



 BERACA

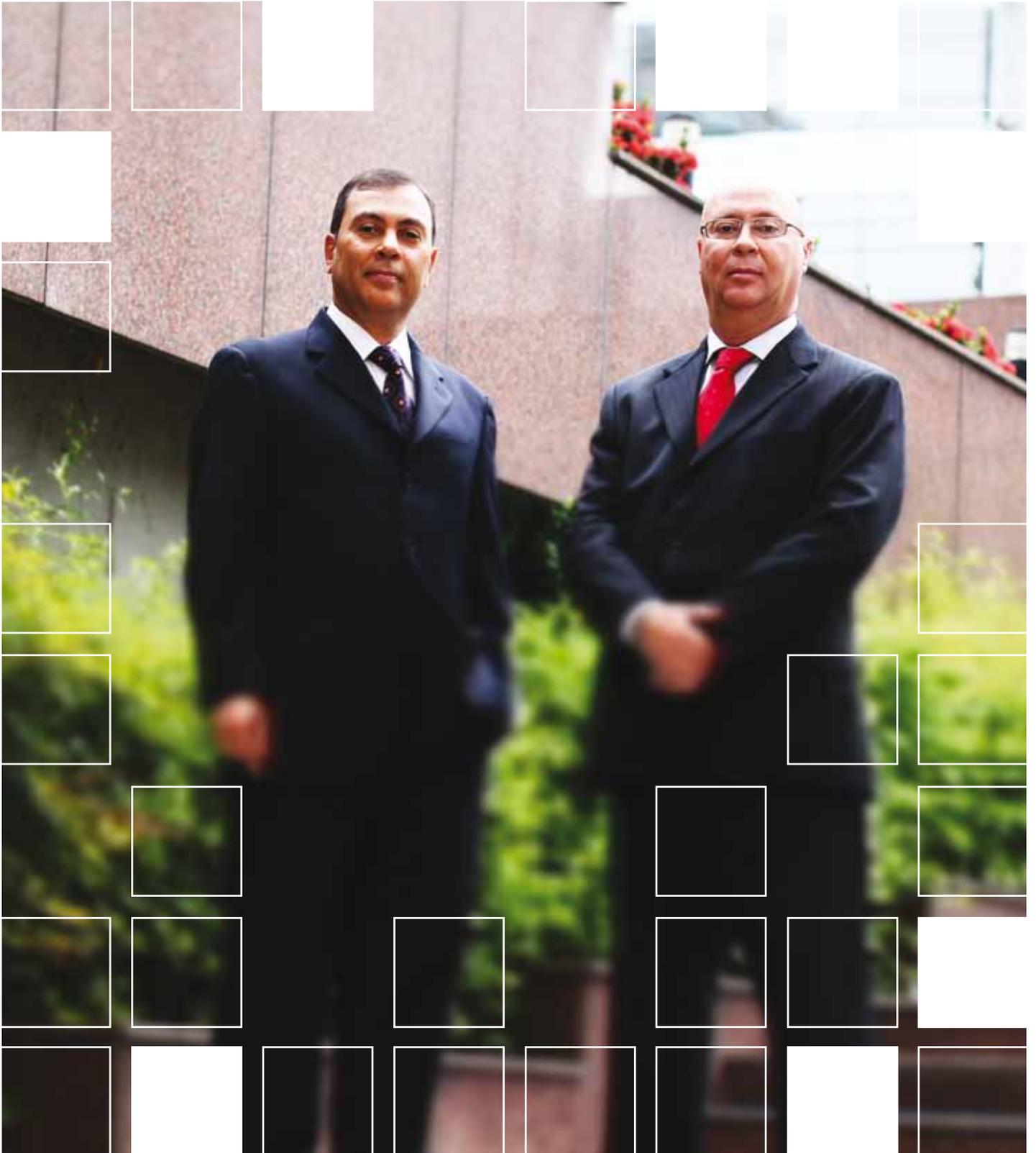
Sustainability Report - 2009 | 2010

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BERACA
Sustainability Report - 2009 | 2010



Message from the **Presidency**

Constant work

Beraca has registered growth in the last years. And we do not refer only to the financial area, operating profit, number of staff members, business partners, new products and solutions development, and many other achievements easily measured and that proof our credibility, entrepreneurial vision, and soundness; we mean significant advances towards a sustainability-based management which, by definition, prioritizes actions to meet the current needs without impairing the resourcefulness of future generations.

A number of changes were performed to improve our management. Early a limited company, we turned into a private business corporation, what has enhanced the transparency and ethics, principles that have been guiding the company's activities over more than five decades. In practice, the legal change was felt in an internal restructuring of the organization with the creation of new departments, adoption of corporate governance practices and other activities, aiming the sustainable development at long-term.

The quality of the relationship with our diverse stakeholders was improved, in order to promote a more responsible management throughout the supply chain. Among other actions, we organized the I Beracom, an event that gathered the company and the community leaders from the Amazon Forest, as well as several meetings with the carriers working with Beraca. These initiatives have strengthened partnerships and lined up the interests of both parties, leading to higher productivity and earnings for the environment.



Ulisses Sabará

We have also invested in the customer relationship, getting to know their business better and anticipating their needs, with the development of products, solutions, and services that meet their current and future demands of a competitive and increasingly regulated market.

As our main raw materials come from nature, we are aware of the global movement for biodiversity conservation. Beraca works continually to adapt its operations to the highly demanding international standards. And this effort has already paid good results. We were recognized as a member of the Union for Ethical BioTrade (UEBT) in 2010, an international nonprofit organization that promotes ethical trade of ingredients originating from native biodiversity. Being a member of UEBT certifies our commitment to biodiversity conservation, respect for traditional knowledge, and equitable sharing of benefits throughout the supply chain.

We also have become Explorer Member of Social Accountability International (SAI) corporate programs. This achievement reinforces our concern about the development and implementation of management systems in social responsibility, both internally and in the production chain. Much has been made over the last years, but there is still plenty to do. We will continue investing in the improvement of the relationship with suppliers' communities, in order to professionalize and add even more value to their work and therefore to the product we deliver to our client. We will develop solutions increasingly safe and effective to treat water, thus contributing to improve the population's health.

“ WE INVESTED INTERNALLY THE EQUIVALENT OF 3.2% OF NET SALES IN OUR SUSTAINABILITY ACTIONS IN 2010. THE PRIORITIES IN COMING YEARS ARE THE PROFESSIONAL TRAINING OF OUR EMPLOYEES AND THE TECHNOLOGICAL IMPROVEMENT OF FACTORIES ”

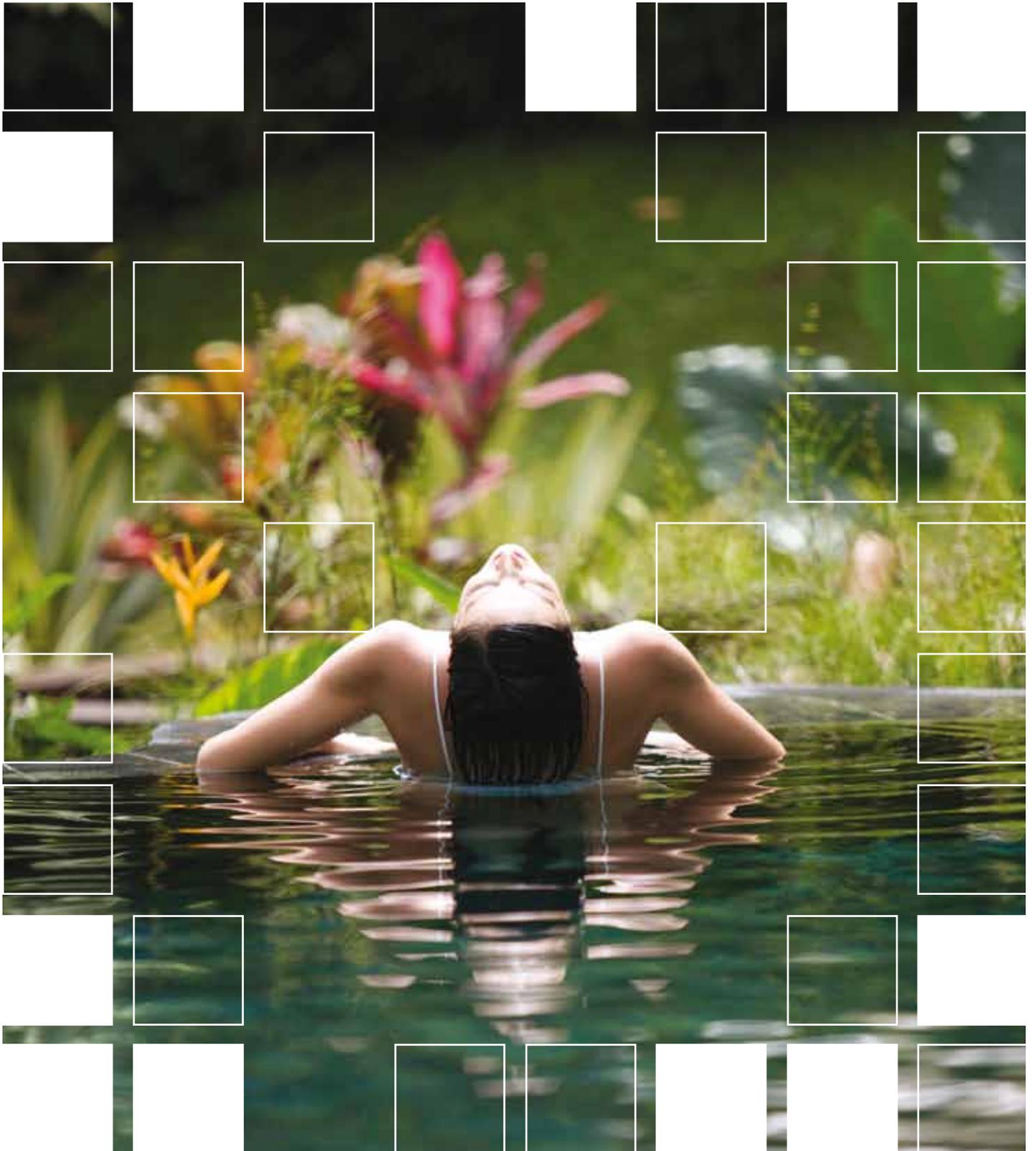
We invested internally the equivalent of 3.2% of net sales in our sustainability actions in 2010. The priorities in coming years are the professional training of our employees and the technological improvement of factories, aiming to supply the market with even more innovative products, promote local development and contribute to the growth rate of the country, always grounded in the principles of sustainability.

Finally, we highlight the 2012 Earth Summit, best known as Rio +20, a meeting with the purpose of renewing the commitment of world leaders to the planet’s sustainable development, 20 years after the UN Conference on Environment and Development (Rio-92). We will be facing a new milestone in building a green economy, eliminating poverty, and establishing a new institutional framework for sustainable development.

Marco Antonio Sabará and Ulisses Sabará
 Presidents of Beraca



Marco Antônio Sabará



The company

Beraca is a Brazilian company established in 1956, specialized in the development of high performance raw materials, solutions, and technologies to the sectors of water and sanitation, cosmetics, food and beverage and animal nutrition.

Beraca's operations are focused on Nutrition, Health and Beauty. Our entrepreneurial spirit and capacity for innovation and adaptation are based on a commitment to the future generations.

Beraca Sabará Químicos e Ingredientes S/A

- ***4 business divisions:***

Water Technologies

Health & Personal Care

Food Ingredients

Animal Nutrition and Health

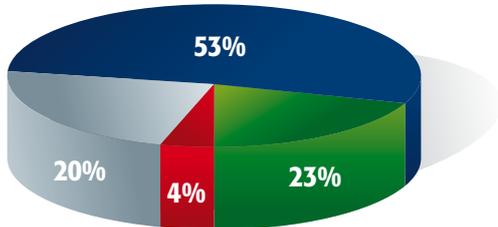
- ***244 employees (December 2010)***

- ***7 units in 5 Brazilian states***

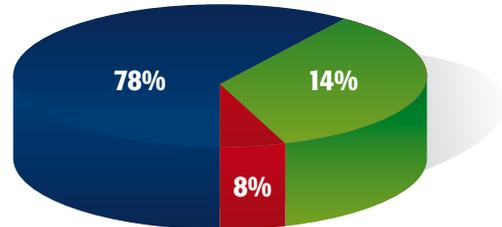
- ***Revenues in 2010: R\$ 110,682 million***



Number of employees in December 2010 (%)

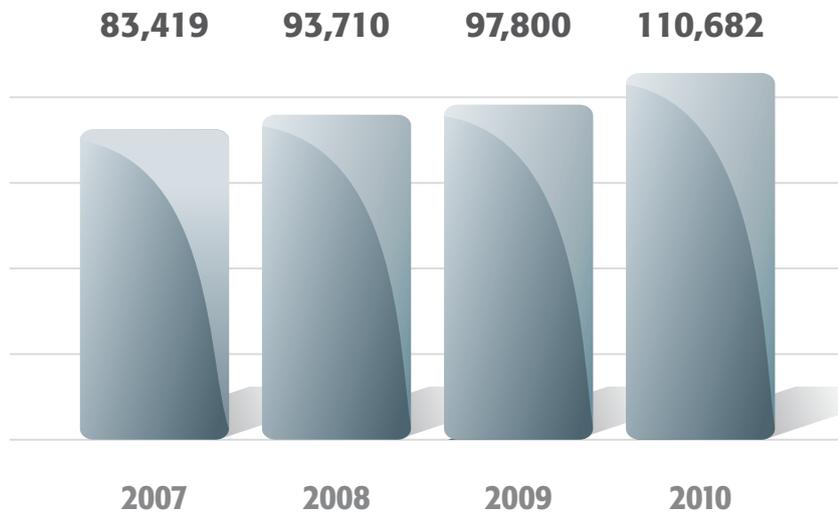


Revenues in 2010 (%)



Corporate
 Water Technologies
 Health & Personal Care
 Food Ingredients and Animal Nutrition & Health

Revenue evolution



From 2007 to 2010, the revenues grew by 33%, reinforcing Beraca's credibility and soundness, a result of the investment in organizational management, quality of products and services, research and innovation.

Our mission, vision and values

Our Mission

To be a singular company that stimulates the development of their personnel and provides value to customers, partners and shareholders through sustainable development.

Our Vision

To be a reference point company in the production of technology and innovative, sustainable products for the cosmetic, food, veterinarian and water and effluent treatment markets.

Values

- People: we respect people's individuality and dignity;
- Respect for the Environment;
- Research and Innovation;
- Our business' profitability and health;
- The development of a business culture based on principles of impartiality, transparency, ethics and morals, based on our commitments to the Global Compact Principles and Millennium Goals;
- Processes founded on good corporate principles and standards established by nationally and internationally acclaimed institutions such as Responsible Distribution Process (PRODIR), SA8000, FSC (Forest Stewardship Council), ECOCERT and the BERACA Quality Manual;
- Act as "bridges" in the creation of long-term partnerships between scientific institutions and local communities for the launching and diffusion of innovative products and technologies, duly and fairly compensated, and between national and international companies seeking mutually profitable investments in innovation, technology and high-quality products.

Divisions, products and services

Water Technologies

Beraca's Water Technologies division offers integrated solutions for water treatment and sanitation in form of products, equipments, and technical assistance and disinfection services for various industrial processes.

Products and equipments

Chlorine gas cylinders, chlorine tablets, sodium hypochlorite, aluminum polychloride, ortho-polyphosphates, chlorine dioxide, coagulants, flocculants, and polymers are the main products of our portfolio. Within the equipment line, Beraca offers measuring tapes and chlorine tablets dosers for many applications, from residencies to high water consumption systems.



The Water Technologies division is one of the largest distributors of chlorine and derivatives for South America. Its products and services have benefited clients in all Brazilian states and in countries like Peru, Uruguay, Paraguay, and Angola, Africa.

It supplies public water and sanitation companies and private segments of horticulture, dairy, beverage, meat, and energy.



GLOBALSERVICE

Integrated solutions

Complete solution for water treatment used in industrial processes, public water supply, and water reuse, adaptable to customer requirements. In addition to supplying products and selling equipment loaned for use, this solution includes technical advice during the project preparation and execution, and team training for emergency and application, following high standards of health and safety. Beraca also helps in programming the logistics in a way to optimize costs and processes.



Beraca's Biosafety Program

Unique program for animal breeders, consisting of products and equipments that provide treated water for animal consumption, which reduces the risk of infections, raises the sanitary control, and minimizes environment contamination. The benefits impact directly the population's health, as they have access to a better quality food.



Health & Personal Care

Beraca stands out as one of the leading Brazilian companies supplying natural and organic ingredients with active compounds extracted from the Amazon and other biomes.



Health & Personal Care division products are developed and distributed to cosmetic and pharmaceutical markets in Brazil and worldwide.

The Health & Personal Care division offers four product lines:

Those products are used by Health & Personal Care customers to manufacture creams, lotions, sunscreens, shampoos, soaps, makeup, and other products for the final consumer.



Oils and butters extracted from fruits and seeds such as açai, andiroba, babaçu, murumuru, and urucum.



Natural ingredients from plant species of the Amazon rainforest.



Natural exfoliating particles, extracted from açai, cupuaçu, andiroba, murumuru, buriti, and guaraná.



Organic extracts from fruits like buriti and cupuaçu.



From 2007 to 2010, the Health & Personal Care division revenues grew by 37%, which highlights the maturity achieved by the business.

Through the Biodiversity Enhancement Program, Beraca ensures sustainability in the supplying of raw materials from Brazilian biodiversity, regional development, and preservation of biomes in the country.



