Braskem

2009 ANNUAL AND SUSTAINABILITY REPORT

Message from the Management

Alliances are critical to development.
In 2009, Braskem and Petrobras worked together to make the Quattor acquisition possible,establishing therefore the largest petrochemical corporation in Latin America.

Strong contrasts marked the year 2009. In the first quarter, we had the prevailing uncertainty about the fate of global economy. From April onwards – and more clearly in May – visible signs of recovery were evidenced in certain countries and organizations. As that turbulence reached its peak, in our understanding there were chances of seeing Brazil less affected by the global crisis than other countries, once correct choices had been made strengthening macroeconomic fundamentals, the production sector and national financial institutions. And, predictions were confirmed. Today Brazil is forecasting Gross Domestic Product (GDP) growth ranging from 5% to 7% in 2010.

As to the petrochemical industry, the marked consumption retraction witnessed in most of the global markets impacted sector performance, which since 2008 was already suffering from price drops, resulting from global economy factors and also arising out of its own specific traits, such as sector downside when new units are started increasing supply and cutting profitability down.

This peculiar year has brought learning and growth opportunities to Braskem. The Company had aligned its cost and capital structure to petrochemical industry cycle needs, and was thus better prepared to face the global crisis. Early in the year our production had to be reduced to 55% of total capacity in order to adjust the inventory levels to the slow demand. Two out of the four Braskem petrochemical units had been shut down since 2008. Operation was resumed by mid-February, reaching full load in March, and was able to maintain the ascending curve in the following months.

Along the year, our operational efficiency and financial discipline were kept, and Braskem presence side by side with our Clients opened new windows of opportunity to our businesses. Considering all these factors the commitment of our Members with designed corporate targets resulted in a marked performance improvement. Our consolidated EBITDA reached R$ 2.5 billion, in line with previous year figures. Net profit in 2009 amounted to R$ 917 million, accounting for R$ 3.4 billion increase against the R$ 2.5 billion losses recorded in 2008.

Also in 2009, Braskem took decisive steps in order to reach a higher competitiveness and size level, by preparing the acquisitions of Quattor in Brazil and Sunoco Chemicals in the United States. Both deals were closed early in 2010. The acquisitions of Quattor marked the consolidation of the Brazilian petrochemical industry and Sunoco's, representing our first move towards Company internationalization. Besides these two acquisitions Petroquímica Triunfo (Rio Grande do Sul) was merged into Braskem last year.

The acquisition of Quattor changed Braskem shareholding structure, and reinforced the partnership between its two major Shareholders. Odebrecht and Petrobras will share Braskem strategic decisions, and Odebrecht owns a 50.01% share of Company voting capital. In 2010, the major challenges to be faced will be a smooth integration of new assets, teams and cultures and securing possible synergies.

Construction of the Green Ethylene Plant (Rio Grande do Sul): pioneering action

We will then start to act as a single company, which in truth we are, fully committed to Client satisfaction, to the personal and professional growth of our Members, and to the quality of life of the communities our Company interacts with. The foundation of these actions will continue to be the Odebrecht Entrepreneurial Technology, a set of principles and concepts that have been guiding Braskem actions since it was established.

Contribution to sustainable development

Since it was established in 2002, Braskem has been acting based on sustainable development principles. It is our understanding that a company that enforces such practices is technologically healthy, economically viable and socially fair. Braskem has always been seeking to improve its corporate business model towards the achievement of this goal.

In 2009 our corporate Environment and Safety indicators reached their best results since 2002. Work accident frequency rates, with or without days away from work, taking both our own Members and service providers into account, was 0.84 (accidents per million of effectively worked hours/man) – 68% under 2008 results. This figure is actually better than the global petrochemical industry work safety benchmark, which is 1 (accident per million of effectively worked hours/men).

When the environmental aspects are considered, the power, water and effluent generation indicators were better than those achieved not only in 2008 but also in the whole history of Braskem.

Challenge

In 2009 we have also decided to review our strategy and to further our contribution to sustainable development. In view of the worldwide debate about climate change and greenhouse gas emissions by our industry, Braskem resolved to include these issues in its agenda. After a careful assessment of Company status and strategy, we decided to take a public stand. We have undertaken to reduce the intensity of our emissions of greenhouse gases, stating Braskem corporate views in the document *É preciso amadurecer para ser verde* (We need to mature to be green).

This document also reaffirmed Braskem commitment to the search for new technological opportunities and increased energy efficiency, furthering the use of 100% renewable raw materials and the development of a market for products capable of reducing greenhouse gas emissions. Our purpose is to make a unique contribution to climate change mitigation.

With this goal in mind, in 2009 Braskem started the ETBE plant. ETBE is a bioadditive partially manufactured from sugar cane ethanol and this plant was established in Camaçari (Bahia), replacing the MTBE unit. The construction, in Triunfo (Rio Grande do Sul), of the first plant producing ethylene from ethanol that will enable production of the Green Polyethylene product also evolved quickly. This industrial plant is scheduled for start-up in 2010. This product still has not reached industrial production scale and yet sales contracts have already been executed with a significant number of Clients, thus evidencing how appropriate this strategic choice is.

The fourth inventory of greenhouse gases must also be highlighted. In 2009 this inventory evidenced that emissions had been reduced by 8.3%, in absolute figures, and their intensity by 11.5%, against 2008 figures, evidencing the depth of our commitment.

As to the social aspects, Braskem has made a significant contribution to the Social Insertion Program in the Deep South of the state of Bahia, in partnership with the Odebrecht Foundation, and also to the Rio Grande do Sul Recycling Project, in partnership with Vonpar Foundation and Banco do Brasil Foundation, besides proceeding with various already existing initiatives. Our main challenge is to improve Company Private Social Investment Model in order to see these projects actually contributing to a change in social reality.

Company achievements in 2009 and the vision of the future Braskem has of ranking among the five majors of the global petrochemical industry, and to be seen in 2020 as an organization that has made an outstanding contribution to sustainable development, were the hallmarks of our actions in this period. These achievements have also guided strategies that include energy matrix diversification, greenhouse gas emission intensity improvement, a search for more competitive raw materials and increasing the share of renewable energy, with the main focus on the contribution to environmental and human development.

Another strategic issue is the strengthening of Braskem presence in Latin America and in the United States. In Latin America, through greenfield projects in Mexico, Venezuela, Peru and Bolivia, by establishing joint ventures with local companies. In the United States by looking for new business opportunities once this is the largest consumer market in the world.

We thank our Clients and Shareholders for their trust and the tireless efforts made by our Members and Suppliers to overcome our daily challenges and to achieve our growth targets.

Marcelo Odebrecht
Chairman of Braskem Board of Directors

Bernardo Gradin
Braskem CEO

Profile

Braskem growth strategy is based on growing competitiveness and technological autonomy, aligned to the commitment to sustainable development promotion.

Braskem was established on August 16, 2002 and since then, on average, Company net revenue was increased by 20% every year, which resulted also from successive acquisitions. Braskem origin is linked to the merger of six Odebrecht Organization and Mariani Group companies: Copene, OPP Química, Trikem, Polialden, Proppet and Nitrocarbono. During seven years, new acquisitions were made targeting the consolidation of the Brazilian petrochemical industry. In 2006, the Company acquired Politeno, a polyethylene producer with plants in Camaçari, in the state of Bahia. In 2007, the petrochemical assets owned by the Ipiranga Group were acquired, including the controlling interest in the capital of Copesul, with industrial units headquartered in Triunfo, in Rio Grande do Sul.

In 2009, Petroquímica Triunfo was incorporated to Braskem, as part of the Investment Agreement executed two years before by Odebrecht and Petrobras, reinforcing the strategic alliance between the two major Shareholders of our company. Also in 2009, in partnership with Petrobras, Braskem looked into and structured the acquisition of Quattor and the deal was closed in January 2010. Nowadays, this is the largest producer of thermoplastic resins in the Americas, having polyethylene (PE), polypropylene (PP) and PVC as company core businesses, and standing now in the 8th position of the global ranking of petrochemical companies.

International expansion has always guided Braskem businesses. The Company has always prospected new business opportunities in Latin American countries, and looked for raw material diversification. The acquisition of Sunoco Chemicals, in the United States, negotiated in 2009 and closed in February 2010, represents the first of Braskem industrial operations outside Brazil.

Braskem has Clients in about 60 countries, in all continents, served by Company offices in the United States, Argentina, Chile, Netherlands and Venezuela working in an integrated way. Soon Braskem will also be represented in Mexico, Colombia and Asia. Exports of thermoplastic resins and Company basic petrochemicals produced a net revenue of US$ 2.1 billion.

The actions of our Members are governed by the ethical, moral and conceptual principles laid out by the TEO – Odebrecht Entrepreneurial Technology and principles expressed in the Public Commitment undertaken when Braskem was established, stating the values and principles that guide Company actions towards Clients, Shareholders, Members and Suppliers, as well as the fundamental commitment with sustainable development.

Centered on entrepreneurship skills and on education by and for work, the TEO values the strengths of human beings, among which are the willingness to serve, the capacity and the wish to evolve, and the desire to go beyond achieved results. Trust and partnership constitute the basis of the relationship between leaders and subordinates, who are involved in the design and in the implementation of the work and generated results. According to the TEO, Company hierarchy is established starting from Clients. Other pillars of our corporate culture are Shareholders' return on investment and reinvestment of results, targeting new work opportunities, the development of communities and adding value to Company assets.

Strategic vision

The 2020 Vision designed for Braskem businesses is to become one of the major petrochemical corporations in the world in terms of market value, recognized by its outstanding contribution to sustainable development and firmly established as a preferred partner for global alliances, based on a business strategy grounded on the following macro-objectives:

- **Availability of raw material and low-cost energy;**
- **International expansion in attractive markets;**
- **Diversification of products and businesses;**
- **Corporate excellence, marked, above all, by its contribution to sustainable development;**
- **Technological leadership**

Business Model

Braskem was the first among Brazilian petrochemical companies to integrate the operations of the first and second generation of the petrochemical industry. The first generation produces basic raw materials such as ethylene, propylene and chlorine that are critical to the second generation, the generation of the thermoplastic resins (PP, PE and PVC), to be subsequently used by the transformation industry to manufacture consumption goods that are present in all areas of modern life. An industry integrated at the production chain level enjoys competitive advantages, among which are production scale and operational efficiency. Being able to rely on a diversified and competitive base of raw materials is critical in our industry. The thermoplastic resins produced by Braskem are manufactured from petroleum (naphtha and refinery gas) and, after the Quattor acquisition, natural gas was added to Company energy matrix. Additionally, when the Green Ethylene plant reaches the commercial scale stage of operations, by the end of the third quarter of 2010, Braskem will have taken a significant leap, becoming the global leader of polyethylene production from renewable raw material. Thus, Braskem confirms its innovative and pioneering action and corporate commitment with sustainable development, inherent to corporate business culture and reaffirmed by the 2020 Vision.

Braskem Operations

Braskem has three business units: Basic Petrochemicals - Unib, Polymers - UNPol and the International unit. Each business unit has autonomy to coordinate its own industrial, commercial, marketing, supply, exporting, human resources, planning and control activities, thus enabling a swift decision making process.

BASIC PETROCHEMICALS UNIT

This unit produces first generation ethylene, propylene, intermediate chemicals and aromatics. Ethylene, for example, is used to produce polyethylene and PVC, and propylene is the raw material used to manufacture polypropylene. The Unib plants are established in the states of Bahia (Camaçari) and Rio Grande do Sul (Triunfo).

ISO 17025

In March 2009, Unib-RS quality control analysis laboratory was ISO 17025 certified. This is the standard that certifies the reliability of the plant's technical management processes. Working with a team of 38 people, the laboratory conducts about 18 thousand tests analyzing the quality of our naphtha and its end products (ethylene, propylene, solvents etc.), and also the ecological efficiency index.

POLYMER UNIT

The polymer manufacturing units are located in the four states where Braskem has operations: Alagoas (Maceió and Marechal Deodoro), Bahia (Camaçari), São Paulo (São Paulo and Paulínia) and Rio Grande do Sul (Triunfo). These are the second generation plants of the petrochemical resin chain, producing polyethylene (low density, low linear density, high density and ultra high molecular weight products), polypropylene, PVC, chlorine, soda and other products. UNPol is developing the green polymer business (resin research and resin production from sugar cane ethanol).

Examples of applications

Polyethylene: this is the raw material used mostly to produce packaging for the food, personal hygiene and domestic industries, in the form of bags and films. There are several polyethylene families: high density, low density, linear low density and ultra high molecular weight (UTEC®), the engineering plastic produced by Braskem almost fully destined to the exports market.
Polypropylene: this resin has multiple applications in flexible (BOPP) and rigid packaging, disposable packaging, bags (raffia), and also in the automotive industry and agribusinesses, among others.
PVC: largely used by the construction industry in pipes and connections, in saline solution and blood storage bags and credit and debit cards, for example. PVC application in the frame and pre-fabricated home segment is now growing. The use of PVC profiles is a new solution, integrated to the PVC Concrete Construction System that allows fast construction of buildings in modules, at competitive costs. When mounted, PVC panels are filled with concrete forming solid walls. Civil construction consumes 60% of the Brazilian PVC production.
Chlorine: used to manufacture PVC, agricultural pesticides, pharmacological products, hospital cleaning and water treatment products.
Soda: this is an input used to manufacture soap, paper, pulp, aluminum and other products.

INTERNATIONAL

This is the area of the Company that prospects new businesses and opportunities in the international market, and answers for the development of Braskem internationalization greenfield projects (Please refer to *International Expansion*, on page 34). International area management includes projects developed in Mexico, Venezuela, Peru and Bolivia.

BAHIA (CAMAÇARI)

Basic Petrochemicals Unit

- Ethylene
- Propylene
- Butadiene
- MTBE*
- ETBE
- Buthene - 1
- Isoprene
- Dicycle Pentadiene
- Coperafi - 1
- Benzene
- Toluene
- Mixed Xylene
- Ortho-Xylene
- Solvent
- Paraxylene
- Automotive gasoline
- LPG

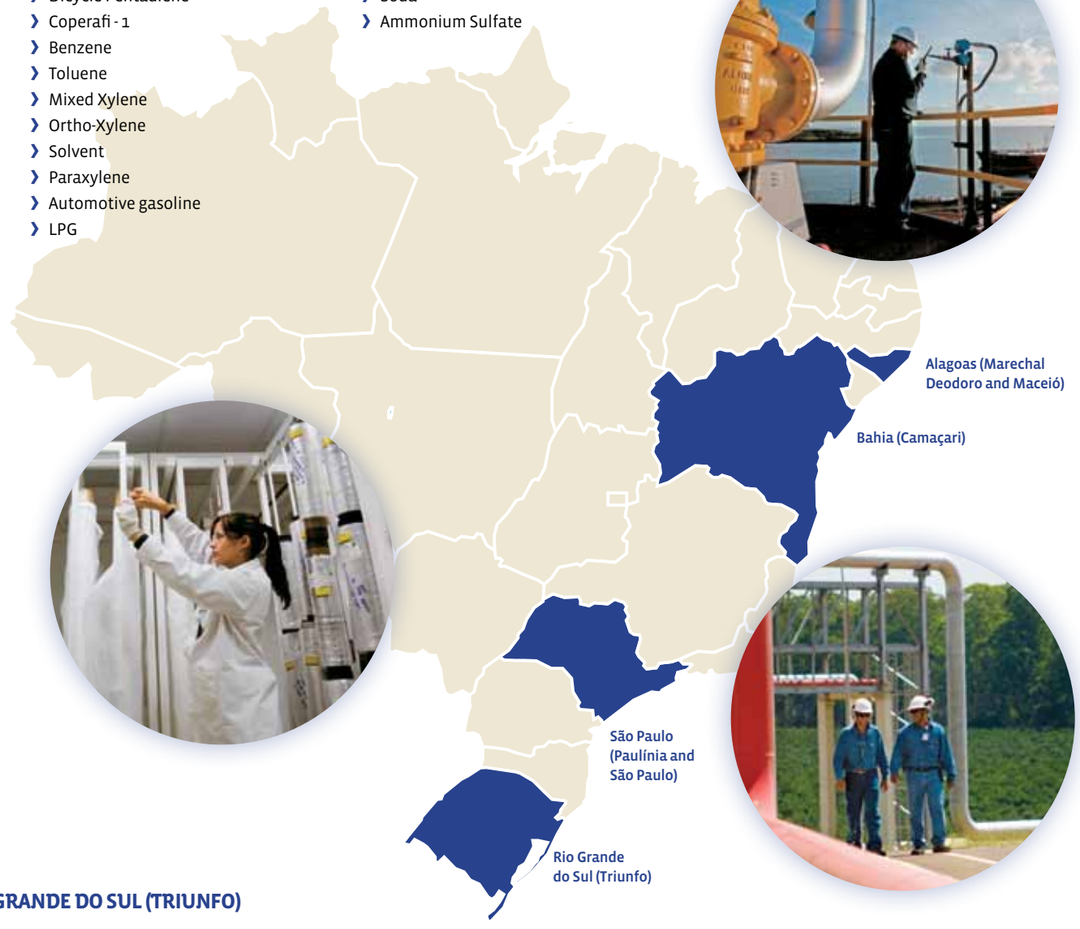
Polymer Unit

- HDPE / LLDPE / UHMW-PE
- LDPE
- PVC
- Caprolactam*
- Cycloexane
- Cyclohexanone
- Chlorine
- Soda
- Ammonium Sulfate

ALAGOAS (MARECHAL DEODORO AND MACEIÓ)

Polymer Unit

- PVC
- EDC
- Chlorine
- Caustic Soda



RIO GRANDE DO SUL (TRIUNFO)

Polymer Unit

- LDPE
- Polypropylene
- HDPE/LDPE/LLDPE
- HDPE

Basic Petrochemicals Units

- Ethylene
- Propylene
- Propane
- BTE Petrochemical Oil
- Butadiene
- MTBE*
- ETBE
- Butene – 1
- Heavy C4
- Benzene
- Toluene
- Mixed Xylene
- Aromatic C7 C8
- Aromatic C9
- Rafinate C6 C8
- Pyrolysis C9

SÃO PAULO (PAULÍNIA AND SÃO PAULO)

Polymer Unit

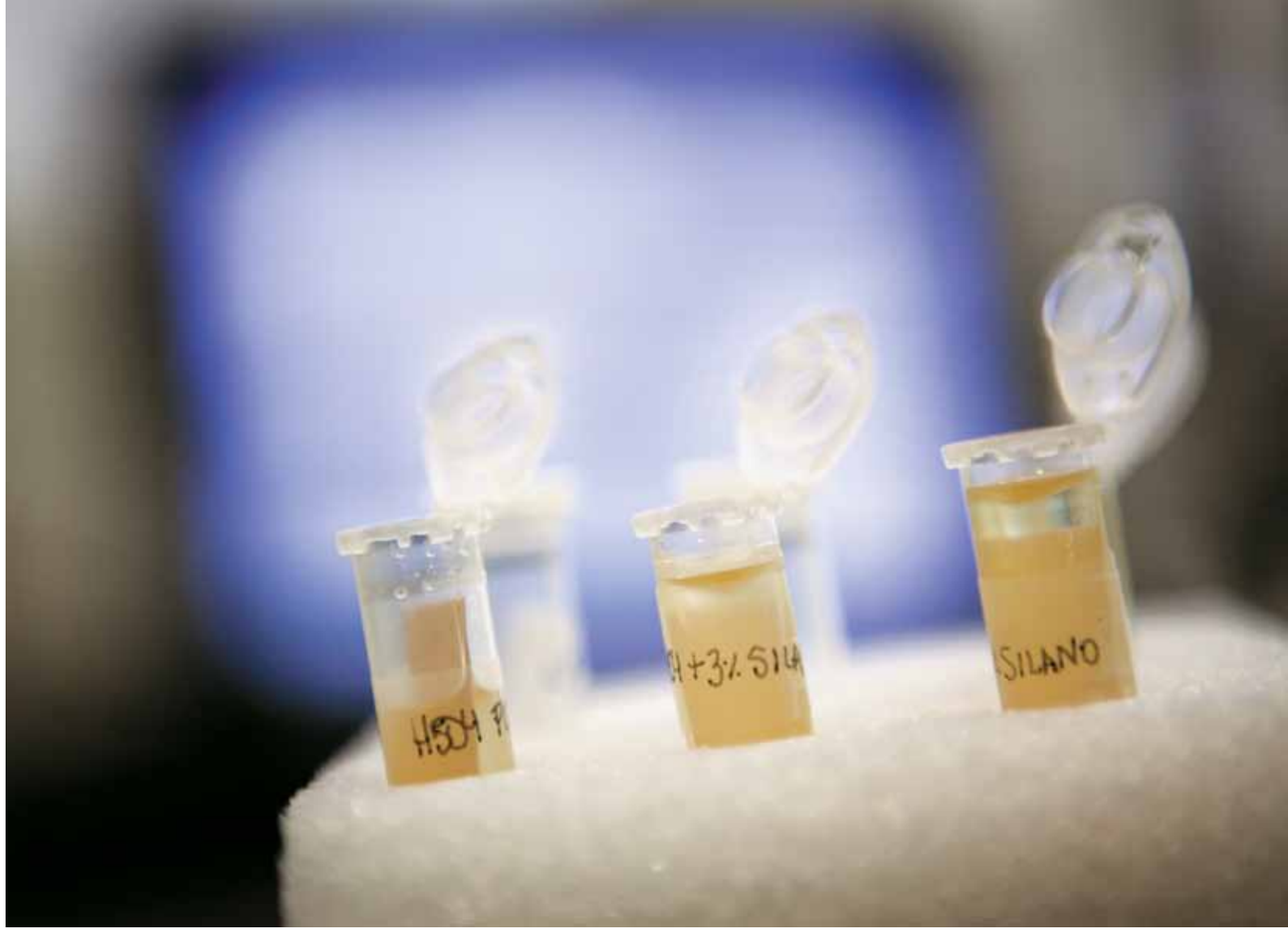
- Polypropylene (Paulínia)
- PVC Specialties* (São Paulo)

**** Notes:***

MTBE: *plants converted into ETBE and MTBE production was discontinued by Braskem in 2009;*

Caprolactam: *production discontinued in May 2009;*

PVC Specialties: *2009 was the last year of plant operation. In November, Braskem started to import this product from Colombia.*



Braskem laboratories develop new resins increasing the diversity of uses and applications offered to our Clients

PERFORMANCE

Performance (t) Thermoplastic resins	2009 (A)	2008 (B)	Var. (%) (A) / (B)
Domestic market sales			
PE	1,056,941	1,083,731	(2)
PP	698,494	642,871	9
PVC	457,430	496,266	(8)
Total resins	**2,212,864**	**2,222,869**	**(0)**
International market sales			
PE	720,383	473,656	52
PP	228,363	99,395	130
PVC	40,262	18,474	118
Total resins	**989,007**	**591,525**	**67**
Total sales			
PE	1,777,324	1,557,388	14
PP	926,856	742,266	25
PVC	497,691	514,740	(3)
Total resins	**3,201,872**	**2,814,394**	**14**
Production			
PE	1,740,470	1,586,963	10
PP	899,968	731,506	23
PVC	479,077	522,441	(8)
Total resins	**3,119,516**	**2,840,910**	**10**

Performance (t) Basic petrochemicals	2009 (A)	2008 (B)	Var. (%) (A) / (B)
Total sales			
Ethylene	286,969	252,502	14
Propylene	517,177	370,644	40
BTX*	955,451	782,405	22
Production			
Ethylene	2,255,963	2,116,924	7
Propylene	1,133,478	1,032,376	10
BTX*	972,860	845,102	15

* BTX – butane, toluene, orthoxylene and paraxylene

Publicly Traded Company

Braskem is a publicly traded company with stocks listed in the São Paulo Stock Exchange (Bovespa), where Braskem participates in Level 1 of Corporate Governance; Company shares are also listed in the New York Stock Exchange (NYSE) and Madrid (Latibex Index), where stocks of Latin American companies are traded in Euros at the Madrid Stock Exchange.

For the fifth consecutive year the Company participates in the Bovespa Sustainability Index (ISE). The ISE comprises stock issued by companies recognized by their responsible social and environmental performance and by their profitability. The new portfolio will be effective until November 2010.

Braskem's major shareholder is Odebrecht S.A., the Odebrecht Organization holding, but Petrobras also owns a significant interest in company capital. The outstanding shares in the market correspond to 30.9% of the total of shares issued by the Company. The table below presents Braskem ownership on December 31, 2009:

Shareholding 31/dec/09

	% Voting Capital	% Total Capital
BRK	93.3%	34.1%
Odebrecht	0.0%	15.5%
Petroquisa	0.0%	14.0%
BNDESPAR	0.0%	5.3%
Others	6.7%	31.1%
TOTAL	100.0%	100.0%

BRK: Odebrecht 66.8% Odebrecht and Petrobras 33.2% (before capital increase)
Others: includes treasury shares

Action strategy

Braskem actions are focused on preservation of operational profitability, development of new technologies and innovation and maintenance of long term relationships with Clients, always committed with strengthening the competitiveness of the petrochemical chain.

Contribution to the three aspects of sustainable development – economic, social and environmental aspects – is the key priority of our business strategy. Since it was established in 2002, Braskem invests in clean production systems, increased ecological efficiency and works on the development of products from renewable raw materials. The evolution of ecological efficiency indicators since 2002 was quite expressive.

- Waste generation decreased by 61%
- Energy consumption decreased by 12%
- Water consumption decreased by 19%.
- Effluent volume decreased by 40%.
- Release of the first certified green polyethylene in the world (based on the pilot plant).
- Production of green butene and green propylene, certified by an international laboratory.
- Industrial units certified under ISO 9001, 14001 and OHSAS 18001 standards. The certification body is Bureau Veritas Quality International (BVQI). A two-year period is forecasted for certification of all its industrial plants, thus setting up the Company Integrated Management System. The table below lists the standards complied with and certified units:

Certified Units	ISO NBR 9001: 08 Quality	ISO NBR 14001:04 Environment	OHSAS NBR 18001:07 Health and Safety
Corporate	X	X	X
Unib – BA*	X	X	X
Unib – RS	X	X	X
Vinyl Products	X	X	
Companhia Alagoas Ambiental		X	
Poliolefinas – BA	X	X	X
Poliolefinas – RS	X	X	
PP2 / PE5	X	X	
PP3**	X		
PE6***	X		

* Includes Gas and Liquid Terminal (Tegal) and Raw Materials Terminal (TMP).
** Certification in progress.
*** Petroquímica Triunfo is yet to be integrated to the SGI – the Integrated Management System.

