship is organized internally through initiatives such as the Visio program, which is a tool for sales teams with three action platforms: supporting the competitiveness of Clients, attracting new business and entrepreneurship (enhancing business management).

The current reporting period was the first to feature the integrated operations of the polypropylene businesses in the United States and Germany that were acquired in 2011. The year was marked by joint efforts with Clients to build a relationship based on trust and partnership. As a result, the client portfolio grew from 150 to 200 large Clients in the two countries.

LIFE CYCLE ANALYSIS

To evaluate sustainability issues in the value chain, the main tool used by Braskem is Life Cycle Analysis (LCA). With a dedicated team since 2011, advances in LCA management have been made through LCA studies and the development of policies and practices for the area to meet the demand for support regarding the sustainability of the Company's products.

With the launch of Green PE and the LCA studies of this product, which included theoretical data (2007) and primary data (2012, with an external review ongoing), demand from Clients interested in more information on green plastic has grown. This trend confirms the need for an approach involving the value chain, encouraging Braskem to expand its actions in this area.

In 2012, three new LCA studies (green liner project for self-adhesive labels, raffia sacks and bags, and green polypropylene) were conducted through Fundação Espaço Eco and ACV Brasil. The studies allow Braskem to continue improving its understanding of the environmental impacts of its products over the course of their life cycle and in turn the relevance of their contribution in the chain. A study conducted in 2010 by Denkstatt AG, an Austrian research institute, for Plastic Europe, an association of European plastic producers, indicated that, over their life cycle, plastics provide reductions in CO2 emissions of the order of five to nine times those generated in their production. These figures clearly show the material's contribution to the green economy.

Another highlight of Braskem's initiatives in the value chain is its efforts to create the LCA Brazilian Business Network, a forum formed by companies that voluntarily meet to discuss LCA definitions and disseminate best practices in the use of this tool in the business environment.

As a participant in the International Council of Chemical Associations (ICCA), Braskem is co-leader of the project to draft a guide for emissions avoidance studies based on the LCA methodology developed by the Japan Council Industry Association (JCIA). Braskem participates in the packaging working group as a way to contribute to the guide through a study that reflects the reality in Brazil. The study is aligned with building the image of plastics and with Braskem's Client relationship program. The Company also works together with the ICCA on drafting plans for the development of new building technologies that demonstrate the chemical industry's contributions to reducing energy consumption and GHG emissions.

To improve the management of this effort, licenses were acquired for SimaPro, a software widely used for LCA that will enable Team Members to become more familiar with the tool and to model the studies already conducted. In 2012, the LCA training carried out provided this knowledge to 398 people.

PRODUCT RESPONSIBILITY GRI PR4 | PR2 | PR3 | PR1

HEALTH AND SAFETY DURING HANDLING

The health and safety impacts related to the handling of Braskem's products (due to aspects such as flammability, toxicity and corrosiveness) are evaluated in all phases of the life cycle, as indicated below.

Development of product concept (definition of parameters and specifications)	The risks are assessed through the consultation of international databases of chemical products and restricted substances lists
Research and development	The same criteria followed in the product concept development phase
Certification	In this phase, in addition to the previous criteria, an assessment is made of all of Braskem's activities that involve the production, handling, transfer or transport of products. The assessment considers the specific hazards of each product, i.e., evaluating the exposure scenario
Manufacturing and production	Risks are assessed through the Chemical Product Safety Information Records (FISPQ) and the Aspects, Impacts, Hazards and Risks (AIHR) tool
Marketing and promotion	In this phase, product risks are also assessed through the FISPQ and safety labels
Storage, distribution and supply	Risks are assessed through the FISPQ, emergency records and the AIHR tool
Use and service	Considers the FISPQ and product safety labels
Disposal, reuse or recycling (legal waste requirements class I, IIa and IIb)	Risk are assessed based on the waste safety records (FDSR) and the Aspects, Impacts, Hazards and Risks (AIHR) tool

Braskem complies with all mandatory and voluntary codes concerning the impacts on health and safety caused by the handling of its products. These include:

- Regulatory Standard (NR) 26 and GHS: classification, preventive labeling and safety data records of chemical products;
- operating procedures of the Braskem Production System (Braskem+).

In 2012, 39 incidents of non-compliance with regulations and codes concerning impacts on health and safety caused by product handling were verified. Of this total, 38 involved regulations and resulted in warnings. One incident of non-compliance involved voluntary codes.



PRODUCT LABELING AND INFORMATION FOR CLIENTS

All (100%) of Braskem's products undergo at least some type of product risk analysis. In accordance with Brazilian Regulatory Standard (NBR) 14725, the labeling of Braskem's products is based on its Chemical Product Safety Information Records (FISPQ), a document that is provided to Clients. As such, all substances and/or products handled internally (feedstock, laboratory reagents, chemical inputs) must have a respective FISPQ.

This information includes instructions on how the product must be transported, handled and disposed of. However, compliance with these instructions is ensured by the inspection and internal and external audit programs, the audits conducted under the Integrated Environment, Health and Safety System (SEMPRE) and the respective action plans drafted based on a diagnosis of these audits. In Brazil, in addition to the FISPQs, the practices to be adopted are also established by internal procedures and guidelines.

Meanwhile, the units in the United States and Germany use the Material Safety Data Sheet (MSDS) and Safety Data Sheet (SDS), respectively. Both are regulatory items required by OSHA (United States) and REACH (Germany and other European countries). Braskem's units abroad have received high scores on the international audits conducted by these agencies.

Learn more: the Chemical Product Safety Information Records (FISPQ) of the products and substances handled by the Company are available on its intranet. The information records of its finished products may be consulted on the Internet at:

<http://www.braskem.com.br/site.aspx/Product-Search-Usa>

Note: you must select the product you are interested in to gain access to the respective safety record.

Regarding the regulations and codes concerning product information provided to Clients, in 2012, there were 43 incidents of non-compliance with regulations that resulted in warnings and four incidents of non-compliance with voluntary codes. No fines resulted from any incidents of non-compliance.



SUPPLIERS GRI HR5

The commitments to professional behavior and ethics expected from Suppliers are set forth in the Code of Conduct for Supplier Relationships. Meanwhile, the Supplier Guidelines document the Company's processes and practices and the main points of attention regarding the supply of inputs, materials and services. The guidelines may be consulted at <http://www.braskem.com.br/site.aspx/suppliers>

In accordance with the management model espoused in the Odebrecht Entrepreneurial Technology (TEO), which seeks each area's independence as a "small business", the Company's Supplier management is decentralized, which allows for adapting practices based on the nature of the relationship and the type of good or service being acquired. However, this form of management presents challenges in creating a consolidated view of the Company's management. As such, the following three topics present the management highlights of each of the main areas responsible for Suppliers.

STRATEGIC RAW MATERIALS GRI HR7 | HR6

FOSSIL-BASED FEEDSTOCKS

Naphtha, condensates, ethane, propane and light hydrocarbons represent the bulk of Braskem's cost of goods sold. Braskem's main naphtha supplier is Petrobras, which is one of its Shareholders. Therefore, engagement actions involving sustainability themes are not considered necessary, given the existing high level of alignment between the values of the two companies. In relationships with other Suppliers for which Braskem is not a significant Client, there is little room for influencing practices. To minimize issues related to procurement, Braskem maintains contracts for all of its strategic raw materials.

ETHANOL

Ethanol suppliers commit to follow the Code of Conduct for Ethanol Suppliers drafted by Braskem as a reference for good social and environmental management practices in the sector. For instance, the document prohibits the use of forced or child labor and sets a deadline of 2014 for eliminating the use of fire in the harvest of areas considered apt for mechanized farming.

Ninety-five percent of the volume of ethanol purchased by the Company in 2012 was acquired from mills that were signatories to the Code of Conduct. Therefore, Braskem surpassed its target of 80% for the period. All of the volume supplied for the production of ETBE (a fuel bio-additive) was sourced from plants certified by Bonsucro and the International Sustainability & Carbon Certification (ISCC), in accordance with the international standards required for exports.

Monitoring of adherence to the Code, performed by Braskem through regular visits to production units, was complemented in 2012 by third party audits. As of February 2013, mills which supplied 82% of the ethanol acquired between July 2011 and June 2012 had been audited. Overall, the results showed good adherence to the Code, with all of the mills demonstrating compliance with labor and human rights requirements. An overview of the audit findings follows.

Highlights of requirements with 100% compliance

- Reuse of sugarcane bagasse for power cogeneration.
- Preservation of Environmental Protection Areas (*Áreas de Proteção Ambiental - APAs*).
- Adequate disposal and cleaning of pesticide packaging.
- All workers duly registered in the Brazilian Work and Social Security Register (CTPS).

Areas for improvement (percentage of the total number of mills audited)

- 11% used fire for harvesting 10% more mechanizable areas than the permitted (the limit is 30%).
- 44% need to improve practices related to the protection of riparian vegetation.
- 22% present water extraction levels above those established in the Code (consumption is limited to 1.5 cubic meters per ton of sugarcane).
- 44% have not established water consumption reduction targets.

In 2013, the audits will continue to be carried out, coupled with the development of action plans for improvement.

LOGISTICS GRI HR7 | HR6

The Logistics teams receive support from Environment, Health and Safety (EHS) professionals in the management of social and environmental matters critical to these operations, including the protection of human rights. The Supplier must demonstrate their commitment and capacity to manage EHS, Quality and Productivity requirements, which are monitored and assessed through Braskem's Supplier Performance Index (SPI) and the Safety, Health, Environment and Quality Assessment System (SASSMAQ) of the Brazilian Chemical Manufacturers' Association (Abiquim). Monthly feedback meetings and annual awareness campaigns are also conducted.

For Suppliers with indicators that remain below the SPI target for three consecutive months, appraisal meetings are held and corrective actions are planned. Suppliers that do not demonstrate progress or are unable to meet the assessed criteria become ineligible as Suppliers.

In addition to the SPI, each team has its own assessment methods based on its specific needs. The propylene logistics operations use the Accident/Incident Prevention Index (IP) and Service Level Agreements (SLA), tools which are also used by the Chlor-Alkali team. In Basic Petrochemicals, participation in driver education programs such as "Olho Vivo na Estrada" and "Transportadora da Vida" is evaluated; these programs raise awareness on traffic hazards and accident prevention.

In 2012, the team responsible for resins strengthened its Supplier management by auditing the companies that operated the highest number of routes in the period. The audit was based on the SASSMAQ questionnaire. Six freight companies were assessed: four remained above the established target of 80% and two achieved a score of 79% and will be reassessed in 2013. This year, the audit will also include the chlor-alkali Logistics Suppliers.

PROCUREMENT

In 2012, Braskem implemented a new management approach in the Procurement area, which is responsible for the largest number of Braskem Suppliers. Structured in the previous year due to the Company's growth and the acquisition of new businesses, the goal of the new model is to map and analyze all supplier markets that can meet the needs of the industrial plants in terms of materials and services, as well as the formation of the prices practiced. Some of the expected results include cost reductions, productivity gains and higher returns on invested capital.

In terms of strategic purchases, 27 items (from among 200) were selected, with the identification of the best Suppliers in property security, thermal insulation, industrial painting, production materials and other sectors. In 2011, when this initiative began, four items had been selected. For all of them, Braskem is structuring differentiated relationships based on long-term partnerships in order to ensure advantageous agreements in terms of volume and duration.

In view of the adverse economic environment in 2012, especially considering the high volatility in raw material prices, one of the challenges of the Procurement area was closing deals at competitive prices and in accordance with the required quality standards (service and on-time delivery). Despite the difficulties, the cost-reduction target was exceeded by 3% in relation to 2011.