Food Ingredients

The Food Ingredients division distributes specialty products such as sweeteners and dyes, as well as ingredients and additives for food and beverage industry. It also provides support for use and application, according to the customer requirements.

Beraca intends in coming years to develop a line of nutraceuticals, derived from biodiversity products. In 2011, the challenge will be to obtain the Food Grade certification for Ananindeua Unit, in the Brazilian state of Pará, assuring that the production follows the international standards required by the food and beverage industry.

 **BeraColor**

 **BeraFood**

 **BeraSugar**

 **ExtratoninaFood**



Animal Nutrition & Health



The Animal Nutrition & Health division imports and distributes natural plant extracts products for food and medicines industry for livestock and domestic animals. Moreover, it offers a full line of Amazon specialties, the Rain Forest Specialties®, which provides benefits to the animal welfare and health.

Pet Care Line



Animal Nutrition Line



Animal Health Line



Beraca's geography

Beraca has seven units, distributed in five Brazilian states. The choice of each location followed three main criteria: optimizing transportation and logistics services, participation in regional development hubs and proximity to suppliers, customers and supplier communities.



Anália Franco Unit



Santa Bárbara Unit



Ananindeua Unit



Itapissuma Unit



Anápolis Unit



Pacatuba Unit

São Paulo

- **Santa Bárbara Unit**, in Santa Bárbara d'Oeste – Development and distribution of products for all divisions; Research and Innovation Center.
- **Anália Franco Unit**, in São Paulo, capital city – Administrative, Sales, and Marketing departments.
- **Berrini Unit**, in São Paulo, capital city – Headquarters.

Since 2010 Beraca no longer operates in Penha Unit, São Paulo, capital city. The activities and employees were moved to Santa Bárbara and Anália Franco (established in 2010) units, in order to improve the quality of working environment according to the company location strategy.

Pará

- **Ananindeua Unit**
Research of Amazon raw materials and production of oils, actives and butters to the Health & Personal Care lines.

Pernambuco

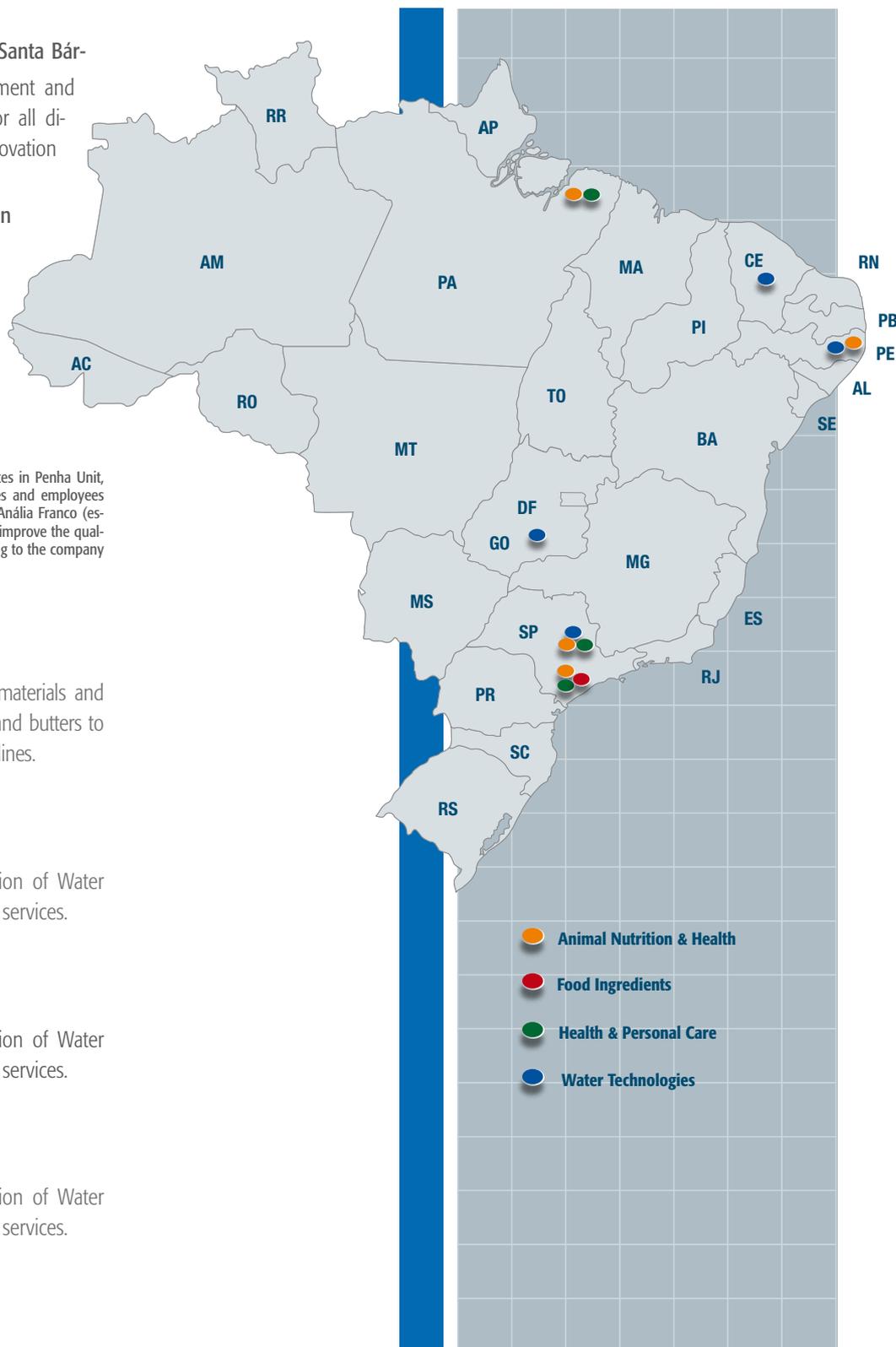
- **Itapissuma Unit**
Manufacture and distribution of Water Technologies products and services.

Goiás

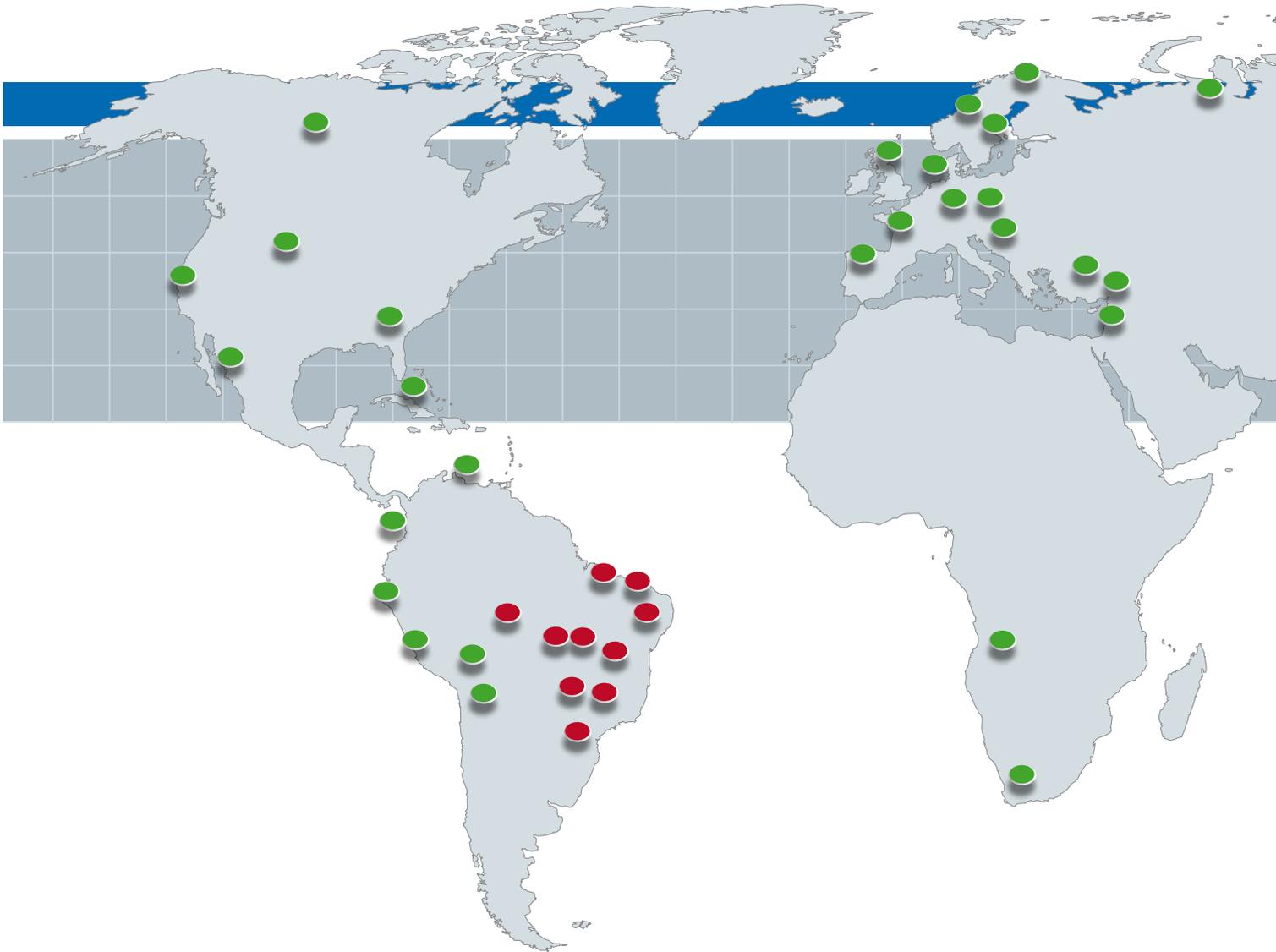
- **Anápolis Unit**
Manufacture and distribution of Water Technologies products and services.

Ceará

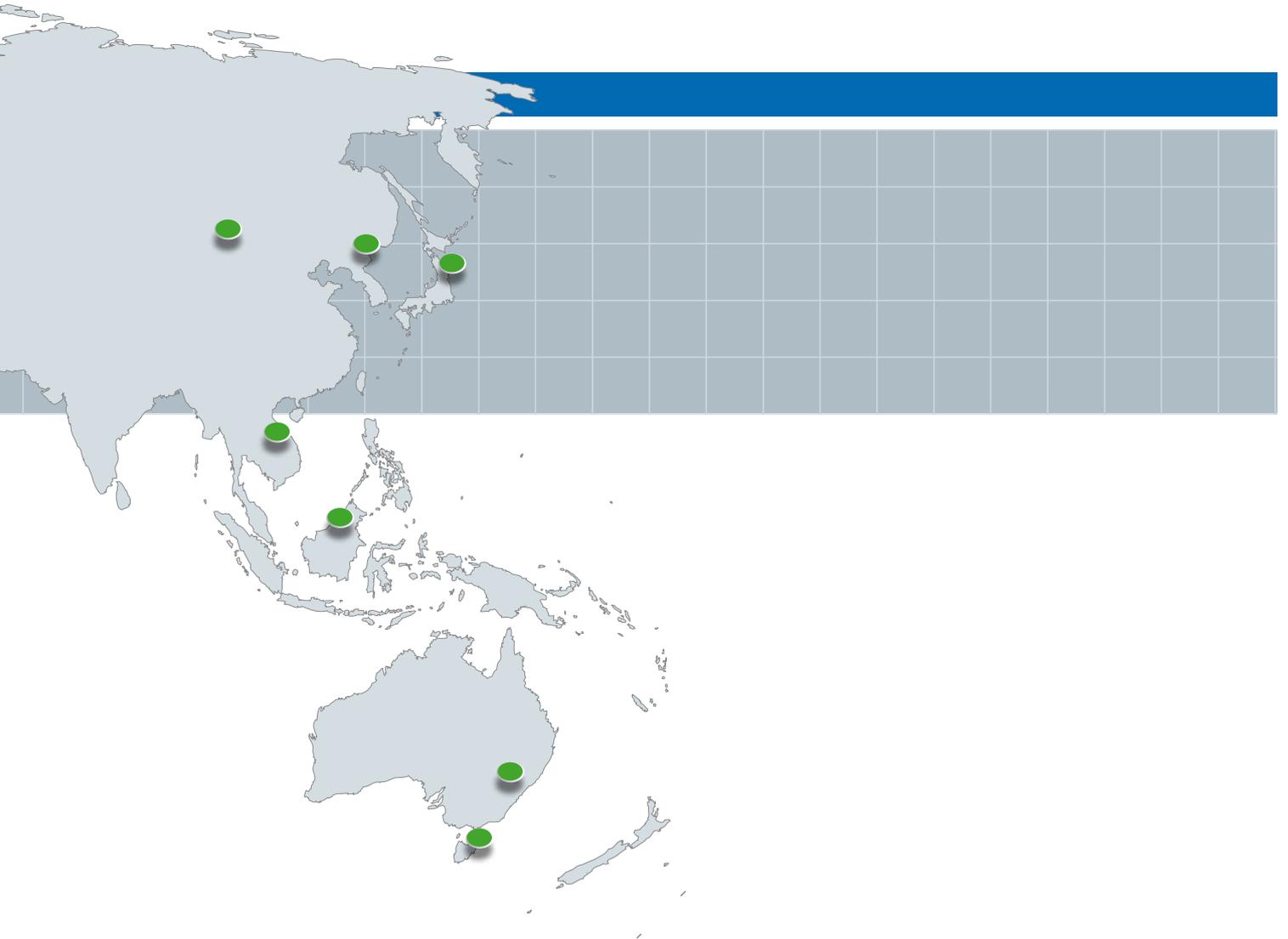
- **Pacatuba Unit**
Manufacture and distribution of Water Technologies products and services.

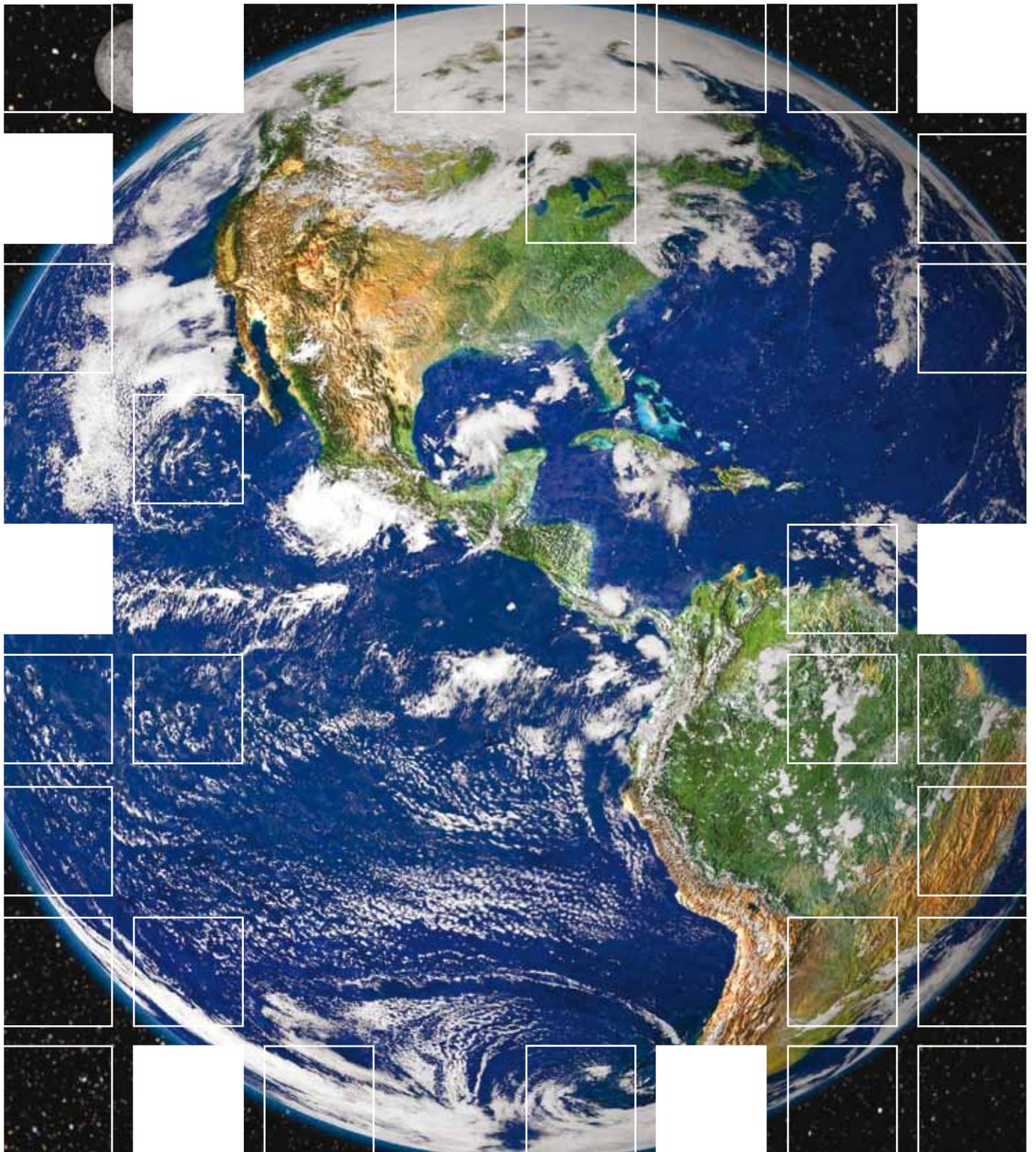


National and international presence



Beraca is present in 41 countries, with 33 distributors throughout the Americas, Europe, Asia, and Oceania. In 2008 a trade office was opened in Paris, France. Another one is planned to be opened in the United States in 2011.