Braskem unit at the Camaçari Complex (Bahia)

Production Chain

The so-called Agreement of Results was made official in March 2009, and signed by the Government of the state of Alagoas and by the institutions engaged in strengthening the industrial segment of the chemistry and plastic industries in that state, concentrated at the Marechal Deodoro Complex, 12 km from Maceió. The ability to attract industrial establishments to the region generates new jobs, family income and revenue both to the municipalities and the State.
The institutions are organized in a specific sector Forum. Among them are the Federation of Industries of the State of Alagoas, the National Confederation of Industries, Senai (National Industrial Training Service), Sebrae (Brazilian Service of Support to Small and Medium Size Companies), the Federal University of the State of Alagoas, and associations representing industrial districts and workers. Braskem has also joined this Forum.
The efforts made to attract new industrial establishments started three years ago, with special incentives being offered, as for example, credit, assignment of industrial areas at subsidized prices and tax incentives. The region ensures the availability of raw material, other inputs and strategic locations, thus facilitating transportation and production flow to the consumer market of the North and Northeast regions.
In order to ensure training and qualification of the local teams, a Plastic Technology Center is now being established with financial support from the state government and the members of the Chemistry and Plastic Production Chain Forum. The official opening of this Center is scheduled for August 2010.

New Triunfo (Rio Grande do Sul) unit:
start-up scheduled for the second half of 2010

Voluntary commitments

Some of Braskem voluntary commitments are described below:

- **Responsible Care**: a voluntary initiative established by the global chemical industry through the ICCA (International Council of Chemical Associations). In Brazil, Responsible Care was officially adopted by the Brazilian Chemical Industry Association - Abiquim, in April 1992. As of 1998 adherence to the program became mandatory for all Abiquim members. Responsible Care seeks to improve the environmental management of chemical companies and its chain. Among observed items are the safety of manufacturing units and their processes and products, as well as workers' health and environmental protection.

- **International Declaration on Cleaner Production**: Braskem was the first Brazilian company to sign the Statement in 2004. The Statement is part of the United Nations Environment Program and targets the dissemination of environmentally clean production policies, as well as improved sustainable production and consumption practices.

- **Global Pact**: Since 2007 Braskem is a signatory of the Global Pact, the United Nations program aimed at reinforcing the social responsibility of enterprises throughout the world that has been joined by more than 1.5 thousand companies. Since 2008 Braskem is a member of the Brazilian Global Pact Committee, formed by 33 large companies and coordinated by Instituto Ethos. Braskem reiterates and furthers its continuous support to the Global Pact.

- **In the Right Direction Program (Programa "Na Mão Certa")**: Jointly with 710 other companies, Braskem is a signatory of the 'Enterprise Pact Against Sexual Exploitation of Children and Adolescents in Brazilian Roads", a joint initiative of Childhood Brasil and Instituto Ethos. The "In the Right Direction Program" is coordinated by Childhood Brasil and aims at calling the attention of governments, enterprises and society to the issue of the sexual exploitation of children and adolescents along Brazilian roads. At Braskem this program is headed by the logistics department, which is in charge of coordinating the enforcement of the concepts developed by the program with our logistic service contractors.

- **Carbon Disclosure Project (CDP)**: Braskem supports this initiative launched in 2000 aiming at the assessment and disclosure of greenhouse gas emissions by 2,500 organizations in 60 countries. Since 2008 Braskem reports Company greenhouse gas emissions to the CDP. This information may be checked at www.cdp.net.

- **Braskem Manifest "É preciso amadurecer para ser verde" (We need to mature to be green)**: In August 2009 Braskem published a manifest about the challenges posed by climate changes, presenting corporate actions towards curtailment of the intensity of greenhouse gas emissions and sustainable development (see *Braskem Manifest*, on page 22).

External recognition in 2009

Environment

- **Top Environmental Award**: Offered by State of São Paulo Association of Sales and Marketing Managers (ADVB-SP), as one of the ten companies enforcing the best environmental and sustainability practices in 2009. The award was received in April 2010.

Brand repositioning

In September 2009, soon after having completed seven years of existence, for the first time Braskem launched an institutional campaign of national coverage, including cable TV stations, newspapers, magazines and websites. The main objective of this campaign was to reposition the Braskem brand and underline the presence and the significance of plastic products in people's lives.

The campaign was launched on September 20, in one of TV Globo's station breaks, during the program *Fantástico*. Campaign premier release occurred on Friday, September 18, exclusively for Braskem Members in all Company units.

The design of brand repositioning actions started two years before, with a survey conducted among Clients and consumers that targeted an improved understanding of how Braskem was seen in the market. Based on survey data, several interviews were conducted with our Members to define how Braskem should position itself. This contribution resulted in a list of attributes the Company should convey: innovation, possibilities, sustainability, leadership, internationalization, growth, partnership, commitment and competitiveness.

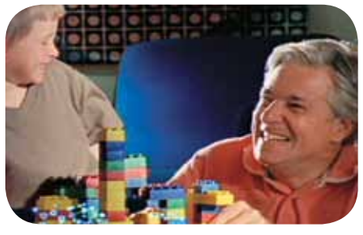
The new positioning of the Braskem brand has also defined the three signatures used in all the communications to Clients, Members, Shareholders and society, accompanying Company logo:

- **The world, people and Braskem** – This is the signature used by Braskem to communicate with society, representing the Company presence in the lives of people and its global action.

- **The Client, the dreams and Braskem** – This is the signature used by the Company to communicate with Clients and the market.

- **You, the achievements and Braskem** – This is the signature used by Braskem especially to communicate with Members. This signature highlights the role each one plays in the search for continuously improved results. The commitment of each person in the Company is critical to all Braskem achievements.

Nationwide campaign



About this report

GRI Report with independent external verification

Braskem 2009 Annual and Sustainability Report was prepared based on the Guidelines of the Global Reporting Initiative – GRI G3 – at Level C+ of methodology enforcement, relying on independent external verification by Det Norske Veritas (DNV).

The 2009 report reflects the learning process the Company has experienced relative to the way in which corporate performance is reported and its contribution to sustainable development. As a result of this improvement the level of enforcement – that was rated "B" in the 2008 Annual Report – is now "C+" in this document. Another relevant change introduced to the 2009 report format was the new structure based on the 2020 Vision, the starting point for the assessment of social-environmental subjects deemed of material significance to the Company.

This Annual and Sustainability Report covers Braskem businesses and activities from January to December 2009, but for indicator comparison purposes 2008 and 2007 data were also included and, wherever possible, information from previous periods was also included. The document contains information on the management modes and financial-economic environmental and social indicators. The Report is directed to the Shareholders, Clients, Members, the media and to all other parties interested in Braskem activities.

This 2009 report includes the operations of Petroquímica Triunfo (Rio Grande do Sul) that was acquired in the previous year. The following channels may be used for submission of suggestions or for requests for clarification:

- **Mailing Address: Avenida das Nações Unidas, 8.501 – Centro Empresarial Eldorado Pinheiros 05425-070 – São Paulo, SP. Brasil.**

- **Electronic mail: imprensa@braskem.com.br and braskem-ri@braskem.com.br At Braskem website – www.braskem.com.br – interested parties will find a satisfaction survey on the 2009 Annual and Sustainability Report. The outcome of this survey will guide the design of Company 2010 report.**

Materiality analysis

In 2009, Braskem defined corporate 2020 Sustainable Development Vision with seven macro-objectives: People, Greenhouse Gases, Energy Efficiency, Post-Consumption, Renewable Raw Material, Chemical Safety and Water Efficiency. This vision was designed within the context of the strategic planning for the next 10 years, and was based on the environmental, economic and social aspects that are relevant to Company management towards sustainable development. For each one of these subjects the focus of actions and macro-objectives was defined in line with the GRI-G3 Guidelines. The 2020 Vision is presented in detail in the chapter *Context of Braskem Contribution to Sustainable Development*, on page 18.

The design of the 2020 Vision for Sustainable Development used the GRI Materiality Principle as a reference, according to which reported information must cover subjects and indicators reflecting key organizational economic, environmental and social impacts or indicators capable of a substantial impact on the evaluations and decisions to be made by the stakeholders. In order to achieve this goal GRI takes into account two variables that compose the Materiality Matrix: influence on stakeholder evaluation and decisions and the significance of the economic, environmental, and social impacts. In order to prepare 2020 Vision this methodology was adapted, taking three variables into account: magnitude of impacts, Braskem influence on the solution of such impacts and their significance to the stakeholders.

Petroquímica Paulínia (São Paulo): 350 thousand ton/year PP production

In order to assess the material issues to be taken into account by the 2020 Vision, a questionnaire was distributed containing the economic, environmental and social aspects referred to in the GRI Guidelines. The survey was conducted by the Sustainable Development area of the Company and answered by the leaders and teams of the Sustainable Development, Health, Safety, Environment and Institutional Relations areas.

Based on the analysis of the answers, supplemented by bibliographic studies, priority was assigned to the macro-objectives of the 2020 Vision, whose validation, conducted in the second semester of 2009, involved the whole Company, with direct participation of the leaders of Company business areas. The participation of the persons responsible for the interface between the external stakeholders and Braskem allowed us to include also, albeit indirectly, the visions of these different stakeholders.

To Braskem the key stakeholders are Clients, Shareholders and Investors, Company Members, Suppliers, governmental and non-governmental organizations (NGOs), the Academia (universities and other teaching institutions), the media, communities close to the industrial plants and society at large. These stakeholders were selected based on corporate strategic view and awareness of the impacts arising out of Company activities and decisions.

For the next reporting period, the participation of our stakeholders in the definition and prioritization of subjects will be furthered by including external representatives, making sure that the key issues of interest to the stakeholders are approached by the report. Thus, the process of materiality assessment will be improved, improving adherence to the GRI-G3 Guidelines.

Report Limits

As a general rule, the information and the performance indicators disclosed in this report comprise the Basic Petrochemicals Units (Unib) and Polymer Units (UNPol), with the 17 Braskem Brazilian units, established in the states of Alagoas, Bahia, São Paulo and Rio Grande do Sul. The performance indicators disclosed in this report with limits that differ from those described above are indicated as appropriate.

Copesul Park (Rio Grande do Sul): commitment with future generations

Contribution to sustainable development

The concept of sustainable development refers to the way of understanding the economic and productive life, taking into account the ecological limits and the ethical commitment with future generations, natural resources and the health of our planet. Organizations acting in line with this concept are fully aware that they are part of an ecological and social system and must contribute to, and encourage, a full commitment from their production chain.

Braskem understands that corporate management is compliant with the concepts and principles of sustainable development, acting to minimize the social and environmental impacts arising out of its operations. The actions and initiatives deriving from the Sustainable Development 2020 Vision have precisely this focus. The objective is that within 10 years the Company will have become one of the five major petrochemical corporations in terms of economic value and be seen as part of the sustainable development solution, by generating economic results with lowest intensity of emissions of greenhouse gases and water consumption in the global chemical industry, positioned as the largest chemical organization based on renewable raw materials and acting as the leading human development agent.

The Sustainable Development 2020 Vision was designed based on the full understanding of the growth opportunities the Company has, the social-environmental impacts arising out of Braskem businesses and the contributions that may be offered to some of the most important of currently faced social-environmental challenges. With the purpose of setting up absolutely sound 2020 Vision social and environmental aspects, seven macro-objectives were defined from the materiality analysis. As described in the table below, for each macro-objective, the following development initiatives and studies were defined:

Macro-objective	What has already been accomplished	2020 Vision
Chemical safety	❯ All the industrial plants have already been rated as "above average" by insurers. ❯ In Latin America Braskem is heading ICCA GPS (*Global Product Strategy*) targeting control and publication of the chemical risks products pose to people and the environment.	❯ Braskem as a global reference in the use and responsible production of chemicals.
Greenhouse gases	❯ Improvement of current production processes with greenhouse gas emissions rates reduced by 11%. ❯ Use of ethanol for ETBE and Green PE production will contribute to prevent more than 750,000 ton of CO_{2e}/year, as of 2011.	❯ Braskem reaches the same GEE emission rates of the best among the top chemical companies in the world. ❯ Braskem as a major GGE indirect emission sequestration agent for using renewable raw materials.
Water efficiency	❯ Since 2002 Braskem water consumption amounts to about one-fifth of the average water consumption of the global chemical industry, according to the International Council of Chemical Associations (ICCA)	❯ Braskem as a reference when it comes to the use of water resources, reusing 100% of water at the hydric stress areas.
Energy efficiency	❯ Improvement of current production processes with 12% energy consumption decrease.	❯ Braskem reaches the same energy consumption rates achieved by the best among the largest chemical companies in the world. ❯ Braskem as a leading user of recyclable source energy.
Renewable raw material	❯ Plants for ETBE production with 385 thousand ton capacity. ETBE utilizes ethanol as one if its raw materials. ❯ Development of Green Polyethylene (Green PE), that uses ethanol from sugar cane as raw material with its 200 thousand ton capacity plant scheduled for start-up in the second semester of 2010.	❯ Braskem: major global player, producing from renewable raw materials.
Post consumption	❯ Braskem was one of the founders of Instituto Ambiental Plastivida. ❯ In 2009 the Company started to provide financial support to the Recycle South project providing assistance to 38 screening and mechanical plastic recycling centers, in Rio Grande do Sul.	❯ Braskem as an important player in the efforts to solve plastic waste problems. ❯ Mechanical plastic recycling reached rates similar to those of the industrialized countries, currently ranging around 35%, and the recycling business model will have reached an appropriate level of social justice. ❯ Energy recycling from urban solid waste becomes a reality.
People	❯ A benchmark Occupational Health and Safety performance. ❯ Programs targeting further qualification of Company Members. ❯ Process of recognition (annual award) of service providers taking the environmental aspects into account. ❯ Consulting Community Centers at every production site, strengthening ties with communities. ❯ Private Social Investment implemented focusing on environmental education, culture and social insertion.	❯ Braskem seen by society as an active company contributing to further human development at the sites where company projects are developed. ❯ Braskem recognized as the best company to work for in the sector.

Challenges

The analysis of sustainable development challenges performed by Braskem was not limited to its manufacturing units and comprised also the production chain. These challenges are associated with several factors: hazards posed by chemicals, greenhouse gas emissions, intensity of water consumption by production processes, use of non renewable raw materials (oil and gas), destination of post-consumption plastic waste and strengthening of ties with the stakeholders. The analysis presented below is focused on the six most relevant issues.

Hazards posed by chemicals

The image of chemicals and even of the chemical manufacturers has been generally associated with negative factors and accidents seen in the last decades. Among them are the leaks and undesirable emissions of chemical gases and products, acid rain, ozone layer depletion and climate change, with possible negative consequences to life on the planet. These are undeniable problems. But, on the other hand, we can appreciate the efforts of the chemical industry and its growing concern with environmental, health and safety issues. In the nineties, this industry took a stand by launching the Responsible Care program and, in the following years, a significant development was achieved. Braskem has joined the program since its inception (see *Voluntary Commitments*, on page 14).

Still within the context of the hazards posed by chemicals, the ozone layer depletion was associated with the use of certain cooling gases, the Chlorofluorocarbons (CFCs) developed to replace the ammonium used in refrigerators in the past, responsible for human health problems. When the CFCs were developed, their impact on the ozone layer was totally unknown. As soon as the problems were identified and the debate about the ozone layer increased, the chemical industry started to search for alternative products, joined the debate and assisted in the establishment of the Montreal Protocol (1987 international treaty, under which the signatories promised to replace the CFCs).

Acid rain, another relevant issue in the sustainable development agenda, is mostly associated with the use of high sulfur content fossil fuels. The same applies to climate changes. The counterpart – chemical industry efforts to minimize consumption of energy produced from fossil fuels – has been producing results. Between 2001 and 2008, according to data published by Abiquim, natural gas consumption came down from 57.4 kg/t to 44.0 kg/t and fuel oil and coal consumption from 52.5 kg/t to 23.8 kg/t.

The hazards some chemicals pose to human health and the ecosystems is a complex subject. In certain concentrations, some of these essential substances, such as chlorine, may cause asphyxia. The same chlorine, among other purposes, is used to produce drinking water and fight diseases responsible for child mortality. Thus, the risks and benefits of several chemicals are weighed side by side for most of the hazardous substances. The substances whose use was not deemed fully safe were listed by the Stockholm Convention on Persistent Organic Pollutants (United Nations Environment Program / 2001). Among these substances are some organochlorinated compounds and pesticides that are forbidden in treaty member countries, including Brazil.

With the purpose of identifying and disseminating the risks inherent to chemicals, the ICCA (International Council of Chemical Associations) launched the Global Product Strategy - GPS program, contributing to the UN Strategic Approach to International Chemicals Management. The GPS is linked to the above mentioned Responsible Care program.

Braskem utilizes and produces substances that may be hazardous under certain conditions, such as ethylene, which is flammable and chlorine, which in inappropriate conditions may cause asphyxia. The substances produced by the Company, as well as the associated risks, are published in the Chemical Product Datasheets - FISPQ, at the portal www.braskem.com.br. Internally, Braskem has in place an integrated Health, Safety and Environmental Program, called SEMPRE, designed with the purpose of minimizing risks and losses (see *The Search for Excellence* on page 61). For additional information on chemical substances and hazards, visit Abiquim website www.abiquim.org.br

Climate changes and greenhouse gases

Climate changes and the increased concentration of greenhouse gases have been discussed and monitored by Braskem, both in-house and with other enterprises. There is already sufficient information and knowledge, resulting from scientific investigations consolidated by the IPCC (International Panel of Climate Change), to identify the responsibility human beings have for climate change.

In Brazil industry contribution is under 7.8% of total greenhouse gas emissions, as revealed in an inventory of total greenhouse gas emissions published in 2005 by the Ministry of Science and Technology. Even if, in relative values, the industry is not responsible for the largest amount of emissions, the magnitude of the problem requires due attention. Between 2001 and 2007 chemical industry CO_2 emissions were reduced by 15% (data disclosed by Abiquim). The industry also stands as part of the solution. A recent ICCA study, prepared by McKinsey consultants and verified by the German Öko Institut, that has analyzed the life cycle of more than 100 chemicals in the world, concluded that the use of plastic products for thermal insulation, packaging, in cars, synthetic fabrics, piping and other applications contributes to reduce greenhouse gas emissions in the chain, by 2.1 to 2.6 t CO_{2e} (CO_2 equivalent) for each ton of CO_{2e} released by the industry.

Braskem has a significant amount of industrial greenhouse gas emission, despite having progressively reduced generated emissions in the last three years. In 2009, Company emissions amounted to 7.2 million of ton of CO_{2e}, 15.3% less than in 2007. Notwithstanding, Braskem acts aligned to the 2020 Vision to become an example of organization whose strategy is effectively committed with a low carbon economy and recognized by efficient actions towards the deployment of innovative solutions, representing a significant contribution to curtailment of carbon emissions from products.

Along the year 2009, Braskem Members attended meetings with representatives of enterprises from different industries and government agencies to discuss the climate change issue. Braskem understands that it can, and is willing to, contribute to solving this problem, helping to build a new development model based on a low carbon (CO_2) emission economy. It is with this frame of mind that Company Members jointed the Brazilian delegation to the 15th UN Conference on Climate Changes (COP 15), held in December, in Copenhagen, Denmark, side by side with representatives of Odebrecht Organization.

Braskem commitments to a low carbon economy and with climate changes reduction are expressed in a public manifest – *We need to mature to be green* – published in 2009.

We need to mature to be green

Since it was first established, Braskem, the leading chemical industry company in Latin America, has undertaken to act according to sustainable development principles.

We are monitoring and taking part in the discussions about the key environmental problem we are currently facing: climate change. It is our understanding that there is already sufficient information and knowledge arising out of innumerable scientific studies and consolidated by IPCC (*International Panel of Climate Change*) allowing us to affirm that human beings have their share of responsibility for climate change. The fourth IPCC report states that temperature has increased by more than 0.7°C since the dawn of the Industrial Era, and analyzes the serious consequences this trend could bring to the future of our planet and, above all, to us, human beings, such as water shortage, spiking rates of health problems, hunger and many others. A possible target that is now subject to international negotiations is to limit temperature increase to no more than 2°C. This will require global emission reduction rates ranging between 50% and 85% until 20250 from 2000 levels. It is based on this assumption that the IPCC is recommending that urgent actions must be enforced by all segments of society.

Because of the characteristics of climate change agents, the greenhouse gases, and the broad range of its consequences, we are now facing a problem of unprecedented economic, diplomatic and social complexity. Gases spread all over the atmosphere and, at the same time, build up in it for a long period of time. That is, things we are seeing now, either here in Brazil, or anywhere else, are the consequences of current and historical emissions by all countries in the world. In other words, we are all suffering from the type of development selected by the industrialized countries, and worse consequences will be faced if this mode of development is not changed.

The Brazilian situation is unique. Our development strategy, significantly based on renewable energy, places us in distinctly favorable position. According to the "Energy Report" published in 2006 by the Ministry of Mines and Energy, renewable energy has a share of more than 45% of the Brazilian energy matrix, while in the OECD (industrialized) countries this share is only 6%. Something the industrialized countries need to do, that is, cleaning their energy matrix, we have already accomplished.

On the other hand, deforesting and forest burning are the main culprits of CO_2 emissions in Brazil. In the last inventory of greenhouse gas emissions in 1994, these two items accounted for about 75% of total emissions, and the remaining 25% included transportation, power generation and industrial processes. Deforesting control that has already been included in Brazilian government agenda enables us to reduce emissions as a country, without any adverse impact on our economic growth.

These conditions allow us to strengthen the role played by Brazil as a leader in the process of global negotiation in the search for a solution to this problem, and they also give us authority to highlight the concept of "common but differentiated responsibilities" established in Kyoto, assuming that all countries have responsibilities on the issue, but with different intensity, with the heaviest burden assigned to the developed countries.

In Brazil, even if the industrial segment is not responsible for the largest amount of emissions, the magnitude of this problem deserves our attention. In our sector, the chemical industry, we are entitled to feel proud for having decreased the intensity of CO_2 emissions between 2001 and 2007. This is a concrete contribution towards minimizing the problem. All this was done voluntarily, assuring the achievement of sustainable profit, that is, profit that guarantees economic results, at the same time minimizing the social and environmental impacts.

At Braskem, we see ourselves as part of the solution to this problem. We have been strengthening control over our emissions and investing in technology and new processes and products capable of minimizing greenhouse gas emissions, with a comprehensive view of our value chain. Since 2006, have been producing inventories of emissions and this information was published in our last annual report. We have recently started a plant to produce ETBE, a gasoline additive manufactured from renewable raw material, and we are investing more than R$ 500 million in our first green polyethylene plant to be manufactured also from a renewable raw material, alcohol. Together, these plants will contribute to reduce 750 thousand ton of CO_{2e}, and this is equivalent to 10% of our emissions. These are also concrete contributions.

A new opportunity appears to guide our next steps arising out of the awareness that the use of our products will significantly contribute to reduce greenhouse gas emissions. In a recent report published by ICCA (International Council of Chemical Associations), prepared by McKinsey consulting, and verified by the German Öko-Institut that has analyzed the life cycle of more than 100 chemicals worldwide, the conclusion was reached that the use of plastic products for thermal insulation, packaging, in cars, synthetic fabrics and in piping, for example, contributes to reduce greenhouse gas emissions from the chain by 2.1 to 2.6 ton of CO_{2e} for each ton of CO_{2e} emitted by the chemical industry.

Braskem wants to set an example as a company committed to a low carbon economy, recognized by efficient actions resulting in the adoption of solutions that result in real impact on the amount of carbon emissions by products and in innovative solutions.

Our commitments:

1. continue to improve the intensity of our greenhouse gas emission by increasing our energy efficiency and furthering new technological opportunities;

2. strengthen Braskem contribution to reduction of greenhouse gases through the use of renewable raw materials;

3. further the development of a market for products capable of reducing greenhouse gas emissions;

4. take part in initiatives advancing the concept of responsible consumption, highlighting the chance driving role consumer choices play;

5. continue to publish our inventory of greenhouse gas emissions to impart transparency to our evolution;

6. support discussions about climate changes at corporate forums, especially at Abiquim, and before the government and society organizations, with the purpose of influencing and being influenced by this interaction;

7. support all Brazilian government decisions capable of contributing to sustainable development, considering it paramount to all our initiatives.

We are convinced that through these commitments we will be able to continue to make concrete contributions to improve the quality of life of all peoples in our planet.

Water treatment at the Triunfo Complex (Rio Grande do Sul): in 2009 Braskem ranked among the ten Brazilian companies with the best environmental and sustainability practices.

Water consumption

According to the UNEP (United Nations Environment Program), in 2002, 2.4 billion people in the world lived in areas where hydric stress is prevalent (areas where water consumption by human beings exceeds 40% of the renewable sources of the fresh water existing in a given hydrographic basin). The scenario predicted for the future is even bleaker. In the Global Environment Outlook, published also by UNEP in 2002, this figure will be higher by 2032, independent from the scenario being considered – even in the most optimistic of them, in which intergovernmental policies are successful and the focus on sustainable development is broadly disseminated.

In Brazil, according to the National Water Agency - ANA, despite having more than 12% of the global surface water in its territory, with more than 33,000 m^3 of water per capita/year, some regions face hydric stress. The average in such regions (part of the Northeast, for example) may go down to just 500 m^3 per capita/year. According to this study, the industrial sector is not the largest consumer of water. Notwithstanding, it accounts for 18% of the whole amount of water consumed in the country. Consumption by Braskem reached 41,000,000 m3/year, equivalent to 4,0 m^3/t of product, being, therefore, lower than the average consumption by the global chemical industry amounting to 27.8 m^3/t (ICCA data). On the other hand, Braskem consumption is equivalent to that of more than 500 thousand people, which is an expressive figure.

Use of non-reusable raw material

Naphtha, an oil by-product, is the key input for the petrochemical chain in which Braskem is a player. However, just 4% of global oil consumption is destined to this chain. Once this is an issue of growing significance to society, the Company has been designing technologies that target the use of renewable raw materials, not just for being renewable, but also because their use contributes to mitigating climate change.

Entry in the market of renewable inputs placed Braskem in contact with a new supply chain, the agribusiness chain, generating challenges such as the use of the soil and issues related to respect of the fundamental human rights of workers. To Braskem, the relationship with this chain must be negotiated with Suppliers and clearly stated to allow an adequate management of risks. In 2009, Braskem started to design a management system for sugar cane ethanol production chain that will be implemented and disclosed in 2010.

Responsible use of plastic bags

Since 2008 Plastics Social and Environmental Institute (Plastivida), of which Braskem is a member, has been deploying actions intended to raise the awareness about the significance of plastic bags – and plastics in general - in modern life, and their correct use. This action, named Plastic Bag Quality and Responsible Consumption Program, counts on partnerships with other sector entities: the National Plastics Institute (INP) and the Brazilian Association of Flexible Plastic Bag Industry (Abief). It also relies on the participation of the six largest retail groups in Brazil and the Brazilian Association of Supermarkets (Abras).

Plastivida CEO Francisco de Assis Esmeraldo says that investments must be made in information and in raising the awareness of users about the correct disposal of plastic bags. "The responsible use of this or any other product means applying the three R's: reduce, reuse and recycle".

The program involves training of cashiers and store attendants in a sample of supermarkets, and also the mobilization of plastic bag manufacturers to prompt them to produce their bags in conformity with recommended standards and thicknesses (ABNT NBR-14.937 technical standard).

As a Plastivida Institute member company, Braskem supports the actions targeting the encouragement of responsible use and disposal of plastic bags.

Post-consumption of plastics

Braskem products are present in the various types of plastics that are used in modern life, making electrical home appliances and automotive vehicles more practical and lighter, imparting additional quality and durability to civil construction infrastructure, assuring food safety by improved packaging, contributing to preservation of human life in hospitals for its presence in blood and saline solution bags, and innumerable other items.