COMMUNITY AND CULTURE GRI EC8

Braskem believes it is fundamental to interact and maintain good relationships with the Communities surrounding its facilities. Each operating region has a team dedicated to Institutional Relations, which are responsible, among other things, for acting as a link between the local Community and the Company.

Seeking to expand its contribution to improving human development, the Company also makes private social investments (PSI) in three areas: social inclusion, environmental education and cultural promotion.

The Institutional Relations and Social Responsibility teams work together to ensure that these social investments are in line with local needs. The projects are carried out through public-interest civil society organizations, who plan, execute and measure the results, with Braskem providing oversight of the process.

To advance the management of PSI, the Company is focusing its efforts on projects with greater social impact that can promote significant Community transformation. In 2012, more than 130,000 people were benefitted by the projects developed by Braskem.

The investments made in 2012 amounted to R\$12.6 million, which was lower than the 2010 and 2011 investments, since in these years major infrastructure projects, such as the Social Assistance Reference Center and the Recycling Warehouse in Mauá, São Paulo, were concluded. In 2012, the Company prioritized developing the capabilities and skills of the people involved in social projects.

SOCIAL INCLUSION

Recycling Projects: The Company made progress in the social inclusion of recyclable-material laborers in the states of São Paulo, Alagoas, Bahia and Rio Grande do Sul. The move to mechanical recycling enabled these laborers to improve the separation and processing activities of the cooperatives, which in 2012 led to higher incomes for 165 cooperative members, while also disseminating the importance of matters such as appropriate waste disposal in their Communities. Throughout the year, over 400 scavengers benefited from training and infrastructure improvements. Due to the higher demand for labor from other sectors of the economy and the improvement in professional qualification, around 35% of these people left the cooperatives, which created challenges in terms of productivity. In Rio Grande do Sul, the transformation of the lives of cooperative members was selected as the winning case in the Top Sustainability category at the ADVB Top Marketing Awards 2012 sponsored by the Association of Marketing and Sales Executives of Brazil (ADVB). For 2013, the focus will be on increasing the entrepreneurial capabilities of cooperative members to promote more efficient and independent management.

Program for Integrated Development and Growth with Sustainability (PDCIS) of the Mosaic of Environmental Protection Areas of Southern Bahia: Sponsored by the Odebrecht Foundation, to which Braskem contributes, the challenge of the PDCIS is to transform a rural area with vast environmental heritage into a prosperous and dynamic region, while encouraging young talent to work in agricultural activities. In 2012, 17 social and environmental projects were supported, directly benefiting more than 9,000 people in 304 Communities and contributing to the region's achievement of the UN Millennium Goals. Validated by the Ministry of the Environment and supported by the Ministry of Tourism, the PDCIS was presented at the Rio+20 Earth Summit, and was also cited in the Letter from Friends of Rio+20 signed by global leaders of companies and civil society organizations. Learn more: <http://www.fundacaoodebrecht.org.br/en/programsDIS.php>

Science without Borders: An initiative of Brazil's federal government to promote the expansion and internationalization of science and technology through student exchange programs. Braskem was one of the first companies to join the program and currently offers three internship positions in Pittsburgh (USA) in the areas of catalysts, polymers and intellectual property.

Philanthropic donations and volunteer programs: In the United States and Germany, Braskem Team Members conduct social activities such as school tutoring and the renovation of public spaces through the Striving to Achieve Reading Success (Stars) and The United Way of America programs, and through the German institution Malteser Hilfsdienst e.V. Braskem Team Members also organize fundraising activities for these and other organizations, such as the March of Dimes Foundation.

ENVIRONMENTAL EDUCATION

A New Perspective on Plastic: In partnership with Instituto Akatu and Instituto Faça Parte, the project aims to raise awareness among teachers and students at public and private schools on the importance of themes related to responsible consumption and sustainability. The initiative aims to encourage them to propose solutions, such as the choice of what to consume, differences in production chains regarding eco-efficiency, combating improper waste disposal and the inefficient use of water and energy. In 2012, 50,000 students from the fifth to ninth grades from all over the country participated in the initiative, with 115 projects presented. The winning project was “Our Hands Can Save the Planet” from a school in Juara, a city in the interior region of the state of Mato Grosso, which organized the creation of mosaics made from plastic materials disposed of by the students’ families.

Lagoa Viva Environmental Education Project: The program, which was launched in 2001 in the Pontal da Barra district near the Chlor-Alkali plant in Maceió, expanded its actions to 39 cities in the state of Alagoas, promoting workshops on environmental education and providing training to support income generation in the local population. Since its creation, the program has served more than 480 schools, indirectly engaging some 236,000 people in environmental education. In 2012, more than 1,000 people benefitted directly from the project.

Green Belt: A project supported by Braskem, the Green Belt Environmental Station is a preservation area located in the district of Pontal da Barra that neighbors the Chlor-Alkali Unit in Maceió. Created in 1987 by the former Salgema Indústrias Químicas S.A., the ecological reserve made possible the environmental recovery of the region, which had suffered degradation. Through actions to recover the soil, repair the dune topography and restore the coastal areas of Atlantic Forest known as restinga, the environmental station is now a space dedicated to studies, visits by the general public and the development of social and environmental projects. The area is home to some 400 wild animals, such as monkeys, caimans, peacocks and other birds. The conservation refuge for raising wild species endemic to the region was recognized by UNESCO as an Advanced Post of the Atlantic Forest Biosphere Reserve in Alagoas. More than 180,000 people have already visited the environmental station since its inauguration 25 years ago. In this way, Braskem contributes to the dissemination of sustainable development concepts and promotes sustainability actions in the Communities surrounding its industrial plants in the state.

Forest Factory: This project supports the institute Fábrica de Florestas, which promotes the cultivation and planting of native tree seedlings in the Costa dos Coqueiros Ecological Corridor and the Forest Ring region located on the northern coast of the state of Bahia. The objective is to recover areas of Atlantic Forest, with an emphasis on reforesting areas surrounding natural springs and riparian buffer zones. In 2012, more than 170,000 seedlings were produced in Bahia. Thanks to its success, the project was expanded to other regions and, in June, Braskem inaugurated a nursery in the Botanical Gardens in Paulínia, São Paulo, which produced around 10,000 tree seedlings. In September, to help prevent soil erosion and landslides, a nursery was inaugurated at the Environmental Reserve of Caixa D’Água Municipal Park in Duque de Caxias, Rio de Janeiro.



RED PROPOLIS

Produced in the region of the Mundaú-Manguaba Lagoon Complex in the state of Alagoas, red propolis was recognized in 2012 by the National Industrial Property Institute (INPI) as an exclusively Brazilian product. The certificate attests to both the product’s origin and singularity. Keeping bees to produce honey and propolis has become part of the social and environmental project known as Honey Fishermen that was developed by Braskem’s Green Belt Environmental Station.

Created in 2006, the initiative started by training fishermen to work as beekeepers while maintaining their traditional livelihoods. Braskem’s support also provided the equipment needed to market the product in Brazil and abroad.

Today, more than 100 families produce and sell honey, wax, pollen and red propolis in the Lagoon Region located on the southern coast of Alagoas. The product contains substances with antioxidant properties and is highly coveted, selling for R\$500 per kilogram in the export market.



Musician Carlinhos Brown is honored at the Braskem Theater Awards 2012

CULTURAL PROMOTION

Braskem Theatre Awards (PBT): First held in 1994, this award recognizes the best theater productions in the state of Bahia in order to acknowledge and value professionals in the performing arts and help pave the way for new talent. In 2012, the 19th edition of the Braskem Theater Award adopted the theme “Our Daily Theater” and elected the best productions in the year in eight categories: actress, actor, script, director, new artist, special category, adult theater and children’s theater. The edition also paid tribute to actor and journalist Gideon Rosa and musician Carlinhos Brown. Another highlight was the first Audiovisual Workshop, which trained a select group of 30 children, whose final projects (videos presenting the nominees) were exhibited at the awards ceremony. Developed by Braskem in coordination with Caderno 2 Produções Artísticas, the Audiovisual Workshop is a partnership with the production company Invencione, the Bahia State Cultural Foundation (FUNCEB) and Docdoma Filmes.

Braskem On Stage Awards: In its seventh edition, the best productions in the state of Rio Grande do Sul were awarded in the categories of best play, best director or choreographer, best actor or dancer and best actress or dancer. Every year, ten plays are selected from among the 50 submissions. The winners of the Braskem On Stage Awards are elected by judges from the theatrical community and journalists covering culture. The results also take into account a vote conducted among the general public. As a sponsor of the event, Braskem not only recognizes local talent and productions, but also increases access to culture for over 50,000 people by helping to reduce the price of the tickets paid by the general public.

Learn about all the initiatives supported by Braskem in the Communities where it is involved by going to <http://www.braskem.com.br/site.aspx/Society>

GOVERNMENT GRI 505

Braskem's stakeholders include government, representatives from society, institutions and national and international associations. In concert with these voices, the Company participates in debates on general and industry-specific topics.

The year 2012 was marked by extensive joint activities with these stakeholders. The most visible example was Braskem's participation in the United Nations Conference on Sustainable Development held in June in Rio de Janeiro, also known as Rio+20. This was the sustainability event of the year with the greatest repercussion, however, Braskem also contributed to other events with more focused themes, which included: The United Nations Climate Change Conference (COP 18) held in December in Doha, Qatar, and the United Nations Conference on Chemicals Management (ICCM 3). In Brazil, the Company participated in debates on climate change and the national solid waste policy.

On the agenda of matters discussed in the Brazilian legislature and other levels of government, Braskem endorsed initiatives to strengthen its Clients in the plastics production chain. A challenge that is renewed each year is helping to build the image of plastics and raise awareness on its responsible use and recycling.

RIO+20

The UN Conference on Sustainable Development presented Braskem with an opportunity to demonstrate its collaborative stance and commitment to the definition of global public policy that promotes sustainability. Represented by Team Members from various areas, the Company participated in side events of the official meeting, such as the Global Compact Corporate Sustainability Forum; debates on the low-carbon economy, sustainable production and consumption; the opportunity for renewables and green chemicals; sustainability in the production chain and other topics.

Braskem played an important role in drafting the manifesto that was signed by more than 200 companies and launched by the Global Compact Brazil Network, which featured commitments to promote sustainable development in the country, with the successive integration of sustainability in the business processes and strategies of each signatory. The complete document can be viewed at www.pactoglobal.org.br/carta_compromissos.aspx.

In partnership with Cetrel, Braskem installed a recycling plant at Rio+20, demonstrating the process of recycling and transforming plastic waste into plastic wood, which is used to make furniture, representing a new cycle of use for this material in its post-consumer phase. To learn more about Braskem's participation in this event go to <http://www.braskem.com.br/site.aspx/braskem-rio-more-20>



At Rio+20, Braskem installed a recycling plant that transformed plastic waste into plastic wood, which was used to make furniture





ABOUT THIS REPORT

GRI 3.11 | 3.10 | 3.9 | 3.7

Prepared in accordance with version 3.1 of the GRI guidelines and application level A+, Braskem's Annual Report is based on data for its operations in Brazil, the United States and Germany in the period from January 1 to December 31, 2012.