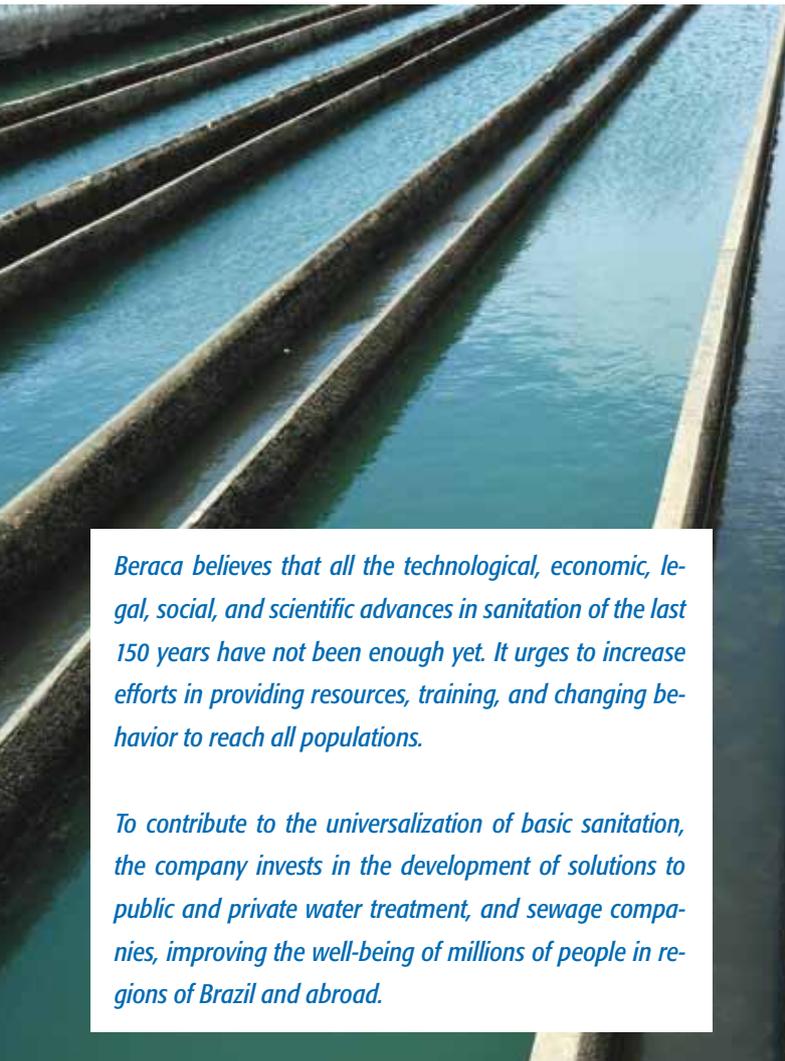
Approach to **sustainability**

To Beraca, offering nutrition, health and beauty to millions of people in Brazil and throughout the world means to deal with major sustainability challenges. The company seeks the continuous understanding of these challenges and focuses on developing solutions. Its products and services have the main purpose of contributing to universal basic sanitation, and preserving and valuing Brazilian biodiversity.

The company recognizes the relevance of its public of interest and to meet their expectations with an investment of quality in relation and partnerships.

In Beraca, sustainability is translated into priority measures and management practices to deal with the challenges and opportunities related to their operations.





Towards the universal basic sanitation

Basic sanitation is the set of services for water supply and sewage collection and treatment. Ensuring those services to the entire world population is one of the major concerns of the millennium.

The universalization of basic sanitation has largely positive effects on human development, directly contributing to the improvement of health and housing conditions, and economic growth.



Beraca believes that all the technological, economic, legal, social, and scientific advances in sanitation of the last 150 years have not been enough yet. It urges to increase efforts in providing resources, training, and changing behavior to reach all populations.

To contribute to the universalization of basic sanitation, the company invests in the development of solutions to public and private water treatment, and sewage companies, improving the well-being of millions of people in regions of Brazil and abroad.

2.2 million people in developing countries die every year from diseases related to lack of potable water, hygiene and inadequate sanitation. (Source: World Chlorine Board)

40.1% of Brazilian homes had no sewage collection in 2009, worsening the environmental pollution and facilitating the spread of diseases. (Source: National Survey of Households)

For every US\$ 1 invested in potable water and sanitation, the World Health Organization (WHO) estimates a potential socio-economic return of US\$ 3 to US\$ 34, depending on the region and applied technology.

The universal access to sanitation in Brazil would have an impact on expense reduction of R\$ 309 million with workers withdrawal. And the universal access to sewage can generate an average appreciation of up to 18% in real estate.

(Source: Survey conducted by Instituto Trata Brasil, in partnership with Fundação Getúlio Vargas)

Protecting and valuing the Brazilian biodiversity

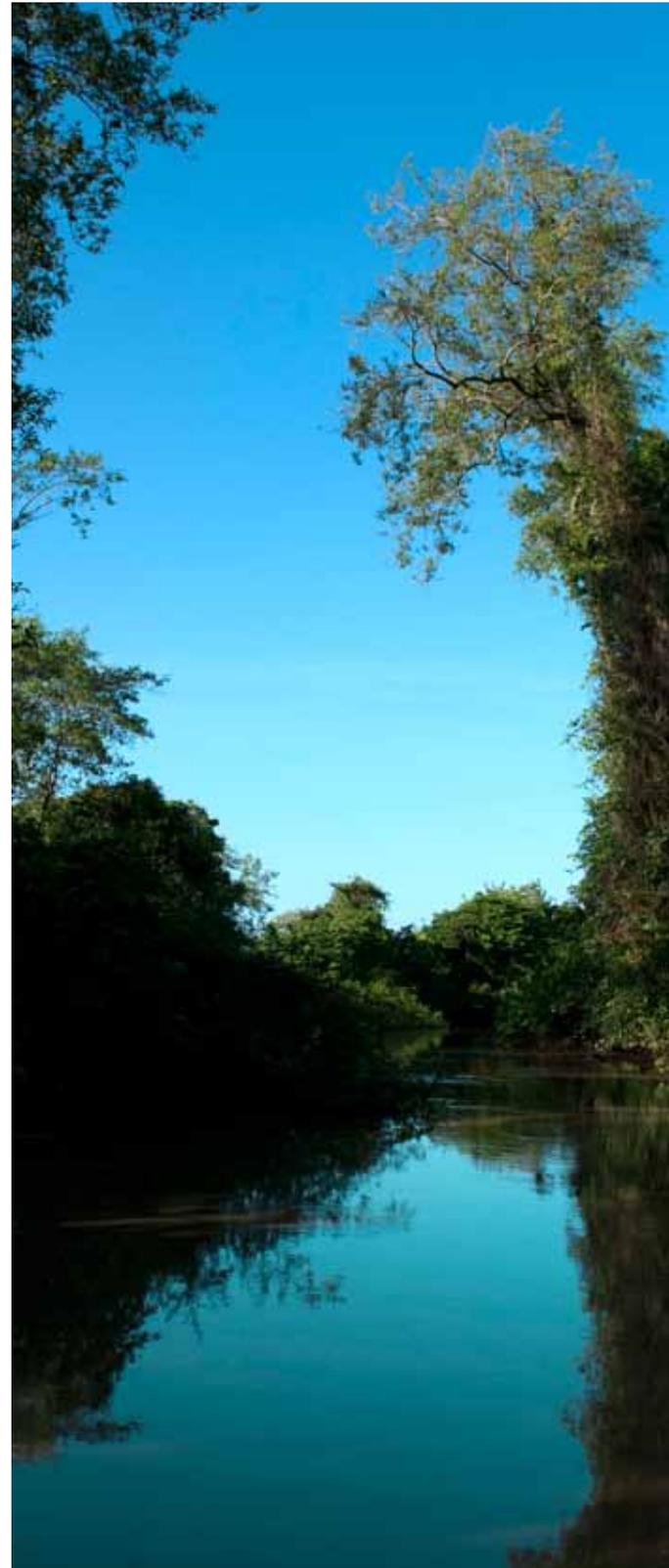
World leaders agreed, in 2002, to achieve a significant reduction in biodiversity loss by 2010. The non-achievement of these targets showed the enormous challenge in preserving the world's biodiversity. The urgency of the subject led the United Nations (UN) to set 2010 as the International Year of Biodiversity.

- *About 150 species are becoming extinct per day globally
(Source: Global Biodiversity Outlook 3)*
- *Brazil has more than 20% of the world's biodiversity
(Source: Ministry of the Environment)*



International Year of Biodiversity

Voluntário na Campanha Mundial pela Biodiversidade.



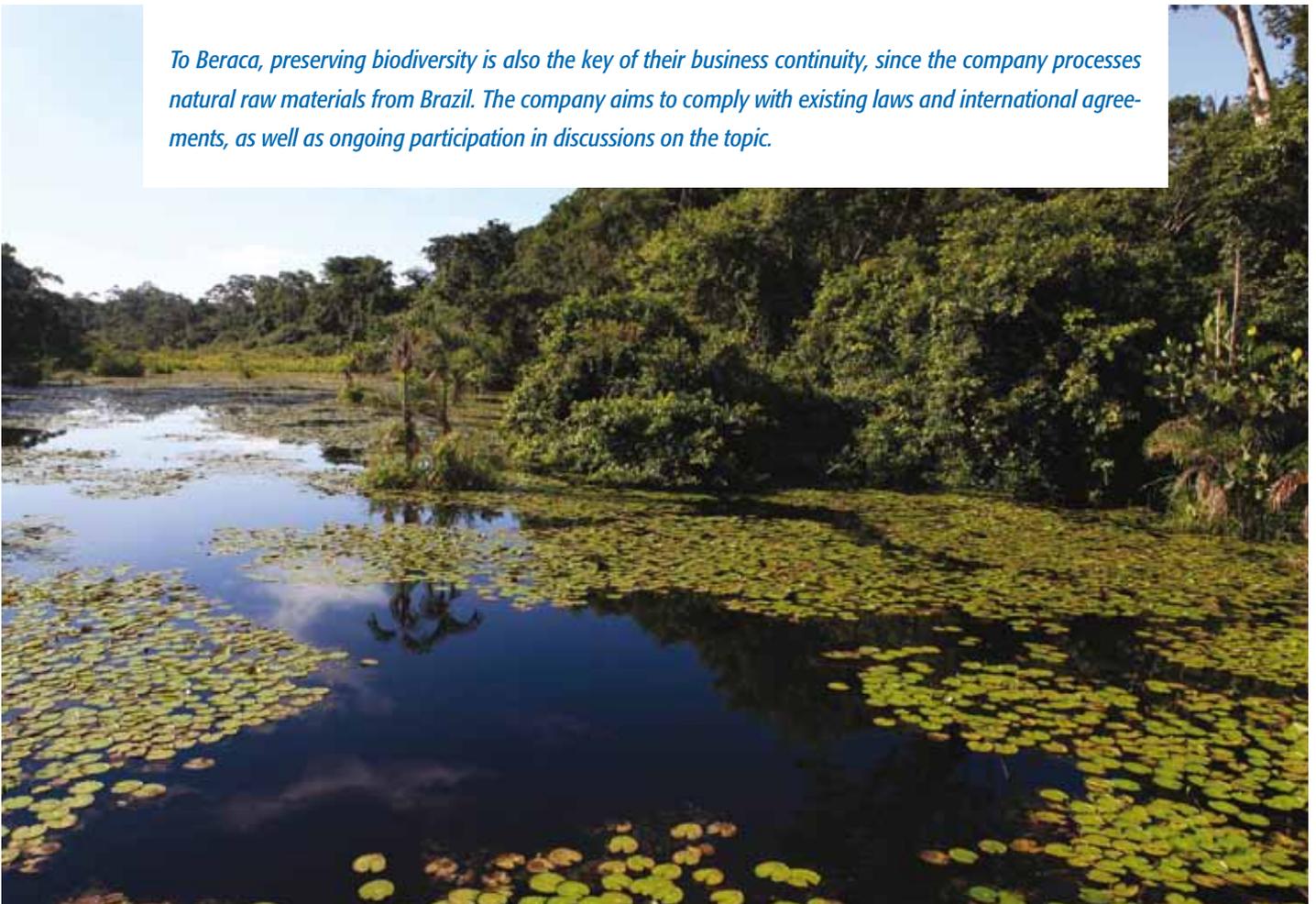


Beraca took part in major national and international events on the topic. It was at Conference of Parties to the Convention on Biological Diversity (COP 10), held in Nagoya, Japan, participating in discussions about business contribution to preservation.

In Brazil, Beraca joined the Corporate Movement for the Conservation and Sustainable Use of Biodiversity (MEB), a group of companies that agreed to adopt the principles and objectives of the UN Convention on Biological Diversity (CBD) and to work in support of biodiversity preservation.

As an MEB member, Beraca was one of the signatories of the Business Charter for the Conservation and Sustainable Use of Biodiversity, with proposals to the federal government to create mechanisms for the economic valuation of biodiversity at national level (see next page).

To Beraca, preserving biodiversity is also the key of their business continuity, since the company processes natural raw materials from Brazil. The company aims to comply with existing laws and international agreements, as well as ongoing participation in discussions on the topic.



Business Charter for the Conservation and Sustainable Use of Biodiversity



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CARTA EMPRESARIAL PELA CONSERVAÇÃO E USO SUSTENTÁVEL DA BIODIVERSIDADE

A Organização das Nações Unidas declarou 2010 como o Ano Internacional da Biodiversidade, com o objetivo de trazer ao debate público global a importância da conservação da diversidade biológica em todo o mundo. O homem é um dos elementos que compõem a biodiversidade e também está exposto aos efeitos adversos dos impactos causados sobre os ecossistemas.

Os ecossistemas têm papel fundamental na manutenção do equilíbrio climático global e a biodiversidade desempenha diversas funções nos processos naturais, estando ambos associados à manutenção da vida no planeta e ao potencial de adaptação dos seres vivos, incluindo o próprio homem, às mudanças climáticas. Os atuais padrões de produção e consumo têm sobrecarregado os serviços ecossistêmicos e alcançado os limites dos ciclos da natureza, indispensáveis à estabilidade do planeta. Esse cenário coloca em risco o equilíbrio e a própria viabilidade da vida na Terra, sendo a ação do homem responsável pelas crescentes taxas de extinção de espécies e pela alteração de ecossistemas.

A biodiversidade é essencial para a manutenção de um meio ambiente saudável e seguro e sua perda tem consequências diretas também sobre a economia. A conservação da biodiversidade e dos ecossistemas é um fator que assegura a continuidade das atividades humanas por meio da geração de riquezas e provisão de matérias-primas. Seu valor econômico tem sido cada vez mais reconhecido. Dessa forma, a incorporação do tema ao cotidiano dos investimentos e de toda a cadeia de negócios da economia é uma necessidade.

PROPOSTAS AO GOVERNO BRASILEIRO

A sociedade é responsável pela conservação da biodiversidade e os governos têm liderança e autonomia para a tomada de decisões nos territórios sob sua responsabilidade. Nesse sentido, o Brasil conquistou avanços significativos, como a ampliação das áreas destinadas à conservação, a redução do desmatamento da Amazônia e a criação de políticas públicas, programas e instituições orientados para a conservação dos ecossistemas.

Apesar disso, a perda da biodiversidade revela-se uma ameaça constante e essa riqueza ainda é pouco conhecida e aproveitada. As metas da CDB assumidas pelo governo brasileiro para 2010 não foram completamente alcançadas. Acreditamos que ainda é preciso dar importantes passos para que as políticas públicas existentes no Brasil possam proteger nossa biodiversidade e garantir que ela seja utilizada de forma sustentável, gerando riquezas para o país e para as comunidades que dela dependem.

Em outubro deste ano, ocorrerá em Nagoya, no Japão, a 10ª Conferência das Partes da Convenção das Nações Unidas sobre Diversidade Biológica (COP 10). Na oportunidade, representantes de diversos países discutirão novos compromissos e incentivos para a conservação da diversidade biológica no mundo. Reconhecendo o Brasil como importante liderança global no tema da biodiversidade, endereçamos as seguintes sugestões, no âmbito de sua participação na COP 10:

1. Consolidar e evoluir em sua posição de liderança global no que se refere à conservação da biodiversidade e ao uso sustentável dos recursos naturais;
2. Delimitar o estabelecimento de metas claras e objetivas a serem alcançadas até 2020 para compor o Plano Estratégico para a CDB;
3. Propor a cooperação global para a valoração dos serviços dos ecossistemas, com o propósito de promover mecanismos econômicos para a conservação da biodiversidade e restauração de ecossistemas;

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conservação da biodiversidade e dos ecossistemas, visando a geração de riqueza para as empresas e para a sociedade, e para a maximização do valor econômico dessas conservações provenientes da biodiversidade. Entendemos que o impacto ambiental e soluções inovadoras são fatores positivos para a sociedade e para as empresas, a sociedade e o Estado brasileiro, e a conservação dos biomas brasileiros é fundamental para a gestão sustentável dos recursos naturais. Assim, entendemos que o governo brasileiro consolide as políticas nacionais sobre a regulamentação e a promoção dos benefícios advindos de seu uso sustentável e dos serviços ecossistêmicos.

Assim, nós, as signatárias da presente carta, comprometemo-nos, como integrantes desse movimento, a atuar como agente de mudança, com poder de influência e com capacidade para influenciar a adoção dos atuais modelos de desenvolvimento sustentável de negócios de brasileiros, assumimos compromissos para a conservação e o uso sustentável da biodiversidade e dos ecossistemas.