Despite all these benefits, social-environmental issues pose challenges to the plastic value chain, whose image is associated with urban solid waste, a serious environmental problem in Brazil. Mechanical recycling of plastics is one of the possible solutions. According to data disclosed by Instituto Socioambiental Plastivida, that Braskem helped to create in 1994, nowadays 21% of plastic waste in Brazil is recycled thanks to the participation of garbage pickers. In countries like Germany, Denmark and Switzerland, mechanical recycling of plastics ranges from 35% to 40%, and solid waste is used to generate energy. In Brazil, this energy is dumped into landfills. For understanding that it may and should contribute to the improvement of social-environmental aspects in the whole plastic value chain, up to post-consumption, Braskem is involved in projects like the "Recicla Sul", in Rio Grande do Sul (see *Integrated Recycling Project "Recicla Sul"* on page 57).

Strengthening relations

Strengthening ties with stakeholders like Company Members, Non-Governmental Organizations and Suppliers is one of the key focuses of the social component of sustainable development. In the internal environment of enterprises, the key challenge is to maintain a motivating environment, fostering the full potential of its Members. Among the components that influence this environment are health and safety conditions, room for self-development and equal opportunities, including issues related to gender, skin color and inclusion of individuals with special needs. Within this context, Braskem corporate culture is based on principles of trust between people and their development capabilities. However, Company management systems can still be improved.

In the social external environment, the challenge enterprises face is increasingly linked to their ability to contribute to the development of the communities where they are doing business, creating opportunities for education and income generation, representing effective ways of cooperation. This is the objective of the so-called Private Social Investments (ISP). Just like other companies, Braskem always tries to direct the ISPs to the benefit of the selected target publics and management of such investments in a way that will link them to the focus of company businesses, never trying to replace the role of the State in social actions. To this end, the Company must continuously strengthen internal and external channels of communication with the various stakeholders. Also within the scope of the social external environment, significant efforts are made to further the relations with the value chain – Suppliers and Clients – with a special focus on economic aspects. The real challenge is to strengthen relations in the social and environmental aspects.

Recycling campaign at Braskem

Vitopaper®: a new life cycle for plastics

Braskem Annual Report on plastic paper

This year Braskem chose to print its annual report on plastic paper, or synthetic paper, made from recycled post-consumption paper and industrial scrap. This initiative was preceded by an internal recycling campaign, conducted in June as part of the Environmental Week Program.

"Plastic recycling: this is our role" was the campaign motto. More that 50 garbage collection bins were distributed to the industrial plants and to Company headquarters. Collected materials were sent to Vitopel, a Braskem client and developer of Vitopaper®, the commercial name of plastic paper.

Vitopaper® was launched in 2009 and is used to print school and children's books, copybooks, maps and other products. Vitopaper® is a flexible bio-oriented polypropylene film, with features similar to those of mat couche paper. "However, it is about 40% lighter, stronger and durable, and resistant to humidity. Additionally, it may be recycled again," Vitopel CEO José Ricardo Roriz Coelho explained.

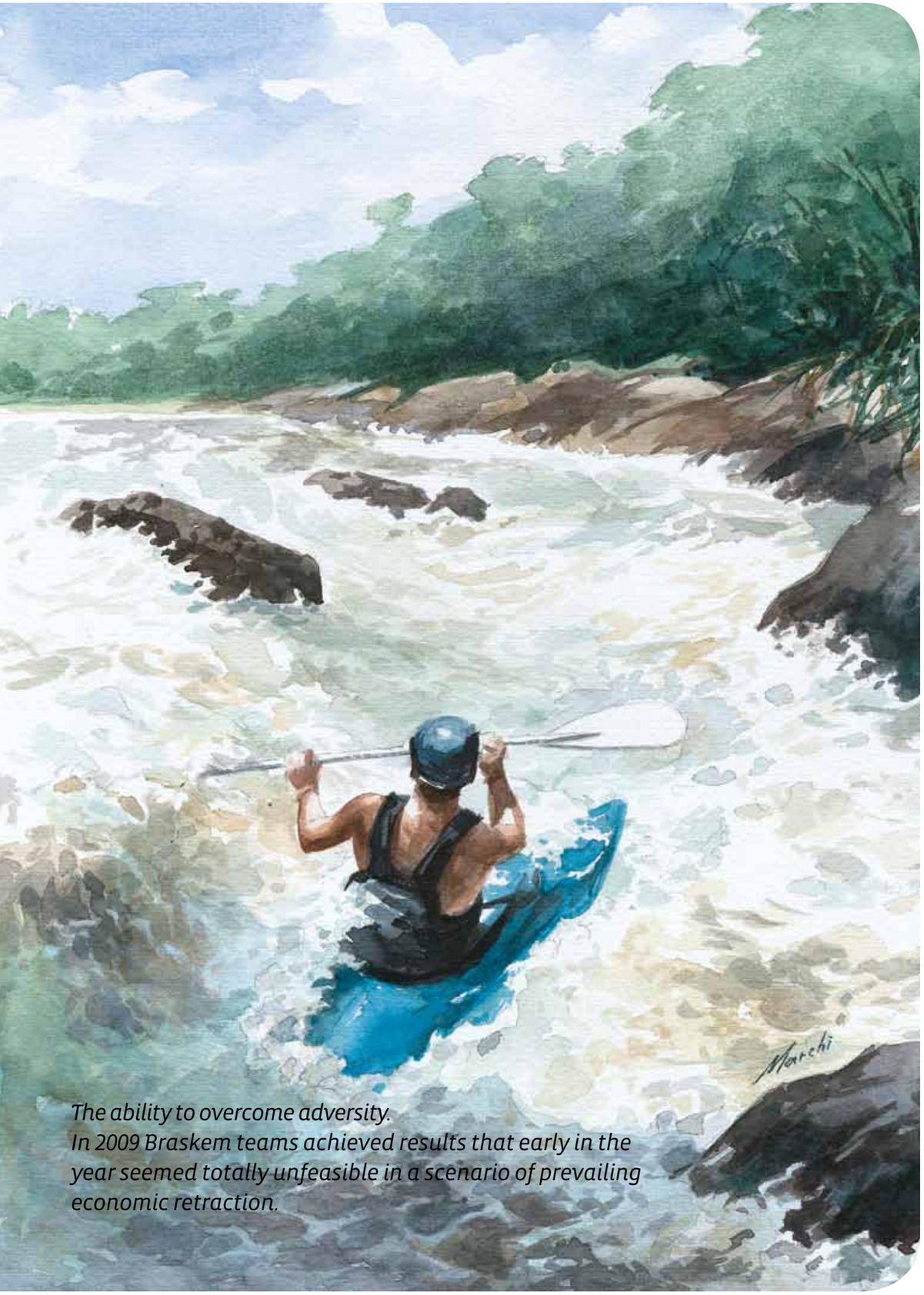
Vitopaper® is made from scrap of polyethylene, polypropylene (including metalized packaging) and polystyrene that is cleaned, ground and changed into a flexible film for printing.

"Vitopaper is yet another quality option for recycled plastic use", José Ricardo stated.

Producing wealth and achieving Client satisfaction. The Braskem teams always pursue these objectives in an environmentally sound way, with social fairness and respect to cultural diversity.

- *Economic-financial aspect*
- *Social aspect*
- *Environmental aspect*

Braskem sustainable development strategy comprises the economic-financial, social and environmental aspects presented in this chapter of our 2009 Annual and Sustainability Report.
The progress of our businesses is associated to the personal and professional development of Company Members and Suppliers, value generation for Clients and Shareholders, respect to the environment and generation of new opportunities to the communities where Company industrial plants are established.



The ability to overcome adversity.
In 2009 Braskem teams achieved results that early in the year seemed totally unfeasible in a scenario of prevailing economic retraction.

Economic-financial aspect

A YEAR OF OPPORTUNITIES

The word "overcome" defines what the year 2009 meant to Braskem. The Company was able to reverse the adverse expectations of the beginning of the year, changing the crisis scenarios that prevailed in the petrochemical industry and in the global economy into growth opportunities, and closed the fiscal year prepared to increase Company presence in the market. In 2009 Braskem firmly established itself as a company capable of competing globally. The acquisition of Quattor, in Brazil, and of Sunoco Chemicals, in the United States, early in 2010, resulted from these efforts.

Early in 2009 the petrochemical industry had to live with consumption retraction in most of the global markets and with a marked oil price drop, as of the second half of 2008. To Braskem, the first half reflected the unfavorable global scenario. At a given moment of this period, the Company was operating at 55% production capacity in order to adjust inventory levels in the production chain to the slow demand.

Out of the four lines existing in the Company petrochemical units, two had been shut down since November 2008: one in Camaçari, in the State of Bahia, and the other in Triunfo, in the State of Rio Grande do Sul. The plants are part of the Basic Petrochemicals Unit where more than 20 products are manufactured, among which are ethylene and propylene, both critical raw materials to thermoplastic resin production.

Once the production chain adjustment had been completed, operation was resumed at Braskem industrial units by mid-February and reached full load in March. Between April and June, demand picked up, following consumption increase in the country. By the third quarter of the year the scenario had already changed. The Basic Petrochemicals Unit achieved historical records of production and use of capacity at the petrochemical plants.

This same trend was felt by the Polymer Unit, answering for the polyethylene (PE), polypropylene (PP) and PVC businesses. Just as it happened at the Basic Petrochemicals Unit, the first signs of the polymer business performance recovery were also perceived in April.

Demand for PE and PP in Brazil closed the year with a 4% growth rate due to the strong performance of the Brazilian economy in the second half of the year. PVC, on its turn, closed 2009 recording a drop by 9% against 2008, resulting from its marked dependence on the construction industry that was able to pick up the pace only in the third quarter.

Investments

In line with its commitment with financial discipline, in 2009 Braskem decided to reduce the amount of the investments to be directed to plant modernization, health programs, safety and environment. The operational investments totaled R$ 894 million, against the R$ 1.4 billion invested in the previous year. This decrease also reflects the level of operational excellence and reliability of corporate assets as a result of the investments made in previous years and the programmed maintenance shutdowns of two lines of the petrochemical plants in 2008.

Investments R$ million	2006	2007	2008	2009
Capacity increase	93	351	195	207
Equipment replacement	199	327	238	188
HSE	143	130	161	102
Technology	54	62	91	55
Productivity	110	120	202	68
Maintenance shutdowns	149	263	407	187
Information system	97	60	55	50
Education/training (in-house and external)	13	12	9	7
Community program	10	10	11	7
Quality / other	–	9	25	23
TOTAL	868	1,344	1,394	894

As to the strategic projects, the highlights were the laying out of the cornerstone of the Green Ethylene plant (the Green Polyethylene Project), at Triunfo Petrochemical Complex, and the start-up of both ETBE plants - gasoline bioactive – at Camaçari Complex. This bioactive is also produced at Triunfo Complex (see *Pioneer Green Polymer Action* on page 31).

Disbursements with programmed maintenance shutdowns amounted to R$ 187 million, in line with the objective of maintaining the operational efficiency and reliability of the industrial plants.

Responding to the global crisis and maintaining investments were feasible only because Braskem had been getting ready to face the new sector downtrend, a period of start-up of new production capacity around the world, leading supply to exceed demand and reducing industry profitability, which happens, on average, in every period of six to seven years. This way, the Company also responded well to the negative international scenario.

A critical role was played by Company's constant concern with operational efficiency and capital structure, which includes the preservation of an extended debt profile, always adjusted to Company cash generation capacity. The efforts of Company teams in different initiatives were also critical to the results achieved in 2009: strengthening of partnerships with Clients by proposing new solutions capable of adding value to their businesses, assigning priority to investments with high rates of return and implementation of the fixed cost cutting program.

The good results achieved from these and other actions throughout the Company ensured corporate financial health, a critical strength in times of crisis. Braskem held a leading position in the petrochemical industry, increasing its size by the acquisitions of Quattor in Brazil and of Sunoco Chemicals propylene assets in the United States. Negotiations started by mid-2009 and deals were announced on January 22 and February 1, 2010, respectively.

The two acquisitions enabled Braskem to move up from third to first place in the ranking of companies producing thermoplastic resins in the Americas. In the global ranking of petrochemical companies, Braskem went from 12th to the 8th place, fully aligned to the corporate strategic vision of being among industry majors by 2020.

The Quattor acquisition

The negotiations for the acquisition of Quattor started in the first half of 2009. The negotiations were completed in January 2010 under an investment agreement that will change Braskem ownership structure. Company strategic decisions are already shared with Odebrecht and Petrobras, Braskem leading Shareholders, and when the deal is completed Odebrecht will have a 50.01% share of company capital. The incorporation of Quattor into the company, to be conducted in several stages, will be submitted to the Administrative Council of Economic Defense (Cade) for appreciation. The controlling interest in Quattor capital, including the stakes in Polibutenos and Unipar Comercial, was acquired for R$ 700 million.

Quattor owns nine industrial plants in three Brazilian states: Rio de Janeiro, where the company headquarters were established, São Paulo and Bahia. In São Paulo Quattor also has the operational support office. The company owns laboratories and development centers.

Jointly, Braskem and Quattor now own 26 production plants, with capacity to process 5.510 million ton/year of thermoplastic resins: polyethylene (3,035 kton), polypropylene (1,965 kton) and PVC (510 kton). The annual revenue of the companies should add up to about R$ 26 billion (pro forma basis 2009).

GREEN POLYMER PIONEER ACTION

On April 22, 2009, Braskem staged a ceremony for the laying of the corner stone of the Green Polyethylene project, at Triunfo Petrochemical Complex (Rio Grande do Sul), celebrating the beginning of the works of the first industrial unit in the world to use ethanol from sugar cane for industrial scale production of ethylene and polyethylene from a predominantly renewable source. The concept of green polyethylene sustainability is linked to its ability to entrap and fix CO_2 circulating in the atmosphere. Each kg of Green PE produced entraps up to approximately 2.5 kg of CO_2.

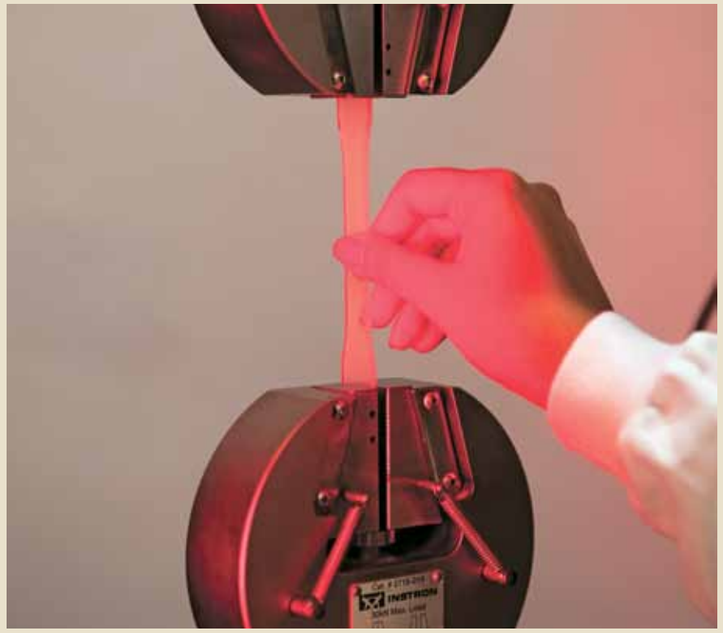
The total investments will add up to approximately to R$ 500 million (R$ 183 million in 2009). The project foresees the construction of a plant to produce ethylene, a raw material for polyethylene production, from ethanol. The unit is designed to produce 200 thousand ton/year of ethylene, to be changed into equivalent volumes of polyethylene at the already existing industrial plants at the Triunfo Complex.

The already assessed potential Green PE demand adds up to approximately 600 thousand ton/year, three times the capacity of the new unit. Plant start-up is scheduled for September 2010. Green PE has applications in markets like the automotive and toy industries, in blown packing for food and hygiene product and injected packing for the domestic utility markets.

The agreements targeting Green PE supply started to be executed in 2008, and their number has increased in 2009, in different segments. Among the companies that have already shown an interest in polyethylene manufactured from 100% renewable raw material we have:

- **Acinplas**: a Rio Grande do Sul group and domestic leader in the transformation of the fruit and produce plastic packaging used by retail chains. This company owns the Unisold System, consisting of punched plastic bags to hold produce and fruits. The pilot Green PE project will be developed using these bags. The pool of companies managed by Acinplas comprises Suzuki, Koba, Voti, Plasa and Tashiro & Takata.

- **Brinquedos Estrela**: this was the first Braskem partner in the green polyethylene commercial project, as early as in 2008. The pioneer action of the teams of both companies gave rise to Banco Imobiliário Sustentável (Sustainable Real Estate Bank), the most traditional of the Estrela board games. Each unit used about 50 grams of green polyethylene. Ten thousand games were produced.



- **Cromex**: with a unit in São Paulo and another in Bahia, this company is a Brazilian market leader in the segment of masterbatches (pigment concentrates, dies or additives) of colors for plastics. In partnership with Braskem, Cromex developed a series of colors and additives that will give to polyethylene properties like anti-blocking, UV ray barrier and anti-static and anti-fog capabilities.

- **Johnson & Johnson**: green polyethylene will be used in packaging of the regular Sundown line of sunblock lotions and sunscreen products that has celebrated its 25th birthday in 2009. The renewable raw material will be used also in the Sundown Gold tanning line of products. The new product packs should reach the market in the summer of 2011-2012.

- **Petropack**: this company is the Argentinean leader in the segment of films for food product packing. In the first half of 2009, Petropack signed an agreement with Braskem assuring supply of green polyethylene to some of its product lines in Latin America.

- **Shiseido**: signed an agreement with Braskem in 2008 for the development of packaging for cosmetic products using sugar cane polyethylene. Headquartered in Japan, Shiseido is one of the best known international manufacturers of top quality cosmetics. The Shiseido products sold in Brazil are all imported.

- **Tetra Pak**: A global food product processing and packing company, Tetra Pak executed an agreement targeting production of plastic covers and seals made in high-density polyethylene (HDPE) manufactured from sugar cane. The pilot project will represent the first step towards the use of this raw material for packing in the food and beverage industries. This contract ensures Braskem will supply of 5 thousand ton of Green HDPE per year, starting in 2011.

- **Toyota Tsusho**: this Toyota Corporation trade company signed an agreement with Braskem in 2008 foreseeing development of joint activities aimed at Green PE marketing in Asia.

ETBE

In August 2009 Braskem started two new plants at Camaçari Complex (Bahia). These plants will produce ETBE, a bioactive for gasoline made from renewable raw material. The ETBE plants, of the Basic Petrochemicals Unit, are replacing the MTBE plants that were shut down by Braskem. Investments adding up to R$ 100 million were allocated to plant conversion project.

The new units will be able to produce 212 thousand ton/year. Part of the production will be destined to the Japanese market, under a contract signed with Sojitz, assuring a supply of 120 thousand ton of ETBE during a period of three years. Besides the units in Camaçari, Braskem also produces 160 thousand ton per year of ETBE at the Triunfo Complex.

Besides these deals, in 2009 Braskem has merged Petroquímica Triunfo, as part of the Investment Agreement executed in 2007 by Odebrecht and Petrobras, reinforcing the strategic alliance between its two leading Shareholders.

Throughout the year 2009, Braskem continued to have access to competitive credit and sailed through the global crisis without any adverse impact on company risk rating. Braskem is monitored by the Standard & Poor's, Moody's and Fitch risk rating agencies that have reiterated their ratings, respectively, at 'BB+', 'Ba1' and 'BB+'.

For 2010, considering its current perimeter, Braskem is planning to invest about R$ 1.1 billion, considering projections that Brazilian Gross Domestic Product should record a 6% growth rate, increasing the domestic demand for petrochemical products, among them the thermoplastic resins. This growth will lead the Company to operate at almost 100% of its current capacity. This forecast is not taking into account the incorporation of the Quattor assets, maintenance shutdowns or market flow changes.

Key results

Braskem closed 2009 with a 52% share of the domestic resin market, thus securing its position of leadership in Brazil. Braskem PP sales to the domestic market recorded an increase by 9% against 2008 results. On their turn, PE and PVC sales were down by 2% and 8% respectively. The aggregate volume of thermoplastic resins sold in Brazil was practically the same as in 2008, reaching 2,231 thousand ton. As to the performance of basic petrochemicals, in 2009 the total sales of ethylene and propylene were increased by 29% y.o.y, reaching 804 thousand ton.

Braskem consolidated gross revenue reached R$ 19.2 billion in 2009, which was lower than the R$ 22.6 billion achieved in 2008. Net revenue amounted to R$ 15.2 billion, also lower than the R$ 17.9 billion recorded in 2008. This drop can be explained by the downside of resin and basic product prices from one period to the other.

However, despite lower revenue, a 62% increase was recorded by the generation of added value to be distributed. The chief reasons for that were the improved operational performance and cost-cutting efforts. The added value statement evolved as follows:

Thermoplastic resins

Distribution, by interested parties	2009	2008	2007	2006
Government	**1,962**	**(912)**	**1072**	**375**
Taxes subsidies deducted (exemptions)	1,962	(912)	1,072	375
Members	**482**	**561**	**589**	**523**
Salaries (personnel + managers)	360	439	393	425
Benefits	122	122	196	98
Funding agencies	**(707)**	**4,445**	**172**	**1,477**
Third party's return on capital	(707)	4,445	172	1,477
Minority shareholders	**–**	**39**	**390**	**447**
Shareholders	**917**	**(2,492)**	**671**	**145**
Interest on equity and dividends	–	–	278	37
Profit reserves /fiscal year losses	917	(2,492)	393	108
TOTAL AMOUNT DISTRIBUTED	**2,654**	**1,642**	**2,894**	**2,967**

In 2009 the consolidated EBITDA reached R$ 2.5 billion, practically in line with the previous years (see table of indicators). The key factors that have enabled these results were the improved operational efficiency of manufacturing plants, recovery of the sales of resins and basic petrochemicals and the efforts made by Company teams to cut costs down and to add service and value to Braskem products. Period net profit reached R$ 917 million, representing R$ 3.4 billion improvement against the R$ 2.5 billion losses recorded in 2008.

Productivity indicators in R$ million	2009	2008	2007	2006
Economic-financial				
Net revenue	15,248	17,960	18,788	16,969
Ebitda	2,475	2,418	3,250	3,023
Net financial result	572	(3,685)	(367)	(1,013)
Net income	917	(2,492)	642	117
Net debt	6,612	9,026	6,123	7,278
Margins				
Gross margin (gross profit/ net sales)	16.9%	15.7%	19.4%	19.1%
Net margin (net profit/net sales)	6.0%	-13.9%	3.4%	0.7%
Indicators				
Net debt/Ebitda	2.67	3.73	1.88	2.41
Indebtedness rate (loans + funding/ net work)	2.06	3.26	1.48	2.18
Liquidity index	0.55	0.52	0.59	0.63
Asset turnover (net sales/average assets)	0.68	0.83	0.91	0.83
Return on average assets (ROA) (operating profit/average assets)	0.09	(0.12)	0.07	0.04

(GRI EC1) Direct economic value generated by the Company and distributed to the different stakeholders (R$ million)

	2007	2008	2009
(+) Direct economic value generated	**17,642**	**17,960**	**15,248**
Revenue	17,642	17,960	15,248
(–) Economic value distributed	**15,722**	**20,659**	**14,409**
Operating costs	14,331	15,141	12,665
Employee salaries and benefits	559	524	482
Payments to capital providers	-220	4,445	-707
Payments to the government	1,041	539	1,962
Investments in the community	10	11	8
(=) ACCRUED ECONOMIC VALUE	**1,921**	**-2,700**	**839**

(GRI EC4) Tax incentives

In 2009 Braskem received R$ 107.7 million worth of tax incentives. In 2008 tax incentives amounted to R$ 77.5 million and R$ 65.4 million in 2007.

These amounts are calculated based on the sum of tax cuts, subsidies, research, investment and development grants, royalties, Export Credit Agencies, financial incentives and other benefits. The incentives are aimed at supporting Braskem to make investments feasible, accounted for in company net worth as an Investment Reserve.

International Expansion

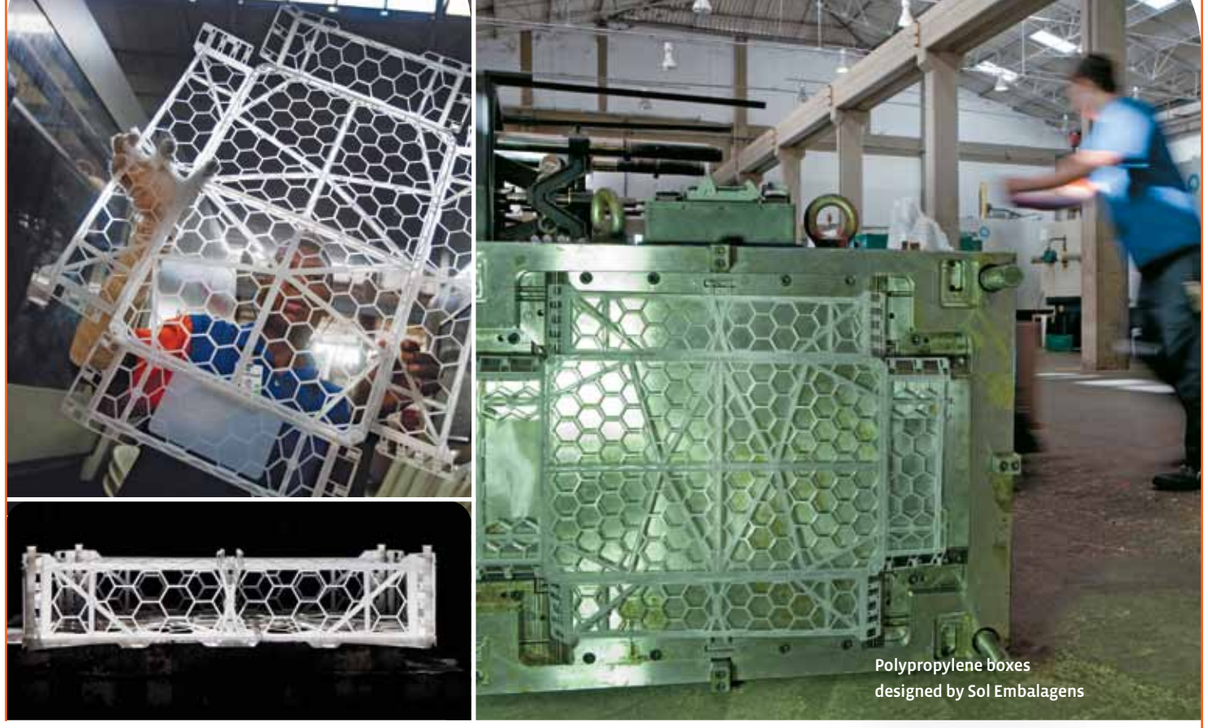
Braskem is deploying its global growth strategy from the consolidation of the petrochemical industry in Brazil and international expansion, with the acquisition of assets in the United States and greenfield projects in Mexico, Peru, Venezuela and Bolivia. For the greenfield projects the emphasis is on access to raw materials in competitive conditions, and above all access to gas.