THE REPORT [GRI 3.13](#) | [3.11](#) | [3.10](#) | [3.9](#) | [3.8](#) | [3.6](#) | [3.4](#) | [3.3](#) | [3.2](#) | [3.1](#)

Braskem's Annual Report was prepared based on version G3.1 of the Global Reporting Initiative (GRI) guidelines. Information on consultations of the Company's stakeholders and the identification of relevant topics for this publication are described in the introduction to this document. Observations:

- The data contained in the report refer to the period from January 1 to December 31, 2012, for Braskem's operations in Brazil, the United States and Germany (except for certain new indicators in 2012, as per the respective notes). This represents significant evolution from last year, when these operations were only partially contemplated.
- Data for the Ethylene XXI Project in Mexico were presented when deemed material. Indicators related to the Team Members in that country, who represent 1% of Braskem's workforce, were not yet consolidated.
- Data for the overseas commercial offices, where Braskem does not have production facilities, were not consolidated. The Team Members in these locations represent 0.5% of the Company's workforce.
- Certain indicators were reformulated in view of errors identified in prior reporting periods.
- As in the 2011 report, the operations of two of Braskem's subsidiaries were not included: Cetrel and QuantiQ; the former because it was divested in 2012, and the latter because it is in the process of being divested.
- Braskem does not monitor the representativeness of minority groups.
- It remains a challenge to further improve the internal systematization of the Company's information into a common and integrated database that incorporates the GRI guidelines as its reference.

This preparation of this report adopted the same bases as the previous version.

Learn more by consulting Braskem's Annual Report 2011 at

<http://rao2011.braskem.com.br/default.asp?idioma=in>.

As was the case of the reports for the last three years, the external assurance of the Portuguese version was conducted by Det Norske Veritas (DNV).

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KEY INDICATORS 2012

Economic development	2012	2011*	2010**
Production - main products (tons)			
PE	2,539,476	2,391,136	2,536,776
PP	3,403,351	2,575,676	2,437,643
PVC	497,366	438,895	475,559
Caustic soda	450,589	366,923	
Basic petrochemicals	6,404,589	6,010,227	6,393,597
Consolidated net revenue (R\$ billion)	35.5	32.5	27.8
EBITDA (R\$ billion)	4	3.7	4.1
Total investment (R\$ billion)	1.7	2.1	1.8
Patents filed in year (total in 2012: 650)	47	30	30
Social and environmental development	2012	2011*	2010**
Number of Team Members	7,364	6,934	6,750
Incident Frequency Rate with and without Lost Time (Team Members and Partners per million hours worked)	1.04	1.16	2.02
Energy consumption (GJ/t product)	10.59	10.77	10.65
Total energy consumption (GJ)	194,865,928	177,045,806	166,206,911
GHG emissions (tCO ₂ e/t product)	0.63	0.62	0.64
Direct GHG emissions (scope 1) (tCO ₂ e)	9,564,458	8,871,695	9,233,667
Indirect GHG emissions (scope 2) (tCO ₂ e)	782,603	216,240	337,293
Indirect GHG emissions by third parties (scope 3) (tCO ₂ e)	11,764,492	7,134,076	5,871,747
Water consumption (m ³ /t product)	4.23	4.48	4.15
Total water consumption (m ³ /year)	70,396,864	80,837,490	64,953,369
Wastewater generation (m ³ /t product)	1.18	1.32	1.24
Total wastewater generation (m ³ /year)	21,061,530***	N/A	N/A
Solid, liquid and viscous waste generation (kg/t product)	2.28	2.67	2.21
Total hazardous waste generation ('000 kg)	23,462	25,597	36,519
Total non-hazardous waste generation ('000 kg)	17,417	31,485	1,953
Activities in the value chain	2012	2011*	2010**
Private social investment (R\$ million)	12.6	16	18
Volume of ethanol acquired from mills that are signatories to the Code of Conduct for Ethanol Suppliers (%)	95	85	N/A

* The data for 2011 do not include the operations in Germany or the plants acquired from Dow Chemical in the United States since these acquisitions occurred in the same year.

** The data for 2010 do not include the operations acquired from Sunoco in the United States.

*** The data do not include the operations in the United States and Germany.

2020 VISION - PROGRESS GRI EN18 | 4.17 | 1.2

Macro objective	2020 Goals	Actions by 2015	Progress in 2012
Chemical safety	<ul style="list-style-type: none"> » Braskem as a global reference in the responsible use and production of chemical products. » No use or production of substances on global black lists. 	<ul style="list-style-type: none"> » 2012-2015: be a leader in the implementation of the Global Product Strategy (GPS) in Latin America. » 2012-2015: continuously improve the risk rating, which is an index for process safety established by insurance companies, achieving a minimum average of 90 points, with all plants rated above standard. » 2015-2018: replace the electrolytic cells used during the production of chlorine to eliminate the use of mercury. (Deadline revised due to the reassessment of priorities.) » 2012-2015: keep the level of waste generation stable and remain a benchmark in the industry. 	<ul style="list-style-type: none"> » Identification of substances of high global concern based on international regulations. » Focal points at Braskem's industrial plants trained in chemical safety. » Revision of corporate procedures for Chemical Products Information and Product Management, in line with the Global Product Strategy (GPS) and Globally Harmonized System (GHS). » Conclusion of the risk analyses for benzene and butadiene, in compliance with the GPS Guidelines. » Joint preparation with Abiquim of the training course on GPS Guidelines. » REACH: report issued by the Dutch government on the result of the REACH audit at Braskem's Rotterdam offices during 2012, which confirmed no breaches of these European Community regulations. » External audits (contracted by insurers) conducted at the industrial plants showing continuous improvement in Braskem's risk rating. Number of plants rated above standard: 14. Number of plants rated standard: 15. No plants were rated below standard. Average risk rating: 84.3. » Internal audit conducted of the Company's industrial units to identify the level of application of the guidelines of the Integrated Environment, Health and Safety System (SEMPRE) in the areas of work and process safety, environment and occupational health. » Completion of 91% of the risk analysis studies outlined in the five-year plans of the industrial plants. » Project to Map Highest Risks: elimination of 177 scenarios of high risk potential; conclusion of 600 Layers of Protection Analysis (LOPA) studies. » Project to replace the electrolytic cells used in chlorine production to eliminate the use of mercury is currently in the conceptual stage. » Reduction of 15% in solid waste generation compared to 2011.
Greenhouse gas (GHG) emissions	<ul style="list-style-type: none"> » Braskem reaches the same intensity of GHG emissions as the world's leading large chemical companies. » Braskem plays an important role in sequestering indirect GHG emissions by using renewable raw materials. 	<ul style="list-style-type: none"> » 2012-2015: Reduce emissions intensity. » 2012-2015: improve CDP results in the dimensions "transparency" and "results". » 2012-2015: obtain the first carbon credits. (Postponed in view of the instability of the carbon market and reduced attractiveness of credits). 	<ul style="list-style-type: none"> » 12.8% reduction in the GHG emission intensity indicator compared to 2008, exceeding the 11% target established in 2012. » Braskem considered a benchmark in Brazil by CDP in the area of transparency. » For the third consecutive year, Braskem ranked in the Gold category of the GHG Protocol (assessment of the 2011 inventory of GHG emissions at all industrial plants and offices). » Stronger supply chain engagement on matters related to climate change, in line with the initiatives conducted with the CDP Supply Chain, CEBDS, GVces, CNI. » Conclusion of the carbon footprint studies of the five main families of products of the Company.
Water efficiency	<ul style="list-style-type: none"> » Braskem becomes a reference in the use of water resources by reusing 100% in water-stressed regions. 	<ul style="list-style-type: none"> » 2012-2015: reduce by 23% the consumption of potable water and by 20% the generation of wastewater (compared to 2010) by adopting water reuse projects. » 2012-2015: continue the remediation projects. Braskem's remediation management process focuses on preventing liabilities and mitigating the potential problems detected. The new projects present improvement mechanisms while eliminating impacts. 	<ul style="list-style-type: none"> » Reductions of 5.6% in water consumption and 10.6% in wastewater generation compared to 2011. » Participation as a user in the Aquapolo Ambiental project for industrial reuse water at the Capuava petrochemical complex in Mauá, São Paulo. Braskem consumes 65% of Aquapolo project's capacity. » Support to the Água Viva project of Cetrel in Camaçari, Bahia for the use of stormwater runoff and treated wastewater. » With regards to remediation, the diagnoses of industrial plants in Brazil were reviewed to optimize the process and strengthen the efficacy of results.

Macro objective	2020 Goals	Actions by 2015	Progress in 2012
Energy efficiency	<ul style="list-style-type: none"> » Braskem reaches the same energy consumption intensity as the world's leading large chemical companies. » Become an important user of renewable sources of energy. 	<ul style="list-style-type: none"> » 2012-2015: continue to reduce energy intensity. » 2012-2015: continue to assess the feasibility of the co-generation project based on biomass and urban solid waste. 	<ul style="list-style-type: none"> » Reduction of 1.7% in energy consumption per ton produced compared to 2011. » The rate of energy consumption was 10.59 GJ/t of product, which is the best result in the historical data series since 2002. » The feasibility of the energy co-generation project remains under evaluation.
Renewable raw materials	<ul style="list-style-type: none"> » Be the world's largest player in biopolymer production. 	<ul style="list-style-type: none"> » 2012-2015: advance the research being conducted on technological alternatives in the field of renewable raw materials. » Implement, by 2013, the process for managing sustainable development at ethanol Suppliers representing at least 90% of the volume acquired. » 2013: start operations at the first green polypropylene plant. 	<ul style="list-style-type: none"> » Advances in the research being conducted in technological alternatives in the field of renewable raw materials, which is the focus of the studies conducted at LNBio in Campinas, São Paulo. » In an important step towards managing the sustainable development of the ethanol chain, 95% of the ethanol used by the Company was acquired from Suppliers that are signatories to the Code of Conduct for Ethanol Suppliers, exceeding the target of 80%. » The investment to be made in the first Green PP plant was not yet submitted for approval to the Board of Directors of Braskem, which is required before moving forward. The Company is awaiting a more favorable moment in the market before approving the investment.
Post-consumer plastics	<ul style="list-style-type: none"> » Play a major role in developing solutions for the problem of plastic waste. » Exert influence to help Brazil reach rates similar to those of developed countries, which currently stand at around 35% for the mechanical recycling of plastic. » Bring into practice energy recovery from urban solid waste. 	<ul style="list-style-type: none"> » 2012-2015: define a business model and partnerships for the first energy recovery unit in Brazil. » 2012-2015: strengthen the recycling chain in the states where Braskem operates (Rio Grande do Sul, São Paulo, Rio de Janeiro, Bahia and Alagoas). » 2012-2013: continue to promote the chemical recycling project. 	<ul style="list-style-type: none"> » Continued progress on the studies being conducted in partnership with Odebrecht Ambiental to create an Appreciation through Energy Unit (UVA) in Mauá, São Paulo. No defined deadline for the definition of the business and partnership model. » Strengthening of the social and environmental project that supports the 15 mechanical recycling cooperatives in the states of Rio Grande do Sul, São Paulo, Bahia and Alagoas. » The chemical recycling project for the installation of a plant to convert post-consumer plastic into naphtha in Salvador (Bahia) remains in the study phase, seeking understanding of the technology selection challenges (partnership with Nova Energia). A decision on the project remains pending with no set date for resolution. » Planning of efforts required to comply with the Brazilian National Solid Waste Policy.
People	<ul style="list-style-type: none"> » Braskem perceived by society as a company actively contributing to human development in the regions where it maintains projects. » Braskem recognized as the best company to work for in its sector. 	<ul style="list-style-type: none"> » 2012-2015: conclude the implementation of SEMPRE at the assets acquired most recently. » 2012-2015: Incorporate social responsibility into the SEMPRE system, in accordance with the Corporate Social Responsibility Standard ISO26000. » 2012-2015: expand the scope of the social inclusion program to the national level by strengthening the value chain for the mechanical recycling of plastics. » 2012-2015: reduce the rates of injury and new occupational disease, while remaining a benchmark in the industry. » 2012-2015: review the private social investment (PSI) programs to align them with Braskem's main contributions to improving the HDI, the Global Compact and the Millennium Goals in each region where the Company operates. 	<ul style="list-style-type: none"> » Implementation of the SEMPRE system concluded at the assets acquired in Brazil in 2010 (Quattor). The process was begun at the units acquired from Dow Chemical in the United States and Germany in 2011. » The incorporation of Social Responsibility into the SEMPRE system was postponed indefinitely. The efforts on this program in 2012 focused on matters related to occupational health and safety, process safety, and environmental matters. » Higher income levels attained for 165 recyclable-material laborers through the social and environmental project to support the 15 mechanical recycling cooperatives. Over 400 laborers benefited from the training and infrastructure improvements. » The incident frequency rate with and without lost time was the lowest in Braskem's history: 10.04 per million hours worked. » The Private Social Investment programs were reviewed to focus efforts on projects with higher social impact: social inclusion, environmental education and cultural initiatives.