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1. Adotar os princípios e objetivos definidos na Convenção sobre Diversidade Biológica (CDB), das Nações Unidas, incorporando em nossas estratégias corporativas ações voltadas para a Conservação e Uso Sustentável da Biodiversidade e a Repartição Justa e Equitativa de Benefícios advindos de seu uso;
2. Contribuir para definição e cumprimento das metas nacionais do Plano Estratégico (2011-2020) para a CDB;
3. Criar mecanismos para que nossas cadeias de valor não colaborem para a degradação dos ecossistemas e perda de biodiversidade;
4. Assegurar que nossas atividades privilegiem a manutenção e recuperação dos biomas brasileiros, evitando sua conversão em áreas degradadas;
5. Repensar de forma justa e equitativa a contribuição das comunidades tradicionais e dos povos indígenas, por meio da repartição de benefícios resultantes do desenvolvimento e da comercialização dos produtos provenientes da biodiversidade;
6. Sistematizar e compartilhar as boas práticas empresariais para conservação e uso sustentável da biodiversidade, promovendo a geração de conhecimento;
7. Promover o engajamento dos nossos setores de atuação, instituições da sociedade civil e do Estado num diálogo consistente para o aperfeiçoamento do marco legal e regulatório para a conservação e uso sustentável da biodiversidade e para a valoração dos serviços ecossistêmicos;
8. Monitorar os compromissos empresariais assumidos nesta carta, divulgando periodicamente os resultados.

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4. Promover a convergência entre as agendas da Convenção sobre Mudanças Climáticas e da Convenção sobre Diversidade Biológica, com o objetivo de maximizar o resultado das ações em escala global.

No âmbito nacional:

1. Estabelecer mecanismos para a valoração econômica da biodiversidade e dos serviços ecossistêmicos e sua inclusão na legislação contábil brasileira;
2. Integrar a Política Nacional de Mudanças Climáticas com metas nacionais do Plano Estratégico (2011-2020) para a CDB, reconhecendo a interdependência entre os temas biodiversidade e mudanças climáticas;
3. Promover um amplo debate na sociedade para aperfeiçoamento do marco legal e regulatório para conservação e uso sustentável da biodiversidade;
4. Criar mecanismos de incentivo e responsabilização para os setores público e privado, visando a conservação e uso sustentável da biodiversidade;
5. Ampliar a incidência do tema da biodiversidade sobre as políticas públicas ligadas ao desenvolvimento nacional, promovendo a transversalidade nas ações de governo.

São Paulo, 23 de Setembro de 2010

Integration of stakeholders

In recent years, Beraca has been seeking a better understanding of their stakeholders and has invested in long-term relationships. Thus, the company plans to identify opportunities that benefit both business and society, integrating the stakeholders to strategic decisions.

Identified stakeholders with which Beraca will strengthen the relationship:



Employees – over 240 employees, working in four business divisions.



Civil society – NGOs, associations, unions and industry groups.



Clients – public sector companies for water and sanitation; private food and beverage, cosmetics and pharmaceutical companies.



Cooperation agencies – national and international organizations that promote economic, social, and environmental development.



Suppliers and extractive communities – companies and organizations that provide products and services to the four business divisions, including supplier communities of products from Amazon biodiversity.



Academy – Brazilian and foreign universities; research institutions.



Investors – a community with contributing potential to Beraca's growth in the long term.



Government – federal, state and municipal governments; public agencies for regulation and supervision.



Media – the media in general.



Sustainability implementation

In 2008, Beraca identified the following sustainability issues, turned into priorities in the development of their business:

- Corporate governance
- Innovation in responsible products and services
- Social and environmental risk management
- Workforce management and development
- Biodiversity and natural resources conservation
- Local and regional development
- Innovation in responsible products and services

Over the last two years, Beraca made important steps towards the establishment of sustainability as part of the business.

Challenges in 2007-2008

Responses in 2009-2010

<p><i>Aligning senior and middle management on the meaning and importance of sustainability</i></p>	<ul style="list-style-type: none"> • Inclusion of the sustainability strategic guideline in strategic planning, expressed in the mission and vision of the company • Insertion of the topic of sustainability into all corporate trainings
<p><i>Disseminating responsible and sustainable practices in the company</i></p>	<ul style="list-style-type: none"> • Definition of representatives for social and environmental programs (UEBT, SA8000, and Prodir) • Investments in internal communication
<p><i>Developing a structure to meet sustainability-related demands</i></p>	<ul style="list-style-type: none"> • Creation of the Sustainability Department
<p><i>Prioritizing actions and set a direction for implementing sustainability</i></p>	<ul style="list-style-type: none"> • Publication of the second Sustainability Report • Investments of 3.2% of net revenue in sustainability initiatives (2010)
<p><i>Deploying pioneering standards and certifications to reduce social and environmental impacts and promote health and safety at work</i></p>	<ul style="list-style-type: none"> • Compliance to rules and principles of UEBT, FairWild, and SAI • Establishment of the Logistics Department • Implementation of internal and external training related to environment, health, and safety • Inventory of greenhouse gases emissions, based on the criteria of the Greenhouse Gas Protocol Initiative
<p><i>Developing products in a responsible way</i></p>	<ul style="list-style-type: none"> • Creation of the Department of Research and Innovation, and Development and Application.
<p><i>Developing a suppliers network in line with Beraca's sustainability requirements</i></p>	<ul style="list-style-type: none"> • Definition of a work plan for the Biodiversity Enhancement Program, with goals up to 2015 • Organization of I Beracom and Logistics Meetings to gather Beraca suppliers
<p><i>Encouraging markets interested in sustainable products</i></p>	<ul style="list-style-type: none"> • Promote Beraca products and services through specialized media as well as participation in fairs and international events: Biofach, InCosmetics, Fitabes (International Fair of Technology and Environmental Sanitation), and workshops with clients
<p><i>Understanding the differences within regional cultures and adding value to them</i></p>	<ul style="list-style-type: none"> • Identification of local entities and development of long-term partnership
<p><i>Carrying out social investments to contribute to local development</i></p>	<ul style="list-style-type: none"> • Support to social institutions working close to Beraca units
<p><i>Identifying stakeholders and their expectations</i></p>	<ul style="list-style-type: none"> • Initiatives to approach civil society organizations, government, media, suppliers, customers, employees, trade associations and trade unions, cooperation agencies, academy, and investors
<p><i>Better understanding and defining actions to engage stakeholders</i></p>	<ul style="list-style-type: none"> • Participation in COP10 (Conference of Parties to the Convention on Biological Diversity) • Conduct of I Beracom and Logistics Meetings • Trade fairs, national and international events and workshops with clients



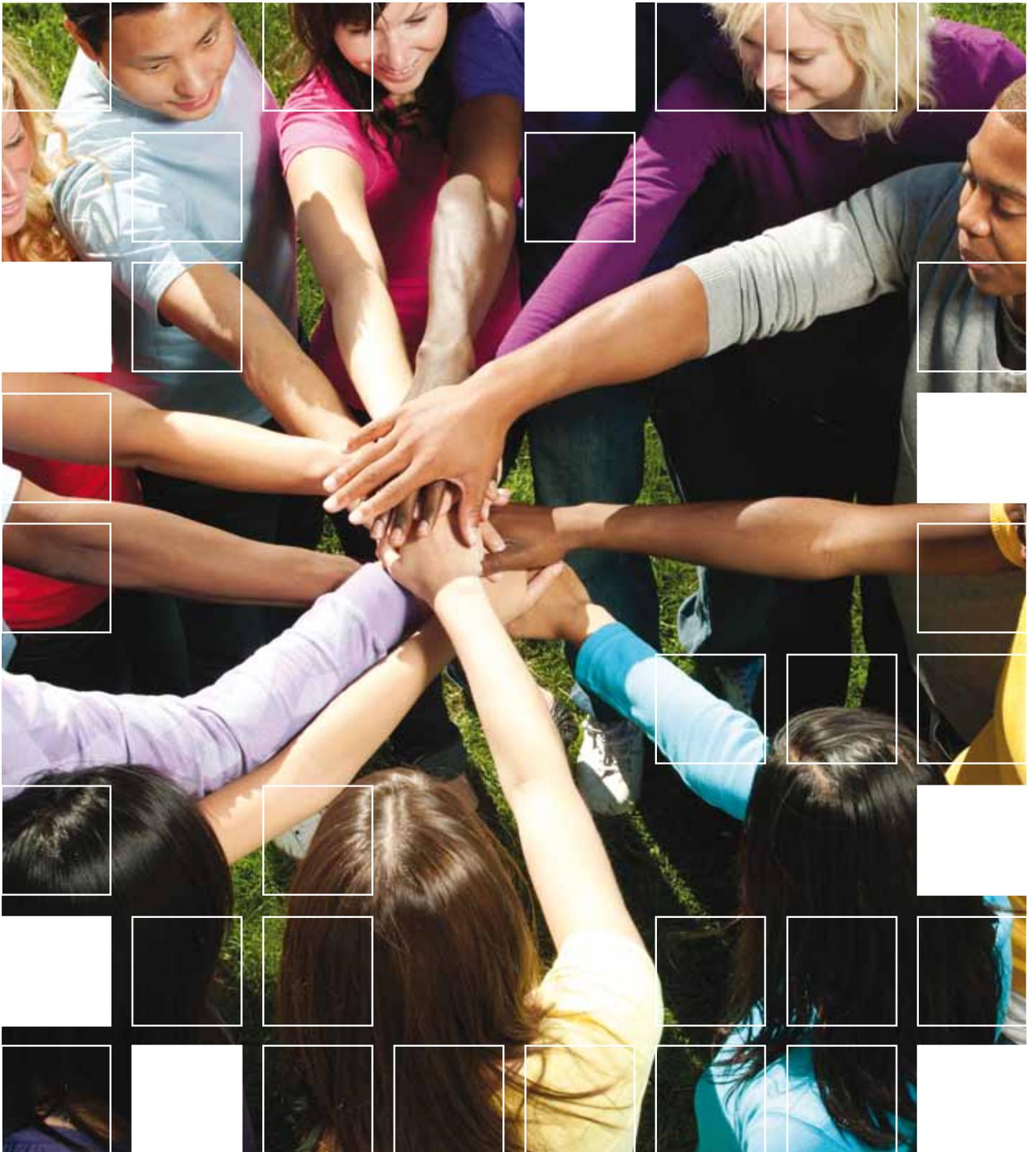
Sustainability Department

Beraca decided to create the Sustainability Department in the second half of 2010, reinforcing the importance of the subject in its business strategy. The department main task is to coordinate the planning and implementation of sustainability initiatives and to support all areas of the company, based on action priorities.

Long-term challenges

Beraca is studying the possibility of integrating their businesses in the Amazon by providing potable water for the region. The company recognizes that the project can only be viable with strategic partners contributing to the solutions' development and implementation. Beraca will seek new ways to put their plans in action throughout 2011.





Corporate structure and governance

Beraca has invested in the company structure and in corporate governance practices in recent years, improve decision-making process and ensure long-term business growth.



Filipe Sabará, business director

Corporate structure

The departments of Personnel Development and Valuation, Controllershship, Logistics, and Marketing were created in 2010. Each department shall coordinate specific activities that support the company's operations.

The initiative reflects Beraca's increased capacity in meeting internal and external demands, such as requests for products and services. The company seeks improvements to grow solidly.

Beraca's Organization Chart

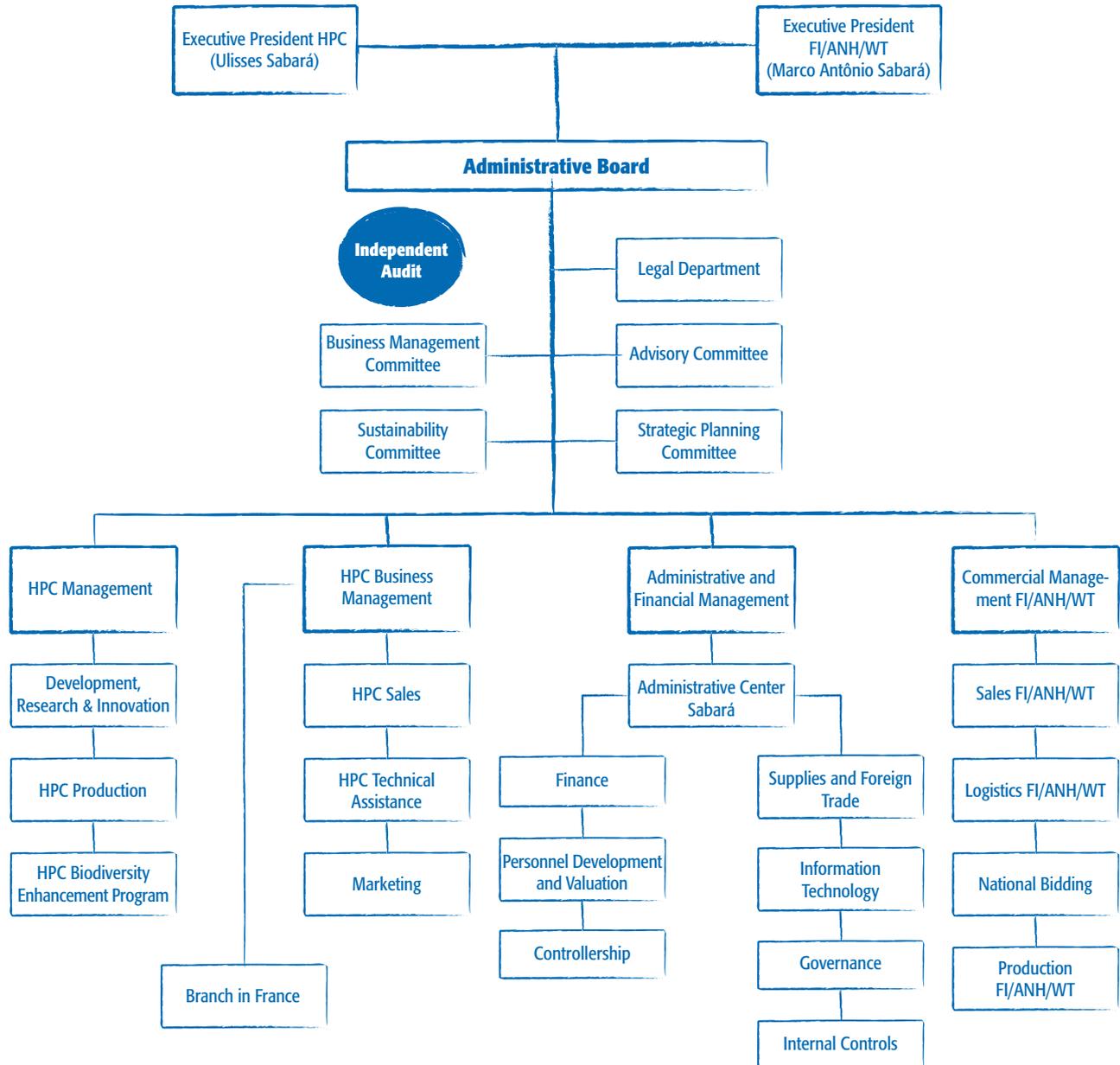
Business divisions:

WT - Water Technologies

HPC - Health & Personal Care

FI - Food Ingredients

ANH - Animal Nutrition & Health





Beraca also has committees for Strategic Planning, Business Management, Advisory, and Sustainability working integrat- edly and according to the tasks set by the Administrative Board.

The committees are multidisciplinary, formed by employees elected annually, from different areas and hierarchical levels. Each committee comprises a maximum of 10 members and two alternates, plus a moderator and a secretary.

The decisions and recommendations identified in the meetings are referred for the Administrative Board evaluation. Once approved, they return to the committees, responsible for drafting the action plans. Since 2009, the committees have drawn up 44 work proposals. Some have already been implemented, others are being analyzed.

Administrative Board

Composed of family founding members. Its role is to define the duties of the committees, which must report the work progress regularly, and to assess the achievements in order to seek synergies for better governance practices. From 2011 the Board will have an independent member, as recommended by the Novo Mercado guidelines of BM&FBOVESPA on corporate governance.

Strategic Planning Committee	Business Management Committee	Advisory Committee	Sustainability Committee
<i>Objective: preparing strate- gic planning</i>	<i>Objectives: aligning strat- egies and products in the short term; assessing results regarding to the projects; proposing correc- tive actions</i>	<i>Objectives: implementing, monitoring, and correcting programs of health, safety, and environment (HSE), transportation, storage, and handling</i>	<i>Objective: ensuring sus- tainability integration at Beraca through planning of social and environmental actions</i>
<i>Bimonthly meetings</i>	<i>Bimonthly meetings</i>	<i>Quarterly meetings</i>	<i>Biannual meetings</i>

Corporate governance plan

The Corporate Governance Plan was implemented by Beraca in 2007 and has already presented great progress. One of them was the legal form change, from a limited liability company to a private business corporation. Therefore, the corporate name since January 2010 is Beraca Sabará Químicos e Ingredientes S/A.

Those priority initiatives, among others, reinforce the progress made by the company and their commitment towards the establishment of corporate governance.