In 2009, the negotiations for the acquisition of Sunoco Chemicals polypropylene (PP) business in the United States were the highlight of the Braskem international agenda. The acquisition, for US$ 350 million, was announced on February 1, 2010, marking the beginning of Company industrial business in the North American market, the largest and most competitive per capita consumer of plastics worldwide.

Braskem America, the former Sunoco Chemicals, is capable of producing 950 thousand ton per year of PP. Headquartered in Philadelphia, Pennsylvania, this company comprises three industrial units established in Texas, Pennsylvania and West Virginia, accounting for 13% of the installed capacity of PP production in the United States. The acquisition includes a technology center, also in Pennsylvania, which is critical to allow Braskem to go on providing support to Clients in the development of products and markets and providing technical assistance services.

According to Company 2020 Vision, in order to be among the five global majors, Braskem is planning to acquire other petrochemical assets in the United States. In order to achieve this goal, we will continue to look for opportunities in that country, with priority assigned to venture quality and acquisition conditions.

Among the greenfield projects, the highlight in 2009 was the partnership with Idesa, one of the leading petrochemical groups established in Mexico. By the end of the year, Braskem and Idesa, in a joint venture controlled by Braskem (65% interest), were the awarded bidders of the auction promoted by Pemex, Mexico's state oil and gas company, targeting the purchase of 66 thousand daily barrels of ethane, with gas used as the energy matrix. The contract covering a period of 35 years was executed on February 23, 2010, and the raw material will be used in the integrated petrochemical facility that will be built in Coatzacoalcos, in the Mexican state of Veracruz (Ethylene Project XXI).



Polypropylene boxes designed by Sol Embalagens

Durability of new packaging

Sol Embalagens developed a model of polypropylene box to carry produce, offering several advantages over regular cardboard boxes: increased strength enabling stacking, added hygiene and durability. For being lighter than their cardboard counterparts, the polypropylene boxes reduce the amount of fuel consumed for product transport. Additionally, the structure of the new model is injected on a screen, also made in polypropylene. This facilitates cooling and, consequently, reduces energy consumption.
"These are some of the sustainability aspects of the Project." company President-Director José Sanches Oller reported. "Besides, after cleaning, these boxes can be reused, and after disposal this material can be recycled." In order to get to the desired model, design development and adjustments required two years of joint work with Braskem, at the laboratories of Company Technology and Innovation Center, in Triunfo (Rio Grande do Sul).

Braskem and Idesa will invest US$ 2.5 billion in the project that targets production of one million ton/year of ethylene and polyethylene (high density, low linear density and low density) at three industrial plants. Operation start-up is planned for 2015, and production will be directed to the Mexican domestic market, replacing imports from the United States.

The search for more competitive raw materials is one of the hallmarks of the Braskem greenfield projects, with key focus on the natural gas found in fields in Mexico, Peru, Venezuela and Bolivia. In Peru, in 2009, Braskem completed the initial technical-economic feasibility phase of a project that involves production of 600 thousand to 1 million ton of polyethylene from the natural gas ethane, in partnership with Petrobras and the Peruvian state company Petróleos del Peru (PetroPeru). Most of the raw material will come from two fields that Petrobras owns in Peru (blocks 57 and 58).

In Venezuela, Braskem is involved in two joint projects with the state company Pequiven. Both these projects use natural gas as raw material for polyethylene and polypropylene production. In 2008 this was the Company's leading internationalization platform. In 2009, however, projects suffered the impact from the global credit crisis and, more especially, the impact of lower oil prices that produced adverse impacts on the investments required for the supply of natural gas by the state company Petróleos Venezuelanos (PDVSA).

Braskem Innovation Program

Since 2004 Braskem has kept the Braskem Innovation Program - PIB that receives and analyzes ideas, changing them into possible new products or applications to be taken to the market depending on their value generation potential, always in line with Company strategy.

In the last five years, more than 1,220 ideas were submitted, and 420 of them became projects; 120 of these projects were placed in the market. In this period, 100% of the PP, PE and PVC projects that were launched in the market came from the PIB.

Partnership with Novozymes

In December 2009, Braskem and Novozymes, a Danish company which is currently the leader in global market industrial enzyme production, entered into a joint venture targeting the development of polypropylene manufactured from sugar cane. The initial results are expected within a minimum term of five years.

In 2008, Braskem had already become the first company in the world to produce and certify PP manufactured from 100% renewable sources on an experimental basis. The certification was signed by the US Beta Analytic laboratory.

The pace of project implementation was reduced, but the stages of technology selection and procurement were completed, as well as the basic engineering work component. Projects are now being adjusted to the local scenario and new sources of raw material are now being examined. The fourth of Braskem greenfield projects, the Bolivian project, has been temporarily progressing at a slower pace due to technical issues related to the availability of raw material.

Innovation: a key strength

Innovation and technology are critical strengths for Braskem. The research line and the investments made in the business units have added value and improved Client competitiveness. Within the scope of corporate action, medium and long term projects pave the way for options to break and diversify the energy matrix, with researches directed to renewable raw materials such as ethylene made from sugar cane.

In 2009, the investments made by Braskem in research, innovation and technology were kept stable at R$ 53 million, practically the same amount budgeted in 2008. The total amount destined to material resources was reduced by 15%, but not project grants, thus maintaining budget balance. Braskem relies on Technology Centers established in São Paulo and Rio Grande do Sul, equipped with 18 laboratories, where 168 Company employees are working. Among them 23 have a Master's degree and 19 are PhD graduates.

Besides counting on its own team the company acts jointly with research institutes in Brazil and abroad, driving us to achieve relevant results, contributing to the deposit of 18 patents in 2009, totaling 249 patents registered by the end of the year. In 2003 Braskem had deposited 100 patents. In July 2008, the Company deposited its 200th patent, with an innovation developed jointly with Federal University of the State of Rio Grande do Sul ("Chemical Sensors and their Application in Polymeric Matrixes").

The focus of the most important medium and long term research lines is related to the businesses in which Braskem and Braskem Clients are engaged, such as intelligent plastic packaging, biopolymers, sustainability, identification of new sources of biomass from plastic and garbage recycling, or algae farming. Just like sugar cane, algae offer an additional advantage: algae may be efficiently used for carbon gas (CO_2) entrapment. Braskem is also working in other processes of CO_2 entrapment, abatement, and conversion into commercial products.

Among Company innovation and technology achievements in 2009 the following deserve a special mention:

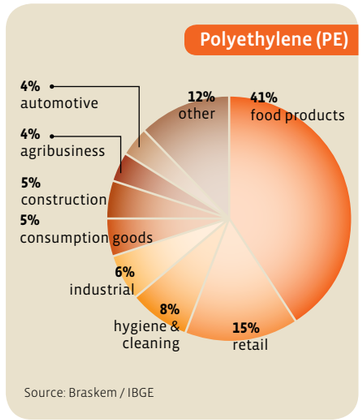
- Partnership agreements for the development of technological projects jointly with national and international universities such as the State University of Campinas, Federal University of the State of Rio de Janeiro, Federal University of the State of Rio Grande do Sul, Federal University of the State of Bahia and Waterloo University, in Canada. In order to be able to develop joint projects with these institutions, Braskem has signed an agreement with technological development agencies, under which the Company will receive more than R$ 10 million worth of non-reimbursable resources.
- Additional investment of R$ 8.25 million to be made by the State of São Paulo Research Support Foundation (Fapesp) with the purpose of furthering green propylene research, aiming at green propylene production (Green PP) from sugar cane. This investment will be allocated in the next five years. Fapesp owns a 50% share of the project. Braskem and Fapesp have been partners since 2008, when a cooperation agreement was signed targeting biopolymer researches. The investments planned for this line add up to R$ 50 million, along a period of 5 years.
- Establishment of a partnership with Petrobras Research Center - Cenpes, launching joint projects aimed at the development of polymers from renewable resources, technologies and products for oil exploration.
- Project aimed at the development of a polypropylene product to be used to cover the steel tubes of oil pipelines for offshore applications. The resin protects steel against corrosion and acts as a thermal insulation.
- Braskem joined other representatives of the national chemical and petrochemical industry in the construction of the technological agenda of the Productive Development Policy (PDP), a federal government program coordinated by the Brazilian Industrial Development Agency. The chief purpose of this initiative is to boost the competitiveness of the domestic industry. The plastic sector subjects and the respective Braskem projects are the following: chemistry of renewable sources, energy recycling and special high technology materials.

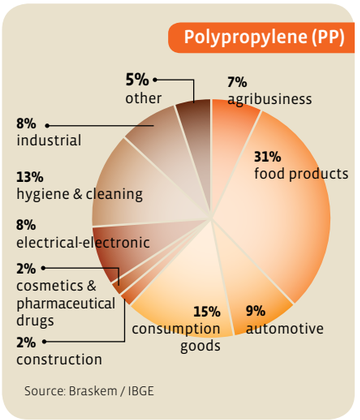
A growing portfolio of Clients

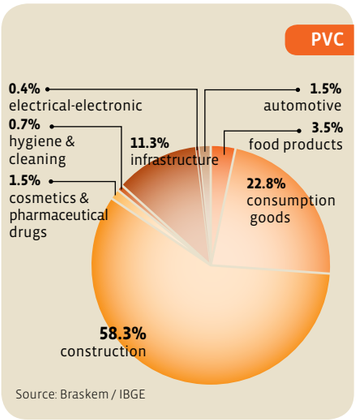
Serving Clients with emphasis on quality, productiveness and social and environmental responsibility is one of Odebrecht Entrepreneurial Technology's (TEO) core principles. This is a concept that guides the actions of Company Members in all the enterprises controlled by the Odebrecht Organization. At Braskem the Client service culture is translated into long term business partnerships and transparent relationships.

In 2009, Company Portfolio of Clients grew more than 20% compared to 2008, both in Brazil and abroad. Braskem evolved from 1,400 to 1,700 (21%) in the domestic market and from 360 to 450 (25%) abroad, with exports shipped to more than 60 countries. A highlight is the Argentinean market, answering for 26% of the exports from the Polymer Unit and 7% shipments from the Basic Petrochemicals Unit.

Sectors to which Braskem has sold Company products in 2009 (% of total sales)







Client service

The Braskem Portal features an exclusive area for Company Clients with an option provided for order follow-up. Access to portal requires login and password.

14 distribution terminals, improving logistics services.

Abroad: commercial offices in the United States, Chile, Holland and Venezuela. Soon the Company will also have offices in Mexico, Colombia and Asia.

Reach: exports requirements

In 2009 Braskem implemented the necessary adjustments to the first phase of the European exports standard called Reach (standing for Registration, Evaluation and Authorization of Chemicals). Reach became effective in June 2007 and requires identification of all substances in the formulation of chemicals exported to European countries. The purpose of this standard is to make sure that all chemicals marketed in Europe provide fully identified and traced environmental and public health information.

Braskem is now developing the second stage of the project comprising detailing of toxicological, ecotoxicological, safety and environmental information of each one of the identified substances. A detailed mapping may include information on six thousand substances.

In 2009 Europe was the destination of 27 % of Braskem total exports.

PVC Specialties

In November 2009, Braskem started to market the PVC Specialties produced by the Colombia-based Mexichem, under a 5-year supply contract. Our purpose is to maintain a regular product supply. In 2010 the Company decided to close a small old industrial unit established in the district of Vila Prudente, in São Paulo.

The unit will be changed into a product distribution center where, besides PVC Specialties, other resins may be stored and shipped to the market. The decision to discontinue production at Vila Prudente was based on the sustainability of the business that had been losing competitiveness because of its reduced production scale, the distance from the chief sources of raw materials (Camaçari) and transportation logistics.

The 53 Members linked to plant operation and the service providers were informed of the decision and of other measures to be enforced in order to identify opportunities to move the plant to other company areas or possible severances. Excluding retirees, 66% of Members were reassigned.

› **Please refer to the Financial Statement in the CD attached to this issue.**

Corporate governance and management systems

Transparency, ethics and respect to Clients, Company Members, Shareholders, Suppliers and society are inherent to Braskem culture and actions. According to these principles, and in line with the best governance practices, Company reporting of results includes the disclosure of the Annual Balance Sheet and quarterly reports of results, with situation analyses. Braskem also schedules periodical meetings with analysts and investors.

Information is regularly sent by Braskem to CVM – Comissão de Valores Mobiliários (Securities Commission) and to São Paulo (BM&FBovespa) and New York (NYSE) Stock Exchanges. This information is furnished in reports, standardized financial statements, result releases, annual and quarterly information, 20-F forms, minutes of meetings, calls for meetings, communications and relevant facts.

In order to facilitate reference by the Shareholders and by the financial community Braskem has set up a website kept under the responsibility of the corporate Investor Relations department, where additional information is provided such as: quarterly fact sheets, quarterly valuation books, annual sustainability reports, basic information on Company plants, information on controlled companies and affiliates, sector information, BM&FBovespa and NYSE quotations, graphic of quotations, and many other.

The members of the Board of Directors and of the Statutory Audit Committees count on a secure site on the Internet where data is disclosed as inputs to their meetings, and also to meetings of Board of Directors Support Committees. This exclusive website also includes information required by the regular performance of Board members functions. This type of information comprises minutes of meetings, Resolution Proposals, Braskem Pluriannual Action Plan and Monthly Follow-up Reports, Code of Conduct, Public Commitment, Corporate by-laws, Internal Regulations and Policies approved by the Board.

At Fibrasa Embalagens, that is now investing in direct plastic stamping technology

Governance practices

Braskem governance practices and processes described in this chapter value ethics, transparency and respect to Shareholders, Company Members, Suppliers, Clients and Society in general, adding value to Shareholders' equity and return on capital. These are the corporate governance principles enforced by Braskem: (i) care for and stand for its ethical conduct in corporate processes and internal and external relations governance systems; (ii) demonstrate the excellence of the Company's processes (punctuality, streamlined action, swiftness, discipline and accuracy); (iii) excellence of corporate relations with partners; (iv) ensure conformity with legal and regulatory bodies to whose authority Braskem business are subject; and, (v) guarantee the evolution of Corporate Governance practices and processes.

Polypropylene paint buckets

Polypropylene is the raw material for paint drum manufacturing. Fibrasa Embalagens adds PP to direct labeling in the plastic to place an innovative and quality product in the market. "We are convinced that the polypropylene bucket solution is very good when it comes to offering products that are lighter and stronger than the conventional ones," Fibrasa Commercial Director Marino Scudero explained. "However, this material did not react favorably to the labeling processes we used. This is why we decided to import a system named InMold Labeling, that uses a robot to apply the label and decorate the bucket with a high quality photographic resolution", Scudero reported.
Fibrasa produces 3.6 and 18 liters polypropylene packaging. Besides being lighter, with benefits resulting from fuel savings, plastic models are reusable and recyclable. "In Brazil this type of packaging has only a 5% market share, while in Europe the situation is precisely the opposite: 95% of paint buckets are made in plastic," Marino Scudero explained.

Code of Conduct

The Braskem Code of Conduct aims at setting forth the ethical principles and standards of conduct that should guide the internal and external relations of all of Braskem Members, independent from their positions, responsibilities, ratifying our commitment with an ethical and responsible action towards all the stakeholders.
The Braskem Code of Conduct establishes the following fundamental principles:

- **relationship with Members: there shall be no discrimination because of religious, philosophical or political preference, nationality, origin, gender, age, race, sexual preference, marital status or physical or mental disability;**
- **responsible conduct of corporate businesses: Members shall be responsible for performing the assigned tasks and for conducting Braskem businesses with transparency and in strict conformity with the law in force and with Company principles and guidance;**
- **commercial relations with Clients or Suppliers: Braskem provides guidance and expects Company Members to conduct commercial relations in conformity with the law in force, lawful market practices and, especially, with the national and international standards on the economic order and competition defense;**
- **handling of privileged information/ conflict of interest: company Members shall act to prevent their actions from conflicting with Braskem interests or from causing any adverse impacts on corporate image and reputation;**
- **relations with Shareholders and stakeholders: the treatment dispensed to Shareholders is independent from the number of Company shares they own, but shall always comply with legal restrictions. A flow of information shall be provided to all of them equally;**
- **use and preservation of Braskem assets: Members shall act towards conservation of Braskem assets, comprising premises, machinery, equipment, furniture, vehicles, valuables and other;**
- **transparency of accounting and financial records: transparency is critical to enable a correct assessment of Braskem by market agents;**
- **environment and safety: environmental balance and nature preservation are of critical significance to Braskem business activities;**
- **slave and/or child labor: Braskem shall not tolerate, allow or condone any form of slave/child labor in any process related to Company operations.**

Governance Model

Braskem participates in BM&FBovespa Level 1 Corporate Governance since December 2003, and complies with the standards established by Law 6.404/76 (Corporations Law), with the rules laid out by CVM - Securities Commission and Bovespa Regulations for Differentiated Corporate Governance Practices, and with corporate by-laws.

Braskem complies also with other requirements of Level 2 and of the New Market, namely:

- disclosure of the Financial Statements according to international accounting standards (US GAAP and IFRS: the latter is now in the preparation stage);
- board of Directors formed by at least five members with a standardized term of office of up to two years, with reelection allowed, and at least 20% of independent members;
- 100% Tag Along for all the shares in case of changes to corporate ownership.

In 2005, almost one year before the deadline, Braskem completed the adjustment to the Sarbanes-Oxley (SOX) law, achieving conformity certification and Corporate Governance policy recognition. Company stock is listed at NYSE and Latibex, in the Latin American Corporations section of the Madrid Stock Exchange.

Braskem governance model is composed of the Board of Directors, the Permanent Support Committees, Statutory Audit Committee and Ethics Committee. Braskem Corporate Governance is supported by the Corporate Security area (that in practice exercises the internal audit functions, providing guidance on corporate risk management and conformity with regulations and responsible for Code of Conduct monitoring), and by external auditors hired by the Company.

The Governance Model enforceable for the relations between Shareholders, Board Members, Directors and independent auditors is structured as follows:

Bodies	Participants	Objectives
Board of Directors	Shareholder's Representatives	› Macro objectives & strategies › Business & strategic guidance › Performance Monitoring › Approval of Basic Policies › Resolutions defined in the by-laws
Permanent Support Committees › Finance & Investment › Strategy & Communication › People & Organization	Members appointed based on their respective expertise	› Recommendations to the Board, based on analysis of information aimed at improving and streamlining the decision making process › Decision follow-up under authority delegated by the Board
Statutory Audit Committee	Shareholder's Representatives	› Body in charge of monitoring the actions taken by Braskem Management, with the purpose of ensuring conformity with the obligations set by law and by company by-laws › Action broadened as Statutory Audit Committee
Auditing	1- External auditors 2- Corporate security	› Issue of independent reports on corporate Financial Statements , in conformity with legal provisions › Audit program targeting Risks and SOX
Ethics Committee	Senior Legal Officer, Corporate Governance Officer, People & Organization Officer, Head of Institutional Relations & Corporate Security Officer	› See to the enforcement and permanent updating of Company Code of Conduct › Examining and handling of solutions to the reports received through the Ethics Line channel
Executive Committee	CEO and the officers reporting directly to him	› Executive instance where subjects related to the governance process or that need to be submitted to the Board are discussed › Analysis of cases to which the joint views of the Business Units and Support Units support and contribute to decision making

Board of Directors

Board Functions

Company Board represents Braskem Shareholders and is Company deliberative body (non-executive body). The Board acts independently, answering for the rendering of accounts to the Shareholders, other stakeholders and society in general, and for the tangible and intangible assets used for Company management. Some of the duties assigned to the Board of Directors are listed below:

- ensure the enforcement by Braskem of a Corporate Governance System in conformity with the best market practices;
- provide general guidance to Company businesses;
- approve CEO Action Plan;
- approve the subjects defined in the by-laws and the Policies proposed by the CEO;
- submit issues that are part of its scope of action to the General Meeting of Shareholders, as defined in corporate by-laws;
- follow-up CEO Action Plan by means of monthly reports;
- under provisions of the Corporations Law, the Board is also responsible for hiring a duly registered and independent auditing firm.

As required by corporate By-Laws, the Company Board is formed by 11 members and respective alternates, who are company Shareholders, domiciled or not in the country and appointed and removed from office at any time by the General Meeting of Shareholders. Among the members of the Board the General Meeting of Shareholders also appoints a Board Chairman and a Vice-Chairman, and is entitled to replace them at any time. During an absence or temporary impediment of a full member his/her alternate will take over the assigned duties.

Sustainable development in the agenda

The sustainable development subjects are handled by the Strategy and Communication Committee (CEC) that provides support to Company Board, under a resolution passed by the Board on September 23, 2008. Braskem corporate sustainability actions are assessed and monitored by the CEC. In 2009, the subject "Braskem Sustainable Development Planning Strategy" was discussed at one of the CEC meetings.

In compliance with a Corporate Governance requirement, pertaining to the independence of the Board, it is important to underline that no full or alternate member of the Board, including the Board Chairman, may be a part of Braskem Executive Management. In 2009, Braskem Board had three independent members. The independence of Company Board Members is based on the following concepts:

- a Board Member shall have no ties with the corporation, except for an interest in Company capital stock;
- a Board Member shall not be a controlling shareholder, a participant of the control group, spouse or up to second degree relative or have any ties with organizations linked to the Controlling Shareholder;
- a Board Member shall not have been a Company employee or director or an employee or director of any Company subsidiaries in recent years;
- a Board Member shall not be a spouse or up to second degree relative of any Company Director or Manager;
- a Board Member shall not be entitled to any payment by the Company, besides the compensation to which he/she is entitled as a Company Board Member.

Notwithstanding, it is important to clarify also that there is no direct communication line between Braskem Members and the Board of Directors. Under provisions of corporate by-laws Board demands are directly presented to Company CEO, to whom powers are delegated to implement the resolutions passed at the meetings. Besides this sole instance, there is no line of communication between the Board and Company Members.

The members of the Board are appointed for a term of office of two years, and re-election is allowed. Both the Chairman and the Vice-Chairman are elected for a term of office of up to one year, and reelection is also allowed. The terms of office of all the current members of the Board will expire at the General Ordinary Shareholders Meeting to be held in 2010. Routinely, the Board convenes for meetings at least four times a year, and extraordinary meetings are held when called by the Chairman or the Vice-Chairman or by two of their representatives. In 2009, twelve ordinary and extraordinary meetings of the Board were called and held. Meeting resolutions require a quorum represented by the majority of Board members, and are passed by majority of votes, in compliance with the Braskem Shareholders Agreement in force.

Composition of the Company Board

Out of the eleven members of corporate Board of Directors appointed on April 30, 2010, two are independent from the Controlling Shareholders. On April 30, 2010, Braskem Board of Directors had the following composition:

Full Members	Alternate Members
Marcelo Bahia Odebrecht — Chairman	Cláudio Melo Filho
Paulo Roberto Costa — Vice-Chairman	Antonio Aparecida de Oliveira
Alfredo Lisboa Ribeiro Tellechea	André Amaro da Silveira
Almir Guilherme Barbassa	Pedro Augusto Bonesio
Álvaro Fernandes da Cunha Filho	Felipe Montoro Jens
Eduardo Rath Fingerl	Marcos Luiz Abreu de Lima
Francisco Pais	Andrea Damiani Maia
José de Freitas Mascarenhas	José Carlos Grubisich Filho
Maria das Graças Silva Foster	Arão Dias Tisser
Newton Sérgio de Souza	Adriano Chaves Jucá Rolim
Paulo Henyan Yue Cesena	Carla Gouveia Barretto

Permanent Support Committees

The objective of the Permanent Support Committees is to assist the Company Board in handling specific subjects. They are assigned the role of advising Board decisions with recommendations of a non-deliberative nature, based on an expert analysis of information. The Permanent Support Committees, three in all, are part of Braskem Corporate Governance structure, namely: People and Organization Committee, Finance and Investment Committee and Strategy and the Communication Committee.

The Support Committees are formed by members appointed on the basis of their specific expertise. In 2009 the Finance and Investment Committee convened four times, and the other committees three times.

As a result of the changes made to the Board of Directors in May, 2010, this is the composition of the Permanent Support Committees:

Committees	Total members	Coordinator	Member	Member	Member
Finance & Investments	4	Paulo Henyan Yue Cesena	Felipe Montoro Jens	Paulo Roberto Costa	Eduardo Rath Fingerl
People & Organization	4	Maria das Graças Silva Foster	André Amaro da Silva	Carla Gouveia Barreto	Álvaro Fernandes da Cunha Filho
Strategy & Communication	4	Newton Sérgio de Souza	Francisco Pais	Almir Guilherme Barbassa	Alfredo Lisboa Ribeiro Tellechea

Statutory Audit Committee

The Corporations Law requires the establishment of a permanent or temporary Statutory Audit Committee (CF). Braskem by-laws determine the establishment of a permanent Statutory Audit Committee, composed of five full members and five alternates. The Statutory Audit Committee is a corporate body fully independent from Company management and independent auditing firms. The Statutory Audit Committee is assigned the main tasks of examining Company management activities and corporate financial statements and of rendering of accounts to Braskem Shareholders.

The members of the Statutory Audit Committee are appointed by the Shareholders at a General Ordinary Meeting of Shareholders for a term of office of one year, and may be reelected. The terms of office of Statutory Committee members will end on the date of the next General Ordinary Meeting of Shareholders. Also, in conformity with the Corporations Law, members of Company Board or of the Executive Management of the companies are not entitled to a seat in the Statutory Audit Committee. Likewise, employees, spouses or relatives of any management officer are ineligible. The Statutory Audit Committee meets once every three months and extraordinary meetings are scheduled as needed.

Just like Braskem Board, the Statutory Audit Committee is also provided with an exclusive channel of communications that may be accessed from the Braskem Portal on the internet (www.braskem.com.br).

On April 30, 2010 Braskem Statutory Audit Committee had the following members:

Full Members	Alternate Members
Marcos Antônio Silva Menezes	Sérgio José de Barros
Aluizio da Rocha Coelho Neto	Jayme Gomes da Fonseca Júnior
Antônio Luiz Vianna de Souza	Marcílio José Ribeiro Júnior
Ismael Campos de Abreu	Afonso Celso Florentino de Oliveira
Manoel Mota Fonseca	Ana Patrícia Soares Nogueira

Executive Management

The executive officers are in charge of Company executive management. As provided for in Braskem By-Laws among the executive managers there is a CEO, and from three to nine additional directors. With the exception of the CEO (Corporate Leader) and the Finance and Investor Relations Director, the executive managers do not have a specific title and are called "Directors". On May 6, 2010, Braskem had the following executive managers:

Names	Office
Bernardo Afonso de Almeida Gradin	CEO
Marcela Aparecida Drehmer Andrade	Finance and Investor Relations Director
Décio Fabrício Oddone da Costa	Director
Edmundo José Correia Aires	Director
Maurício Roberto de Carvalho Ferro	Director
Manoel Carnaúba Cortez	Director
Patrick Horbach Fairon	Director

The Directors required by corporate By-Laws are appointed by the Company Board for a term of office of two years, corresponding to the terms of office of the Board, and they may be reelected. The current term of office of all the directors appointed pursuant to corporate by-laws will end on the date set for the 2012 General Ordinary Meeting of Shareholders. The Board has the authority to remove any Director from office at any given time. According to provisions of the Corporations Law, the Directors must be domiciled in Brazil, but are not necessarily Company Shareholders.