GRI CONTENT INDEX GRI 3.12

 Essential Indicator  Supplemental Indicator

Indicator	Description	Location in the report	Response/justification	Reporting level
PROFILE / STRATEGY AND ANALYSIS				
GRI 1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chairman, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Introduction / Message from Management (page 7, 8 e 9) Introduction / Message from Management / Message from the Business Leader (page 7)		Full
GRI 1.2	Description of key impacts, risks, and opportunities.	Introduction / Relevant themes for this report (page 12) About this Report / 2020 Vision - Progress (page 114)		Full
PROFILE / ORGANIZATIONAL PROFILE				
GRI 2.1	Name of the organization.	Introduction / Message from Management (page 7, 8 e 9) Profile / Global company (page 18)		Full
GRI 2.2	Main brands, products and/or services.	Profile / Global company (page 18)		Full
GRI 2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Profile / Global company (page 18)		Full
GRI 2.4	Location of organization's headquarters.	Profile / Global company (page 18)		Full
GRI 2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Profile / Global company (page 18)		Full
GRI 2.6	Nature of ownership and legal form.	Profile / Global company (page 18)		Full
GRI 2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Profile / Global company (page 18)	Braskem serves Clients in over 70 countries on five continents, supplying products to other manufacturers that process and transform them into consumer goods. The markets served include the automotive, housewares, cleaning products, personal care and cosmetics, packaging, consumer electronics and household appliances, toys, apparel and footwear, construction, sanitation, fuel additive and other industries.	Full
GRI 2.8	Scale of the reporting organization.	Profile / Global company (page 18)		Full
GRI 2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Economic development / Investments (page 44) Profile / Global company (page 18)		Full
GRI 2.10	Awards received in the reporting period.	Profile / Awards and recognition in 2012 (page 24)		Full

Indicator	Description	Location in the report	Response/justification	Reporting level
PROFILE / REPORT PARAMETERS				
GRI 3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About this Report / The report (page 112)		Full
GRI 3.2	Date of most recent previous report (if any).	About this Report / The report (page 112)		Full
GRI 3.3	Reporting Cycle (annual, biennial etc.)	About this Report / The report (page 112)		Full
GRI 3.4	Contact point for questions regarding the report or its contents.	About this Report / The report (page 112)		Full
GRI 3.5	Process for defining report content, including: determining materiality; prioritizing topics within the report; identifying stakeholders the organization expects to use the report.	Introduction / Relevant themes for this report (page 12)		Full
GRI 3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, rented facilities, joint ventures, suppliers).	About this Report / The report (page 112)		Full
GRI 3.7	State any specific limitations on the scope or boundary of the report.	About this Report (page 111)	It was not possible to obtain data for all the plants in the United States and Germany for all indicators that began to be reported in the 2012 report. The teams are working to report all relevant data as of 2013.	Full
GRI 3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	About this Report / The report (page 112)		Full
GRI 3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	About this Report (page 111) About this Report / The report (page 112)	Braskem is working on a summary for external publication of its data measurement techniques and calculation bases. At the moment, the most relevant aspects are highlighted in the notes to the data reported. The calculation techniques and bases specific to the preparation of Braskem's GHG Inventory are detailed in the report submitted to the GHG Protocol, which is available in Portuguese here.	Full
GRI 3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	About this Report (page 111) About this Report / The report (page 112)		Full
GRI 3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	About this Report (page 111) About this Report / The report (page 112)		Full
GRI 3.12	Table identifying the location of the Standard Disclosures in the report.	About this Report / Índice remissivo GRI (page 116)		Full
GRI 3.13	Policy and current practice with regard to seeking external assurance for the report.	About this Report / The report (page 112)		Full

Indicator	Description	Location in the report	Response/justification	Reporting level
PROFILE / GOVERNANCE, COMMITMENTS AND ENGAGEMENT				
GRI 4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Profile / Corporate governance (page 22) Social and environmental development / People / Profile of Team Members (page 58)	The Team Members that form Braskem's leadership are responsible for the Company's economic, social and environmental performance.	Full
GRI 4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	Profile / Corporate governance (page 22)		Full
GRI 4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.		Regarding the independence of the Board of Directors, no Director, acting or alternate, including the Chairman, is a member of Braskem's Board of Executive Officers. All acting members of the Board are men; three of the alternate members are women.	Full
GRI 4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.		All and any communication from Team Members to Braskem's Board of Directors is made through the Corporate Governance area. In Germany, communications must be approved by the Work Counsel. The Investor Relations department maintains an online communication channel. The issues raised were mostly of an operational nature and did not warrant reporting to the Board.	Full
GRI 4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).		All members of the Board of Statutory Executive Officers, Board of Executive Officers and other executives and Leaders have targets linked to their annual variable compensation, aligning the interests of Shareholders to the Company's economic-financial performance and results, as well as to common targets directly related to environment, health and safety.	Full
GRI 4.6	Processes in place for the highest governance body to ensure that conflicts of interest are avoided.		Article 26, item XVIII of the Bylaws and item 7 of the Code of Conduct establish rules to avoid conflicts of interest. Link to Braskem's Bylaws Link to Braskem's Code of Conduct	Full
GRI 4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.		Braskem's Board of Directors activities are governed by the corporation law in force, as well as by the Bylaws, the Shareholders' Agreement and the Internal Charter approved by the Board. The process for determining its composition takes into consideration the Company's best interests, the personal and professional attributes and technical and management capacity of the Members of the Board (regardless of gender or other diversity indicators). The Chairman of the Board of Directors of Braskem is responsible for allocating Directors to Board Committees, considering their individual experience and competencies versus the responsibilities of each Committee.	Full
GRI 4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Introduction / Odebrecht Entrepreneurial Technology (page 11) Profile / Braskem's 10th Anniversary (page 25) Introduction / Message from Management (page 7, 8 e 9) Profile / Corporate governance / Valores e princípios (page 23)		Full
GRI 4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.		The identification, supervision and management of economic, social and environmental performance are provided for in the Company's Bylaws and in the Internal Charter of the Board of Directors (BoD). The issue is also frequently discussed by the Members of the Strategy and Communication Committee that supports the BoD and convenes at least three times per year.	Full
GRI 4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.		There is no formal process for the self-assessment of the Board of Directors' performance.	Full

Indicator	Description	Location in the report	Response/justification	Reporting level
GRI 4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization		By principle, and in accordance with the Environment, Health, Safety, Quality and Productivity Policy, Braskem does not produce, handle, utilize, market, transport or dispose of any product if it cannot do so safely and with minimal impact to the environment.	Full
GRI 4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Business and sustainability / Participatory action and voluntary commitments (page 38)	Note: the associations mentioned are of a voluntary and multi-stakeholder nature.	Full
GRI 4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; views membership as strategic.	Business and sustainability / Participatory action and voluntary commitments (page 39)		Full
GRI 4.14	List of stakeholder groups engaged by the organization.	Introduction / Relevant themes for this report (page 12)		Full
GRI 4.15	Basis for identification and selection of stakeholders with whom to engage.	Introduction / Relevant themes for this report (page 12)		Full
GRI 4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Introduction / Relevant themes for this report (page 12)		Full
GRI 4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Introduction / Relevant themes for this report (page 12) About this Report / 2020 Vision - Progress (page 114) About this Report / Correlação entre macro-objetivos Braskem, materialidade e GRI (page 128)		Full

ECONOMIC / ECONOMIC PERFORMANCE

GRI EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Economic development / Business challenges (page 42)		Full
GRI EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Social and environmental development / Environment / Energy and climate change (page 78)		Partial
GRI EC3	Coverage of the organization's defined benefit plan obligations.		Not material. More than 70% of Braskem's Members are in defined contribution plans, in which the percentage of contribution is a personal choice. Less than 5% of the Team Members are in defined benefit plans. The liabilities are duly provisioned for in accordance with current accounting standards. See note 25.2 to the Financial Statements for further details.	Full
GRI EC4	Significant financial assistance received from government.	Economic development / Business challenges (page 42)		Full

Indicator	Description	Location in the report	Response/justification	Reporting level
ECONOMIC / MARKET PRESENCE				
GRI EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Social and environmental development / People / Remuneration (page 62)		Full
GRI EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.		The Company does not have a policy to prioritize the use of local Suppliers.	Full
GRI EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.		Braskem has a policy to hire local shift workers, since transportation to the industrial complex is provided by the Company, for safety reasons. As a result, the proportion of people hired from local Communities is naturally high. In line with the TEO's principle of Education through Work, internal transfers are widely used as a way to foster Team Members' development and learning. Therefore, also from the perspective of senior management, the proportion of Team Members from the local Community does not provide meaningful information to the Company. To know more about how the Company seeks to understand the needs of local Communities and develop related initiatives, read the section Activities in the value chain/Community and culture.	Full
ECONOMIC / INDIRECT ECONOMIC IMPACTS				
GRI EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Value chain / Community and culture (page 104)		Full
GRI EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Business and sustainability / Progress on the expansion projects / Braskem Idesa – Ethylene XXI Project (page 28) Economic development / Operating performance / Polyolefins (PE and PP) (page 46) Economic development / Operating performance / Vinyls (page 47) Economic development / Operating performance / Basic petrochemicals (page 48)	Note: The Acreditar program (or a similar local initiative) was carried out at all plant expansion or new plant construction projects in 2012 and prior years. This Odebrecht program trains people to work in various construction and maintenance activities.	Partial
ENVIRONMENTAL / MATERIALS				
GRI EN1	Materials used by weight or volume.		The main non-renewable direct* materials used by Braskem are: naphtha, condensate, ethane, propane, light hydrocarbons and sodium chloride. Braskem also uses sugarcane-based ethanol to produce ethylene made from renewable resources, which reduces its demand for non-renewable resources. The amounts used are not disclosed, as such information is considered commercially sensitive. * Direct materials: materials present in the final product. Non-renewable materials: resources that are not renewed at the same pace as they are consumed, such as minerals, metals, oil, coal, gas and etc.	Partial
GRI EN2	Percentage of materials used that are recycled input materials.		Braskem's main strategy for reducing the use of virgin raw materials is to invest in renewable raw materials. Moreover, the industrial plants maximize reuse through return streams in the production process, which is equivalent to internal recycling. Such returns can represent up to 2% of virgin raw materials, depending on operating conditions. For the future, investments are being made in energy recovery and chemical recycling.	Full

Indicator	Description	Location in the report	Response/justification	Reporting level
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ENVIRONMENTAL / ENERGY