Wellington Rodgério, financial manager

Achievements in 2007-2010

Independent international audit (BDO Trevisan 2008 / KPMG 2009)

Creation of Management, Strategic Planning, Advisory, and Sustainability Committees

First Sustainability Report publication (2008/2009) following GRI guidelines (Global Reporting Initiative)

Compliance to global corporate commitments: Global Compact, Instituto Ethos, SA8000, Caring for Climate, Sustainable Amazon Foundation (FAS), Business and Biodiversity, Corporate Movement for the Conservation and Sustainable Use of Biodiversity (MEB), UEBT Member (Union for Ethical Biotrade), Pact for Legal Wood (Sustainable Connections - FAS), On the Right Hand Program (Childhood), and Business Pact for Integrity and Against Corruption (Instituto Ethos)

In human resources management, implementation of Organizational Climate, Personal and 360o Feedback Appraisal

Legal change from LCC to private business corporation

Structuring of Personnel Development and Valuation, Marketing, Logistics, and Controllership departments

Organizational Charts definition

Translation of the financial results to the International Financial Reporting Standards (IFRS) standards

Targets to 2011

Deadline

<i>Admitting an independent member on the Administrative Board</i>	<i>june 2011</i>
<i>Consolidating the Conduct and Ethics Code</i>	<i>june 2011</i>
<i>Structuring the family holding and property</i>	<i>june 2011</i>

Targets to 2012

Deadline

<i>Creating the Family Board and structuring the Succession Plan</i>	<i>January 2012</i>
<i>Implementing controls and internal audits in accordance with Sarbanes-Oxley, or SOX 404</i>	<i>December 2012</i>





Innovation in products and services

Beraca invests annually 3% of its revenue in research and development of products and services. An example to be emphasized is the creation of the departments of Research and Innovation (R&I) and Development and Implementation (D&I). Besides installing laboratories with state-of-the-art equipment, the company has generated job opportunities for biologists, engineers, among other professionals. There are Training and Innovation Centers in Santa Barbara d'Oeste (Brazilian state of São Paulo) and Pacatuba (state of Ceará) units that work in synergy with R&I Department.

Health & Personal Care

In this division, the research goal is to transform basic biodiversity raw materials in specialty products adding value to them, which anticipates customer requirements and promotes the idea of sustainability throughout the supply chain.





Water Technologies

The experience of this division in the distribution of chlorine and derivatives allowed Beraca to identify specific needs of its customers regarding to the amount and type of suitable products and technical support for water treatment. In order to offer superior quality and security integrated to the products, the company has developed solutions in recent years, including:

Global Service: service package offering greater security for product usage, besides stock management support, an all-in-one solution for the customer.



Strategic partnerships

Besides investing in laboratories and trained professionals, Beraca maintains strategic partnerships with educational and research institutes, which develops and add value to products and services. Among them are:

ESALQ (Escola Superior de Agricultura Luiz de Queiroz da Universidade de São Paulo);

ITEP (Instituto de Tecnologia de Pernambuco);

UFPE (Universidade Federal de Pernambuco);

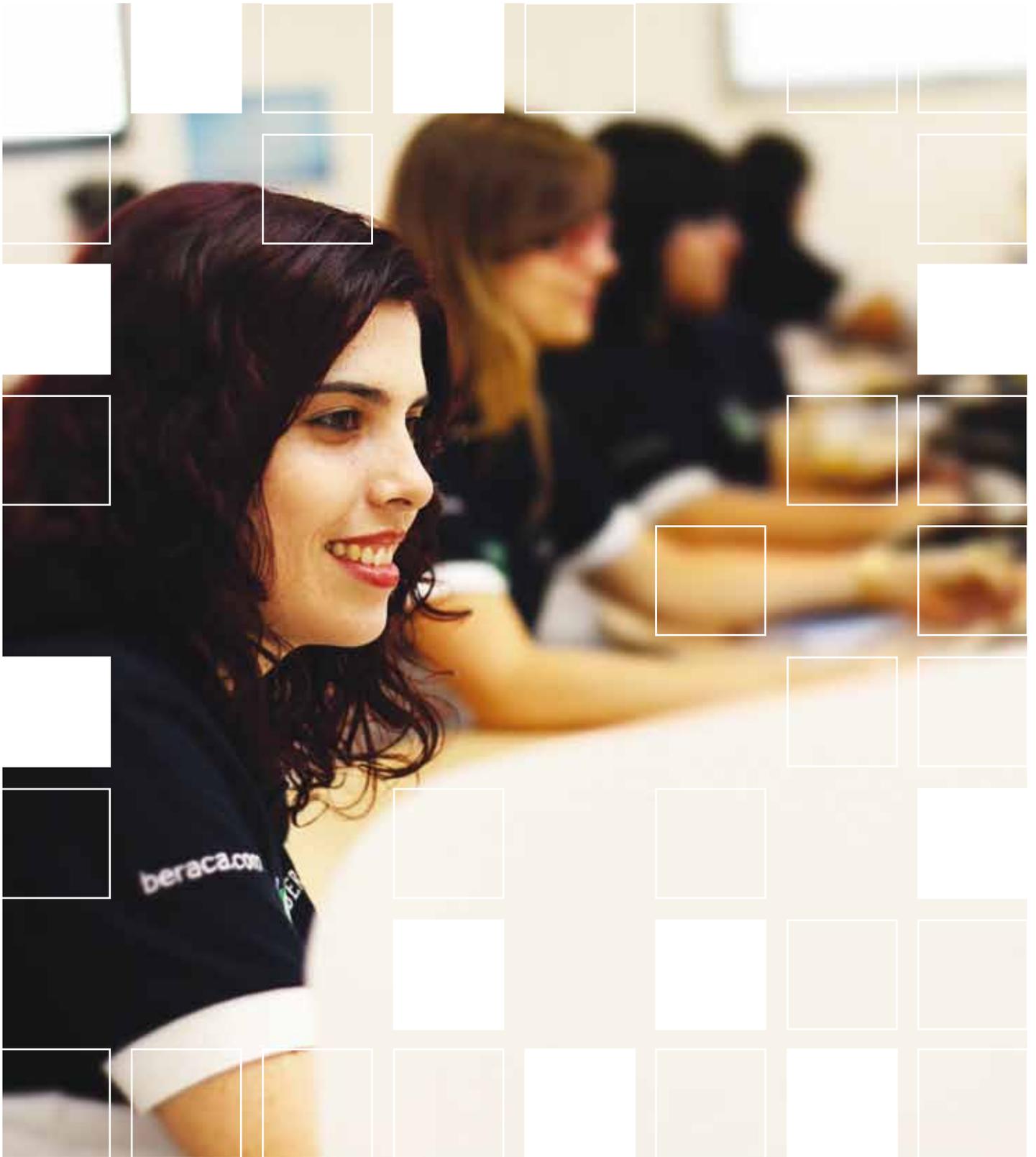
UFPA (Universidade Federal do Pará);

Università degli Studi di Siena (Itália);

Finep (Financiadora de Estudos e Projetos do Ministério da Ciência e Tecnologia).

Beraca has partnered with A Rocha Foundation in 2010. It is a nonprofit organization for conservation, environmental research and education, which supports the company at initiatives to raise awareness for both employees and extractive communities supplying Beraca. It also provides assistance in scientific research of Amazonian species.





Management and development of **people**

B Beraca believes that human capital is its most important resource. Employees are primarily responsible for its rapid growth in recent years and the guarantee of increasing results and achievements in the future.

The company began structuring the department of Personnel Development and Valuation in 2010, to be more efficient in attracting, training, retaining, and motivating employees. This translates into policies to value who works at Beraca, seeking fair compensation and benefits, professional and personal development, and quality of life and well-being at the workplace.





Organizational Climate

A Beraca aplica a Pesquisa de Clima Organizacional para avaliar o nível de satisfação dos seus funcionários. A última análise foi realizada em 2008 e contou com a participação voluntária de 88% dos colaboradores.

The following issues were addressed:

- **Identity – Knowledge about work**
- **Satisfaction/motivation – Policies and practices**
- **Leadership**
- **Learning and development**

Highlights of 2008 survey

Positive Results

<i>I am proud to tell other people that I work here</i>	90%
<i>I know Beraca's policies, standards, and procedures</i>	85%
<i>My supervisor is empowered to make decisions</i>	83%
<i>Each person of my team knows what to do and the goals they must achieve</i>	82%

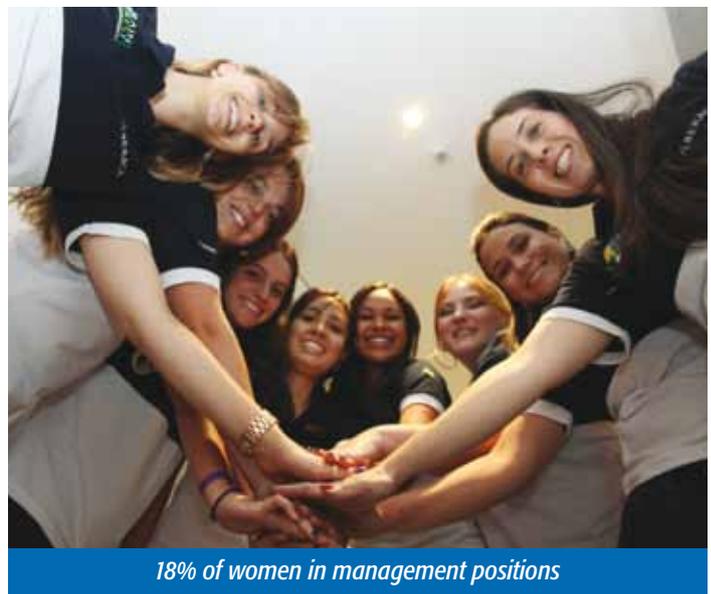
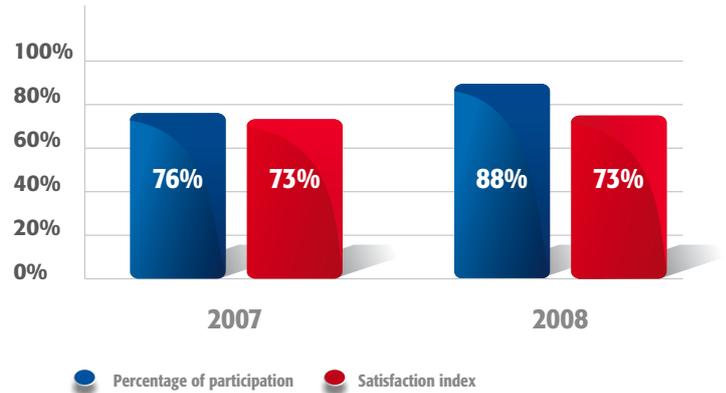
Challenges and Opportunities for Improvement

<i>Before making decisions, supervisors always involve us in the discussion</i>	59%
<i>In my opinion, the task division where I work is balanced</i>	64%
<i>The training time I receive suits my tasks</i>	64%
<i>I notice the company's values are applied by everyone</i>	66%
<i>Whenever I see a new challenge, I also get guidance and proper training</i>	66%

The Organizational Climate survey is one of the tools that allow Beraca moving towards a more participatory management. Employees do not only express their satisfaction, as suggest improvements to be evaluated by the company. Over the past two years, Beraca focused on actions for improvement and effectiveness of corporate practices, based on the survey's results.

One implemented innovation was the 360° Feedback Appraisal, which improves the leaders' performance through the immediate feedback from superiors and subordinates.

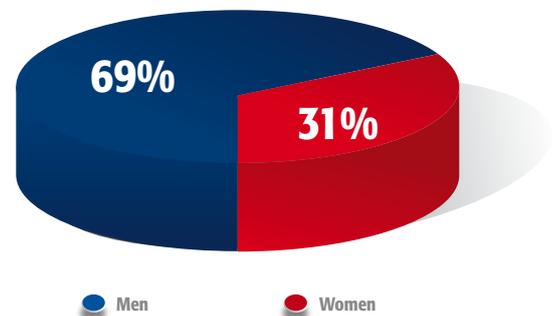
Another need pointed in the survey was the Personal Appraisal, held now annually at the company, as part of the adopted measures to apply a more strategic approach to manage people.



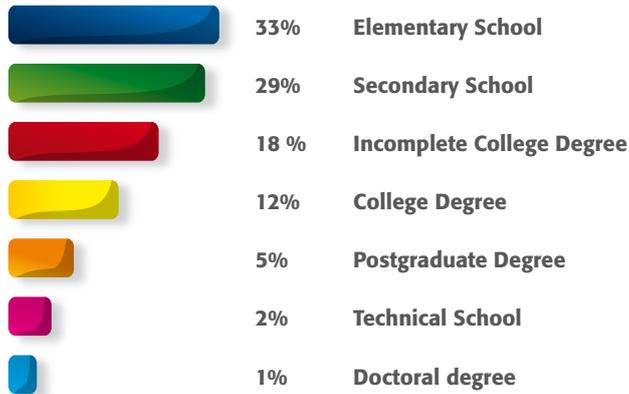
Diversity

Beraca values and promotes diversity within their staff and condemns any form of discrimination. The company's recruiting and promotion process is based on the professional performance of the individuals.

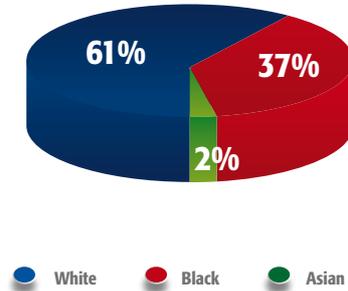
Total employees in December 2010: **244**



Education



Ethnical groups



Wages and benefits

Beraca implemented a Career Plan in 2005. The positions are divided into groups according to their functions, and for each one there is a horizontal and vertical progression line, valuing the employee's performance and potential.

The company has also a Profit Sharing Distribution Plan (PLR). The values are based on the labor union collective bargaining and on the targets and indicators set by the company.

The challenge for 2011 is to promote alignment between the indicators and targets for all units.

Benefits

Beraca increased employees' benefits. In addition to meal, food and transport vouchers, health and dental insurance, pharmacy allowance, group life insurance, and fuel voucher, the company offers:

- **Scholarship** - financial support for college, postgraduate and masters degrees to employees working at least two years in the company and attending courses compatible with their function. The grant is limited to 50% of the course's costs. Twenty-two employees were benefited in 2010.
- **Foreign language courses** – the company subsidizes the courses.



Social Inclusion Program

Aware of their role in building a more fair and dignified society, Beraca offers two social inclusion programs:

- **Special Needs** – the company has employees with special needs and a policy that meets the criteria of labor laws.
- **Apprentice Program** – aiming to include young people in the labor market. Beraca works in partnership with nonprofit organizations, as Núcleo Cristão Cidadania e Vida (NCCV; Christian Center Citizenship and Life) in São Paulo, Fundação Pró-Cerrado, in the state of Goiás, and Guarda-Mirim Program in Santa Barbara d’Oeste, state of São Paulo, which are responsible for the education of young people.



Professional training

Beraca is committed to the professional and personal development of their employees. Between 2009 and 2010 they conducted more than 150 training sessions, focused mainly on health and safety, especially at Water Technologies division.

They also promoted training related to the company management, as shown below.

Training session

International Business Seminar in Orlando, Florida. The first edition was held in 2010. The company intends to make it annual.

Workshop in Jarinu, São Paulo, on an annual basis.

Topics discussed

Leadership, marketing, market opportunities, diversity, professional development etc.

Challenges for the next years, business strategy, training and personal development.

Participants

Directors, managers, supervisors

Sales and administrative teams

**The training amount-
ed on average 278
hours per year in
2009 and 2010.**

Division

Hours X Employee Per Year

Water Technologies	74
Health & Personal Care	45
Food Ingredients and Animal Nutrition & Health	30
Administrative	128
Employee's average	70



Health and well-being

Beraca develops programs to value the health and well-being of employees and promote greater integration.

- **Workplace exercise:** since 2008, employees of the Anapolis Unit (state of Goiás) do physical exercises followed by professionals.
- **Communication:** the company uses the internal magazine and the intranet to disseminate health tips.
- **Internal Week of Workplace Accidents Prevention (SIPAT):** complying with labor laws, the company promotes this event annually. Topics such as AIDS/sexually transmitted diseases (STD), diet, stress, among others are included.

Beraca's challenge for the next two years is to structure and implement a Life Quality Plan.



Internal communication

Beraca recognizes the importance of communicating with stakeholders in a transparent, objective and clear way. Over the past two years, they have implemented a Communication Action Plan, which resulted in:

- **Beraca Acontece:** internal newspaper, established in 2008. With a quarterly circulation of 300 copies, it is dedicated to the employees and their families. An electronic version is emailed to supervisors, who can print and distribute in the units. Until 2010, more than 150 virtual editions were published.
- **Intranet:** the virtual space is used for disclosure of documents, standards and internal policies of interest to employees.
- **Recruitment of Press Office:** to intensify the relationship with media, Beraca hired a press office in 2009. The company's visibility increased by around 70%, with articles published in various media, such as Exame magazine and Valor Econômico newspaper.



Working conditions

Social Accountability 8000 (SA8000) is an international standard for assessing corporate social responsibility. It offers all the requirements and audit methodology for a correct assessment of the workplace conditions, including:



Social Accountability International

- *Child labor*
- *Forced labor*
- *Health and safety at work*
- *Freedom of association*
- *Discrimination*
- *Disciplinary practices*
- *Working hours*
- *Benefits and management responsibilities to maintain and improve work conditions*

Currently, six units have the SA8000 certification: Santa Bárbara, Berrini and Anália Franco (state of São Paulo), Anápolis (Goías), Itapissuma (Pernambuco), and Pacatuba (Ceará), considering the last conducted audit in 2010 by certifier BRTÜV, accredited by Instituto Nacional de Metrologia, Normalização e Qualidade Industrial (Inmetro; National Institute of Metrology, Standardization, and Industrial Quality).

The Ananindeua Unit (state of Pará) is in process of certification, expected for 2011. The work is being developed in partnership with Social Accountability International (SAI), since it involves the activities carried out by extractive communities supplying Beraca, therefore requiring a differentiated assessment, due to social and cultural aspects of the region.

Beraca is Explorer Member at SAI

Beraca became Explorer Member of SAI corporate programs in 2010, taking on new commitments:

- ***Continuously improve the social responsibility in their value chain;***
- ***Communicate clearly their social responsibility policy and expectations to suppliers and require them to do the same with subcontractors and suppliers;***
- ***Use a management system to monitor and track the suppliers' progress;***
- ***Respond to SAI business self-assessment questionnaire with reference information and disseminate annual progress reports;***
- ***Develop a work program with SAI, with training, technical assistance or participation in a field program with many stakeholders.***

Beraca was also recognized for their commitment to SA8000 at the UN Global Compact Leaders Summit 2010 and one of the six highlighted companies in the UN Global Compact report – "From Principles to Practice: The Role of SA8000 in Implementing the UN Global Compact". The report, published during the meeting, outlines cases of companies using SA8000 as a tool to enhance business and sustainability.