Executive Committee

Braskem chief executive officer is the CEO, who is supported by the Executive Committee, formed by the heads of the Business Units and Support Units.

In principle, the meetings of the Executive Committee are called by the CEO once a month. In 2009, twelve meetings were held. The Executive Committee is formed by the CEO and the executives who report directly to him, as stated below on the basis of May 6, 2010.

Name	Office / Responsible for
Bernardo Afonso de Almeida Gradin	CEO
Marcela Aparecida Drehmer Andrade	Finance and Investor Relations
Manoel Carnaúba Cortez	Basic Petrochemicals Unit
Rui Chammas	Polymer Unit
Maurício Roberto de Carvalho Ferro	Legal & Corporate Governance
Roberto Prisco Paraíso Ramos	International
Décio Fabrício Oddone da Costa	Investments
Marcelo Lyra do Amaral	Institutional Relations & Sustainable Development
Alan Hiltner de Almeida	Planning and Information Technology
Edmundo Correia Aires	Technology and Innovation
Marcelo Arantes de Carvalho	People and Organization
Patrick Horbach Fairon	Comperj Project
Carlos Fadigas de Souza Filho	Braskem America
Luiz de Mendonça	Quattor

Ethics Committee

This is a consulting and deliberative body, in charge of assuring that Braskem ethical principles are fully understood, issuing expert reports and enforcing disciplinary penalties in case of breach of the values described in the Company's Code of Conduct.

The Ethics Committee comprises at least four members: Senior Legal Officer, Corporate Security Officer, People and Organization Officer and another member to be defined by the Senior Legal Officer. The Ethics Committee is called to meet four times a year. The extraordinary meetings are called as necessary, and Minutes are drawn-up of all Ethics Committee meetings. In 2009, the Ethics Committee convened for four meetings.

Ethics Line Channel

Braskem Ethics Line is a channel of communication available to any person, using e-mail, a toll free number or a PO box address for reporting breaches of the Company's Code of Conduct. Braskem Corporate Security area examines all the reports that are held under the strictest confidentiality, with support provided by a specialized contractor. All the reports and results of the respective analyses are submitted to and discussed by Company Ethics Committee.

Braskem Ethics Line is also in charge of seeing to the consolidation of good Corporate Governance practices (in compliance with Section 301 of the Sarbanes Oxley Law), thus contributing to maintain and disseminate Braskem Ethical Principles and Standards, in line with the transparency standards required by the market.

Internal control revision

Braskem Corporate Security area develops a permanent process evaluation procedure to identify business risks and to propose risk management alternatives to Company leaders. This procedure also furthers the efficiency of internal processes, increasing the awareness of corporate Leaders about the importance of the assessment and continuous improvement of risk management efficacy and the efficiency of the internal controls applied to Company business processes, privileging adherence to internal standards, market rules and minimizing fraud.

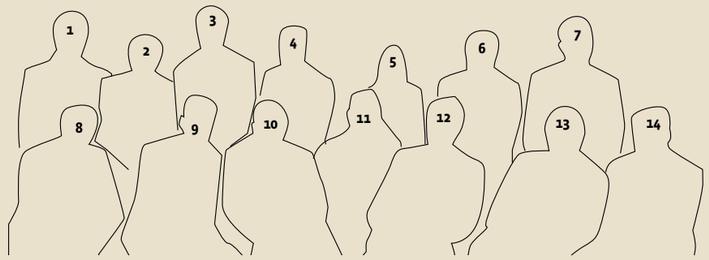
(GRI – A13) Composition of the groups in charge of Braskem Corporate Governance and identification of Members by category: gender and age group.

	2007	2008	2009
Gender			
Women	0	0	0
Men	16 (100%)	16 (100%)	16 (100%)
Age groups			
Under 30 years of age	0	0	0
Between 30 and 50 years of age	1 (6%)	2 (12%)	3 (19%)
Over 50 years of age	15 (94%)	14 (88%)	13 (81%)

The table refers to the full members of the Board of Directors (11) and the Statutory Audit Committee (5).
There are no representatives of minority shareholders at Braskem Board of Directors.

(GRI – SO8) Fines: laws and regulations

Braskem acts according to the laws and regulations in force in the country. Thus, no single nonconformity was recorded in the period 2007-2009, and the Company has not been fined or subject to non-monetary penalties under any final court ruling.



1 Marcelo Lyra
2 Luiz de Mendonça
3 Patrick Fairon
4 Décio Oddone
5 Marcela Drehmer
6 Manoel Carnaúba
7 Carlos Fadigas de Souza Filho
8 Roberto Ramos
9 Alan Hiltner
10 Marcelo Arantes
11 Edmundo Aires
12 Bernardo Gradin
13 Maurício Ferro
14 Rui Chammas

Executive Committee

Bernardo Afonso de Almeida Gradin
Appointed to head the Braskem Executive Committee in July 2008, Mr. Gradin joined the Odebrecht Organization in 1987, and has taken part in the whole process of Braskem strategy design and structuring, where he was appointed to perform several executive functions, such as Vinyl Unit and Basic Petrochemicals Unit Officer, and until recently to head Odebrecht Investment and Infrastructure – OII. He was also a member of the Board of Directors of Copesul, Cetrel, OPP Química and Trikem. Mr. Gradin graduated in Engineering at the Federal University of the State of Bahia and has a Master degree in International Politics from Pennsylvania University and an MBA from the Wharton School of Business.

Alan Hiltner Almeida
Mr. Almeida is currently responsible for the Planning, Technology and Innovation area of the Company, and since 2005 has developed several consulting projects for Braskem, starting at the Basic Petrochemicals Unit, where he handled strategic process planning, organizational culture mapping and Member training. He has provided corporate management consulting services to several private sector companies, including Odebrecht. He was also the CEO of the enterprise Start-UP Incubadora de Empresas, the agency responsible for incubating IT, Logistics and Innovation businesses. Mr. Almeida graduated and has a Master degree in Economics from the Federal University of Bahia (UFBA).

Carlos Fadigas de Souza Filho
Currently the executive Vice-President of Braskem America, Mr. Souza was previously in charge of Braskem Finance and the Investor Relations department. Before that he acted as Chief Financial Officer at Construtora Norberto Odebrecht S.A., and was appointed to several executive positions at OPP and Trikem, two companies that were merged at the time Braskem was established. Mr. Souza has a Business Management degree from NIFACS, and an MBA from the Institute for Management Development - IMD, in Switzerland.

Décio Fabrício Oddone da Costa
Mr. Costa is currently responsible for Investments at Braskem, Mr. Costa was once a member of the Board of Petrobras Energia S.A. and Petrolera Entre Lomas S.A.. He had several management positions at Petrobras and its international subsidiaries, besides answering for Petrobras operations in the South Cone. With a degree in electrical engineering from the Federal University of the State of Rio Grande do Sul, his post-graduation studies in petroleum engineering were completed at Petrobras University. Mr. Costa also attended the Advanced Management Program offered by the Harvard University Business School, in the United States, and an Advanced Management Program at INSEAD, in France. He also has a Master in Business Administration from *Alta Escuela de Dirección y Administración de Empresas*, in Madrid, Spain, and was granted the academic degree of doctor *honoris causa* in Education by the Aquino University, in Bolivia.

Edmundo José Correia Aires
Mr. Aires is currently responsible for Technology and Innovation at Braskem, Mr. Aires was part of Braskem Board as a full member, and before that as an alternate member. He chaired the Board of Petroquímica Triunfo and was a member of the Board of Fábrica Carioca de Catalisadores (FCC) and Ipiranga Petroquímica. Mr. Aires has coordinated Petroquisa Equity Division, and since 1980 has performed several executive duties at Petrobras and Petroquisa. Mr. Aires has a degree in chemical engineering from the Federal University of the State of Rio de Janeiro.

Luiz de Mendonça
Currently Quattor executive Vice-President, Mr. Mendonça was previously the Braskem Basic Petrochemicals Unit Officer and also of the Polymers Unit Officer. Previously, Mr. Mendonça worked for Rhodia S.A. for 15 years, where he was appointed to perform several executive duties such as chemical division director (Latin America) and Rhodia U.S.A Vice-President. He has a degree in production engineering from the University of São Paulo Polytechnical School and an MBA from INSEAD - France.

Manoel Carnaúba Cortez
Mr. Cortez is currently the Basic Petrochemicals Unit Officer, and had several executive functions at Braskem, as the Vinyl Unit Officer and Basic Petrochemicals Unit Officer, after his appointment to the office of industrial director of both these units. He is also the President of SINPEQ - the Union of Chemical and Petrochemical Enterprises and Vice-President of COFIC - Industrial Development Committee. He has a degree in Chemical Engineering from the Federal University of the State of Bahia and an MBA from Getúlio Vargas Foundation – FGV.

Marcela Aparecida Drehmer Andrade
Mrs. Andrade is currently responsible for Braskem Finance and Investor Relations department, Mrs. Andrade was Braskem Finance Director from 2005 to 2010, having also headed Company structured operations management from 2002 to 2005. From 1994 to 1999, Mrs. Andrade answered for Structured Operations and Planning at OPP Petroquímica, before she joined Odebrecht S.A. to become a direct adviser to the Investment Vice-President at the Holding. In 2000 she left the country for her first international assignment as a participant of the Corporate Finance Internship program offered by Credit Suisse First Boston, in New York. With a Business Administration degree from the University of Salvador, Mrs. Andrade has also a Finance MBA from IBMEC – São Paulo.

Marcelo Arantes de Carvalho
Current Vice-President of the People and Organization Committee, Mr. Carvalho has a degree in Business Administration from the School of Management Sciences of the University Center UNA, in Belo Horizonte (Minas Gerais), and an executive MBA from Dom Cabral Foundation. His career was primarily focused on Human Resources, with several positions held in companies like Unilever, Intelig Comunicações and, more recently, at Fiat do Brasil.

Marcelo Lyra do Amaral
Mr. Amaral is the administrative officer in charge of corporate Institutional Relations and Sustainable Development activities. Before that he acted as a Director at Rede Globo de Televisão in São Paulo, having also worked at Rede Bahia de Comunicação as corporate Commercial Director and Media Business Director. Mr. Amaral has an Electronic Engineering degree from the Federal University of the State of Bahia and his Marketing post-graduation studies were completed at Unifacs, State of Bahia. Mr. Amaral also completed the General Management course offered by the Harvard Business School.

Maurício Roberto de Carvalho Ferro
Mr. Ferro is currently one of the senior administrative officers of entrepreneurship activities and Legal Counsel. He was also Vice-President of the Board of Directors of Politeno, member of the Board of Directors of Polialden and an alternate member of the Board of Directors of Petroflex. Previously, Mr. Ferro worked as an attorney-at-law at the Carlos Eduardo Paladini Cardoso and Bulhões Pedreira, Bulhões Carvalho e Advogados Associados law offices. Mr. Ferro has a Law degree from Pontifical Catholic University of the State of Rio de Janeiro and Master's degrees from the University of London and from the London School of Economics.

Patrick Horbach Fairon
Mr. Fairon is currently responsible for the Comperj project and is also a member of Refap Board of Directors. He was also a member of Braskem Board and CFO at Downstream Participações. S.A., and General Business Development Manager at Petrobras. Mr. Fairon has an Electrical Engineering degree from the Federal University of the State of Rio de Janeiro, and an MBA from State of Rio de Janeiro Pontifical Catholic University.

Roberto Prisco Paraíso Ramos
Currently, Mr. Ramos is the executive Vice-President of the International Unit. Previously he was a member of the Board of Cetrel, Companhia Alagoas Industrial-Cinal and Vice-President of the Board of Petrocel, Trikem and of several Odebrecht Organization companies. Mr. Ramos has a degree in Mechanical Engineering from the Federal University of the State of Rio de Janeiro, post-graduate studies in the Management Development Program offered by Harvard Business School and a Finance Master degree from Leicester University, England.

Rui Chamas
Currently Vice-President of Braskem Polymer Unit, Mr. Chamas had several executive positions at Braskem, as PVC leader at the Vinyl Unit, polypropylene business leader, and more recently polyethylene business leader. Mr. Chamas started his career at Rhodia, where he worked until 2002. He has a degree in Aeronautic Infrastructure from The Aeronautics Technological Institute - ITA and a post-graduation degree in Business Administration from Getúlio Vargas Foundation- FGV.

Social aspect

Social inclusion, human dignity and development opportunities offered to communities. Without social development no real progress can be achieved

The work relations with Members and Suppliers are based on principles of respect, trust, partnership and transparency. The same applies to relations with the communities in the vicinities of Company industrial plants.

QUALITY OF RELATIONS

People: development and career

The performance of Company Members is based on the concepts of the TEO – Odebrecht Entrepreneurial Technology, enforced by the company controlled by the Odebrecht Organization. Leaders play a critical role. They are Leaders-Coaches, assigned the mission of teaching those who report to them by example at work and establishing an Action Program (PA) with each one of them, focusing on the objectives that must be reached in order to achieve Client satisfaction.

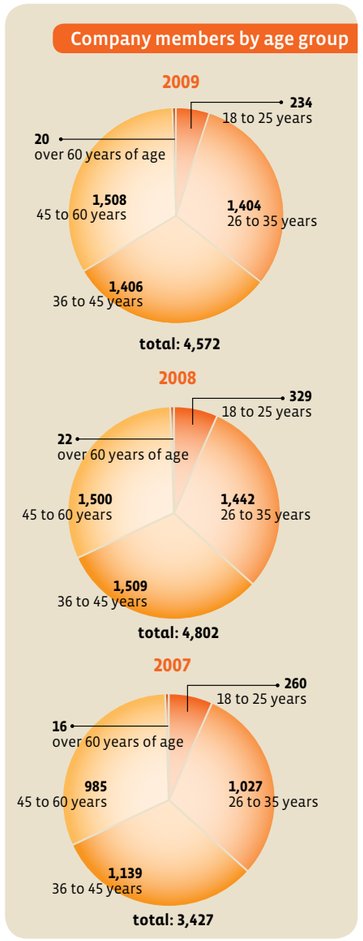
The TEO argues for education through work as a pillar for the Organization perpetuity, anticipating courses, training and a full set of other actions that allow our Members to acquire and develop Entrepreneurship abilities that are their responsibility, and consequently, to offer improved service to Clients. Self-development and the search for personal and professional growth are valued, and personal development actions are also based on the TEO, with decentralization, planned delegation and partnership as the key pillars.

In order to align Members' knowledge, attitudes and values to the skills required by the Company, Braskem enforces the Individual Development Plan (PDI), designed and agreed upon between Leader and his/her team member, based on the improvement opportunities observed in the appraisal. The PDI sets development targets for the Member to achieve by means of education actions for and through his/her work.

Appraisal is part of personal development and, in 2009, Company Members were appraised according to the new model of the Competency Development System that was revised to allow the process to reflect the specific career moment of each one, and to speed up development.

In 2009 R$ 6.9 million were invested in Member qualification and allocated to actions resulting in 307 thousand hours of training (on average 67 hours of training by each).

Operations Control Center in Camaçari (Bahia): specialized staff



DIFFERENT AREAS OF EXPERTISE

In partnership with market reference institutions Braskem develops in-house Competency Development Programs (PDCs) with a specialization timetable. (The Ministry of Education recognizes courses ministering 240 to 360 hours of class as post-grad/specialization level). These are some of these programs: Quality and Productivity PDC, Process Engineering PDC, Commercial Excellence PDC and Logistics and Supply Chain PDC. In 2009, 38 Members were qualified.

ENTREPRENEURSHIP

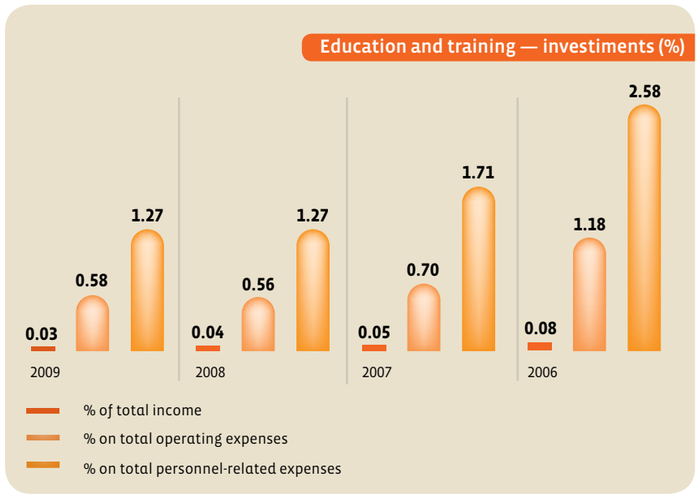
Entrepreneurship emphasizes actions focused on the Client, familiarity with Client expectations and meeting Client needs. In order to achieve this end, Leaders count on a high level of delegation and on all the resources of the support units, as may be required to achieve this goal. This is a much appreciated practice by the companies controlled by the Odebrecht Organization and is approached in the Braskem Entrepreneurial Development Program (PDE). The purpose of the PDE is to improve the entrepreneurial skills of participants, based on contact with the different generations of organizational leaders, and by experiencing the different corporate situations that generate learning and opportunities for reflection and decision making. Forty Company Members were qualified in the fourth edition of the PDE in 2009.

FOCUS ON LEADERSHIP

New generations of leaders are prepared by the Leader Development Program – PDL that adds learning of leadership techniques to the reinforcement of Braskem organizational culture. More than 700 Leaders have already been qualified by the PDL, from operational leaders at manufacturing plants to executive level leaders. In 2009, 204 leaders were qualified by the PDL.

BRASKEM MBA

The Braskem MBA has now reached in its third edition and has already contributed to the education of more than 100 young entrepreneurs. Until 2008 this program was developed in partnership with Getúlio Vargas Foundation – São Paulo (FGV-SP), and from 2010 onwards it will be offered in partnership with Insper. Exceptionally in 2009, the Braskem MBA program was not offered.

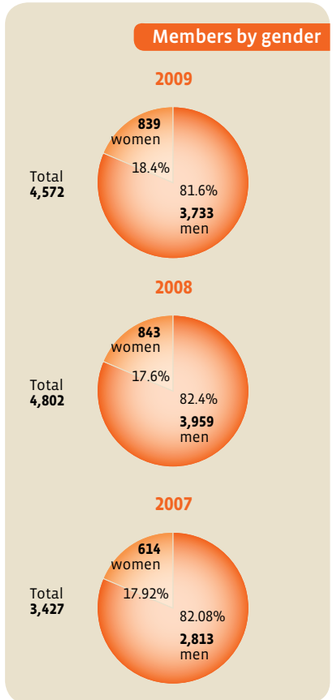


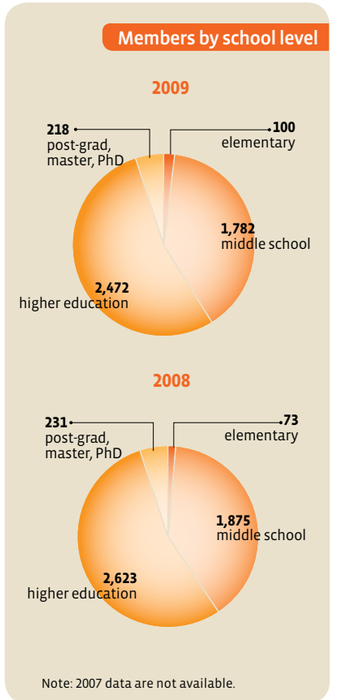
ENCOURAGEMENT TO EDUCATION

In order to contribute to completion of undergraduate, specialization or language courses the Company may contribute with up to 50% of course tuition, provided that this investment has been agreed upon between the Leader and his/her team, and is linked to the Member's life and career plan and aligned with his/hers Action Plan (PA).

Y-SHAPED CAREER

With the purpose of attracting, developing and retaining professionals with technical, scientific skills and key technology expertise to the specific segment of work, in 2009 Braskem started to apply a new technical career management model, named the Y-shaped career. This process aims at the recognition and acknowledgement of professionals working in the Industrial, Innovation and Technology or Engineering and Automation areas, besides facilitating the management of knowledge strategic to company businesses. In 2009, nine Members were included in the Y-shaped Career program. In 2010, the technical, scientific skills and key-technologies will be updated and new participants will be nominated.





Note: 2007 data are not available.

Trainee Program

In 2009 a new feature has added even more value to the Internship Program: Braskem offers interns the exclusive opportunity to take part in the selection process for 2010 Trainee Program; 110 candidates were enrolled and twelve youths were selected. The Braskem Trainee Program has been offered since 2004 and has already trained 120 young people by enforcing a customized development approach offered to its new Members.

"The process of trainee selection in which we were involved has added value because the evaluation of candidates like us also takes into account everything we have learned in the internship program. This is good for the company that is selecting youths on whom it has already invested, and who are already aligned to corporate culture; this also is good for candidates who reach the selection stage knowing precisely what is actually expected from them."

Carina Zapparoli, Project Funding trainee; Business Management graduate (2009)

"The selection process was really competitive, involving candidates with similar profiles, since all of us, former interns, were trained according to the TEO culture. This new approach to selection represents an additional encouragement to the interns. We are aware that there is a limited number of openings, but since we know that we will be offered opportunities to move forward as trainees, our motivation is much stronger."

Diego Luduvice, trainee at IESE (Industrial de Energia e Serviços Industriais), Unib-BA; Chemical Engineering graduate (2009)

EARLY CAREER

The Internship Program

The selection process adopted for the Intern Program attracted more than 12,000 candidates to the 100 openings offered in 2009. This is a two-year program offering interns a structured educational supplementation plan, development of technical and behavioral skills, opportunity to work in projects and follow-up by intern leaders and by the People and Organization teams by means of periodic appraisals and meetings. Today Braskem has 202 university student interns and 40 technical level interns.

Operator training

The production base constitutes another important access door to Braskem. With the purpose of meeting the demand for qualified operators and to qualify Members in the areas where Company units are in operation, investments are made in the Operator Training Program. This program targets youths coming from technical courses who wish to work in the industrial segment and start a technical career. The course is designed in partnership with Senai and features approximately one thousand hours, distributed between 700 hours of classes and 300 hours of internship with hands-on classes. In 2009 more than 60 operators were trained and 41 of them were hired by the company at the industrial plants at the Triunfo Complex, in Rio Grande do Sul.

HIGHLIGHT AWARD

Braskem Highlight Award is intended to further company productivity, encouraging creativity and the application of the knowledge generated by Company Members during their Action Plans (PAs). This initiative encourages the generation, recording and dissemination of knowledge in the Company. The works qualifying for the award deal with the following areas of knowledge: Health, Safety, Environment, Competitiveness, Added Value for Clients, Braskem Knowledge Production and Reuse and Continuous Improvement. The Highlight Award was established by Odebrecht Organization in 1992, and has been sponsored by Braskem since 2007. In 2009, 188 works were enrolled and six of them were awarded.

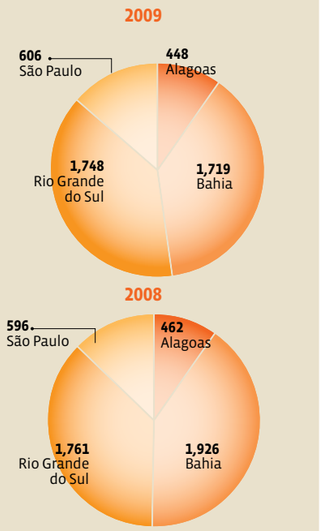
FOR RETIREES

The Horizons Program – Choosing the Future was designed in 2009 for Members who are getting close to retirement. This is a voluntary participation program of acknowledgement, recognition and guidance, whose purpose is to provide support and facilitate the process of transition to retirement, pointing to positive post-career productive opportunities.

The one-year Horizons Program is structured in modules, and includes a stage dedicated to knowledge management that has the purpose of preserving the experience and the know-how acquired by the Members who are about to leave the company. The first class graduated with 15 participants and program activities started in February 2010.

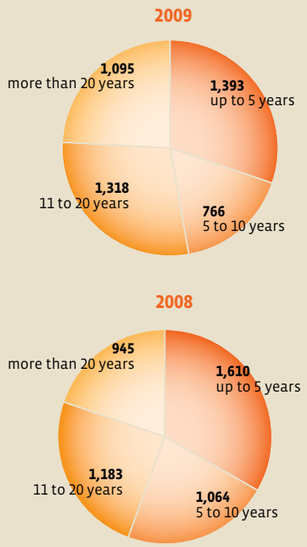
Indicators / Members	2009	2008	2007
Number of Members	4,572	4,802	3,427
Admissions	202	302	173
Severances in the period	633	455	260
Average hours / training by Members	67 h	67 h	85 h
Outsourced	10,773	ND	7,223
Interns	256	289	223
Members over 45 years of age	1,528	1,522	1,100
Members – women	839	843	614
Members – African descent	1,251	1,374	1,293
Individual with special needs	ND	ND	ND
Average salary/women (R$)	5,445	5,170	4,799
Average salary/men (R$)	6,651	6,494	6,064
Average salary/African descent (R$)	5,259	5,051	4,323
Leadership positions / women (%)	13.26%	11.98%	11.80%
Leadership positions / men (%)	86.74%	88.02%	88.20%
Leadership positions / African descent (%)	15.28%	15.55%	18.69%

Where company Members are working – Brazil



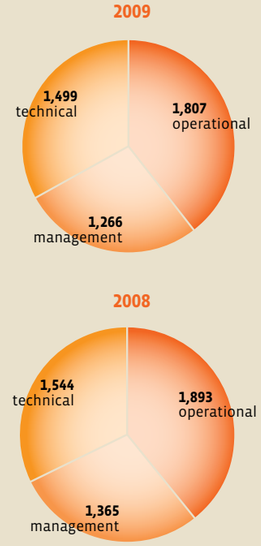
Note: 2007 data not available

Members by time with the company



Note: 2007 data not available

Members by occupation level



Note: 2007 data not available

Braskem endeavors to offer the best working conditions to Company Members and partners

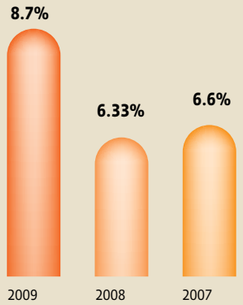
APPRENTICE PROGRAM

Braskem develops the Apprentice Program at Company industrial units and at the corporate office in São Paulo. In 2009 62 young people enrolled in the Braskem Apprentice Program.

In Rio Grande do Sul, the Apprentice Program is developed in partnership with Senai Pescar (Fishing) Project, offering qualification opportunities to youths. In 2009, forty students completed the program, taking the basic courses offered to electricians, telephone operators and service personnel. The selected teaching method is designed Fishing Project Foundation, a non-governmental organization that is present in 10 Brazilian states and in Argentina.