GRI EN3	Direct energy consumption by primary energy source.	Social and environmental development / Environment / Energy and climate change (page 78)		Full
GRI EN4	Indirect energy consumption by primary energy source.	Social and environmental development / Environment / Energy and climate change (page 78)		Partial
GRI EN5	Energy saved due to conservation and efficiency improvements.	Social and environmental development / Environment / Energy and climate change (page 78)		Full
GRI EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Business and sustainability / Innovation (page 30) Social and environmental development / Environment / Energy and climate change (page 78)		Partial
GRI EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Social and environmental development / Environment / Energy and climate change (page 78)	The reductions achieved could not be measured due to the qualitative nature of the initiatives (engagement and training of Suppliers).	Partial

ENVIRONMENTAL / WATER

GRI EN8	Total water withdrawal by source.	Social and environmental development / Environment / Water (page 72)		Full
GRI EN9	Water sources significantly affected by withdrawal of water.	Social and environmental development / Environment / Water (page 72)	Note: Information for Braskem's units in Brazil. Information on the units in the United States and Germany is not available.	Full
GRI EN10	Percentage and total volume of water recycled and reused.	Social and environmental development / Environment / Water (page 72)		Full

ENVIRONMENTAL / BIODIVERSITY

GRI EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.		Braskem does not have operational units in permanent protection areas and/or areas of high biodiversity value. The following units are located close to conservation areas: - Paulínia operating unit (São Paulo): with 0.15 ha, the unit is located some 500 meters from a Permanent Conservation Area (APP). - Duque de Caxias operating units (Rio de Janeiro): with 98.55 ha, these units are located some 20 kilometers from the nearest protected area, the Petrópolis Environmental Protection Area (APA), which is protected by the National System of Conservation Units.	Full
GRI EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Social and environmental development / Environment / Environmental protection (page 91)		Full
GRI EN13	Habitats protected or restored.	Social and environmental development / Environment / Environmental protection (page 91)		Full
GRI EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Social and environmental development / Environment / Environmental protection (page 91)		Full
GRI EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Social and environmental development / Environment / Environmental protection (page 91)		Full

Indicator	Description	Location in the report	Response/justification	Reporting level
ENVIRONMENTAL / EMISSIONS, EFFLUENTS AND WASTE				
GRI EN16	Total direct and indirect greenhouse gas emissions by weight.	Social and environmental development / Environment / Energy and climate change (page 78)		Full
GRI EN17	Other relevant indirect greenhouse gas emissions by weight.	Social and environmental development / Environment / Energy and climate change (page 78)		Full
GRI EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	About this Report / 2020 Vision - Progress (page 114) Social and environmental development / Environment / Energy and climate change (page 78)		Partial
GRI EN19	Emissions of ozone-depleting substances by weight.		Not material indicator. Braskem complies with governing laws related to the theme, keeping such emissions under control. However, Braskem's impact is insignificant.	Full
GRI EN20	NO, SO, and other significant air emissions by type and weight.	Social and environmental development / Environment / Energy and climate change (page 78)		Full
GRI EN21	Total water discharge by quality and destination.	Social and environmental development / Environment / Water (page 72)		Partial
GRI EN22	Total weight of waste by type and disposal method.	Social and environmental development / Environment / Solid waste (page 88)		Full
GRI EN23	Total number and volume of significant spills.	Social and environmental development / Environment / Solid waste (page 88)		Full
GRI EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Social and environmental development / Environment / Solid waste (page 88)		Full
GRI EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.		No water bodies designated as protected areas (domestic or international) or species at risk of extinction or at threat in these areas were identified among those into which Braskem discharges wastewater.	Full
ENVIRONMENTAL / PRODUCTS AND SERVICES				
GRI EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Business and sustainability / Innovation (page 30) Social and environmental development / Environment / Environmental protection (page 91)		Full
GRI EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		Due to its position in the production chain, Braskem addresses this topic by supporting recycling cooperatives and does not monitor the percentage of materials that they recover in relation to the Company's sales.	Full

Indicator	Description	Location in the report	Response/justification	Reporting level
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ENVIRONMENTAL / COMPLIANCE

GRI EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		Braskem operates in accordance with Brazilian law and regulations. The Company did not receive any final and unappealable decision to pay fines or comply with non-monetary sanctions in the period from 2007 to 2012. For the purposes of this report, the materiality criteria of R\$10 million was adopted, given its understanding that such fines typically have lower values. In 2011, the materiality limit for fines related to this indicator was R\$60 million.	Full
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ENVIRONMENTAL / TRANSPORT

GRI EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce		Not material.	
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ENVIRONMENTAL / OVERALL

GRI EN30	Total environmental protection expenditures and investments by type	Social and environmental development / Environment / Environmental protection (page 91)		Full
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SOCIAL / LABOR PRACTICES AND DECENT WORK / EMPLOYMENT

GRI LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Social and environmental development / People / Profile of Team Members (page 58)		Full
GRI LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Social and environmental development / People / New employee hires and turnover (page 64)		Full
GRI LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Social and environmental development / People / Remuneration (page 62)		Full
GRI LA15	Return to work and retention rates after parental leave, by gender.		37% of the women that went on maternity leave in 2011 were no longer in the Company in December 2012. All men that went on paternity leave in 2011 remained at the Company in December 2012. This is the first year for which such data was collected and the matter will be further analyzed.	Partial

SOCIAL / LABOR PRACTICES AND DECENT WORK / MANAGEMENT RELATIONS

GRI LA4	Percentage of employees covered by collective bargaining agreements.		91% of Braskem's Team Members are covered by collective bargaining agreements. The percentage is 99% in Brazil, 29% in Germany and 12% in the United States. In 2011, the percentage of Team Members covered by collective bargaining agreements between Braskem (Brazil) and trade unions, by region, was 99%. The percentage in the United States was 15%. The data for 2010 (98.5%) refer only to Braskem's operations in Brazil.	Full
GRI LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		In Brazil, Braskem does not follow a formal procedure for notifying Team Members in the event of operational changes that may materially affect them. The notifications are defined by the Company's Executive Management and the trade unions are typically notified in advance. For the units in the United States, notifications are regulated by the Workers Adjustment and Retraining Act (WARN ACT), which requires employers to provide 60 days notice for plant closures and mass layoffs. In Germany, significant operational changes must be approved by the Work Counsel. There were no significant changes during 2012.	Full

Indicator	Description	Location in the report	Response/justification	Reporting level
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SOCIAL / LABOR PRACTICES AND DECENT WORK / OCCUPATIONAL HEALTH AND SAFETY

GRI LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Social and environmental development / Health and Safety (page 68)	Full
GRI LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.	Social and environmental development / Health and Safety (page 68)	Partial
GRI LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Social and environmental development / Health and Safety (page 68)	Full
GRI LA9	Health and safety topics covered in formal agreements with trade unions.	In Brazil, Braskem's collective agreements are negotiated on regional bases (the territorial base of trade unions) and include health and safety topics such as: provision of personal protective equipment; investigation of accidents (Bahia and Alagoas); washing and hygienic cleaning of uniforms (Alagoas, Bahia and Rio Grande do Sul); training and education (Bahia and São Paulo); grievance mechanism (Rio Grande do Sul); right to refuse unsafe work (Alagoas, Bahia, Rio de Janeiro and São Paulo); joint seminars on EHS issues (Bahia). The other relevant topics are covered by law. For Braskem's units in the United States, these topics are covered by union representation through the United Steel Workers of America. In Germany, they are guaranteed by law and there is also a Worker Counsel at the Company's units in the country.	Full

SOCIAL / LABOR PRACTICES AND DECENT WORK / TRAINING AND EDUCATION

GRI LA10	Average hours of training per year per employee, by gender and by employee category.	Social and environmental development / People / Development and career (page 56)		Partial
GRI LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Social and environmental development / People / Development and career (page 56)		Full
GRI LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Social and environmental development / People / Development and career (page 56)		Full

SOCIAL / LABOR PRACTICES AND DECENT WORK / DIVERSITY AND EQUAL OPPORTUNITY

GRI LA13	Composition of corporate governance bodies and breakdown of employees per employee category by gender, age group, minority group membership and other indicators of diversity.	Social and environmental development / People / Profile of Team Members (page 58)		Partial
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SOCIAL / LABOR PRACTICES AND DECENT WORK / EQUAL REMUNERATION FOR WOMEN AND MEN

GRI LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Social and environmental development / People / Remuneration (page 62)		Full
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Indicator	Description	Location in the report	Response/justification	Reporting level
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SOCIAL / SOCIETY / LOCAL COMMUNITIES

GRI S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.		<p>All of Braskem's operations (plants and pipelines) are analyzed for social and environmental impacts before installation. At sites where a Community may be affected by the operation, a program for risk management (PGR) is established as part of the requirements for obtaining the operational license. In addition to complying with the legal requirements to train the Community in potential evacuation scenarios, a social and environmental diagnosis of Community needs is carried out to support the creation of relevant development programs. To encourage participation in accident drills, the Company offers benefits, in which case the Community is also consulted as to which benefits they would like to receive.</p> <p>The Company also makes Private Social Investments in Communities according to the needs identified. Braskem's PSI aim to develop people on three fronts: environmental education, cultural promotion and social inclusion. See Activities in the value chain/ Communities and Culture.</p>	Full
GRI S09	Operations with significant potential or actual negative impacts on local communities.		All of Braskem's operations pose potential risks to local Communities due to the nature of operations and the products handled by the Company.	Full
GRI S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Social and environmental development / Health and Safety (page 68)	Braskem prevents and mitigates potential risks to the populations surrounding its industrial plants through the SEMPRESSE excellence program, in particular through its management of process safety.	Full

SOCIAL / SOCIETY / CORRUPTION

GRI S02	Percentage and total number of business units analyzed for risks related to corruption.		Braskem does not conduct specific assessments of corruption risks, since it operates in the private sector, with limited interaction with government agencies, and is therefore less exposed to such risks, which are managed by the Company's Property Security area.	Full
GRI S03	Percentage of employees trained in organization's anti-corruption policies and procedures.		All Members must undergo training on the Code of Conduct, which establishes the Company's practices on the subject. The percentage of attendance is not monitored in a centralized manner.	Full
GRI S04	Actions taken in response to incidents of corruption.		No incidents of corruption were identified.	Full

SOCIAL / SOCIETY / PUBLIC POLICY

GRI S05	Public policy positions and participation in public policy development and lobbying.	Value chain / Government (page 108)		Partial
GRI S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.		The amount of total financial contributions to political parties or related institutions is available on the website of the Regional Electoral Court (TRE).	Partial

SOCIAL / SOCIETY / ANTI-COMPETITIVE BEHAVIOR

GRI S07	Total number of legal actions for anticompetitive behavior and anti-trust and monopoly practices and their outcomes.		In 2012, no legal actions involving anti-competitive behavior and anti-trust and monopoly practices were identified.	Full
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SOCIAL / SOCIETY / COMPLIANCE

GRI S08	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.		Braskem operates in accordance with Brazilian law and regulations. The Company did not receive any final and unappealable decision to pay fines or comply with non-monetary sanctions in the period from 2007 to 2012. For the purposes of this report, the Company adopted the same materiality criteria used in the Reference Form instituted by the Securities and Exchange Commission of Brazil (CVM), pursuant to CVM Rule 480/2009, of R\$60 million. For environmental fines only, the materiality was adjusted to R\$10 million, in view of the typically lower value of fines in this area.	Full
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Indicator	Description	Location in the report	Response/justification	Reporting level
SOCIAL / HUMAN RIGHTS / PROCUREMENT PRACTICES				
GRI HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.		The Ethylene XXI Project in Mexico is Braskem's only significant investment in the reporting period that is relevant to the HR1 indicator. The contract underwent all social and environmental risk analyses by the International Finance Corporation (IFC), which are considered some of the most rigorous in force.	Full
GRI HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.		The main categories of Suppliers in which human rights risks were identified were Logistics and Ethanol. The approach taken in these areas is described in Activities in the value chain / Suppliers/ Logistics. This risk assessment was qualitative, based on Braskem's understanding of the operations of its Suppliers. We believe we have not yet achieved an exhaustive analysis of Braskem's Suppliers and therefore do not have results in percentage terms.	Full
GRI HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.		All Team Members must undergo training on the Code of Conduct, which establishes the Company's practices on the subject. The percentage of attendance is not monitored in a centralized manner.	Full
SOCIAL / HUMAN RIGHTS / NON-DISCRIMINATION				
GRI HR4	Total number of incidents of discrimination and corrective actions taken.	Profile / Corporate governance / Values and principles (page 23)		Full
SOCIAL / HUMAN RIGHTS / FREEDOM OF ASSOCIATION				
GRI HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Value chain / Suppliers (page 100) Social and environmental development / People / Development and career (page 56)	No operations under risk of violation of such right were identified. Activities in the value chain/ Suppliers	Full
SOCIAL / HUMAN RIGHTS / CHILD LABOR				
GRI HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Value chain / Suppliers / Strategic raw materials (page 101) Value chain / Suppliers / Logistics (page 102)		Full
SOCIAL / HUMAN RIGHTS / FORCED OR COMPULSORY LABOR				
GRI HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Value chain / Suppliers / Strategic raw materials (page 101) Value chain / Suppliers / Logistics (page 102)		Full
SOCIAL / HUMAN RIGHTS / SECURITY PRACTICES				
GRI HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.		Not material.	
SOCIAL / HUMAN RIGHTS / INDIGENOUS RIGHTS				
GRI HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		Not material.	