PORTÃO

Water Technol

OBRIGATÓRIO O USO



PROCEDIMENTOS DE S

Em casos de alerta de Eme
Evacuação, observar a rota de

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ENVASE DE
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PLATAFORMA DE
DESCARRE

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DE

Social and environmental management



The Water Technologies division uses chlorine and its derivatives to develop solutions for water and wastewater treatment. Like any other chemical, its handling, storage, transport and application should be done properly to avoid risks to society and the environment.

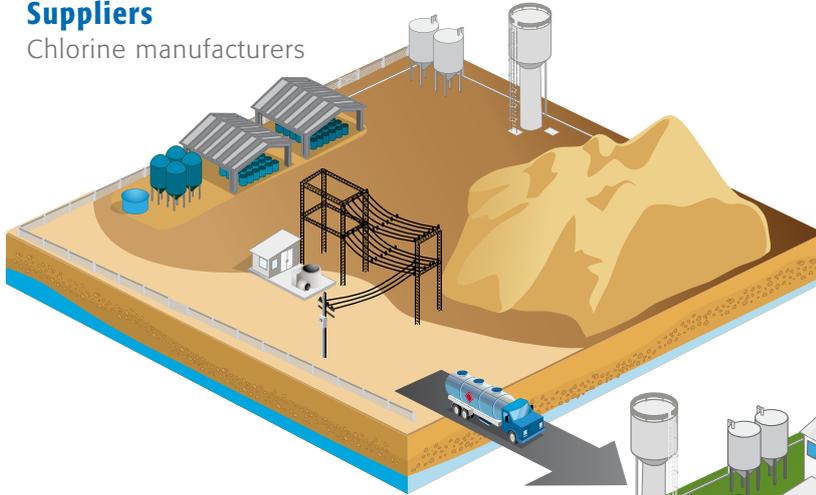
Beraca adopted Prodir – Responsible Distribution Process – in 2003, one of the most rigorous social and environmental risk management systems in the world, based on measurement, monitoring, auditing and accountability, and coordinated by Associação Brasileira dos Distribuidores de Produtos Químicos e Petroquímicos (Associquim; Brazilian Association of Chemical Distributors). Beraca was also the first Brazilian chemical company in chlorine industry to receive the Prodir certification, in 2004, renewed every three years.

Prodir has become even more stringent since 2010, especially about topics related to drivers' health condition, driving risks and product shipment. To adapt to new requirements, Beraca invested in training, improved its processes and promoted actions to engage the whole chain, from the internal handling of chlorine and its derivatives to the distribution and application in client companies.

Operations of Water Technologies division

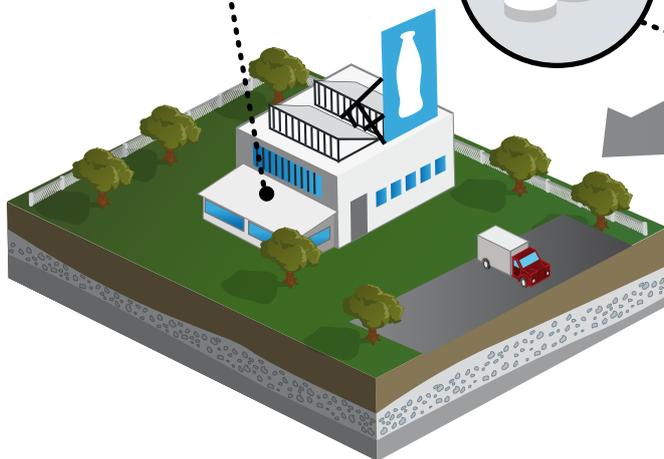
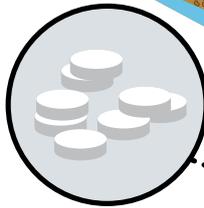
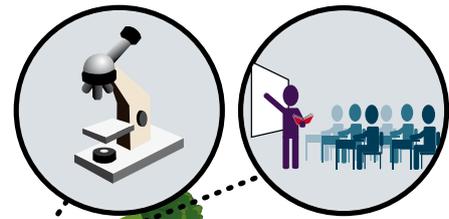
Suppliers

Chlorine manufacturers



Beraca Unit

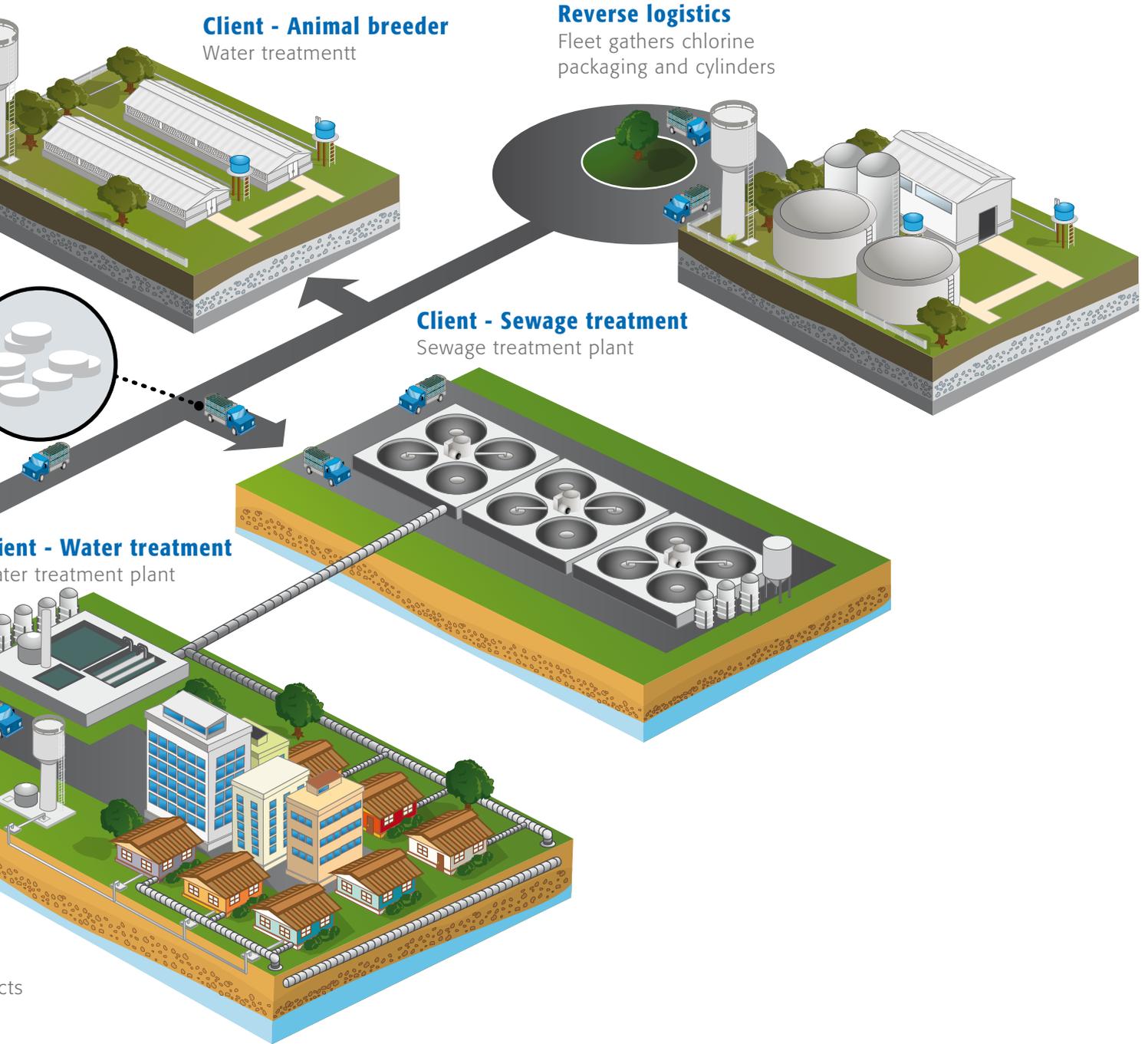
Chlorine tableting process and transfer of chlorine gas to smaller cylinders. Development of chlorine application solutions



Client - Food and drinks industry

Chlorine and solutions application:

- manufacturing processes and water that goes into end products
- own water treatment plant and sewage treatment plant



Responsible Distribution Process

The Responsible Distribution Process is a quality system that regulates and evaluates health, safety and environmental issues of chemical products distributors. Its codes and practices are based on:

- ***Risk management***
- ***Compliance to legislation and standards***
- ***Carriers selection***
- ***Handling and storage***
- ***Working and training procedures***
- ***Waste management***
- ***First aid measures and community preparation***
- ***Integration with the community***
- ***Product management***
- ***Internal audit***
- ***Preventive and corrective actions***
- ***Documentations and data control***

Source: Associquim



Accidents prevention

Beraca invests constantly to prevent accidents generated by improper handling of chlorine and its derivatives that can damage both people working with the products and the environment.

Internal trainings about the most appropriate way to deal with chlorine are periodically carried out, including accident simulation. Production units are equipped with high precision gas detectors to prevent gas leak and analyzers to control the air quality in the workplace.

The trainings are also offered to customers, suppliers and the community around Beraca's units, as well as to public agencies responsible for emergency care, like the fire department.

Beraca counts on SOS COTEC for more than 10 years to strengthen accident prevention. It is a company specialized in emergency assistance involving chemicals. Through its Emergency First Aid Plan, Beraca is able to deal with accidents involving hazardous materials throughout the national territory, and to provide rescue vehicle and first aid team 24 hours, every day of the year.



Shared experience

Beraca represents Assocíquim in the Accident Analysis Subcommittee of the Transportation Agency of São Paulo state, contributing with guidelines for chemical accidents prevention in the region of Paulínia (state of São Paulo).

The company is also part of the Mutual Assistance Plan (PAM), a joint effort with other companies associated with Associação Brasileira da Indústria de Álcalis, Cloro e Derivados (Abiclor; Brazilian Chlor-Alkalis and Derivatives Industry Association) to provide care in case of accident involving chlorine transport. In September 2010 Beraca acted as a PAM member, when a traffic accident involved one of their service providers and caused the death of two drivers. The company provided all necessary support, sending experienced professionals for the packaging removal and rescue.

At the IV Meeting for Suppliers of Soda Chlorine and its Derivatives, held in 2009 by Abiclor, Beraca gave a lecture about responsible supplying, highlighting the role of the companies of that industry in the society.

Nova Produtiva Plant – Partnership and seriousness in water treatment

Located in northern Paraná state, Nova Produtiva Plant is a distillery that converts cane sugar into ethanol. The production is commercialized in Brazil and abroad.

The plant is client of Beraca's water treatment service since 2010. Its production process demands considerable amounts of water at quality levels that meet the needs of ethanol making process. Initially, Beraca suggested replacing sodium hypochlorite with chlorine gas in cylinders in order to reduce losses and storage problems, always ensuring safety. Later, Beraca was responsible for project execution, equipment installation, planning delivery and collection logistics of empty cylinders. Additionally, Beraca trained the plant's employees to deal with risks, following guidelines on how to properly handle, transport and store the product, and on measures to be taken in case of accident.



A productive partnership for both sides

"Since Beraca implemented the replacement of sodium hypochlorite with chlorine gas in Nova Produtiva Plant, the water treatment system is cleaner and more efficient, and the process is safer.

At first, our biggest concern was the risk related to chlorine gas, both for professionals and the environment. However, the training offered by Beraca gave us confidence. The company has addressed all situations and taught how to store it, they gave us tools and personal protective equipment for handling it and, especially, they are available for any doubt. Beraca also supported us with adequacy to legal requirements.

Beraca has shown a lot of partnership and seriousness. We believe it will be a productive and long-term relationship for both companies, with prospects for new businesses."

Luiz Carlos Secco, Industrial Supervisor at Nova Produtiva Plant

Transport

The Logistics department was created to improve safety and quality when serving customers while optimizing internal processes and improving supplier management.

Currently, six carriers distribute products and services in Brazil. Those carriers are regularly evaluated by the company as required by Prodir and Associação Brasileira de Normas Técnicas (ABNT; Brazilian Technical Standards Association) concerning the vehicles condition, age and maintenance, and Sistema de Avaliação de Segurança, Saúde, Meio Ambiente e Qualidade (Sassmaq; Safety, Health, Environment, and Quality System), established by Abiquim. Trucks should be adapted for chlorine carriage and undergo periodic inspections performed by Beraca, who also evaluates the supplier's infrastructure and the drivers' working conditions.

On the other hand, the company offers trainings to the drivers of outsourced carriers during the Logistics Meetings.





Logistics Meetings

One of the initiatives to strengthen the carriers' commitment with responsible management of social and environmental risks is the Logistics Meeting, implemented in 2010. Throughout the year 20 meetings were held, five in each unit: Santa Bárbara (state of São Paulo), Pacatuba (Ceará), Anápolis (Goiás), and Itapissuma (Pernambuco).

Those meetings gathered carriers' managers, drivers and assistants. Beraca's safety technicians gave talks on the transport of chloride and derivatives, besides issues related to family, health and environment. Beraca also highlighted the guidelines of On the Right Track Program, emphasizing the importance of truck drivers to combat child sexual exploitation. This is an initiative of Childhood Brasil to mobilize governments, companies and nonprofit organizations around the effective confrontation of children and adolescents sexual exploitation on the highways.

Beraca aims to organize bimonthly meetings in 2011 at the mentioned units.

The routes optimization has been a constant effort of the Logistics department, established in 2010. Among its main activities is the definition of fixed routes by region and engaging customers through supporting inventories management. Rationalizing the use of trucks by reducing the number of trips has directly contributed to reduce the pollutants emission and the risk of vehicular accidents on the roads. Beraca also works closely with carriers to use biodiesel as fuel.

Indicators of mileage reduction in Beraca's product distribution:

Anápolis - GO

March to December 2009

January to August 2010

Total	594738.00 km	382224.00 km
Monthly average	59473.80 km	47778.00 km
Average monthly reduction	11695.80 km	20%

Itapissuma - PE

March to December 2009

January to August 2010

Total	711571.00 km	548587.00 km
Monthly average	71157.10 km	68573.38 km
Average monthly reduction	2583.73 km	4%

Pacatuba - CE

January to December 2009

January to August 2010

Total	501179.00 km	277585.00 km
Monthly average	41764.92 km	34698.13 km
Average monthly reduction	7066.79 km	17%

Santa Barbara D'Oeste - SP

January to December 2009

January to August 2010

Total	303657.00 km	193531.00 km
Monthly average	25304.75 km	24191.38 km
Average monthly reduction	1113.38 km	4%



Reverse logistics

The National Policy on Solid Waste entered into force in 2010. Although the law regulation is planned for 2011, Beraca has developed in a proactive way initiatives of waste reduction and recycling and reverse logistics.

The company took the responsibility before their customers for environmentally friendly recycling and disposal of empty and unused containers, reducing the risk of environmental contamination and accidents caused by mishandling.

To control the chlorine gas cylinders, Beraca conducts bar code screening, ensuring precise control of information: duration, preventive and corrective maintenance during use, among others. When the cylinders are no longer useful, the company is responsible for the collection, disposal or reuse, adapting them if necessary. Beraca can also repurchase unused cylinders, in order to ensure a safe disposal.



Scheduled delivery and reverse logistics

Beraca has developed since 2008 a project of scheduled orders with Water Technologies' customers. By defining the monthly quantities of products, it is possible to plan and optimize delivery routes for carriers, reducing the emission of greenhouse gases.

At the same time, Beraca developed a reverse logistics project for AviPast packaging. With an average monthly supply of over 6 tons of products, 6,000 packaging were incorrectly discarded into the environment each month. They were buried in mass graves or burned, releasing toxic gases. Beraca is now responsible to remove the empty packaging at customers when delivering products and to conduct an environmentally correct disposal.

Sadia, through Atitude Ambiental, a company hired to collect solid recycling waste, developed an own reverse logistics project based on Beraca's proposal, recognized by their pro-activity.

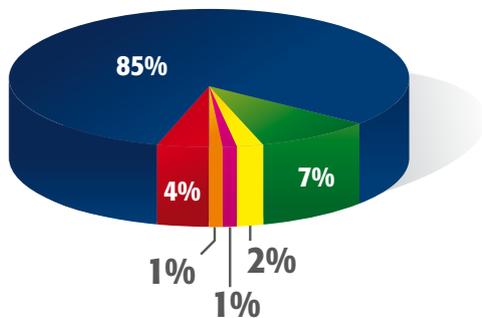
Inventory of CO2 emissions

Beraca is also anticipating the rules of the National Policy on Climate Change. The company has been carrying out actions to mitigate atmospheric emissions in recent years.

Beraca conducted their first inventory of greenhouse gases (GHGs) emissions in 2009. The study, conducted by company Ecosystems, reported emissions in units Itapissuma (Pernambuco), Pacatuba (Ceará), Anantapur (Amapá), Anápolis (Goiás), and Santa Bárbara d'Oeste, Penha, and Berrini (São Paulo), and identified improvement points to reduce environmental impacts.