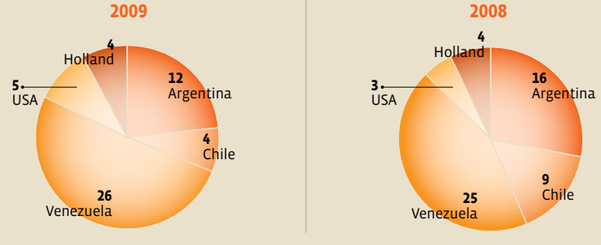
The Braskem-Senai partnership is extended to other states where financial support is provided to student qualification. In Camaçari (Bahia), for example, also in 2009, eighteen youths were selected to attend computer maintenance courses. In São Paulo, the NGO Promove and Senai offer administrative assistant technical courses. Three youths were selected to perform practical tasks at Braskem headquarters in the People & Organization and Tax areas. In Alagoas, a young apprentice is taking the Information Technology Course, with theoretical and practical classes at the Braskem office.

Rates of staff attraction & retention



Period turnover.

Members in other countries



Green Belt, Biosphere Reserve

The title of Outpost of the Atlantic Forest Biosphere Reserve (RBMA)* was renewed in November 2009 for the Green Belt located in the district of Pontal da Barra, in Maceió. This recognition is granted by UNESCO. A significant portion of the Brazilian diversity is protected in the Biosphere Reserve. The Green Belt, one of the environmental preservation projects supported by Braskem, was certified by UNESCO four years ago. Today, the area is also rated by IBAMA - Brazilian Institute of the Environment and Renewable Resources - as a conservation breeding site.

An outpost of UNESCO's - United Nations Education, Science and Culture Organization - Atlantic Forest Biosphere Reserve of the Man and Biosphere Program.

GRI INDICATORS

(GRI LA3) Benefits: The minimum package of benefits offered to Company Members comprises life insurance, health insurance, meal vouchers and private pension plans. Braskem also has a Profit and Result Sharing program, whereby the tool used to check compliance with agreed targets is the PA – Member Action Plan. Braskem has no part-time or temporary staff. Benefits are, therefore, exclusive to those working full time.

(GRI LA4) Collective negotiation: In 2009, 4,531 Members were included in collective salary negotiation agreements, representing 99.1% of total Braskem headcount. In 2008, this number was increased to 4,764 employees (99.2%) and in 2007, to 3,392 (99%).

(GRI LA9): Besides salary, working conditions and social clauses, the collective agreements signed with Unions from 2007 to 2009 included items related to Health, Safety and the Environment: Examples:

- assurance of training in the use of Personal Protection Equipment (PPEs) to be offered to employees hired to work in the Operation and Maintenance Areas;
- annual submission of company Health, Safety and Environmental Policy to labor Unions;
- in the event of a work accident, assurance of the presence of a representative of the Accident Prevention Commission in the Work Accident Investigation Committees of the area where the accident occurred;

"This action resulted in increased visibility to all the partners and to the core objective of demonstrating, in a creative way, all the possibilities offered by plastic obtained from selective collection."

Mário Hiroshi Assada, Sales and Application Department at Romi

Partnership trophy

During Brazil Formula 1 Grand Prix, in October 2009, a multidisciplinary team ran to deliver to Grand Prix winners a special trophy made of plastic waste collected during the event, processed and molded on site at a mini-recycling plant built at the Interlagos Raceway. A network of partners worked to make the Braskem proposal feasible. The selective garbage collection was made by 85 members of the Capela do Socorro Selective Garbage Collection Cooperative - Coopercaps, who were able to collect 28.2 ton of recyclable waste, out of which 9.5 ton was plastic waste. The equipment used in the process was made by Romi, a São Paulo company specializing in industrial machinery and tools. Waste recycling and trophy machining were handled by Fortymil, a resin distributor, recycler and plastic product manufacturer. The initiative was supported by Plastivida – Plastics Social-Environmental Institute. Besides reinforcing the concept of partnerships, this action focused on the three aspects of sustainable development: the economic aspect, highlighting the role played by plastics in modern life; the social aspect, by generating income to a cooperative of garbage pickers; and the environmental aspect, enabling recycling of a large quantity of waste that would normally be disposed of in landfills. The trophies were designed by architect Oscar Niemeyer in 2008. At that time trophies were manufactured from Green Polyethylene.

- delivery of a technical lecture during the Accident Prevention Internal Week (SIPAT);
- access to company plants is ensured to the Union officials kept way from the companies upon request by the Union, after a previous understanding with Company Top Management or its appointed representative, defining the objectives, date, place and duration.

Besides the clauses pertaining to work safety set forth in the collective agreements, Braskem Code of Conduct offers Company Members a system of complaints that fully assures complainant anonymity via Ethics Channel.

Any Member is entitled to interrupt the task he/she is engaged in if in his/her understanding his/her or a coworker's life or physical safety faces an imminent risk for lack of appropriate protection measures. This fact must be promptly reported to the employee's hierarchical superior and in his/her absence, to the Safety department for analysis of the situation.

The production chain of Braskem and Company partners, Suppliers

Relationship with Suppliers is one of partnership and goes beyond the enforcement of contract clauses. The Company conveys corporate values to Suppliers, offers training and provides support to integration. The freedom of competition practiced in the market applies also to the selection of Company service providers. The selection criteria include technical and business skills and a financial evaluation conducted by a specialized company. Supplier registration is accepted only when the results of these initial stages are positive.

All Suppliers are periodically evaluated with the purpose of ensuring their qualification and enabling a continuous improvement of supplier processes and rendered services. This evaluation takes into account requirements such as the quality of provided service, quality of supplied materials, quality certifications (ISO 9000 and 14000), and several others. The result of this evaluation generates the Supplier Performance Index (IDF) ranging from 0 to 100 points. Based on the total of points achieved a period performance report is issued, and this will be the departure point for the definition of improvement opportunities and for the design of an Action Plan.

Another tool is the Braskem+ Partners program aimed at supporting company partners in structuring their businesses and adding value by competitiveness. Established in May 2006, the Braskem+Partners program has closed a cycle in 2009 with positive results in terms of reinforcement of partnerships, assurance of communication and understanding and enforcement of contract requirements. Right now Braskem is designing a new corporate Supplier management program, with the following objectives:

- reinforce Braskem Supplier chain;
- maximize the quality and productivity levels of material and service contracting;
- map the factors that impact Supplier competitiveness and the consequences to Braskem contracts;
- HSE Improvement - Health and Safety and Environment management of partner service companies;
- supplier development by a training program, aimed at providing training in quality, HSE and management tools.

The new program anticipates inclusion of sustainability criteria, to be defined based on supplier quarterly evaluation.

Supplier Code of Conduct

Company Supply area has a Supplier Code of Conduct establishing the principles that guide the relations between Braskem and its service providers. The Code of Conduct highlights fundamental values such as transparency, ethics, clarity of information and responsibility for Supply decisions. The Code also details reprehensible practices that must not be adopted by area personnel, besides describing the type of behavior the Company expects from its service providers. Violations of set codes may be subject to penalties.

Algae farming in Rio Grande do Sul

In line with the strategy of looking for partners among the universities and research centers, Braskem signed an agreement with Federal University of Rio Grande (FURG/RS) focusing on the development of a pilot project to produce *spirulina* – a microalgae that after processing can be added to food products as a diet supplement. The agreement with FURG is in force since 2004 (initially signed by Copesul, which has been incorporated into Braskem) and involves other partners such as the Zeri do Brasil Foundation and Rio Grande City Hall. "The pilot plant produces 50 to 70 kg of microalgae per month. Once processed, the *spirulina* will be added to school meals to feed more than one thousand children in three schools of the municipality of Rio Grande every day," FURG Professor and project technical coordinator Jorge Alberto Vieira Costa informed. Developed at Chemistry and Food School, this Project is supported by Braskem annually with a R$ 60 thousand grant. The agreement was renewed in 2009, for an additional period of two years. The pilot plant was built on the banks of a lagoon, the Lagoa Mangueira, in the municipality of Santa Vitória do Palmar (Rio Grande do Sul).

The 20 largest Suppliers

- Refap S/A
- Petrobras Petróleo Brasileiro
- Bulktrade AG
- Standard Chartered Trade Services
- Sojitz Corporation
- Chesf – Cia. Hidroelétrica do São Francisco
- White Martins Gases Industriais Ltda.
- Bahiagás – Cia. de Gás da Bahia
- Arkema Química Ltda.
- Latina Distribuidora de Petróleo Ltda.
- Shell Western Supply and Trading Li
- Trafigura Behher B V Amsterdam
- Petrobras Distribuidora S/A
- Opip – Odebrecht Plantas Industriais e Participações S/A
- Refinaria de Petróleo Riograndense S/A
- Construtora Norberto Odebrecht S/A
- Gás de Alagoas S/A
- Akzo Nobel Ltda.
- M&G Polímeros Brasil
- Companhia de Gás do Estado do Rio Grande do Sul

"This is an exemplary project of a partnership between the government and private institutions, aiming at the use of a new income generating technology."

Fernando Schüler, Rio Grande do Sul Secretary of Justice and Social Development.

An Integrated Recycling Project – Recicla Sul

In December 2009, Braskem joined the Integrated Recycling Project that had been implemented since 2007 by Vonpar Foundation, established by Vonpar Refrescos, in a joint venture with the government of the state of Rio Grande do Sul, private sector companies and teaching institutions. The purpose of this program is to generate work and income for waste pickers in the Porto Alegre metropolitan area, who are members of 38 solid urban waste associations. The financial resources provided by project sponsors are used to improve the areas where the waste is handled, procurement of waste triage equipment, work safety, and management and production process improvement qualification. The project also receives financial support from Banco do Brasil Foundation and support from CAMP – Multiprofessional Consulting Center, from MaxiQuim, a consulting enterprise specializing in the plastics market and from the State of Rio Grande do Sul Federal Education, Science and Technology Institute. The Secretariat of Justice and Social Development of the State of Rio Grande do Sul is in charge of selecting the association units. This project results in direct benefits to 640 people.

Neighboring communities

Environmental preservation and productive social inclusion are part of the Braskem sustainable development agenda. With these objectives in mind, the Company seeks to establish partnerships with governments and institutions for the development of educational and cultural programs to be offered to the communities in the vicinities of its industrial units.

At Camaçari Complex, for example, Company relations with neighboring communities is managed by Camaçari Industrial Development Committee (Cofic) – a private sector association with a membership of more than 60 companies established in that complex, in the municipalities of Camaçari, Dias D'Ávila and Candeias.

In 2009, through the Cofic, Braskem supported several social activities. Among these actions, one of the highlights is the so-called 'Citizenship Pole' event, held in Camaçari, that has fulfilled more than 23,000 requests for services, with free health, civil documentation, education, culture, sport and leisure services provided to the local communities.

The Cofic is the specific channel of communication between industrial pole companies and the local community, represented by the Community Consulting Councils (CCC). In 2009, several subjects of common interest to the companies and the community were discussed during CCC meetings with special priority assigned to industrial security and law enforcement, safety, health, environment, Camaçari Complex infrastructure and social responsibility. Along the year, the Council had 22 members, representing several community segments of the municipalities close to the complex, comprising district associations, municipal education, health, environment and trade segments, Civil Defense, Military Police and the Legislative and the Executive powers.

Besides the Councils, the population living in the various municipalities is represented by a Community Defense Nucleus - Nudec, established in 2001. The Nudec sponsors educational and preventive activities linked to the environmental and safety risks involved in the transportation of chemicals by a set of pipelines, seven of which belong to Braskem.

Meetings of the Community Consulting Council are also held in Rio Grande do Sul. In the state of Alagoas, contacts with the neighboring communities are made directly by Braskem's Institutional Relations department.

Educational and cultural programs offered to the communities

SOCIAL INVESTMENT MANAGEMENT

Braskem corporate philosophy focuses on valuing human beings by means of different actions, among them encouragement and preservation of popular traditions and cultural manifestations. Private social investment in programs aligned to corporate principles and values is one way of achieving these objectives. In 2009 RS 7.5 million were invested in different projects.

Key projects

Some of the projects supported by Braskem in 2009 are listed below:

Alagoas

- **Lagoa Viva Environmental Education Program**: income generation for the community of Pontal da Barra, close to the Cloro-Soda industrial unit, in Maceió. This project has existed since 2001 and, among other initiatives, has already sponsored music, English, hydroponics and beekeeping courses.

- **The Green Belt**: preservation of the fauna and flora existing in the ecological reserve. This program was launched in 1987 and covers 150 hectares in the salt marsh of the district of Pontal da Barra, between the Atlantic Ocean and the Mundaú lagoon, in Maceió. Approximately US$ 10 million have already been disbursed to fund soil recovery works, topographic reconstitution of the dunes and restoration of the original salt marsh Atlantic Forest landscape. The Green Belt has already been visited by more than 160,000 people.

- **Otávio Brandão Environmental Journalism Award**: Organized by the Brazilian Association of Sanitary and Environmental Engineering (ABES) in partnership with the Union of Professional Journalists of the State of Alagoas, and sponsored by Braskem since 2004, the award is granted annually to three categories: Printed/Text Journalism, Printed Journalism/Image and TV Journalism. The purpose here is to recognize journalism works published in the state focusing mainly on the Environment and emphasizing environmental preservation as a pre-condition for a better quality of life. The award was named after environmentalist Octávio Brandão, a pioneer of the ecological studies in Alagoas (1896 – 1980).

- **State of Alagoas Academy of Letters Award**: this award encourages academic works about state personalities; the awarded authors are given the opportunity to publish selected works. This is an important action focused on the relations with the scholars living in the state and members of the Academia. In 2009 this Award was given for the seventh time and seven works have already been published.

Products made by Pontal da Barra (Alagoas) lace artisans

Bahia

- **Model of Integrated and Sustainable Development in the Environmental Protection Area of Pratigi (Deep South Region of the State of Bahia)**: This program is headed by the Odebrecht Foundation, with support from Braskem. The key challenge faced is to establish development conditions in a rural area marked by social-economic and environmental unbalance. The selected strategy was to provide new work opportunities and income generation to the local population as well as access to education and environmental conservation. In 2009, a R$ 4 million grant was allocated by Braskem to this project.

- **"Forest Manufacturing" Project** : implemented in the North shoreline of the state of Bahia, this project foresees planting of native species to restore the Atlantic Forest, reforestation of the water sources and riparian forests existing in this region, extending from Camaçari Industrial Complex to Parque Sauípe. Through the Forest Manufacturing project, in 2009 more than 120,000 seedlings of native plants were produced, and another 97,000 seedlings were planted with the help of the communities who live close to project area. About 12,000 seedlings were planted by approximately 1,000 students from the Camaçari and Dias D´Ávila public school systems during the Environment Week.

- **Braskem Theater Award**: designed to recognize, encourage and reward state of Bahia theater professionals and to make room for new talents. The nominations are made by a jury of culture experts; 35 performances were evaluated, 31 of them designed for adults and four for children, in the following categories: adult, children, direction, leading actor, leading actress and supporting actress, text, revelation of the year and special category. The awards were delivered in April at Teatro Castro Alves, in Salvador, and 1,200 people attended the awards ceremony.

- **Academy of Letters Award**: this award has the chief purpose of supporting the annual literary contests sponsored by the Academy of Letters of the state of Bahia. Each year a different literary category is awarded. The works are evaluated and selected by an evaluation commission. This initiative strengthens the ties of the cultural community of the state of Bahia and the academic environment, an important opinion formation segment.

Rio Grande do Sul

- **Environmental Protection Park** 68 hectares on the banks of river Rio Caí, at the Triunfo Complex (Rio Grande do Sul), where the plant coverage remains untouched and dozens of fauna species live unhindered. Environmental education activities are also offered.

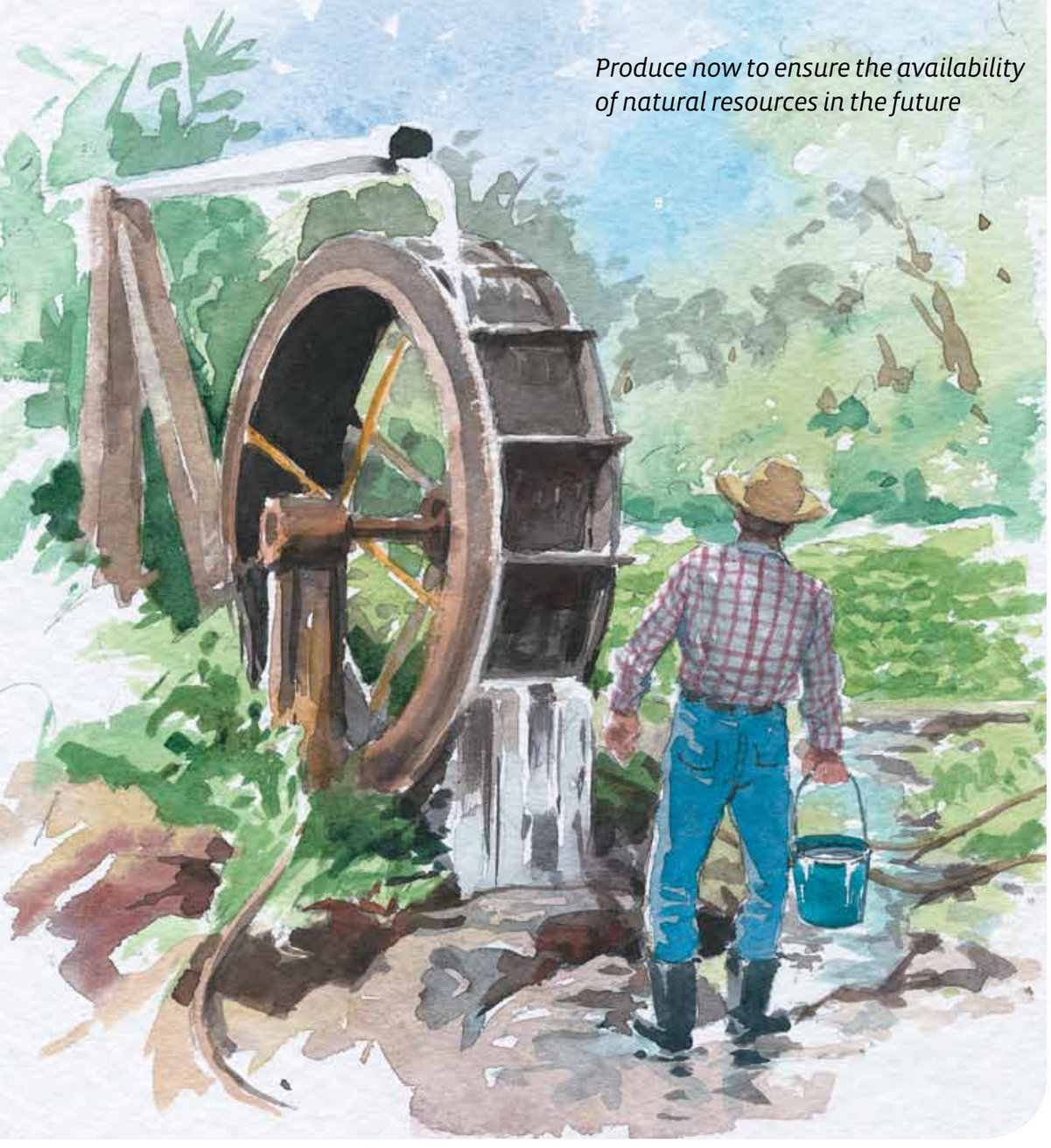
- **Braskem on Stage Award**: this award highlights cultural production in Rio Grande do Sul, rewarding the best production in the performance, direction, actor, actress and best show categories, selected by the popular jury. The awards are delivered during the closing ceremony of the Porto Alegre on Stage Festival.

- **Braskem Frontiers of Thinking**: Held in Porto Alegre and Salvador, this is an event open to anyone interested in listening to modern scholars and in discussing different cultural subjects. In 2009, the event focused on a discussion of science and cultural issues to further the understanding of the present time of crisis.

- **Integrated Recycling project – Recicla Sul** : please see box on page 57.

Environmental, health and safety aspects

Produce now to ensure the availability of natural resources in the future



THE SEARCH FOR EXCELLENCE

Corporate Health, Safety and Environmental (HSE) management is integrated and managed by the SEMPRE system. The results achieved in 2009 came from investments and new projects added to Company Members' commitment to sustainable development promotion targets.

The system called SEMPRE Safety, Health and Environmental Excellence is an integrated management system set up in 2005, with the purpose of preventing and minimizing the risks of losses in these areas. In 2009, diagnostics were conducted for the assets acquired by Braskem, identifying the degree of conformity of the practices enforced by each plant with system requirements and, consequently, generating a pluriannual action plan that supports implementation in all Company areas.

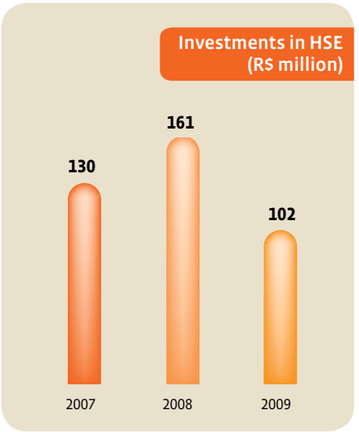
Braskem is convinced that sustainable development, valuing human beings and ethical conduct are critical to the achievement of increasing levels of corporate excellence. Building a culture of health, safety and environment excellence means introducing changes to behaviors, decisions, practices, beliefs and individual values in the search for prevention and continuous improvement. With this in mind, Braskem has set Company strategic health, safety and environmental elements, firmly establishing its corporate HSE excellence strategy. These elements contain the requirements to be complied with by all Company organizational processes. The elements are derived from the Health, Safety and Environmental Policy and the Action Principles, supported by standards, tools and performance indicators that facilitate the deployment of set requirements in the organizational processes.

The set of HSE Principles, Policies, Strategic Elements, Guidelines, Standards, Procedures and Tools ensure full compliance with legal requirements and with the voluntary requirements undertaken by Braskem.

In 2009 investments in Company sustainability strategy amounted to R$ 328 million, with R$ 102 million allocated to health, safety and environment (in 309 projects that contributed to the evolution of performance indexes) and R$ 226 million to the Green Polyethylene and ETBE projects, already described in previous chapters. Funds directly invested in HSE were allocated as follows:

- health: R$ 8.4 million – 32 projects
- safety: R$ 64.3 million – 221 projects
- environment: R$ 29.3 million – 56 projects

The reduction from R$ 161 million, in 2008, to 102 million, in 2009, is explained by Company decision of increasing capital investment in projects capable of furthering corporate sustainability strategy in the long run, as for example the ETBE and the Green PE projects. Braskem ecological efficiency indicators provide clear evidence that HSE investments have already matured. Thus, in 2009 a smaller amount of resources was needed to maintain HSE performance unchanged.



HSE Legal Requirements

Braskem is structured to monitor and keep abreast of national legislation with qualified teams assigned to every site, with support from a management and continuous consulting tool that performs a monthly update of new bills of interest to Braskem businesses,

and all the amendments to current pertinent and applicable laws. A defined standard has been set up to guide this process and defines operational and strategic standards. The whole system is audited annually and these audits cover 100% of the applicable laws.

Braskem identifies, analyzes and handles 100% of the requirements applicable to Company businesses. In order to comply with the requirements established by newly sanctioned bills and with the amendments made to already existing legal requirements, action plans are designed to standardize the practices enforced by the various industrial plants.

Safety

In 2009 the results of Braskem historical safety indicators were the best since 2002. One of the chief reasons for the progressive evolution of these indicators was the preventive behavior adopted by Company Members and service providers at the industrial units.

In 2009, 72,178 behavioral dialogues were conducted by our staff and service providers trained in the Worksite Losses Prevention Program (PPAT). Forty-two percent of the dialogues were compliant, showing a 23% improvement in the recorded conformity levels when compared to 2008 results, when compliant dialogues were recorded at 34%. The PPAT was critical to the development of Company culture of prevention, with safety indicators showing continuous improvement.

Two rates of injury are reported:

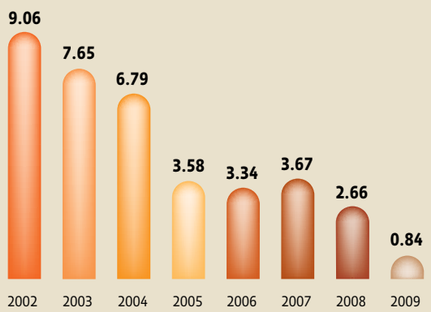
- frequency of CAF accidents (accidents resulting with days away from work): events preventing subject return to his/her work routine on the day after the accident; and;

- frequency of CAF+SAF (accidents entailing no days away from work) that takes into account CAF plus SAF accidents. The latter refers to incidents in which the subject returns to his/her work routine on the day after the accident.

None of the cases include the incidents requiring first aid care. A Work Accident Report (CAT) is issued for every incident.

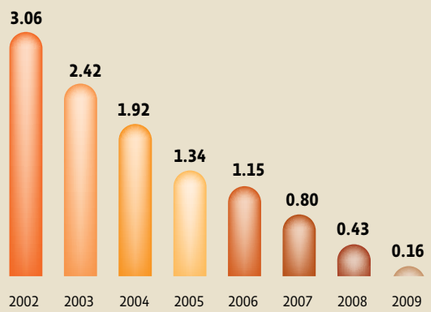
In 2009, the rate of frequency of accidents with and without days away from work (CAF + SAF) was 0.84, considering Company Members and service providers by millions of effectively worked hours, evidencing a decrease by 68% against 2008 figures. This was the best result achieved by the Company since it was established in 2002. Because of this indicator Braskem is now among the best work safety performing companies in the global petrochemical industry, considering the 1.0 rate as the world's benchmark.

SAF + CAF accident Rate (1 million men/hours of work)



Note: pro forma Indicator. Considers UNIB-RS, PE_5, PP_2, PE6 & PE_3 as of 2002 and PP_3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal.

Rate of CAF (1 million men/hours of work)



Note: pro forma indicator. Considers UNIB-RS, PE_5, PP_2, PE6 & PE_3 as of 2002 & PP_3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal.

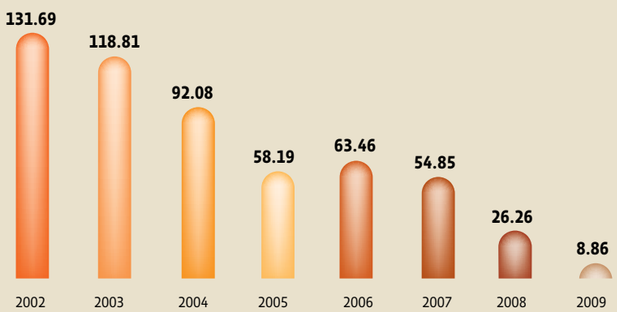
The rate of frequency of accidents with days away from work (CAF), taking into account both Members and service providers per million of effectively worked hours, was 0.16, a decrease by 63% against 2008 figures.

In absolute numbers, 130 personal accidents were recorded, comprising five accidents with days away from work (CAF), 21 without days away from work (SAF) and 104 requiring first aid. Out of the 130 incidents, 81% involved service providers and 19% Company Members.