Indicator	Description	Location in the report	Response/justification	Reporting level
SOCIAL / HUMAN RIGHTS / ASSESSMENT				
GRI H10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		All of Braskem's operations are subject to the Code of Conduct, which governs human rights issues. As a result, the Company does not deem it necessary to conduct additional human rights-specific assessments.	Full
SOCIAL / HUMAN RIGHTS / REMEDIATION				
GRI HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Profile / Corporate governance / Values and principles (page 23)		Full
SOCIAL / PRODUCT RESPONSIBILITY / CUSTOMER HEALTH AND SAFETY				
GRI PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Value chain / Clients / Product responsibility (page 98)		Full
GRI PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Value chain / Clients / Product responsibility (page 98)		Full
SOCIAL / PRODUCT RESPONSIBILITY / PRODUCT AND SERVICE LABELING				
GRI PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Value chain / Clients / Product responsibility (page 98)		Full
GRI PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Value chain / Clients / Product responsibility (page 98)		Full
GRI PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.		Low materiality Indicator, since Braskem is a B2B (Business to Business) company, i.e. whose clients are other companies, not individuals. Customer satisfaction is accompanied directly on a case-by-case basis by the account manager.	Full
SOCIAL / PRODUCT RESPONSIBILITY / MARKETING COMMUNICATIONS				
GRI PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.		As a B2B (Business to Business) company, this topic is not material for most of the Company's performance. With regard to green plastic, the Company follows the determinations of BioPlast and avoids the use of dubious terms. For this, Braskem developed a Manual of application for use of the I'm Green seal. For more information on the promotion of Braskem's green products, please go to http://www.braskem.com.br/site.aspx/green-products . Click here For more information on the use of the I'm Green trademark.	Full
GRI PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.		No incidents of non-compliance concerning marketing communications, campaigns and sponsorship were identified.	Full
SOCIAL / PRODUCT RESPONSIBILITY / CUSTOMER PRIVACY				
GRI PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.		No cases of breach of customer privacy or loss of customer data were identified.	Full
SOCIAL / PRODUCT RESPONSIBILITY / COMPLIANCE				
GRI PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.		There were no significant fines (above R\$60 million).	Full

CORRELATION BETWEEN BRASKEM'S MACRO OBJECTIVES, MATERIALITY AND GRI GRI 4.17

The following table shows the correlation between the Company's seven macro objectives and matters of material interest, grouped by their respective themes of interest. The table also shows how such issues are addressed by the GRI indicators reported herein.

MACRO OBJECTIVE	STAKEHOLDER	THEMES OF INTEREST	ISSUES OF INTEREST	INDICATORS REPORTED (related to macro objectives and to matters of public interest)
GREENHOUSE GASES	Shareholders, Suppliers, Providers of Capital, Government and Community	Environmental management	» Production processes (disposal, reuse, cleaner production, internal processes).	EC2, EN1, EN2, EN6, EN11, EN12, EN13, EN14, EN15, EN21, EN22, EN23, EN24 and EN25
ENERGY EFFICIENCY			» Use of resources, water and energy, monitoring and reduction of water consumption and greenhouse gas emissions.	Specific indicators of Greenhouse Gases: EN16, EN17, EN18, EN19, EN20, EN28 and S08
WATER EFFICIENCY			» Evolution of environmental practices throughout the Company's growth, general environmental indicators, environmental management, Braskem's environmental impact, use of best environmental techniques and practices and safeguarding the environment.	Specific indicators of energy efficiency: EN3, EN4, EN5 and EN7
			» Braskem's contribution to minimizing global warming.	Specific indicators of water efficiency: EN8, EN9 and EN10
CHEMICAL SAFETY	Team Members	People	» Training and integration of Team Members.	LA6, LA7, LA8, LA9 and LA19
	Team Members and Community	Health and Safety	» Commitment to health and safety of the people working at the Company and in the Community » Safety of Braskem's facilities.	PR1, PR2, PR3, PR4, PR5, PR6, PR7, LA7, LA9, S01, S09, S010, EN21, EN22, EN23, EN24, EN25, EN26, EN27, EN29 and EN30
RENEWABLE RAW MATERIALS	Team Members, Suppliers and Clients	Management of the value chain	» Management of third parties in the Commercial relationship. » Management of Suppliers – impacts on value chain, Braskem's presence in the production chain (from producer to final Client) and impacts of Braskem's rules on the work methods of outsourced companies.	EN26
	Government Clients, Suppliers and Providers of Capital	Innovation	» Plans for the future and green Chemicals (use of renewable raw materials). » Partnership for the development of new products and prospecting markets to meet current and future needs (e.g. products made from renewable raw materials)/ innovation: development of new products, partnerships with universities, R&D and possibility of partnerships for the development of new equipment, technical and social projects.	PR1, PR3 and EN26

MACRO OBJECTIVE	STAKEHOLDER	THEMES OF INTEREST	ISSUES OF INTEREST	INDICATORS REPORTED (related to macro objectives and to matters of public interest)
POST-CONSUMER	Shareholders, Suppliers, Providers of Capital, Government and Community	Environmental management	<ul style="list-style-type: none"> » Production processes (disposal, reuse, cleaner production and internal processes). » Use of resources, water and energy, monitoring and reduction of water consumption and greenhouse gas emissions. » Evolution of environmental practices throughout the Company's growth, general environmental indicators, environmental management, Braskem's environmental impact, use of best environmental techniques and practices and safeguarding the environment. » Braskem's contribution to minimizing global warming. 	EC2, EN2, EN3, EN4, EN5, EN6, EN7, EN8, EN9, EN10, EN16, EN18, EN19, EN21, EN22, EN23, EN24, EN25, EN26 and EN30
	Team Members, Suppliers and Clients	Management of the value chain	<ul style="list-style-type: none"> » Management of third parties in the Commercial relationship. » Management of Suppliers – impacts on value chain, Braskem's presence in the production chain (from producer to final Client) and impacts of Braskem's rules on the work methods of outsourced companies. 	LA7, LA9 and LA11
	Government Clients, Suppliers and Providers of Capital	Innovation	<ul style="list-style-type: none"> » Plans for the future and green chemicals (use of renewable raw materials). » Partnership for the development of new products and prospecting markets to meet current and future needs (e.g. products made from renewable raw materials), innovation: development of new products, partnerships with universities, R&D and possibility of partnerships for the development of new equipment, technical and social projects. 	PR1 and PR3
PEOPLE	Clients, Financing Company and Team Members	Communication and management of relationship with stakeholders	<ul style="list-style-type: none"> » Interaction between Braskem and its clients related to the image of petrochemicals. 	
	Team Members, Suppliers and Clients	Management of the value chain	<ul style="list-style-type: none"> » Management of third parties in the Commercial relationship. » Management of Suppliers – impacts on value chain, Braskem's presence in the production chain (from producer to final Client) and impacts of Braskem's rules on the work methods of outsourced companies. 	HR6 and HR7
	Team Members	People	<ul style="list-style-type: none"> » Training and integration of Team Members. 	LA8, LA10, LA11 and LA12
	Team Members and Community	Health and Safety	<ul style="list-style-type: none"> » Commitment to the health and safety of the people working at the Company and in the Community » Safety of Braskem's facilities. 	LA6, LA7, LA8, LA9, PR1, PR2, PR3, PR4 and PR7

Matters of interest concerning aspects involving economic and financial development were also mentioned by stakeholders. The following table includes the GRI indicators corresponding to the matters presented.

STAKEHOLDER	THEMES OF INTEREST	ISSUES OF INTEREST	INDICATORS REPORTED (related to macro objectives and to matters of public interest)
Shareholders, Team Members, Government and Suppliers	Financial Performance	<ul style="list-style-type: none"> » Financial Impact of Braskem's investments. » Increase in Braskem's productivity » Products and services. » Performance, Braskem's growth, current and future economic and financial results. 	EC1, EC2, EC4, EN13 and EN30

CORRELATION WITH GLOBAL COMPACT

PRINCIPLES OF THE GLOBAL COMPACT	CHAPTERS AND GRI INDICATORS PRESENTING BRASKEM'S RESULTS RELATED TO THE GLOBAL COMPACT
PRINCIPLE 1 Respect and protect human rights.	Introduction/TEO Profile/Corporate Governance/Values and principles Social and environmental development/People/Development and career Activities in the value chain/Suppliers GRI 4.8 HR1 HR2 HR3 HR4 HR6 HR7 HR11
PRINCIPLE 2 Prevent human rights abuses.	Profile/Corporate Governance/Values and principles Activities in the value chain/Suppliers GRI HR4 HR6 HR7 HR11
PRINCIPLE 3 Uphold freedom of association.	Social and environmental development/People/Development and career GRI HR5
PRINCIPLE 4 Abolish forced labor.	Activities in the value chain/Suppliers GRI HR6 HR7
PRINCIPLE 5 Abolish child labor.	Activities in the value chain/Suppliers GRI HR6 HR7
PRINCIPLE 6 Eliminate discrimination at work.	Social and environmental development/Profile of Team Members Social and environmental development/People/Remuneration GRI LA1 LA2 LA12 LA13 LA14 LA15 HR4 HR11
PRINCIPLE 7 Support precautionary approach to environmental challenges.	Introduction/Message from Management Introduction/TEO Introduction/2020 Vision Profile/Corporate governance Business and sustainability/Innovation/Renewables Business and sustainability/Innovation/Maxio Business and sustainability/Voluntary commitments Social and environmental development/People/Development and career Social and environmental development/EHS Management Social and environmental development/Occupational Health and Safety Social and environmental development/Environment Activities in the Value chain/Communities and culture/Social inclusion Activities in the Value chain/Communities and Culture/ Environmental education Activities in the Value chain/Clients/ Life Cycle Analysis Activities in the value chain/ Customers/ Product responsibility About this report/2020 Vision – Progress GRI 1.1 4.8 4.9 4.12 EC2 EN2 EN3 EN4 EN5 EN6 EN7 EN8 EN9 EN10 EN11 EN12 EN13 EN14 EN15 EN16 EN17 EN18 EN19 EN25 EN26 EN30 SO1 PR1 PR2 PR3 PR4

PRINCIPLES OF THE GLOBAL COMPACT

CHAPTERS AND GRI INDICATORS PRESENTING BRASKEM'S RESULTS RELATED TO THE GLOBAL COMPACT

PRINCIPLE 8

Promote environmental responsibility.