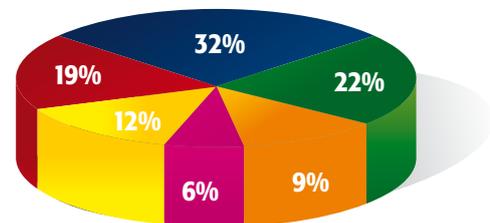
The results revealed that Beraca delivered 2,763 tons of CO₂e (carbon dioxide equivalent) into the atmosphere during 2009; 85% of them were indirect emissions generated by contractors responsible for transportation of goods and services. The company's direct emissions, such as those derived from stationary combustion (stationary equipment that generate energy, such as boilers) and electricity consumption, accounted for much less.

Emissions by source



- Load and service transportation
- Employees' transportation
- Airplane travels
- Stationary combustion
- Internal transport
- Electricity

Emissions by unit



- Itapissuma - PE
- Anápolis - GO
- Pacatuba - CE
- Santa Bárbara - SP
- Penha - SP
- Ananindeua - PA



Since Beraca signed the “Caring for Climate”, a statement of business leaders participating in the UN Global Compact, this inventory is part of their commitment to promote solutions for climate change, seeking greater efficiency in energy use, and to reduce carbon emissions in industrial activities.

Based on the results, the company’s goals are:

- Improve the inventory’s quality and scope by identifying new emission sources across their value chain;
- Identify opportunities to reduce emissions and implement actions to effective reduction, through process improvement, efficient use of energy, replacement of fossil fuels with biofuels and expansion of their forests and biodiversity conservation programs, besides preservation of other natural carbon stocks;
- Seek involvement and engagement of suppliers of inputs and services in the Climate Care Program, which is being developed.

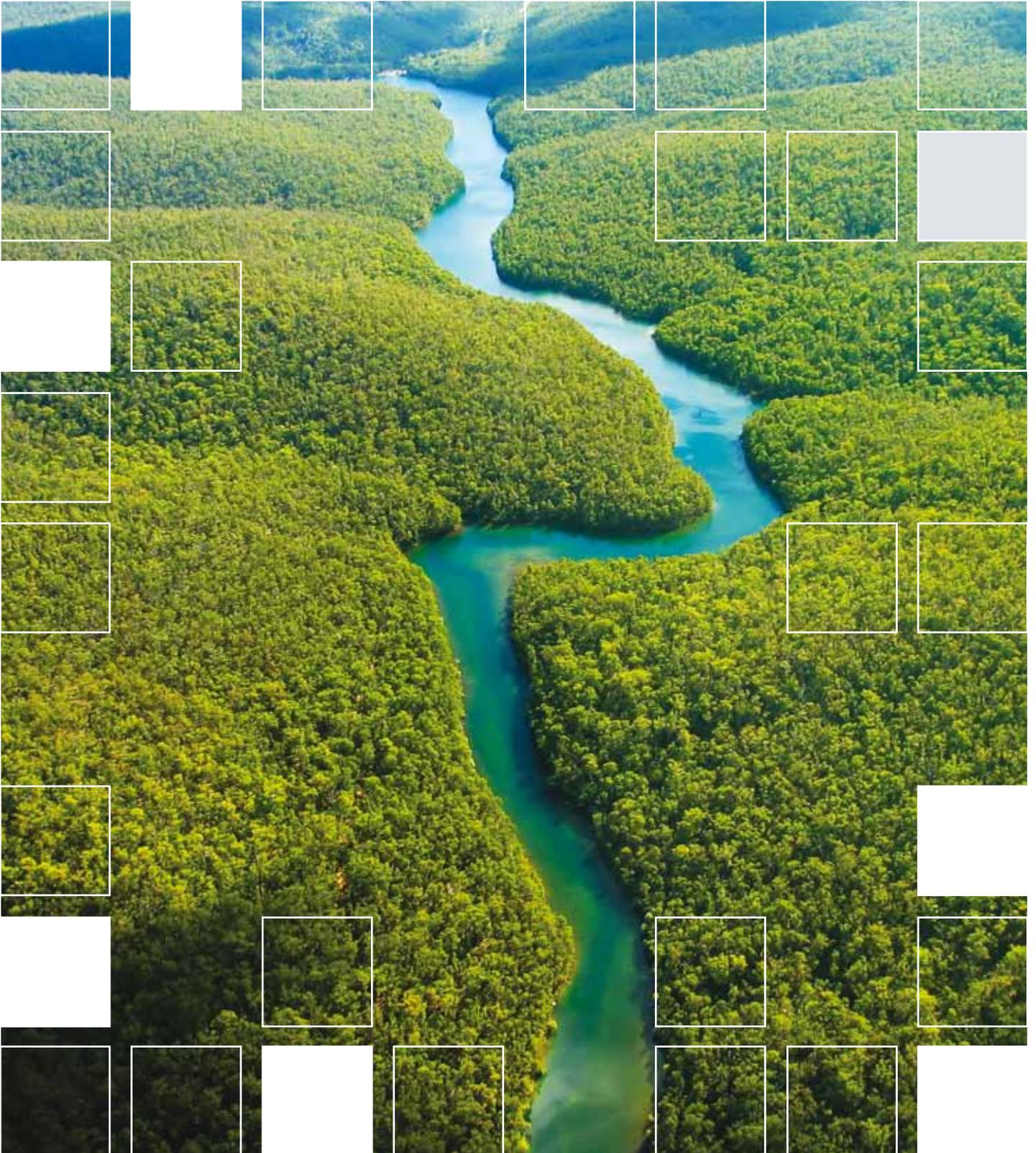
Water and energy consumption

At Beraca, the preservation of natural resources happens through the monitoring of water and energy consumption in the units. The company has been taking steps to help reducing energy consumption since 2009. Among them:

- Replacement of air-conditioning systems by split systems, which consume less energy, and campaign to raise awareness about its using hours;
- Use of generator power in peak periods from 18:00 to 21:00, during which the utility power is much more expensive;
- Replacement of luminaries in production units and offices by more modern, safe and economical systems;
- Installation in Pacatuba unit (Ceará) of a solar panel system to preheat the water used in equipment for chlorine vaporization, generating savings of four days per month in the consumption of Liquefied Petroleum Gas (LPG).

Concerning water consumption, campaigns are carried out to raise awareness on its use. Beraca is also studying the possibility of installing systems for collection/storage of rainwater for reuse.





Valuing **natural resources**

The Health & Personal Care division provides products derived from the Brazilian biodiversity to be used in cosmetics, fragrances, pharmaceuticals, and eventually food. In this context, Beraca acknowledges themselves as part of a value chain that requires natural resources and biodiversity preservation as a priority in business development.

Beraca created the Biodiversity Enhancement Program in 2000, whose main objective is to ensure traceability in the supply of raw materials from Brazilian biodiversity, respect for the supplier communities, regional development and the preservation of the world's largest rainforest.

The program sets guidelines for the work on those issues by the Health & Personal Care division. For that, it has a team of experts in search of continuous improvement, starting from the open and transparent dialogue with partners.

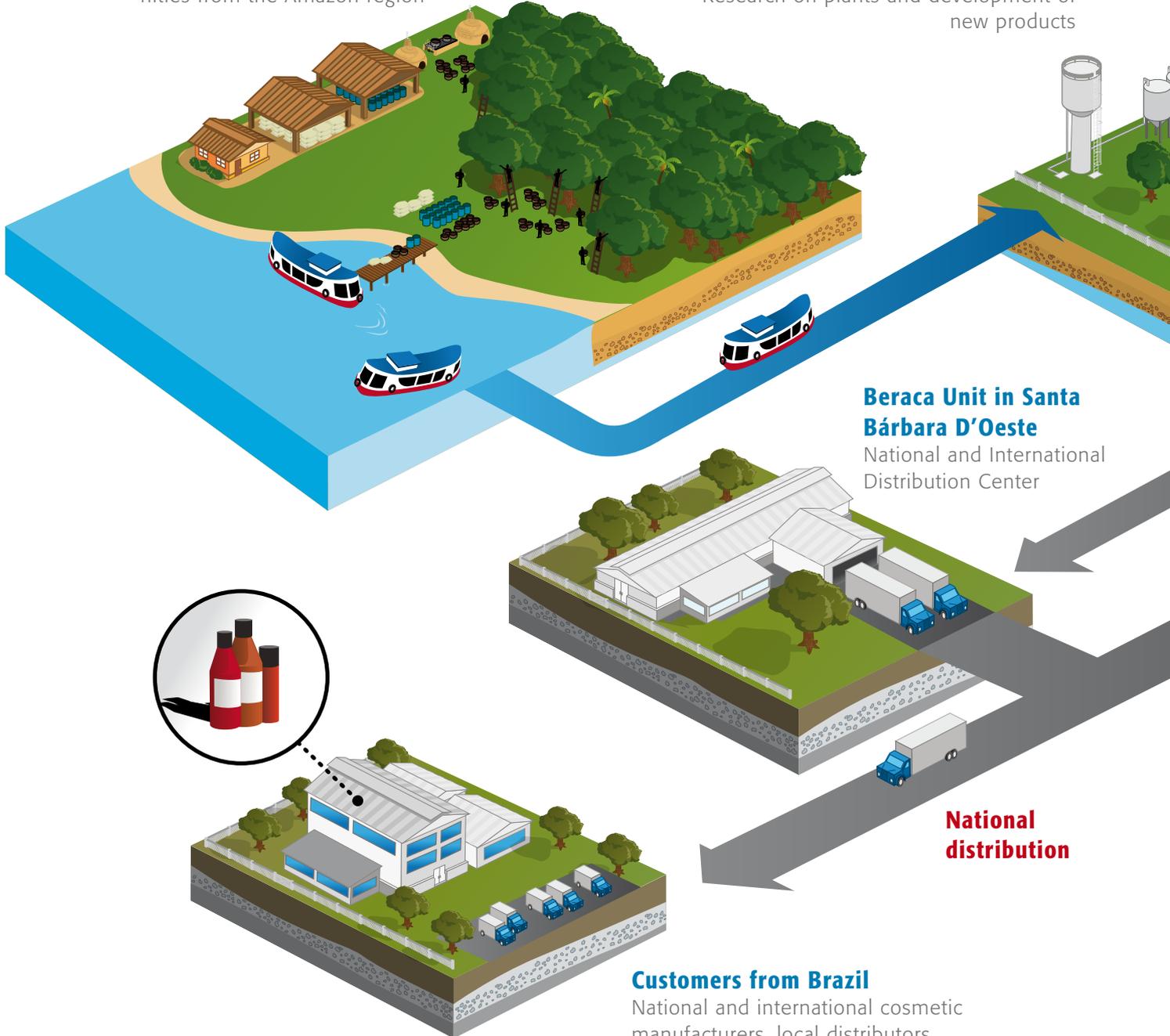


Supplier communities

Farmers and extractive communities from the Amazon region

Beraca Unit in Ananindeua

Vegetable oil refining from natural inputs.
Research on plants and development of new products



Beraca Unit in Santa Bárbara D'Oeste

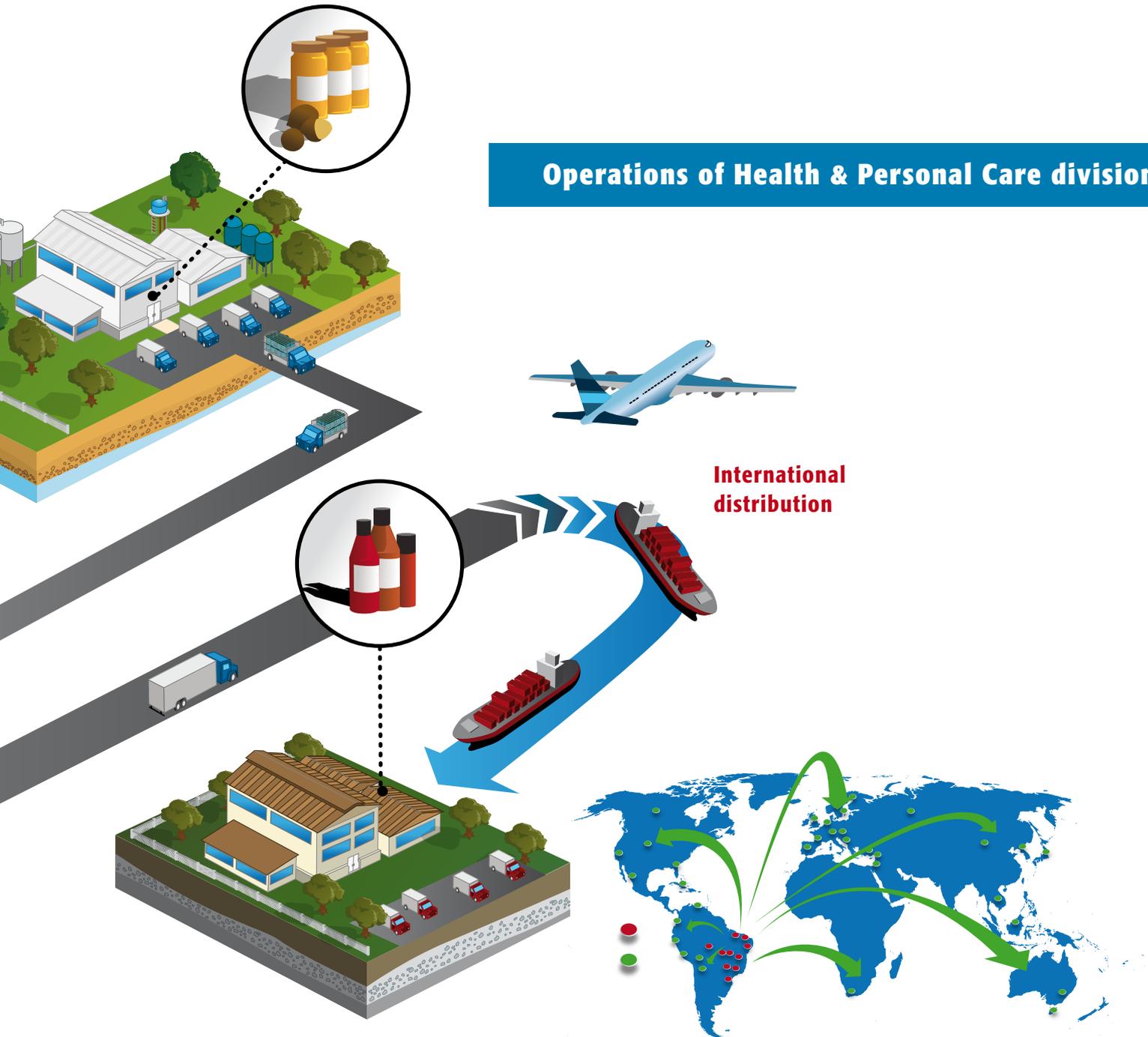
National and International Distribution Center

National distribution

Customers from Brazil

National and international cosmetic manufacturers, local distributors

Operations of Health & Personal Care division



**International
distribution**

Customers Abroad

Distributors in 41 countries, supplying Beraca's inputs to cosmetic plants worldwidez



Traceability

The natural resources and biodiversity preservation is possible thanks to the entire production process traceability, from extraction to delivery at customer. Beraca ensures control and monitoring of the origin and product transformations throughout the entire chain.

One challenge faced in the traceability process is the geographical distance of many suppliers, preventing a more frequent monitoring presence. To minimize that difficulty, Beraca maintains regular contact by telephone and email with supplier's representatives. The company visits the regions twice a year to strengthen relationship and communication, which results in higher supplier commitment to quality products. On these occasions, orders are also made.

In 2011, Beraca intends to intensify this communication with the supplier, including other departments, in order to identify areas to improve, develop new processes, set up training programs, among other initiatives considering the local reality.

With this performance, Beraca meets one of the commitments taken as a member of Union for Ethical BioTrade (UEBT): to enhance trade relationships across the value chain.

Organic certification

Part of Health & Personal Care products are certified according to organic production criteria. To obtain the certification, Beraca needs to meet the rigorous requirements extended to the entire production chain, especially the extractive communities.

The positive results in this matter can be measured by the certifications number. When Beraca began certifying their production by Ecocert in 2005, about 20% of the extractive communities were certified as well. In 2010, 60% of their suppliers were organic certified, as result of continuous efforts in training, adequacy to requirements, and search for qualified suppliers.



Ecocert is a French company with representation in Brazil, empowered to audit and certificate different organic regulations, including those required in Brazil, United States (USDA-NOP) and European Union (ECE). It is also responsible for the Natural and Organic Cosmetic (Ecocert private standard), essential for most Beraca products.

To be considered organic, a production system must apply technologies that make the best possible use of natural, social and economic resources, both in agricultural and industrial products. This system aims to become self-sustainable, maximize social benefits, and use renewable sources of energy whenever possible.



FairWild is a nonprofit foundation created in 2008, whose aim is to provide a world-wide framework for implementing a sustainable and fair management and trading system for wild-collected natural ingredients and products thereof.

The foundation, registered in Switzerland, is mainly focused in developing and maintaining environmental and social standards and has a certification program to ensure traceability, transparency of sustainable use and product safety.

Beraca started the adaptations to get the certification in 2010. It established a partnership with FairWild, signing a letter of intent to promote principles of ecological, social and economical sustainability in the use of plant origin ingredients, supporting the development and implementation of FairWild Standards goals:

**** Develop projects and training activities to implement the resource and management plans assessment for native species of common interest.***

**** Support communities in obtaining the FairWild certification for managed native plants and to increase the products added value.***

Beraca integrates the Union for Ethical BioTrade (UEBT)

Beraca was recognized as a member of the Union for Ethical BioTrade (UEBT) in 2010, an international nonprofit organization that promotes ethical trade of ingredients from native biodiversity. The UEBT members must be committed to the principles of organization, such as biodiversity conservation, respect for traditional knowledge and equitable sharing of benefits throughout the supply chain.