An improvement by 46% was recorded in the results achieved in 2009 against 2008 figures, a period in which 243 personal incidents were recorded: 88 SAF accidents, 17 CAF accidents and 138 accidents requiring first aid. No fatalities were recorded among Company Members or service providers. Also in 2009, 273 days of work lost were recorded, taking both Company Members and service providers in to account and representing a result 74% better than in 2008, when 1,038 days were lost because of work accidents.

In 2009 the incident seriousness rate was 8.86 and in 2008 this rate was 26.26. The result highlights Company commitment to preservation of the safety and health of Company Members and Service Providers. Calendar days are taken into account to calculate this index. Counting starts on the first day after the accident.

Rate of seriousness (1,000,000 men/hour of work)



Note: pro forma indicator. Considers UNIB-RS, PE_5, PP_2, PE6 & PE_3 as of 2002 and PP_3 as of 2008. Includes the Green Ethylene Plant in 2009. Does not include Cinal.

In 2009 Braskem achieved the best Environmental and Safety indexes since it was first established

GRI LA7 Index		Indicator	Calculation basis	Total		
				2007	2008	2009
Rate of injuries (TL)	Members	CAF accident frequency rate	(# CAF accidents/ hht) * 1,000,000	1.01	0.42	0.22
	Service Providers			0.72	0.43	0.14
	Total			0.80	0.43	0.16
	Members	SAF + CAF Accident Rate	(# accidents (SAF + CAF) / hht) * 1,000,000	3.33	2.33	0.89
	Service Providers			3.79	2.76	0.83
	Total			3.67	2.66	0.84
Rate of days lost (TDP)	Members	Rate of days lost (work accident & occupational disease)	(# days lost + debited) / hht) * 1,000,000	68.62	1.16	9.97
	Service Providers			49.91	34.16	11.43
	Total			54.85	26.26	11.00
Occupational disease records	Total	Occupational disease records	Quantity of occupational diseases recorded in the period	No case of occupational disease was recorded	1 case of Noise-Induced Hearing Loss (PAIR) at PE4, with zero days lost since it was evidenced at the time of employee severance medical exam.	3 records of occupational diseases - 1 at PE6 & 1 at PP1 because of PAIR, both with zero days lost, since the diseases were evidenced at the time of employee severance medical exams, & 1 at PE2 identified as worsening of pre-existing osteomuscular disease with 66 days lost.
Absenteeism Rate (TA)	Members	Absenteeism rate (Members)	(# of days * 100)/hht	0.073	0.075	0.083
	Service Providers		Takes incidence into account	—	—	—
	Total			0.073	0.075	0.083
Fatalities	Members	Number of fatalities in the year	Number of fatalities in the year	0	0	0
	Service Providers			0	0	0
	Total			0	0	0

Note: Service provider occupational disease and absenteeism rates are not followed. Pro forma indicator. Takes into account UNIB-RS, PE5, PP2, PE6 and PE3 as of 2002 and PP3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal.

Out of the R$ 64.3 million invested in Safety in 2009, 79% were allocated to process safety improvement and 21% to work safety improvements.

LA7 by region

CAF accident frequency rate/ 1,000,000 men/hours of work

	2007	2008	2009
Alagoas	0	0.56	0
Bahia	0.25	0.12	0.08
São Paulo	0	0.86	0
Rio Grande do Sul	1.97	0.66	0.35

SAF + CAF accident frequency rate/1,000,000 men/hours of work

	2007	2008	2009
Alagoas	0	0.84	0.85
Bahia	1.13	1.79	0.83
São Paulo	1.06	3.73	0.78
Rio Grande do Sul	8.98	3.83	0.87

Rate of work days lost
(work accident or occupational safety /1,000,000 men/hours of work

	2007	2008	2009
Alagoas	0.00	17.90	0.00
Bahia	36.62	18.17	1.21
São Paulo	0.00	8.90	0.00
Rio Grande do Sul	103.62	41.50	28.19

Absenteeism rate (incidence) - Members

	2007	2008	2009
Alagoas	0.089	0.105	0.142
Bahia	0.104	0.109	0.091
São Paulo	0.069	0.005	0.024
Rio Grande do Sul	0.034	0.055	0.078

Product transportation accidents

Braskem invests in risk prevention in hazardous and non-hazardous product transportation. The risk management program focuses resources on the qualification and selection of service providers and their drivers. Additionally, service providers invest in the remote monitoring of cargo transportation. The programs involving specialized partner companies aim at reducing the probability of losses occurring. But in case any incident occurs, there are emergency response centers in several regions of Brazil relying on equipment, materials and professionals qualified to respond to any incidents, minimizing possible consequences to people, the environment and assets.

Cargo transportation accident indicators also improved in 2009, as described below:

- **Solid Products**: 86 accidents were recorded, 19% less than in 2008, achieving the lowest rate since 2005.
- **Liquid Products**: five accidents were recorded, the same rate recorded in 2008. This index shows a drop by 19% because in 2007 and 2008 changes were introduced to actions under CIF (*Cost Insurance and Freight*) conditions that led to indicator increase in the period.
- **Salt**: the rate of road accidents involving salt – raw material for the vinyl chain – was 4.80. It was only as of 2009 that the hazardous cargo indicator was broken down into liquid and salt cargo. There is no comparative reference for this index.

Cargo theft

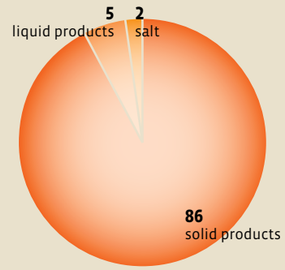
In 2009, 40 cargo theft incidents were recorded (963 ton), 38 in a conformity status, that is, material losses were paid by the insurer once the carrier had followed all safety procedures set forth in the contract with Braskem. From the total of 40, two events were not compliant with Company Risk Management Plan. Compared to 2008 figures this indicator was increased by 3.8%.

Process safety

The average Risk Rating of the Braskem plants has improved in the 2005-2009 period as a result of the efforts directed to risk management at company facilities and in production processes, from training, internal safety audits and the direct involvement of leaders in prevention actions.

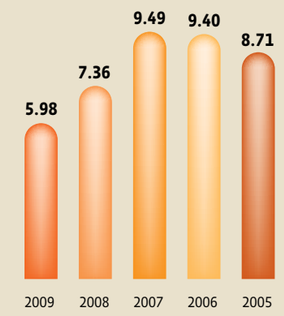
In the evaluation protocol adopted by international insurers and reinsurers, the risk management item represents 50% of the total points a company may be assigned from an insurance inspection. Among Braskem industrial plants, 10 are above standard and the others are in the standard category. This result leads us to a favorable position among international insurers in the search for lower insurance premium costs.

Total accidents related to finished product transportation

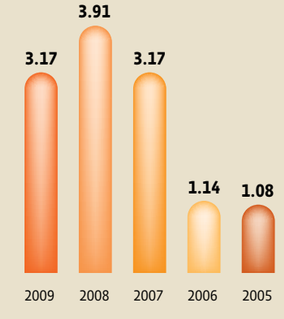


total: 93

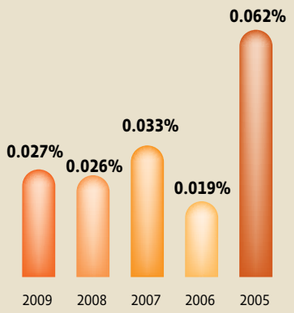
Solid product transportation accident rate (# of accidents/ number of trips/10,000)



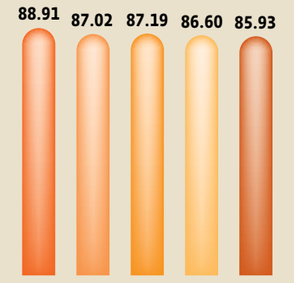
Liquid product transportation accident rate (# of accidents/shipped product quantity/1,000,000)



Percentage of resin cargo theft by volume carried (Quantity of stolen product/quantity of product carried)



Braskem Risk Rating



Note: Considering that the Risk Rating criteria enforced by international insurers were changed in 2004, audit results are reported from 2005 to 2009.

Process audits were conducted in 2009 at the PVC-AL, PVC-BA, CS-AL, CS-BA, PE2 and UNIB-RS plants. All were assigned an improved Risk Rating when compared to those achieved in the last inspection. Braskem Risk Rating evolved from 85.93 (2005) to 88.91 (2009).

As to chemical safety, the Company has undertaken before the ICCA (International Council of Chemical Associations) to lead the implementation of the GPS (Global Product Strategy).jointly with the Brazilian Chemical Industry Association (Abiquim). The GPS is an ICCA initiative to promote awareness and information about risks to people and the environment from the use of chemicals.

This initiative is aligned to the similar-purpose global strategy adopted by the United Nations Environmental Program (UNEP) called SAICM. A pilot text was drafted in 2009 to assess the adequacy of ICCA preliminary global guideline to the Brazilian situation. The final version will be released by the ICCA in 2010, taking into account the various inputs from the different pilots drafted in other countries.

Health

For health management, the strategy and actions deployed by Braskem involve actions focusing on the physical, mental and social well-being of Company Members, such as immunization campaigns and support to programs targeting prevention, tracking and early diagnosis of occupational and clinical diseases. The new medical procedures providing guidance to Company Members resulted in improvement of number of claims submitted to supplementary health insurance plans, contributing to the renegotiation of Braskem health policies.

As part of the Occupational Health Medical Control Program, all periodical medical exams and clinical evaluations conducted in 2009 evidenced nine cases of suspected occupational diseases among our Members. Three of these cases have already been confirmed: two cases of noise-induced loss of hearing (PAIR) at PP1 and PE6, and one case, at PE2, where a pre-existing osteomuscular condition had worsened. There was no follow-up of occupational disease cases among service providers. As to the H1N1 virus, Braskem took the necessary steps to provide and disseminate information about this disease. One subject tested positive for H1N1 (Camaçari), and 17 suspected cases were recorded. (Triunfo 8; SP 4; Alagoas 2; Camaçari 3).

As determined by the Environmental Risk Prevention Programs (PPRAs), a systematic monitoring of worksites enabled us to prevent and control chemical, physical, biological and ergonomic risks, in line with the requirements of the standards enforced internationally.

Braskem's absenteeism rate takes into account the rate of incidence of non-occupational diseases. The indicators presented in the table below reflect the changes seen in Members' conduct, who started to report health-related absences to work to the medical department.

The R$ 8.4 million invested in Health in 2009 were allocated as follows:

- redesign and adjustment of medical services, locker rooms and restaurants: 11.3%;
- chemical safety: 33%;
- ergonomic improvements: 17.2%;
- benzene Occupational Exposure Prevention Program (PPEOB): 17.1%;
- respiratory Protection Program: 1.9%;
- other: 19.5%.

Suzuki Recicladora develops a new plastics reuse technology

Environment

The results achieved by the Environmental area of the Company in 2009 were the best for all the ecological efficiency indicators since 2002, although there are still opportunities for reducing losses and a rational use of natural resources, effluent reuse and others.

Out of the R$ 29.3 million invested in environment, 81% was allocated to effluents, 2% to waste and 17% to the procurement of environmental monitoring equipment and to improvements in water and energy consumption.

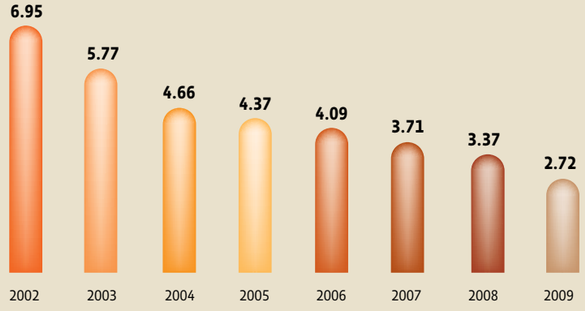
Improvement of ecological efficiency indicators – since 2002

- solid waste generation reduced by 61%;
- power consumption reduced by 12%;
- water consumption reduced by 19%;
- effluent volume reduced by 40%.

Solid waste generation

The actions and projects implemented in 2009 that target control of solid waste generation reduced the solid waste generation rate by 19% against 2008 figures. This rate represents an absolute decrease of 5,128,639 kg/year.

Waste generation (kg/t)



Note: pro forma indicator. Considers UNIB-RS, PE5, PP2, PE6 and PE3 as of 2002 and PP3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal and Mining.

Plastic wood, a sustainable solution

Acinplas, a pool of transformation companies manufacturing plastic packaging for fruit and produce. has devised a competitive cost solution for reuse of the raw materials left over from production process, both in-house and in neighboring companies. This technology is capable of recycling even dry and humid plastic, and was developed by the recycling unit of Suzuki Recicladora, a member of the Acinplas pool of companies. Several types of plastic wood items are produced from the many tons of recycled plastic. Braskem supports the project by purchasing benches, flower pots, garbage bins and other devices made of plastic wood to be used at "Parque de Convivência de Paulínia" (São Paulo) and at Maceió Environmental Education Center, in the Green Belt, in the vicinity of the Company compound in the capital city of the state of Alagoas.

"Plastic wood is not new to the market, but it has always been very expensive. The key novelty of the Suzuki system is that it will enable reducing process cost, and can be used by cooperatives of garbage pickers", Acinplas General Director Gustavo Borat Bazzano reported. "Thus, Acinplas is contributing to the development of solutions for correct disposal of plastic materials and for income generation for the cooperatives from the use of materials that once used have no market value."

Environmental Treatment in Triunfo (Rio Grande do Sul)

The movement and management of hazardous waste are defined in annexes I, II, III and VIII of the Basel Convention to ensure environmental safety and human health. The Basel Convention adopted in 1988, in Switzerland, became effective in 1992. The Convention forbids transboundary movement (imports and exports) of any kind of waste for final destination or recycling purposes. A proper management of hazardous waste is an issue of critical importance to the various stakeholders of the organizations, once it is related to entrepreneurial responsibility.

In 2007, 2008 and 2009 Braskem did not incur in any nonconformity with the environmental laws or regulations. Also, the Company was not subject to any fines or non-monetary penalties by any final court ruling. No final penalty involving significant amounts was enforced against the Company.

(GRI EN24)

Quantity (in kg)	2007	2008	2009
Total solid waste generated	24,278,768	20,353,010	17,307,670

GRI (EN24): total weight of hazardous waste carried – Total waste destined by volume (kg) and their share of total destined waste, measured as %.

Total hazardous waste carried/destination

	2007	2008	2009
Waste treatment	15,632,521	14,198,317	12,046,621
	62.3%	58.4%	59.3%
External recycling	9,470,533	10,116,538	8,268,918
	37.7%	41.6%	40.7%

GRI (EN24): total waste treated by the Company that has been carried and exported, broken down by destination – quantity in kg

Total waste / destination	2007	2008	2009
Waste disposal (industrial landfills, injection in deep wells, disposal in deactivated mines)	6,013,132 16.0%	4,513,227 13.2%	4,153,444 14.3%
Waste treatment (mud dehydration, oil farms, biowashing, solidification & stabilization, encapsulation, etc.)	692,210 1.8%	839,627 2.5%	1,421,292 4.9%
Waste burning (with or without energy reuse)	14,940,311 39.7%	13,358,690 39.1%	10,625,329 36.7%
External recycling (coprocessing in clinker ovens, waste exchange, and symbiosis)	9,470,533 25.1%	10,116,538 29.6%	8,268,918 28.5%
Other destinations	6,551,772 17%	5,311,013 15.6%	4,512,657 15.6%

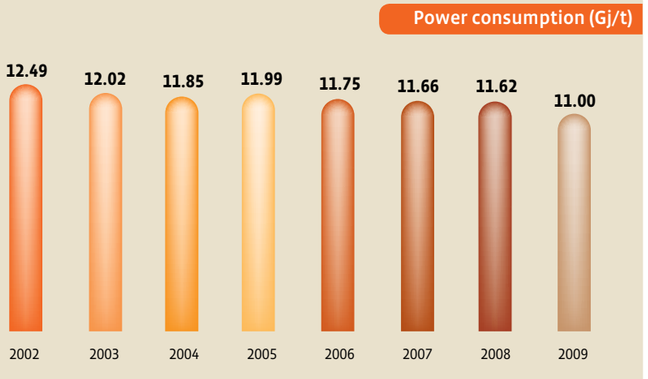
GRI (EN24): total weight, in kg, of hazardous waste transported, imported, exported and treated.

Total waste/destination	2007	2008	2009
Total weight of transported hazardous waste	25,103,055	24,314,855	20,315,539
Total weight of imported hazardous	NA*	NA*	NA*
Total weight of exported hazardous waste	NA*	NA*	NA*
Total weight of treated hazardous waste	**25,293,755**	**24,458,775**	**20,376,739**

* NA: Not applicable

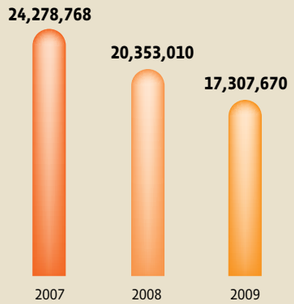
Power consumption

In 2009, Braskem energy consumption was decreased by 5% against 2008 figures. In absolute values this decrease amounts to 1,968,512 Gj/year.



Note: pro forma indicators. Considers UNIB-RS, PE5, PP2, PE6 and PE3 as of 2002 and PP3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal and Mining.

GRI (EN24) Total amount of hazard waste generated (quantity in kg)



GRI (EN5)

Braskem consolidated by bringing industrial establishments with different production profiles (chlorine-soda, PVC, Ethylene, Propylene, PE and PP plants, etc.) into its structure, making room for actions targeting power consumption reduction.

In recent years, punctual actions were implemented aimed at energy efficiency and energy conservation in the processes, taping on installed technology resources. These include: improvements made to the furnaces of the plants producing olefines and aromatics; improvements to the production and steam-carrying systems; optimization of pumping system operation; compressors; optimization of bleeder operation.

Studies of energy integration at industrial plants are now in progress, either through actions between areas of the plants, or between two or more units located within the same perimeter. Recently, efforts were furthered towards completing the design of a program that will not be limited to cutting final energy consumption. The purpose of these efforts is to improve the efficiency of steam and electricity production systems, besides reducing energy-carrying losses.

The actions implemented in the last five years to increase energy efficiency should lead to average savings of 8.44 million GJ. The target set for the next five years is to reduce energy global indicator (that measures the quantity of energy by ton of product) by 12%, against 2008 figures.

(GRI EN3): direct power consumption broken down by primary energy source (Gj)

2007

	Produced (GJ))	Bought (GJ))	Sold (GJ))	Consumed (GJ))
Non renewable sources of direct energy				
Carbon	0	3,659,368	0	3,659,368
Natural Gas	0	15,532,534	0	15,532,534
Fuel distilled from crude oil, including gasoline, diesel, LPG, CNG, LNG, butane, propane, ethane etc.	91,940,613	10,347,916	0	102,288,528
Electric power (carbon based)	1,706,304	0	3,264,412	-1,558,108
Steam	0	0	11,683,365	-11,683,365
Renewable direct energy sources				
Power (hydroelectric)	0	12,721,422	0	12,721,422
Biological fuels	0	0	0	0
Ethanol	1,220,600	0	0	1,220,600
Hydrogen	0	0	0	0
TOTAL	**94,867,517**	**42,261,240**	**14,947,776**	**122,180,980**

Note 1: Direct materials are materials existing in finished products.
2. Non renewable materials are resources that cannot be renewed in a short period of time, as for example, minerals, metals, petroleum, gas, coal , etc.

2008

	Produced (GJ))	Bought (GJ))	Sold (GJ))	Consumed (GJ))
Non renewable sources of direct energy				
Carbon	0	4,025,107	0	4,025,107
Natural Gas	0	18,378,994	0	18,378,994
Fuel distilled from crude oil, including gasoline, diesel, LPG, CNG, LNG, butane, propane, ethane etc.	80,544,055	6,761,210	0	102,288,528
Power (carbon base)	1,475,861	0	2,672,238	-1,196,377
Steam	0	145,826	8,355,784	-8,209,957
Renewable sources of direct energy				
Power (hydroelectric)	0	12,717,235	0	12,717,235
Biological Fuels	0	0	0	0
Ethanol	1,286,187	0	0	1,286,187
Hydrogen	0	0	0	0
TOTAL	**83,306,103**	**42,028,372**	**11,028,022**	**114,306,453**

2009

	Produced (GJ))	Bought (GJ))	Sold (GJ))	Consumed (GJ))
Non renewable sources of direct energy				
Carbon	0	4,027,035	0	4,027,035
Natural Gas	0	19,526,573	0	19,526,573
Fuel distilled from crude oil, including gasoline, diesel, LPG, CNG, LNG, butane, propane, ethane etc.	85,912,951	6,132,017	0	92,044,968
Power (carbon base)	1,764,357	0	3,069,140	-1,304,783
Steam	0	83,567	10,596,468	-10,512,901
Renewable sources of direct energy				
Power (hydroelectric)	0	11,943,906	0	11,943,906
Biological Fuels	0	0	0	0
Ethanol	1,193,875	0	0	1,193,875
Hydrogen	0	0	0	0
TOTAL	**88,871,184**	**41,713,098**	**13,665,608**	**116,918,674**

Actions targeting energy efficiency are expected to result in average savings of 8.44 million GJ

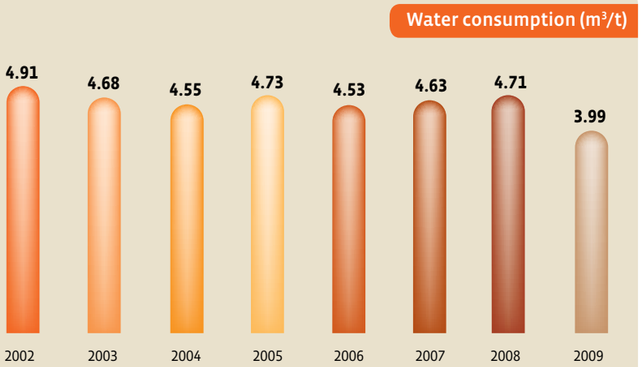
Santa Helena Water Mains

The construction of the new Santa Helena water mains in Bahia was completed in 2009. This project ensures water supply from the Santa Helena dam to the whole Camaçari Complex in the dry season, with water coming from a source subject to a limited impact of climate conditions. Water supply ensures the continuity of the industrial operations.

Because of the new Santa Helena mains, the water that was previously supplied to the Camaçari Complex will also supply the city of Salvador. The project was developed jointly with the water utility of the state of Bahia, Empresa de Água e Saneamento do Estado da Bahia (Embasa).

Water consumption

Just like the other ecological efficiency indicators, in 2009 Company water consumption rates showed a significant decrease. Compared to 2008, the water consumption rate was reduced by 15%, representing 5,154,267 m³/year decrease of absolute consumption.



Note: pro forma indicators. Considers UNIB-RS, PE_5, PP_2, PE6 and PE_3 as of 2002 and PP_3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal and Mining.

The indicators presented below contribute to a full understanding of the impacts and risks associated with water consumption.

GRI (EN8): total volume of water removed * in m³ per year

	2007	2008	2009
Total volume of water taken (either directly or indirectly)	48,392,922	45,994,374	40,840,107

* Total water taken represents the sum of all the water carried to company boundaries and coming from various sources (surface, underground, rainwater and municipal water mains) in the period covered by the report.

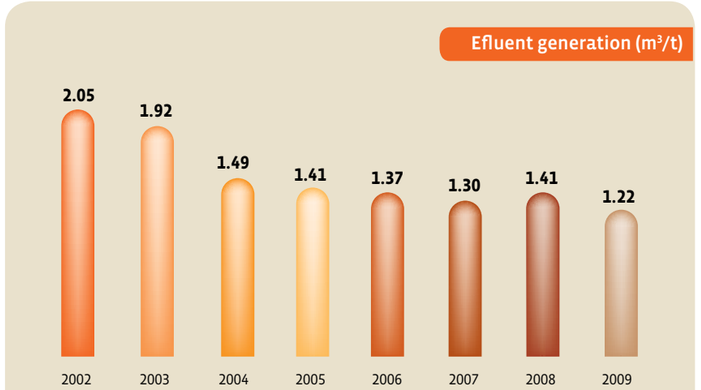
(GRI EN8): Total volume of water taken per year, in m³, broken down by source

Sources	2007	2008	2009
Surface water, including humid areas, rivers, lakes and oceanss	30,487,541	25,296,906	25,729,267
Underground water	11,130,372	14,258,256	9,393,225
Rainwater directly impounded and stored by the reporting company	1,451,788	459,944	1,225,203
Effluent from another organization	NA*	NA*	NA*
Municipal water supply or from other water supply companies	5,323,221	5,979,269	4,492,412

* NA: Not applicable

Effluent generation

In 2009, Braskem effluent generation result was 13% below 2008 figures. In absolute values, the decrease amounted to1,260,075 m³/year.



Note: pro forma indicators. Considers UNIB-RS, PE_5, PP_2, PE6 and PE_3 as of 2002 and PP_3 as of 2008. Includes the Green Ethylene plant in 2009. Does not include Cinal and Mining.

(GRI EN10): volume of recycled or reused water in m³ per year and the percentage of recycled or reused water as a percentage of water taken*

	2007	2008	2009
Total volume of water taken (either directly or indirectly)	48,392,922	45,994,374	40,840,107
Braskem (total recycled/reused water)	1,554,208	1,687,800	1,684,058
% of recycled/reused water by total volume of water taken*	3.2%	3.7%	4.1%

* This indicator represents company level of water efficiency

Chemical spills

This indicator reports negative impacts on the environment arising out of spills of chemicals, oils or fuels. The efforts made to prevent hazardous product spills are directly linked to the Company's continuous search for conformity with guidelines and procedures. Any nonconformity may cause accidents resulting in potential adverse impacts on the brand, financial risks and possible legal liabilities related to environmental issues.

GRI (EN23): significant spills recorded and losses expressed in dollars

Quantity

	2007	2008	2009
Spill description	—	Explosion in the polymer reactor at PE2	—
Number of significant spills recorded	0	1	0
Spilled volume	0	24.4 ton of n-hexane + 3.2 ton of ethylene	0
Losses (in dollars)	0	US$ 18 million	0

Note: Amount of losses defined taking material losses (assets and products) into account, environmental damages and possible losses resulting from loss of revenue. Amount aligned with insurers.

Measurement of greenhouse gas emissions

The inventory of the emissions of greenhouse gases and ozone layer depletion gases at all Company industrial plants was completed in 2009, based on 2008 figures. In this process Braskem was advised by ERM environmental consultants.
Bráulio Pickmann, one of ERM directors, explains that achieved results reflect the investments made in technology, operational changes and process improvements. "This is the path followed by Brazilian companies that take a stand about the climate change subject and the need to reduce the emissions of greenhouse gases by ton of products. As to Braskem, the environmental programs that were implemented and Company commitment with excellence, evidence our intention to become an international reference in just a few years."

Bráulio Pickman, from ERM

Greenhouse Gases

Braskem has updated company inventory of emissions of gases that contribute to the greenhouse effect, enlarging scope 3 reach, that is, considered upstream activities in the production chain, items of "Product Use and Disposal" (partial), "Supply Chain" and "Business Travel," and equivalent emissions related to support activities that are not managed by the Company. Besides the insertion of scope 3, Braskem has consolidated the inventory for 100% of company plants, including two new units, one in Rio Grande do Sul and another in São Paulo, and also the corporate centers.