Introduction/Message from Management
Introduction/TEO
Introduction/2020 Vision
Business and sustainability/Innovation/Renewables
Business and sustainability/Innovation/Maxio
Social and environmental development/People/Development and career
Social and environmental development/EHS Management
Social and environmental development /Occupational Health and Safety
Social and environmental development/Environment
Activities in the value chain/Communities and culture/Social inclusion
Activities in the value chain/Communities and culture/Environmental education
About this report/2020 Vision – Progress

GRI EN2 | EN3 | EN4 | EN5 | EN6 | EN7 | EN8 | EN9 | EN10
EN11 | EN13 | EN14 | EN15 | EN16 | EN17 | EN18 | EN19
EN21 | EN22 | EN23 | EN24 | EN25 | EN27 | EN28 | EN30

PRINCIPLE 9

Encourage environmentally friendly technologies.

Business and sustainability/Innovation
Social and environmental development/Process safety
Social and environmental development/Environment
Activities in the value chain/Communities and culture/Social inclusion
Activities in the value chain/Communities and culture/ Environmental education

GRI EN26

PRINCIPLE 10

Work against corruption in all its forms, including extortion and bribery.

Profile/Corporate governance

GRI S02 | S03 | S04

DNV ASSURANCE STATEMENT

BRASKEM 2012 ANNUAL SUSTAINABILITY REPORT

Digital version in Portuguese



1. CONTEXT AND RESPONSIBILITIES

Det Norske Veritas (DNV) has been commissioned by Braskem S.A. (Braskem), to provide assurance services of the Portuguese version of Braskem's 2012 Annual Sustainability Report ('the Report').

This report is intended to inform stakeholders of the company's sustainability performance. The Board of Braskem is responsible for all information provided in the Report as well as the processes for collecting, analyzing and reporting that information. DNV's responsibility regarding this verification is to Braskem only, in accordance with the scope of work commissioned. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based upon this Assurance Statement.

2. INDEPENDENCE

DNV was not involved in the preparation of any text or data included in the Report, except for this Assurance Statement. DNV also affirms its independence from bias, influence or conflicts of interest associated with Braskem or its stakeholders. DNV did not work with Braskem in 2012 on any engagements that could compromise the independence or impartiality of our findings, conclusions or recommendations.

3. SCOPE AND LIMITS OF THE VERIFICATION

The verification scope included a review of sustainability-related data and activities between 01 January 2012 to 31 December 2012 as described in the Report. Based on the scope of work commissioned by Braskem, the main objectives of DNV's assurance engagement were to assess and verify:

- Systems, processes and tools to collect, aggregate, control/assure the quality of data and report on sustainability-related information;
- Processes carried out by Braskem in order to identify, assess and prioritize material sustainability issues including: chemical safety, water efficiency, energy efficiency, renewable raw materials, post-consumer plastic waste, people (human development);
- Processes and activities carried out by Braskem in order to determine the content of the report and identify, analyze and respond to stakeholders' expectations in relation to the company's sustainability strategy, management and performance;
- The description of sustainability related policies, strategies, objectives, initiatives, achievements and performance in 2012 in the Report;
- Adherence of reported information to the Global Reporting Initiative (GRI 3.1, 2011) and verification of application level declared by Braskem.

This assurance engagement focused mainly on the quality of the sustainability information and data presented in the Report and the underlying reporting systems. The assurance engagement is based on the assumption that the data and information are complete, sufficient, and accurate. DNV disclaims any liability or responsibility to a third party for decisions, whether investment or otherwise, based upon this assurance statement. DNV's scope of work did not include an assessment of the adequacy, effectiveness or efficiency of Braskem's strategy or management

of sustainability issues. It also excluded the assessment or verification of sustainability management, performance or reporting practices by Braskem's suppliers or any other third parties mentioned in this Report. This statement does not cover the verification of information or processes related to greenhouse gas emissions, which were subject to assessment and assurance by another third party. Financial information and data were also excluded from scope.

4. APPROACH AND METHODOLOGY

DNV is a leading provider of sustainability services, including verification of sustainability reports. Our environmental and social assurance specialists work in over 100 countries.

This assurance engagement was carried out between January and June 2013 by suitably qualified and experienced professionals, following DNV's Protocol for Verification of Sustainability Reports (VeriSustain). VeriSustain has been developed in accordance with the most widely accepted reporting and assurance standards, including AccountAbility's AA1000 Assurance Standard (2008) and the GRI Sustainability Reporting Guidelines, 2011 (GRI G3.1). In that respect, the Report has been evaluated against the following criteria:

- Adherence to the principles of Materiality, Completeness, Neutrality, Reliability, Responsiveness and Stakeholder Inclusiveness, as set out in the DNV Verification Protocol for Sustainability Reporting, and The GRI 2011 Sustainability Reporting Guidelines Version 3.1.

The verification included the following activities:

- Interviews with 30 directors and managers at Braskem's headquarters in São Paulo, Brazil and two production units: polymer (PE-7) factory in Santo André, São Paulo and basic petrochemical (UNIB-4) factory in Duque de Caxias, Rio de Janeiro. Phone interviews with a manager of United States of America unit and with a representative of Mexico unit. The purpose of the interviews was to confirm Braskem's commitment and priorities related to sustainability.
- Review of the evolution of commitments, structures and resources for managing sustainability;
- Review of policies, procedures and sustainability performance-related reports;
- Assess the quality and effectiveness of data management systems and tools for collection, aggregation, quality control/assurance and reporting of sustainability information, including the testing of samples of data;
- Analysis of internal and external communications about themes and sustainability performance of Braskem.

5. CONCLUSIONS

In DNV's opinion, the Report is an accurate and fair representation of the Company's sustainability-related strategies, management systems and performance. We have evaluated the Report's adherence to the following principles in a 3-point scale of Good, Acceptable and Needs Improvement:

Materiality: Acceptable. Braskem has demonstrated internal processes that are effective in bringing out issues of significance for the operations in Brazil. In 2012, Braskem improved its reporting of the relationship between material issues, determined by a materiality process conducted in 2010, and its sustainability goals and commitments. Braskem will benefit from carrying out its plan to include its international operations in its materiality assessment.

Completeness: Acceptable. The scope of sustainability issues as well as the temporal and geographical boundaries of the report are clearly defined. Braskem adequately describes in the report how sustainability topics relate to organizational strategy. Most sustainability performance indicators are applicable to Braskem operations in Brazil, United States and Germany. The limitations in the reporting of the indicators related to the sustainability performance and geographic coverage are usually indicated. We believe it is important for Braskem to ensure it carries out its plan to include its international operations and its value chain processes in the Report content.

Stakeholder Inclusiveness and Responsiveness: Acceptable. The Company's engagement process effectively identifies the expectations of stakeholders in Brazilian units, involving business leaders and representatives from eight categories of external stakeholders. Braskem has different methods for interacting with their stakeholders. DNV recommends that Braskem consider broadening the stakeholder categories involved in the materiality process and address issues that, while not material to the Company, still require a response in the report.

Reliability: Needs Improvement. The reliability of the data is limited by the absence of automation and systematization of the processes concerning the collection, compilation, verification, analysis and reporting of data.

Balance: Needs Improvement. Braskem continued to improve the balance of the information presented. However, the tone of the report is more subjective than objective. The report needs to better disclose negative issues and challenges in reaching targets.

Based on the verification work carried out, DNV can conclude that:

- The information in the Report is presented in accordance with the GRI guidelines Version 3.1 (2011), fulfilling the requirements of the application level A+, declared by Braskem.

6. RECOMENDATIONS

Based on the findings of the verification, DNV provides the following recommendations in order to promote continuous improvement of the Report:

- Systematize data management processes, along with the implementation of internal control processes and quality assurance of the sustainability performance data;
- Continue to improve processes to determine materiality, stakeholder inclusiveness, through the extension of these processes to Braskem's international operations. Furthermore, the Company should consider responding to all levels of stakeholder feedback in the Report in order to reflect Braskem's full sustainability context;
- Continue to improve the consistency of reporting between commitments and sustainability goals, actions taken by the company to achieve these goals during the year, the level of compliance with the proposed targets, and commitments set for the following year;
- Keep the progressive evolution of the reporting of the information and performance indicators for all operations of Braskem, to allow full reporting of the indicators, as well as the internal comparability of sustainability performance;

Continue to improve the structure of the report to ensure balance, clarity and accuracy of information reported within the limits pre-established of the report.

Ana Cristina Campos Marques
Project Manager

Marcos Coelho
Verifier

Raphael Albino Leite
Verifier

Natasha D'Silva
Quality Assurance

Det Norske Veritas, São Paulo – July 1, 2013.

To view the signed statement:

http://www.relatorioanualbraskem.com.br/2012/media/pdf/English_Parecer_DNV_Braskem_2013Jul01_Final_3.pdf

KPMG ASSURANCE STATEMENT

ASSURANCE REPORT ISSUED BY INDEPENDENT AUDITORS

TO THE DIRECTORS AND OFFICERS OF BRASKEM S/A

São Paulo - SP

INTRODUCTION

We have been engaged by Braskem S/A to present our limited assurance report on the compilation of the Information regarding "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" of Braskem S/A related to the year ended December 31st, 2012.

RESPONSIBILITIES OF COMPANY MANAGEMENT

The management of Braskem S/A is responsible for preparing and adequately presenting the Information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" in accordance with the criteria of *"The Greenhouse Gas (GHG) Protocol - Corporate Accounting and Reporting Standard - Revised Edition from WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development)" - (2004 Revised Edition)* and *"2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories"* and by the internal controls determined as necessary to allow the elaboration of those information free from material misstatement, even though it was resulted by fraud or error.

INDEPENDENT AUDITORS' RESPONSIBILITY

Our responsibility is to express a conclusion about the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" based on the limited assurance engagement conducted and prepared in accordance with NBC TO 3000 (Assurance Engagements Other Than Audits or Reviews) issued by the Federal Accounting Council - CFC, which is the equivalent to international standard ISAE 3000 issued by the International Federation of Accountants applicable to Non-Historical Information. These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted aiming to obtain limited assurance that the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" taken as a whole is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) primarily consists of making enquiries to Company management and other employees involved in preparing the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" and also applying analytical procedures to obtain evidence that permits us to make a limited assurance conclusion about the information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor learns of issues which lead them to believe that the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation and presentation of the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" and other engagement circumstances and considerations about areas where material misstatement could exist. The procedures consisted of:

- (a) the planning of the work, considering the relevance, consistency, amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparing of the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" of Braskem S/A.
- (b) the understanding of the calculation methodology and procedures used to consolidate the indicators through interviews with the managers in charge of the preparation of the information.
- (c) the reviewing of the calculation records of greenhouse gas emissions taking into consideration Scope 1 (direct greenhouse gas emissions) amounting to 9.564.723,10 tons of CO₂e, Scope 2 (Electricity indirect greenhouse gas emissions), amounting to 770.518,67 tons of CO₂e and Scope 3 (other indirect greenhouse gas emissions), amounting to 11.999.834,05 tons of CO₂e, according to the GHG Protocol.
- (d) sample-based verification of the direct and indirect energy consumption indicators used to calculate the greenhouse gas emissions.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

SCOPE AND LIMITATIONS

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in an assurance engagement aiming to express an opinion about the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions". Due to this, it does not ensure us that we are aware of all the issues that would be identified during an assurance engagement which aims to express an opinion. If we had conducted an engagement in order to express an opinion, we might have identified other issues and possible misstatements which can be in the information presented in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions". Therefore, we are not expressing an opinion about this information.