Direct emissions (greenhouse gases) in 2009 amounted to 7,127,615 ton of CO_{2e} (CO_2 equivalent) and indirect emissions to 167,504 t CO_{2e} evidencing a decrease in atmospheric emissions of CO_{2e} of 6% in scope 1 and 41% in scope 2 resulting from the effective improvement and management actions enforced by Company internal operations. The inventory will be subject to an external assessment next year.

Together with the inventory of greenhouse gases, the inventory of ozone-depleting substances was also updated based on 2009 figures. The inventory allows the company to evaluate how much it is adapted to the specific laws providing on this subject. The inventory comprises CO_2 (carbon dioxide), CH_4 (methane gas), N_2O (nitrous oxide) and HFC_{134} (hydrofluorocarbons, cooling fluid), among others.

Braskem's firm stand and commitment about CO_2 emissions are stated in the document *We Need to Mature to Be Green*, released in August 2009.

Besides the progress shown by indicators in 2009, a decrease in absolute and relative values (intensity), Braskem took an important step by starting to report its scope 3 emissions, and also started to prepare for an external assessment of the inventory, which should take place in the near future. The Company intends to improve the intensity of emissions, achieving an emission reduction of at least 11% by 2012, based on 2008 figures.

Note: The tables below refer to scopes 1, 2 and 3.

Braskem significantly reduced CO_2 emissions in 2009

The information reported below does not include PE6 and PP3 inventories in the 2006-2008 period.

GRI EN16 – CO_2 Emissions (ton)

	2006	2007	2008	2009
Emission source	**CO_{2e} (t)**	**CO_{2e} (t)**	**CO_{2e} (t)**	**CO_{2e} (t)**
Combustion emissions	7,731,611.03	7,806,995.29	7,154,988.93	6,941,458.21
Fugitive emissions (cooling/insulation gas)	3,200.00	74,015.00	75,785.00	76,297.00
Fugitive emissions (CH_4 & CO_2 lines)	12,452.37	12,452.37	12,504.11	3,281.83
Process venting emissions	345,712.10	374,907.93	302,086.67	39,792.13
Total Scope 1	**8,092,975.50**	**8,268,370.59**	**7,545,364.71**	**7,060,829.17**
Energy purchase	247,444.67	173,914.64	248,408.40	167,504.36
Total Scope 2	**247,444.67**	**173,914.64**	**248,408.40**	**167,504.36**
Mobile combustion sources	-	-	-	5,427.00
Raw material transportation	-	-	-	121,736.00
Waste transportation	-	-	-	3,299.00
Waste disposal	-	-	-	42,537.00
Effluent treatment	-	-	-	13,863.00
Fossil raw materials	-	-	-	2,859,738.00
Air travel	-	-	-	10,577.00
Total Scope 3	**0.00**	**0.00**	**0.00**	**3,057,177.00**

Note: Braskem started to issue the greenhouse gas emission inventory in 2006 and to account for scope 3 in 2009.

The inventory was prepared following a bottom-up approach based on process information collected at the various plants and calculations based on mass balance and/or emission factors that are included in international protocols such as the AP-42 (Compilation of Air Pollutant Emission Factors - Volume I, Fifth Edition, January 2005 revised edition), the API (American Petroleum Institute) Compendium, based on the five principles ratified in the document "Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard – Revised Edition," from WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development). Braskem GEE inventory was based on the principles set forth by the Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions (IPIECA/API/OGP, 2003), in order to meet the requirements of the Tiers category.

The measurement unit CO_{2e} (carbon dioxide equivalent) was adopted. CO_2 equivalent is calculated by multiplying tons of greenhouse gas emissions by their global warming potential. CO_2 global warming potential has been set at 1. For example, methane gas global warming potential is 21 times CO_2 potential, therefore, methane CO_2 equivalent is 21.

GRI (EN19): emissions of ozone layer-depleting substances

Year	Unit	HFC emissions in equivalent ton of HFC 134	HFC emissions in equivalent ton of HFC 134a	HFC emissions in equivalent ton of HCFC 22	HFC emissions in equivalent ton of HCFC 141b	CFC emission in equivalent ton of CFC 12	CTC emissions in equivalent ton of CTC	CCl4 emission in equivalent ton of CCl4
2006	UNIB – RS	–	–	0.5304	–	–	–	–
	UNIB – BA	–	–	3.420	–	–	–	–
	PE1 – BA	–	–	2.020	–	–	–	–
	PE2 – BA	–	–	1.230	–	–	–	–
	PE3 – BA	–	–	3.860	–	–	–	–
	CS – AL	–	3.200	5.600	–	19.00	–	–
	CS – BA	–	–	3.184	–	–	–	–
	PVC – AL	–	–	0.5400	–	–	–	–
	PVC – BA	–	–	0.8500	–	0.03000	–	–
	Total	**0.000**	**3.200**	**21.23**	**0.000**	**19.03**	**0.000**	**0.000**
2007	UNIB – RS	–	0.001000	0.9140	–	–	–	–
	PE1 – BA	–	–	2.204	–	–	–	–
	PE2 – BA	–	–	4.759	–	–	–	–
	PE3 – BA	–	–	4.128	–	–	–	–
	PE4 – RS	–	–	2.740	–	–	–	–
	PP1 – RS	–	–	0.06800	–	–	–	–
	CS – BA	–	–	2.744	–	–	–	–
	CS – AL	–	16.70	3.520	–	0.9500	25.26	–
	PVC – AL	–	–	0.01000	–	–	–	–
	PVC – BA	52.31	–	1.341	–	–	–	–
	Total	**52.31**	**16.70**	**22.43**	**0.000**	**0.9500**	**25.26**	**0.000**
2008	UNIB – RS	–	0.8872	–	–	–	–	–
	UNIB – BA	–	0.02720	1.742	0.03600	–	–	–
	PE1 – BA	–	–	1.904	–	–	–	–
	PE2 – BA	–	–	1.344	–	–	–	–
	PE3 – BA	–	–	4.951	–	–	–	–
	PE4 – RS	–	–	4.116	–	–	–	–
	PP1 – RS	–	–	0.04000	–	–	–	–
	PE5/PP2 – RS	–	–	0.01592	–	–	–	–
	CS – AL	–	13.75	5.600	4.500	–	23.92	–
	CS – BA	–	–	4.116	–	–	–	–
	PVC – AL	–	10.20	–	–	–	–	–
	PVC – BA	44.65	–	0.6800	–	–	–	–
	UA3 – BA	–	–	0.1632	0.01700	–	–	–
	Total	**44.65**	**24.86**	**24.67**	**4.553**	**0.000**	**23.92**	**0.000**
2009	UNIB – RS	–	0.6292	–	–	–	–	–
	PE1 – BA	–	–	1.064	–	–	–	–
	PE2 – BA	–	–	4.256	–	–	–	–
	PE3 – BA	–	–	5.880	–	–	–	–
	PE4 – RS	–	–	0.02720	–	–	–	–
	PE5 – RS	–	–	11.46	–	–	–	–
	PP1 – RS	–	–	0.09520	–	–	–	–
	PP2 – RS	–	–	0.2855	–	–	–	–
	PP3 – SP	0.05700	–	–	–	–	–	–
	CS – BA	–	–	2.240	–	–	–	–
	CS – AL	–	18.45	5.600	–	–	10.16	–
	PVC – BA	15.70	–	0.9520	–	–	–	–
	PVC – AL	–	27.20	–	–	–	–	–
	CPL – BA	–	–	–	–	–	–	0.003787
	Total	**15.76**	**46.28**	**31.86**	**0**	**0**	**10.16**	**0.003787**

Comments:

- ozone layer depleting substances contained in products or emissions from these products during use or disposal were not included;
- emissions of the substances covered by annexes A, B, C and E of the Montreal Protocol were included;
- emissions = production + imports – exports of substances;
- production = produced substances – substances destroyed by technology;
- substances fully used as raw material to manufacture other chemical substances;
- ozone layer-depleting substances that are not accounted for as production.

GRI (EN18): actions implemented to reduce emissions of greenhouse gases and achieved results

GRI (EN18): identification of emission reductions from all sources owned or controlled by Braskem, and resulting from the use of indirect energy and activities

Sources	2007	2008	2009
Indirect emissions (energy purchase)	73,530.03	652,006.36	80,904.04
Combustion emission	No reduction recorded	No reduction recorded	213,530.72
Fugitive emissions (cooling/insulation gas lines)	No reduction recorded	No reduction recorded	No reduction recorded
Fugitive emissions (CH_4 & CO_2 lines)	No reduction recorded	No reduction recorded	9,222.28
Process venting emissions	No reduction recorded	72,821.26	262,294.54

In 2009 the inventories of greenhouse gases and ozone layer depleting substances were updated

GRI (EN18): actions targeting greenhouse gas emission reduction

2007	
Actions	**Implementation Areas**
No reduction recorded.	
2008	
Actions	**Areas**
Process evaluation & improvement/Investment & Project changes/Qualification of involved parties - (process venting emissions) & (combustion emissions).	CPL – BA/ PVC – BA / UNIB – RS
Process evaluation & improvement/Investment & process changes/Qualification of involved parties - (combustion emissions)	PE4 – RS / PE2 – BA/ PE3 – BA /PE5 – RS / PP1 – RS / PP2 – RS / UNIB – BA / PVC – SP
Several changes implemented at the Olefin 1 RS plant, during the general maintenance shutdown. Part of the change resulted from plant debottlenecking, enabling production increase. As a result, plant production increased with proportional energy consumption increase smaller than production increase.	UNIB (RS)
2009	
Actions	**Areas**
Several changes implemented at the Olefin 1 RS plant, during the general maintenance shutdown. Part of the change resulted from plant debottlenecking, enabling production increase. As a result, plant production increased with proportional energy consumption increase smaller than production increase.	UNIB (RS)
Production was reduced at Unib-RS with one plant shutdown in January and partially shutdown in February due to the crisis, leading to smaller energy consumption and CO_2 emission. Energy consumption decrease improvements, introduced at the Olefin 1 RS plant in 2008, were captured in 2009.	UNIB (RS)
Project targeting cutting down steam losses at UPVC AL, developed in 2009 and certified according to the Six Sigma methodology in February 2010. Key action: Electrical Power optimization versus steam consumption (with no investment). Investment amounting to R$ 6 thousand (replacement of damaged bleeders). Achieved annual savings: R$ 1.4 million (cost avoided).	PVC (AL)
Partial UA3 production shutdown, once CPL production was discontinued. As CPL plant reactor was shut down N_2O emissions stopped, and this was this unit most significant contribution to greenhouse gas generation.	UNIB – BA (CPL)

GRI (EN18): greenhouse gas emission reduction achieved during the period covered by the report, as a direct result of the actions taken, expressed as equivalent ton of CO_2.

2007	
Action	**Emission Reduction**
No reduction recorded.	
2008	
Action	
Maintenance shutdown of the Olefin 1 RS plant for one month. Production decreased at Unib-RS because of Olefin 1 RS shutdown as of November 10, due to the global crisis. Lower power consumption at Olefin 1 RS, resulting from the improvements introduced during maintenance shutdown. Partial capture in 2008.	217,273 t CO_{2e}
2009	
Action	**Áreas**
Partial Unib-RS production decrease, with one plant shutdown in January and partially shutdown in February because of the global crisis, resulting in lower power consumption and CO_2 emission rates. Power consumption reduction improvements introduced at Olefin 1 RS in 2008, were captured in 2009.	168,852 t CO_{2e}
Project targeting steam losses at UPVC AL, developed in 2009 and Six Sigma methodology- certified in February 2010. Key action: electric power generation optimization versus steam consumption (with no investment). Investment amounting to R$ 6 thousand (replacement of damaged bleeders). Achieved annual savings: R$ 1.4 million (cost avoided).	3,420 t CO_{2e}
Partial UA3 production shutdown, once CPL production was discontinued. As CPL plant reactor was shutdown N_2O emissions stopped, and this was this unit most significant contribution to greenhouse gas generation.	119,000 t CO_{2e}

Environmental Preservation in Triunfo (Rio Grande do Sul)

Environmental protection

The total amount of investments and disbursements allocated to environmental protection is an indicator enabling a good assessment of the efficiency of company environmental initiatives.

GRI (EN30): cost of waste disposal, emission treatment and environmental impact mitigation, in Reais.

	2008	2009
Variable production services (variable cost)		
Effluent treatment, solid waste destination, packing recovery and other services.	R$ 113,718,303.43	R$ 120,294,506.06
Air emission management	R$ 1,124,577.58	R$ 1,809,504.37
Underground water management	R$ 2,201,924.52	R$ 544,628.20
Administrative power and water	R$ 324,266.84	R$ 1,549,510.20
Other environmental monitoring actions	R$ 2,623,590.89	R$ 1,994,739.00
Environmental investments	R$ 24,000,000.00	R$ 29,294,861.92
TOTAL	**R$ 143,992,663.26**	**R$ 155,487,749.75**

Note: the integrated Health, Safety and Environmental cost and management was implemented in 2008. For this reason 2007 amounts were not reported.

GRI (EN30): environmental prevention and management costs, in Reais

	2007	2008	2009
Personnel assigned to education and training	–	–	–
Environmental licenses	–	R$ 27,613.00	R$ 136,232.05
Air emission management	–	R$ 1,124,577.58	R$ 1,809,504.37
Underground water management	–	R$ 2,201,924.52	R$ 544,628.20
Personnel for general environmental management activities	–	–	–
Research & Development	–	–	–
Additional expenses related to new technology installation	–	–	–
Additional expenses related to Green procurement	–	–	–
Other environmental monitoring activities	–	R$ 2,623,590.89	R$ 1,994,739.00

"From the diagnostic of the local population for activity planning, to the engagement of partners in its design, the park project has proved to be dynamic and capable of furthering integration. Represented in the process partners start to work in a collaborative network, getting involved in the assurance of best results."

Daniela Monteiro, Institutional Relations Coordinator for Gaia

Paulínia Park Project

Extending over a 300 thousand m³ area, the Paulínia Park (Friendship Park), in the state of São Paulo, is a space reserved for cultural activities and environmental projects. Braskem shares the development of this project with public authorities and with Gaia (Interdisciplinary Learning Support Group). Braskem will fund the project, thus fulfilling some of the undertakings of the compensation agreement signed with the government of the state of São Paulo, at the time of the environmental licensing of Petroquímica Paulínia. Approximately 15,000 people living in neighboring areas, the future park visitors, will benefit from this project. Park official opening is scheduled for the end of 2010. This park includes a permanent preservation area (APP), where an Atlantic Forest recomposition project will be developed.

GRI (EN30): total environmental protection expenses (in R$)

	2008	2009
Waste disposal, emission treatment and remediation costs		
Environmental liabilities	R$ 14,260,000.00	R$ 11,412,936.33
Environmental prevention and management costs	R$ 29,977,705.99	R$ 33,779,965.54

Protected areas

Relevant social, environmental, education and cultural projects developed by Braskem are located in protected areas. Others were developed in neighboring areas, inside rich biodiversity sites. Braskem deems that identifying, monitoring and reporting the risks associated with developed activities is critical to prevent and/or minimize such risks.

Environmental Education inside the Green Belt (Cloro-Soda / Alagoas)

A 150 hectare environmental protection area, where projects are developed targeting soil recovery, topographic restoration of the dunes and recomposition of the Atlantic Forest marshland landscape.

Site: Av. Assis Chateaubriand, 5260, Pontal da Barra, Maceió (Alagoas)
Total usable area: 217,728 m²
Construction area: 103,848 m²
Total lot area: 321,576 m²

Environmental Protection Park (Unib / Rio Grande do Sul)

A 68 hectare Environmental Protection Park, on the margins of river Caí. Unib – Rio Grand do Sul owns 157 hectares (sum of the industrial, protected and adjacent areas). Project objective: offer the presentations about the environment to local communities, and especially to elementary and middle school students. The park is scientifically monitored under an agreement with State of Rio Grande do Sul Zoo-Botanical Foundation.

Paulínia Park Project – (PP3/ Paulínia/São Paulo)

Once installed, the park will extend over a 300,000 m² area. Park official opening is scheduled for the end of 2010. Environmental, leisure and cultural projects will be sponsored. This park includes a permanent preservation area (APP), where the Atlantic Forest recomposition project will be developed. Site: Betel District. Key features: composed of 121 pioneer species and 125 non-pioneer species, totaling 246 tree seedlings (maintenance and preservation under Braskem responsibility).

Ciliary forest recovery project at Córrego do Jacaré (PP3 / Paulínia)

Project implemented in January 2008. Key Features: along the course of the creek called Córrego do Jacaré, whose banks for decades have been subject to a continuous degradation process, more than 2,200 native trees of about 50 species, 11 of which are threatened with extinction, have been replanted. The1.35 hectare area is located on the border of the grounds where the PP3 unit is installed (maintenance and preservation under Braskem responsibility).

Costa dos Coqueiros Ecological Corridor Program (UNIB/Bahia)

This is a social-environmental project on the north coastline of the state of Bahia, involving planting of native species for Atlantic Forest restoration, with emphasis on reforesting of river sources and ciliary forests of the region that extends from the Camaçari Industrial Complex to Sauípe Park.

Comments:
I – PE4 / PP1 / PE5 / PP2 & PE6 (Rio Grande do Sul) – Are not included in the "Protected Area" topic".
II – Cloro Soda, PVC, PE1, PE2 & PE3 (Bahia) – Also are not included in the above-mentioned topic.

Biodiversity inside the Green Belt (Alagoas)

GRI quick reference index

GRI		Chapter of the Annual and Sustainability Report 2009
1	**Strategies and Analysis**	
1.1	Statement by Company Management about the relevance of sustainability	Message from the Management
1.2	Key Impacts, risks and opportunities	Contribution to Sustainable Development
		Challenges
		Environmental aspect
2	**Organizational Profile**	
2.1	Name of the organization	Profile
2.2	Key brands, products and/or services	Profile
2.3	Operational structure	Profile
2.4	Headquarters	About this report
2.5	Number of countries where the Company does businesses	Profile
		Economic-financial aspect
2.6	Type and juridical nature of the property	Profile
2.7	Company markets	Profile
2.8	Size of the organization	Profile
2.9	Key changes in 2009	Profile
2.10	Awards received	Profile
3	**Parameters enforced for reporting**	
3.1	Period covered by the report	About this report
3.2	Date of most recent prior report	About this report
3.3	Frequency	About this report
3.4	Contact data, for additional information	About this report
3.5	Report content design process	About this report
3.6	Report limits	About this report
3.7	Limitations pertaining to report scope or limit	About this report
3.8	Joint ventures, subsidiaries, leased facilities, outsourced operations and other organizations that may affect comparisons between periods and/or organizations.	About this report
3.9	Data measurement techniques and basis for calculation	About this report
3.10	Clarification about possible consequences of any reformulation of information	About this report
3.11	Significant changes in comparison with previous years	About this report
3.12	Table showing the location of the information presented in the report	GRI quick reference index
3.13	External assessment	About this report
4	**Governance, commitments and participation**	
4.1	Governance structure	Economic-financial aspect / Corporate goverenance
4.2	Indication in case the president of the highest governance body is also an executive director	Economic-financial aspect / Corporate goverenance
4.3	Number of independent or non executive members of the highest governance body	Economic-financial aspect / Corporate goverenance
4.4	Tools enabling Shareholders and Members to offer recommendations or suggestions to the highest corporate management body	Economic-financial aspect / Corporate goverenance
4.8	Statement of mission and values, codes of conduct and internal principles	Message from the Management
		Profile
		Economic-financial aspect / Corporate goverenance
4.9	Procedure enforced by the highest governance body aimed at enabling the organization to supervise and manage the identification and management of the economic, environmental and social performance, including relevant risks and opportunities, as well as adherence or conformity with internationally accepted standards, codes of conduct and principles.	Economic-financial aspect / Corporate goverenance
4.12	Letters, principles or other initiatives subscribed or endorsed by the organization	Throughout the report
4.14	Relationship with Company stakeholders	Challenges / Strengthening of relations
		Economic-financial aspect / Clients
		Social aspect
Management mode – economic performance		
EC1	Economic value directly generated and distributed	Economic-financial aspect
EC4	Significant financial support received from the government	Economic-financial aspect / Tax incentives
Social performance		
LA3	Benefits offered to full-time workers and that are not available to temporary or part-time staff, by type of most important operations	Social aspect
LA4	Percentage of employees covered by collective negotiation agreements	Social aspect
LA7	Rates of injury, occupational diseases, days of work lost, work related absenteeism deaths, by region	Social, health and safety aspects
LA9	Health and safety subjects covered by formal agreements with workers Unions	Social aspect
SO8	Monetary value of significant fines and total number of non monetary penalties arising out of non conformity with laws and regulations.	Social aspect
Environmental performance		
EN3	Purchased sources of direct energy (GJ)	Social, health and safety aspects
EN5	Energy saved because of higher efficiency	Social, health and safety aspects
EN6	Actions targeting supply of products and services with lower energy consumption, or using energy generated from renewable resources, smaller energy needs resulting from this initiatives	Social, health and safety aspects
EN7	Actions to reduce indirect energy consumption and achieved results.	Social, health and safety aspects
EN8	Total water taken by source	Social, health and safety aspects
EN10	Volume of water recycled or reused in m^3 by year and percentage of or recycled or reused water as a percentage of water taken	Social, health and safety aspects
EN13	Protected or restored habitats	Social, health and safety aspects
EN16	Direct and indirect Greenhouse Gas emissions	Social, health and safety aspects
EN22	Total weight of waste by type and method of disposal	Social, health and safety aspects
EN23	Significant spills recorded and losses in dollars	Social, health and safety aspects
EN24	Total weight of hazardous waste carried – Total waste destined by volume (kg), representativeness on total destined was, measured as %	Social, health and safety aspects
EN30	Total investments and expenditures related to environmental protection, by type	Social, health and safety aspects

Glossary

Abes – Brazilian Association of Sanitary & Environmental Engineering

Abief – Brazilian Association of the Flexible Plastic Packing Industry

Abiquim – Brazilian Chemical Industry Association

ABNT NBR – Brazilian Association for Technical Standards / Brazilian Standard

Above standard: insurers rate company risks as below standard, standard, above standard and excellent. Braskem rating is above standard.

ADVB – SP – Brazilian Association of Sales and Marketing Managers/São Paulo

AL – Alagoas

ANA – National Water Agency

APP – Permanent Protection Area

BA – Bahia

BNDESPAR – National Economic and Social Development Equity

Bovespa – São Paulo Stock Exchange

BVQI – Bureau Veritas Quality International

CA – Board of Directors

Cade – Administrative Council of Economic Defense

CAF – Acronym in Portuguese for accident with days away from work

Camp – Multiprofessional Advisory Center

CCC – Community Consulting Council

CDP – Carbon Disclosure Project

CEC – Strategy & Communication Committee

Cenpes – Petrobras Research Center

CFC – Chlorofluorocarbon

CF – Statutory Audit Committee

CO_2 – Carbon Gas

CO_{2e} – Carbon Gas Equivalent (sum of emissions of all greenhouse gas emission "changed into" CO_2)

Cofic – Camaçari Industrial Development Committee

COP15 – Copenhagen 15 (15ª United nations Climate Change Conference)

CVM – Securities Committee

DNV – *Det Norske Veritas*

Ebitda – Earnings before interest, taxes, depreciation and amortization

Empresariamento – refers to entrepreneurship practice conducted in the company by Company Members (included in TEO principles)

EPI – Personal Protection Equipment (PPE in English)

ERM – Environmental Resources Management

Fapesp – São Paulo State Research Support Foundation

FGV/ SP – Getúlio Vargas Foundation - São Paulo

FURG – Federal University of Rio Grande

Gaia – Interdisciplinary Learning Support Group

GEE – Greenhouse Gas

GJ – Giga Joules

GPS – Global Product Strategy

GRI – Global Report Initiative

HHT – Men Worked Hour

Hydric stress –when water consumption per capita exceeds 40% of the renewable sources of fresh water existing in a hydrographic basin

ICCA – International Council of Chemical Associations

IDF – Supplier Performance Index

INP – Index of Days of Work Lost

IPCC – International Panel of Climate Change

ISE – Corporate Sustainability Index

ISO – International Organization for Standardization

ISP – Private Social Investments

kg/t – kilogram by ton

MBA – Master of Business Administration

Nudec – Community Defense Center

NYSE – New York Stock Exchange

OCDE – Organization for Economic Co-operation and Development (OECD)

OHSAS – Occupational, Health & Safety Advisore Services

ONG – Non governmental organization

ONU – United Nations Organization

PA – Action program

PAIR – Noise-Induced Hearing Loss

PDI – Individual Development Plan

PDE – Entrepreneur Development Program

PDL – Leader Development Program

PDS – Competency Development Program

PDVSA – Petróleos Venezolanos (Venezuela State Oil Company)

PDP – Productive Development Policy

PPAT – Programa de Prevenção de Perdas no Acidente de Trabalho

PIB – Gross Domestic Product (GDP)

PIB – Braskem Innovation Program

PNUMA – United Nations Environment Program (UNEP)

PPAT – Work Accident Loss Prevention Program

PPRA – Environmental Risk Prevention Program

Reach – Registration, Evaluation and Authorisation Chemicals

Recycling - mechanical – physical conversion of plastic waste into pellets, to be gain changed into other products. Mechanical recycling depends on the selective collection of post-consumption plastics. The following steps are the following: separation, grinding, washing, binding, extrusion and granulation.

Recycling - chemical – chemical recycling occurs when plastic waste is subject to chemical processes aimed at depolymerization and production of gases and oils that are subsequently used as raw materials to manufacture other polymers featuring the same properties of the original resins.

RS – Rio Grande do Sul

SAF – Acronym in Portuguese for without days away from work

SAICM – Acronym in English standing from Strategic Approach to International Chemicals Management

Sebrae – Brazilian Service for Support to Micro and Small Companies

Senai – National Industrial Training Service

SGI – Integrated Management Service

Sipat – Work Accident Prevention Week

SOX – Sarbanes-Oxley Law

SSMA – Environment, Health and Safety (HSE)

TDP – Taxa de dias perdidos

Tegal – Liquid Gas Terminal

TEO – Odebrecht Enterprise Technology

TL – Taxa de lesões

TMP – Raw Material Terminal

UN – Business Unit

Unep –Acronym in English standing for United Nations Environment Program

Unib – Basic Petrochemicals Unit

UNPol – Polymer Unit

PRODUCT GLOSSARY

BOPP – Bi-Oriented Polypropylene

CS – Chlorine Soda

EDC – 1.2 dichloroethane or ethylene dichloride

ETBE – Ethyl tert-butyl ether

GLP – Liquefied Petroleum Gas (LPG)

MTBE – Methyl tert-butyl ether

PE – Polyethylene

HDPE – High Density Polyethylene

LDPE – Low Density Polyethylene

LDPELLDPE – Low Linear Density Polyethylene

PE-UHMW – Ultra High Molecular Weight Polyethylene

PP – Polypropylene

PVC – Polyvinyl chloride

UTEC – Braskem's own brand for PE-UhmW: a High Molecular Weight Polyethylene

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