The nonfinancial data is subject to more inherent limitations than the financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subject to individual presumptions and judgments. Additionally, we did not examine data informed for prior periods or future projections and targets either.

CONCLUSION

Based on the applied procedures, described in this report, we have not identified any relevant information that leads us to believe that the information in the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" of Braskem S/A was not compiled, in all material aspects, in accordance with the guidelines "*The Greenhouse Gas (GHG) Protocol - Corporate Accounting and Reporting Standard - Revised Edition from WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development)*" - (2004 Revised Edition) and "2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories".

EMPHASIS

GREENHOUSE GAS INVENTORY RESTATEMENT

On May 23rd, 2013 we have issued our limited assurance report with no modifications regarding the "Corporate Inventory of Direct and Indirect Greenhouse Gas Emissions" of Braskem S/A, related to the year ended December 31st, 2012 which now is being restated. This greenhouse gas inventory has been modified and restated voluntarily to reflect the new CO2 Emission Factor of the Brazilian National Grid of November, 2012, disclosed by the Science, Technology and Innovation Ministry (MCTI) on May 28th, 2013. As a result, our conclusion considers this modification and replaces the prior issued conclusion. Our conclusion does not contain any modification related to this matter.

São Paulo, June 10th, 2013

KPMG Risk Advisory Services Ltda.
CRC 2SP0232033/O-4

Eduardo V. Cipullo
Contador CRC 1SP135597/O-6

To view the signed statement:

http://www.relatorioanualbraskem.com.br/2012/media/pdf/62988-Braskem_report_KPMG_english_VGHG_2013_V3_CDP_CLIENTE.pdf

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Spanish – Arabera Traduções

English – Green Associados

GLOSSARY

Abiquim

Brazilian Chemical Manufacturers' Association.

ABNT / NBR

Brazilian Association of Technical Standards/
Brazilian Standard.

Above standard

One of the categories that risk rating companies use to classify organizations. They are: Good, Above standard, Standard, Substandard and Poor.

Above average

Rating given by insurers to indicate the risk of companies: below average, average, above average and excellent.

LCA

Life cycle analysis

BB+ / BBB-

Ratings that evaluate the credit worthiness of the debt issues of a company or government/ country. BB+ is one notch below investment grade, while BBB- already represents investment grade. These ratings, assigned by rating agencies, represent the ability to repay debt on time.

Biodiversity

The variety and variability existing among living organisms and the ecological complexities in which they occur. This diversity includes ecosystems, animals, plants, fungi, microorganisms and genetic diversity.

Biopolymer (bioplastic)

Thermoplastic resin produced from renewable raw materials, including sugarcane, and/or materials considered biodegradable (Source: European Bioplastics Association).

BM&FBovespa

Securities, Commodities and Futures Exchange.

BNDESPAR

Banco Nacional de Desenvolvimento Econômico e Social Participações, the investment arm of the Brazilian Development Bank (BNDES).

Lost time incident

Occupational accidents in which work days are lost.

Carbon Disclosure Project (CDP)

Project for the disclosure of information regarding carbon management. It is a global initiative to encourage companies to disclose their efforts to tackle climate change.

CEBDS

Brazilian Business Council for Sustainable Development.

CO2

Carbon dioxide.

CO2e

Carbon dioxide equivalent (the sum of all greenhouse gas emissions "converted" into carbon dioxide).

Composting

Set of techniques used to control the decomposition of organic materials in order to obtain, in the shortest period of time, stable material that is rich in humus and mineral nutrients.

Responsible or conscientious consumption

Pursuit of balance between the personal satisfaction of the consumer and sustainability, maximizing the positive consequences of this act not just for themselves, but for social relations, the economy and nature as well.

Basel Convention

A global initiative to control transboundary movements of hazardous waste and its disposal, launched in 1988 by the United Nations Environment Program (UNEP).

Cracking

Transformation by cracking (or breaking) of large molecules into smaller molecules. This is used in the industrial processes of Braskem to transform naphtha into lighter derivatives such as ethylene, propylene and other byproducts, including butadiene, toluene, paraxylene, ortoxylene, mixed xylene and gasoline. This process is carried out in crackers.

CVM

The Securities and Exchange Commission of Brazil, the entity with powers to regulate, establish rules and monitor the activities of the various market players.

Sustainable development

Development that is capable of meeting the needs of the current generation without jeopardizing the capacity to meet the needs of future generations.

DNV

Det Norske Veritas (a consulting firm).

EBITDA

Earnings before interest, taxes, depreciation and amortization.

Eco-efficiency

Ratio between the amount of resources needed to produce a given product and its production volume. Denotes productivity from the environmental standpoint.

Energy efficiency

Rational use of energy to maximize its benefits.

Water efficiency

Rational use of the available water resources.

Entrepreneurship

The practice of entrepreneurship within the company by its members (one of the principles of the Odebrecht Entrepreneurial Technology, or TEO).

Scope 1

Refers to direct GHG emissions from sources that pertain to or are controlled by the Organization, such as combustion emissions from the boilers, furnaces and vehicles of the Company or its subsidiaries.

Scope 2

Includes the GHG emissions from purchase of the electrical and thermal energy that is consumed by the Organization.

Scope 3

Refers to Indirect GHG emissions. Scope 3 covers all other emissions arising from the direct activities of the Organization but that are from sources not owned or controlled by it.

Water stress

Phenomenon that occurs when human consumption of water exceeds 40% of the renewable fresh water resources in a certain water basin.

ETBE

Ethyl tert-butyl ether. A gasoline additive.

GHG

Gases or substances that cause the greenhouse effect (global warming) in the Earth's atmosphere.

Brazil GHG Protocol

Program to encourage companies to prepare and publish inventories of greenhouse gas emissions. GHG Protocol is a methodology developed in the United States in 1998 and currently used by companies and governments worldwide to conduct GHG inventories.

GJ

Giga Joules.

LPG

Liquefied Petroleum Gas.

GPS

Global Product Strategy.

Investment grade

Companies or countries considered good payers. For a company, being rated investment grade by rating agencies means a greater likelihood of attracting investors. The more reliable a country or company is, the greater the chances of obtaining loans at lower costs (interest).

GRI

Global Reporting Initiative (network that developed a new methodology for a global standard of reporting on the economic, social and environmental performance of organizations).

MHW

Man Hours Worked.

Hydrosieves

Filters

ICCA

International Council of Chemical Associations.

Idesa

A Mexican petrochemical company.

HDI

Human Development Index.

IPCC

Intergovernmental Panel on Climate Change of the United Nations.

ISE

Corporate Sustainability Index of the BM&FBovespa.

ISO 26000

First international standard of corporate social responsibility.

PSI

Private social investments.

Joint venture

Partnership between companies that allows them to expand the economic base of their business operations.

kg/t

Kilogram per metric ton.

Latibex

Index of Latin American companies whose shares are traded in euros on the Madrid Stock Exchange in Spain.

Make up

Replenishing water in the cooling tower

NYSE

New York Stock Exchange.

Millennium Development Goals

Commitment defined by the United Nations and approved by 191 countries in 2000, which sets out the objectives for improving the quality of life, health, education and environment of the planet.

OHSAS

Occupational, Health & Safety Assessment Series (management system focused on occupational health and safety).

Olefins

Ethylene, propylene, butadiene, the raw materials of the chemical and petrochemical industries.

UNO

United Nations Organization.

AP

Action Program.

Global Compact

Initiative developed by the United Nations to mobilize the international business community to adopt, in their business practices, fundamental and globally accepted values in the areas of human development, work relations, environment and combating corruption.

PE

Polyethylene.

HDPE

High-Density Polyethylene.

LDPE

Low-Density Polyethylene

LLDPE

Linear Low-Density Polyethylene.

Carbon footprint

The amount of greenhouse gas emissions from a given product, considering the raw materials that go into its production, all processing activities it undergoes, transportation between stages, use by the end consumer, all the way to its final disposal, at the end of the product lifecycle.

Basic petrochemicals

Products derived from the cracking of naphtha or natural gas, which are subdivided into two main families: olefins (ethylene, propylene and butadiene) and aromatics (benzene, toluene and xylenes).

Green Plastic (Green PE)

To Braskem, this refers to plastics composed more than 50% of raw materials derived from renewable resources.

UNEP

United Nations Environment Program.

Polyethylene (PE)

Second generation petrochemical derived from ethylene. Thermoplastic resin (a type of plastic) that can be molded by heating. It is used as raw material to produce various plastic products, such as flexible packaging, packaging for cleaning and personal hygiene products, bags and flexible films for packaging.

Green Polyethylene (Green PE)

Polyethylene made from renewable sources, such as sugarcane ethanol, rather than from fossil-based raw materials.

Polypropylene (PP)

Second generation petrochemical product derived from propylene with properties similar to those of polyethylene, but with a higher melting point. Thermoplastic resin widely used in the automotive industry, in cabinets for home appliances, sacks for fertilizers, seeds and cement, as well as disposable cups and plates.

PP

Polypropylene.

Cleaner production

Continuous application of a preventive environmental strategy integrated into processes, products and services to increase overall efficiency and reduce risks to human health and the environment.

Green products

For Braskem, green products are those made from renewable raw materials.

Responsible Care Program

Voluntary initiative launched by the global chemicals industry through the ICCA to improve the environmental management of chemicals companies and their production chains.

PVC

Polyvinyl chloride.

Sustainable Chemicals

The supply of chemical products to meet the needs of modern society that consider their economic, social and environmental impacts and production methods, boosting their positive impacts and controlling/minimizing any negative impacts.

Sootblowing

Cleaning of the internal piping of boilers to remove soot deposits that act as thermal insulation.

Rating

The opinion of agencies specializing in risk analysis on the capacity of companies or governments to pay their debts.

REACH

Registration, Evaluation and Authorization of Chemicals.

Energy recovery or recycling

Recovery of the energy contained in urban solid waste in the form of electric or thermal energy through controlled incineration.

Mechanical recycling

In the case of plastics, refers to post-consumer use by physically converting waste into granules after the bonding and extrusion process.

Chemical recycling

Occurs when plastic waste is subjected to chemical processes for depolymerization and obtaining gases and oils, which are subsequently used as feedstock to produce other polymers with the same properties of the original resins.

Thermoplastic resins

These are polymers that can be repeatedly softened or hardened in accordance with their exposure to different temperatures, undergoing reversible physical changes.

Risk rating

Method used by insurers to evaluate and classify the potential procedural risks in the activities of a specific client.

Recordable incidents

Occupational accidents that do not result in lost work days.

Chemical safety

Refers to preventing the adverse effects on human beings and the environment resulting from the production, storage, transport, handling, use and disposal of chemical products.

Synergy

Cooperative integration among things, people or organizations that leads to the attainment of better processes and results through the joint action of the parts of the system. Is based on the premise that "the sum of the parts is greater than the whole".

Sipat

Internal Work-Related Accident Prevention Week.

EHS

Environment, health and safety.

Stakeholders

Publics that are linked to Braskem or have an interest in its activities.

Severity rate

Time computed per million man hours of exposure to risk during a certain period.

Clean technology

Products, services and processes that preferably use renewable raw materials and energy, with lower use of natural resources and low or no waste emissions. Moreover, they use or manufacture products or services that are not harmful to the environment and public health.

TEO

Odebrecht Entrepreneurial Technology.

IR

Injury rate.

BU

Business Unit.

UNIB

Basic Petrochemicals Unit.

UTEC

Braskem's trademark for UHMWPE, an ultra-high molecular weight polyethylene.

Visio

A customer relationship program developed by Braskem.



Braskem