That recognition provides great opportunities for the company. Among them:

- Improve trade relations with the value chain, from suppliers to customers, following international principles and criteria of ethical markets between companies;***
- Participate in a network of actors oriented to the sustainable use and ethic trade of biodiversity;***
- Consolidate and improve the practices of sustainable use and supply of ingredients from biodiversity.***

Joining the organization, Beraca also undertakes to carry out a work plan with goals established by 2015 to meet a selection of indicators defined by UEBT presenting actions to be taken on environmental conservation, trade relations and others.

Beraca's work plan – Main targets

2011

- Collect technical indexes of the species;*
- Improve the formalization of trade relations and procedures for raw materials' procurement;*
- Survey of workplace accidents risks and implementation of containment actions.*

2012

- Establish ground zero regarding the landscape of raw material cultivation and collection areas;*
- Prepare maps of visited areas, with determination and delimitation of size and use plan;*
- Raise suppliers' awareness on environmental legislation, with emphasis on maintaining the reserve, permanent preservation areas, wildlife, use of water resources, soil and fire;*
- Socioeconomic diagnosis of the extractive communities;*
- Elaboration of Biodiversity Enhancement Policy.*

2013

- Identify existing programs and resources for reforestation of oilseeds species;*
- Strengthen local development actions;*
- Create a communication channel between communities and Beraca's Support System.*

2014

- Strengthen local development actions.*

2015

- Monitor the effectiveness and continuity of the various actions taken.*



Public policies

Beraca participates in symposiums, seminars and meetings about biodiversity, alongside government representatives, communities and other companies. They are also actively present in meetings of Conselho de Gestão do Patrimônio Genético (CGEN; Management Board of Genetic Resources) under Ministry of Environment, which regulates access to genetic resources and traditional knowledge associated to genetic resources and benefit sharing.

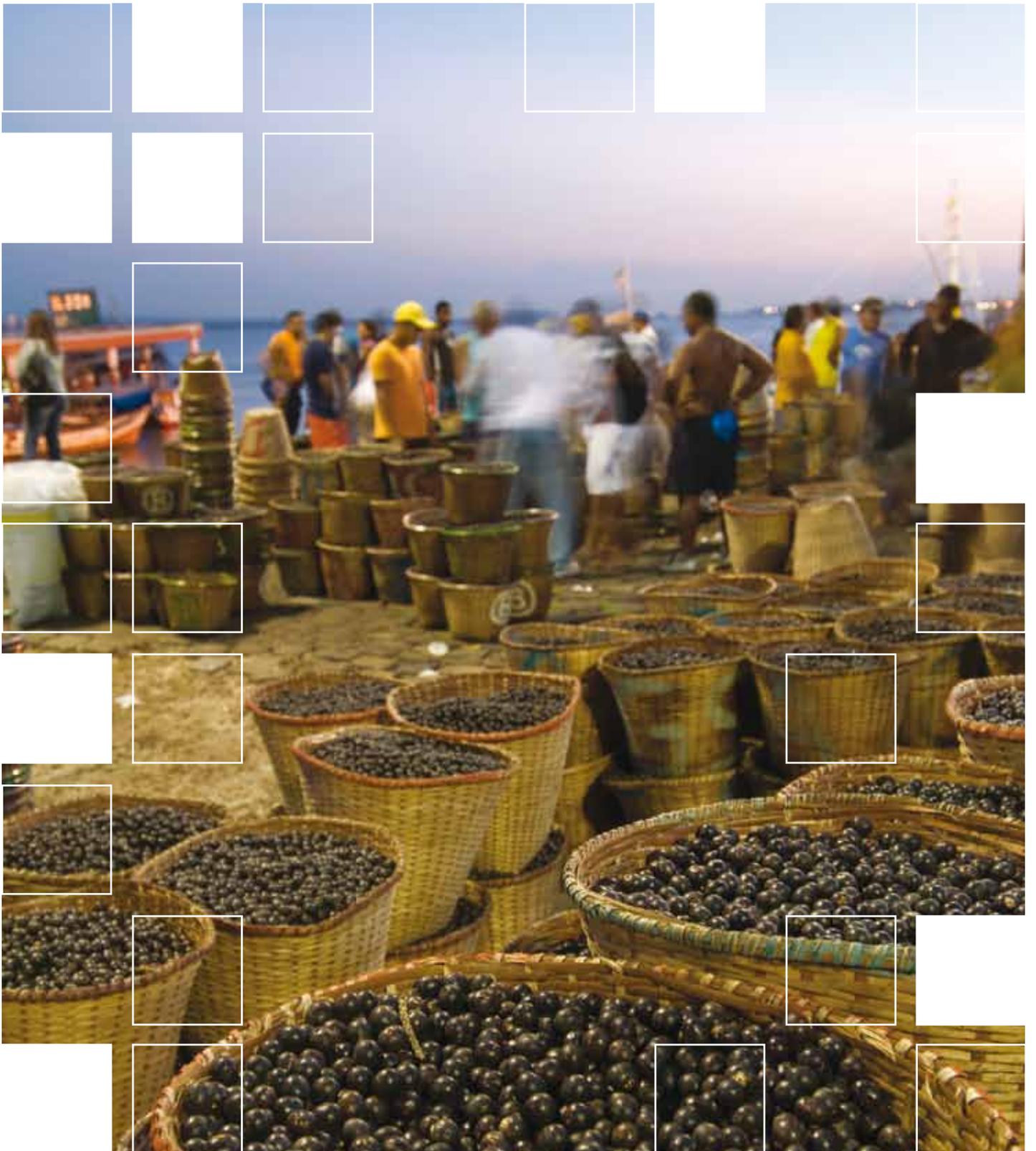
The meetings and discussions sponsored by CGEN influence the construction of public policies. Because of COP10 in 2010, the Council's duties were reduced. The highlight was Beraca's participation in the topic chamber discussing the distribution of benefits generated by access to samples of genetic heritage components and associated traditional knowledge. The goal is to establish appropriate tools and identify all forms of distribution, other than those provided by law.

Beraca at COP10

Beraca was present at COP10 (Conference of Parties to the Convention on Biological Diversity) in October 2010, held in Nagoya, Japan. The company participated in plenary meetings, several side events sponsored by institutions and nongovernmental organizations, and at round tables for private initiative, organized by United Nations Conference on Trade and Development (UNCTAD).

On the occasion, Beraca was presented as a signatory of the initiative Business and Biodiversity, led by Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), a German institute of technical cooperation. Along with that institution, the company participated as speaker in two events on business and sustainable use of biodiversity.

The presence at COP10 strengthened partnerships with FairWild and UEFT and provided important business contacts.



Local and regional **development**

 Beraca is committed to Brazil's socioeconomic development. Over the years, the operations of their units have promoted progress in the North, Northeast, Midwest and Southeast regions, through job creation, professional training, local sourcing and social investments.

Supplier communities

Beraca is committed to the socio-economic development of communities in the North region, respecting and valuing the local culture. Currently, they work directly with 1,600 people, representing about 800 families. The company acts in partnership with government agencies and nongovernmental entities, and participates in discussions to build policies for a fair price, purchase guarantees, among others.

It has also strengthened the partnership with communities through the Biodiversity Enhancement Program, which prioritized their professional training, sustainable use of biodiversity and improvement of business relationship processes.

With regard to professional training, the goal is to enhance the role of communities in the value chain: from raw material suppliers to producers, increasing economic gains and opening new market opportunities.

In past years, the company helped in the work structuring within communities and invested in training to improve production processes, from collection, drying and oil extraction to delivery logistics. Three communities were encouraged and partially financed to purchase equipment for seed processing.

Beraca is also committed to the production flow, generating security and greater commitment from suppliers, enhancing the commercial partnership.

Regarding compensation, the company is committed, along with other agencies, to define a reference values policy, covering the development of indicators to determine the final price: community training, value added to the product, delivery terms, and others. The internal policy for pricing is being built, and the current practice to quantify and negotiate is in accordance with each product and situation.



Targets:

2011

- Implement meetings with collectors about volume and price agreement;
- Establish commercial contracts;
- Management training for suppliers.

2012

- Costs review and pricing;
- Training on local development;
- Elaboration of Biodiversity Enhancement Policy.

2012-2015

- Monitor local development.

2013

- Create a communication channel between communities and Beraca's Support System.

2014

- Implement social support actions, according to a performed socioeconomic diagnosis.

Strategic role

In addition to directly contributing to the socioeconomic development of regions with installed units, Beraca is the link between the extremities of the value chain: customers and communities. The company develops projects based on community needs, and offers them to customers, so they can remain viable. An example of this partnership:

• Project with Kiehl's

Established in 1851, Kiehl's is a pharmacy established in New York, United States, recently acquired by L'Oreal, which supports several projects for the development of poor communities. As Beraca's partner L'Oreal made the contest "Vision of a sustainable forest", involving children and youth of the açai-supplier community of Nazarezinho do Mereu, located in Igarapé-Miri, Pará. The proposal was to draw a picture that reflected the meaning of a healthy and well protected tropical forest. The top three pictures received a cash prize. In addition, the first one was used on the Kiehl's product label "Açai Damage-Protecting Toning Mist".

Beraca is working on a new partnership for 2011 with another American company.



Beraca promoted in 2010 the I Beracom

A dialogue between Beraca and Community Leadership in the Amazon. The meeting's objective was to orient the extractive communities on issues defining commercial demands, administrative matters concerning purchase and production, and the actions of Biodiversity Enhancement Program.

The two-day event was held in Belém (state of Pará). The program started with the company's corporate information and also addressed financial aspects, such as billing, payment's terms and deadlines, and the importance of keeping the community data updated. The event also provided the communities' presentation, the relationships' history and integration among the participants.

Concerning logistics, the main difficulties listed were the distance between collection sites and large centers, communication deficiency, lack of infrastructure in transportation and documentation for products movement. To minimize problems, Beraca suggested to improve the community organization and pledged to cooperate with transport, either by sending their own car or hiring specialized companies.

Aspects related to traceability, storage and quality of raw material were also presented, aiming the improvement of suppliers' work. Beracom will be annual, to strengthen even more the relations with extractive communities and contribute to their professionalism.

Collaboration with partners in Bragança (state of Pará)

Beraca signed a public-private partnership (PPP) with DED and Cáritas from Bragança in 2009.

The company's goal is to enable the production flow and to promote technology transfer to Cooperativa Mista dos Agricultores Familiares dos Caetés (COOMAC; Family Farmers Cooperative of Caetés), by providing equipment and training for buriti oil extraction. Beraca also pays for organic certification and guides the harvesting and processing processes to make them more efficient, reduce waste and ensure the farmer's safety.

DED, German Service for Technical and Social Cooperation (incorporated in 2011 to GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH), aims to foment the protection and sustainable use of Amazonian forests, in partnership with national institutions, and operates in Bragança assisting the cooperative in the sustainable development of their social organization and production chains of extraction.

The Diocesan Caritas of Bragança, another partner in the program, is responsible for joining the farmers in the region, reinforcing the importance of sustainable development.

The challenge for the coming year is to educate farmers about the importance of working with other products, besides buriti, as market demand changes every year. Beraca has worked in this direction, providing additional training and equipment and brokering access to funding programs.



“Engagement, compromise and seriousness”

“In order to be successful, a partnership demands engagement, compromise and seriousness of all parties. Beraca's relation with DED, COOMAC and Caritas is based on those pillars. Since the beginning, the company was willing to contribute to the professional development of communities and promote a good and long-term business relationship.

The partnership was achieved through meetings, exchange of experience, investment in equipment for the communities, professional development, purchase guarantees, prepayments and, above all, affordability and willingness to dialogue.

Today, we have a community group organized as a cooperative, more empowered, confident, motivated and prepared for future challenges and to pursue new market opportunities.”

Johannes Zimpel, Project Coordinator at Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)



**SEED Awards
2009
WINNER**

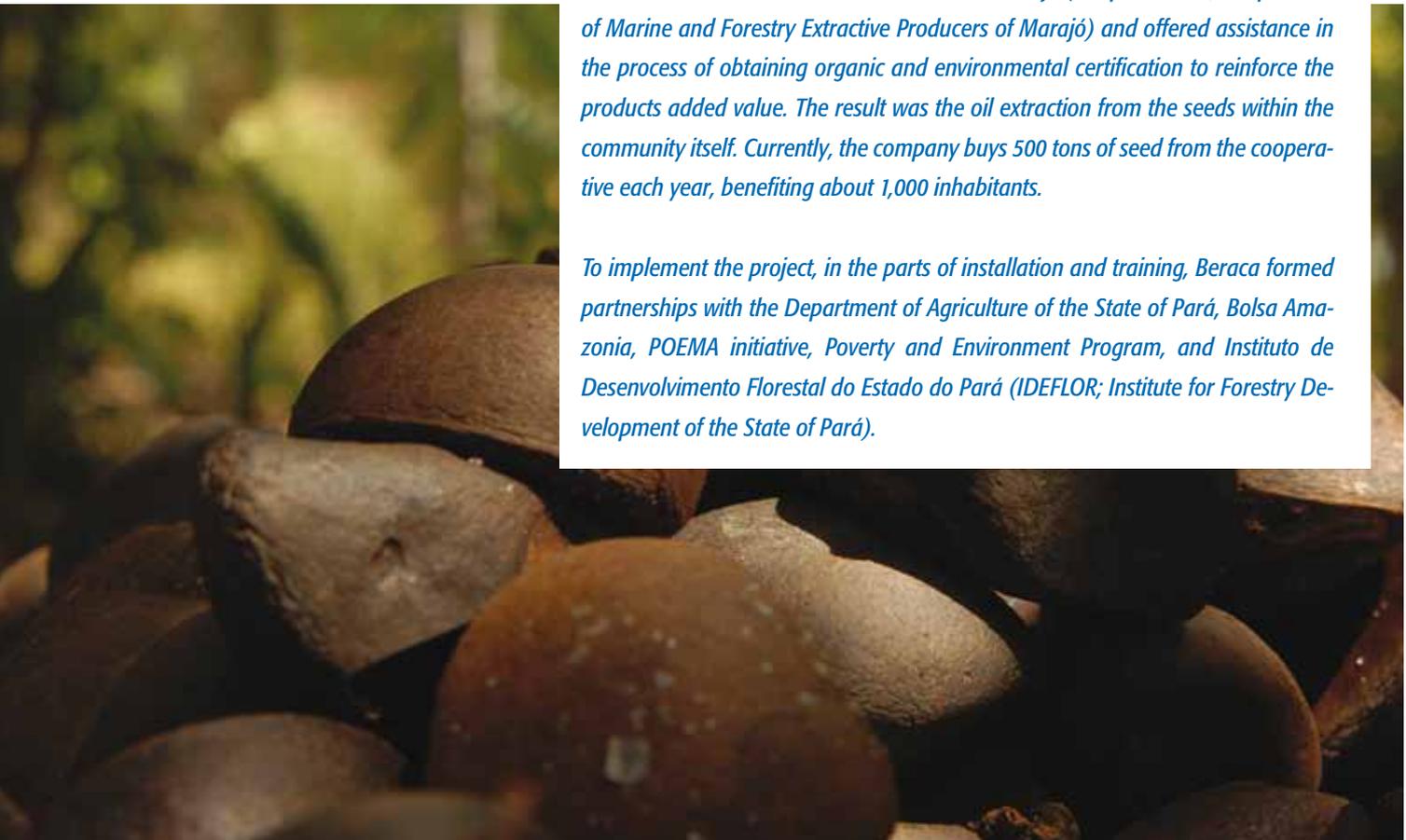
Seed Awards for Entrepreneurship in Sustainable Development:

Award created by the United Nations (UN) in recognition of innovative projects that promote environmentally responsible and sustainable practices in the areas where applied.

The project Sustainable Use of Amazonian Seeds, developed by Beraca on Marajó Island (state of Pará) in 2009 was selected from 1,100 initiatives worldwide. The project transformed the collection of andiroba seeds, traditional practice in the region, in an alternate income source for the island community, which depended primarily on fishing for livelihood and suffered during periods of fish migration.

Beraca provided training, technology transfer, including equipment donation (presses, for example), encouraged the creation of Cooperativa dos Produtores Extrativistas Marinhos e Florestais da Ilha de Marajó (Coopemaflima; Cooperative of Marine and Forestry Extractive Producers of Marajó) and offered assistance in the process of obtaining organic and environmental certification to reinforce the products added value. The result was the oil extraction from the seeds within the community itself. Currently, the company buys 500 tons of seed from the cooperative each year, benefiting about 1,000 inhabitants.

To implement the project, in the parts of installation and training, Beraca formed partnerships with the Department of Agriculture of the State of Pará, Bolsa Amazonia, POEMA initiative, Poverty and Environment Program, and Instituto de Desenvolvimento Florestal do Estado do Pará (IDEFLOR; Institute for Forestry Development of the State of Pará).



Participation in socioeconomic development areas in Brazil

Beraca also contributes to the development in the Northeast and Midwest regions. Pacatuba and Anápolis units have benefits from tax incentives and, in return, undertake to generate employment and income to local people and to the states, as well as encouraging the installation of other enterprises in the regions.

Performance in the Southeast region

In all operations and operating regions, Beraca sees opportunities for socioeconomic development of the local population, through partnerships that benefit communities in the long term. Following there is an example of a relationship developed with a poor community in São Paulo.

administrative office at the Analia Franco Unit



Young people in the labor market

Since 2006, Beraca financially supports the Núcleo Cristão Cidadania e Vida (NCCV; Christian Center Citizenship and Life) in São Paulo. The company saw the opportunity to strengthen partnership, promoting the inclusion of adolescents assisted by the entity in the labor market, through Brazilian Association of Chemicals Products Distributors (Associquim), who welcomed the initiative and informed associates. On the other side, NCCV pledged to include specific disciplines about the work at chemical corporations in their professional training courses.

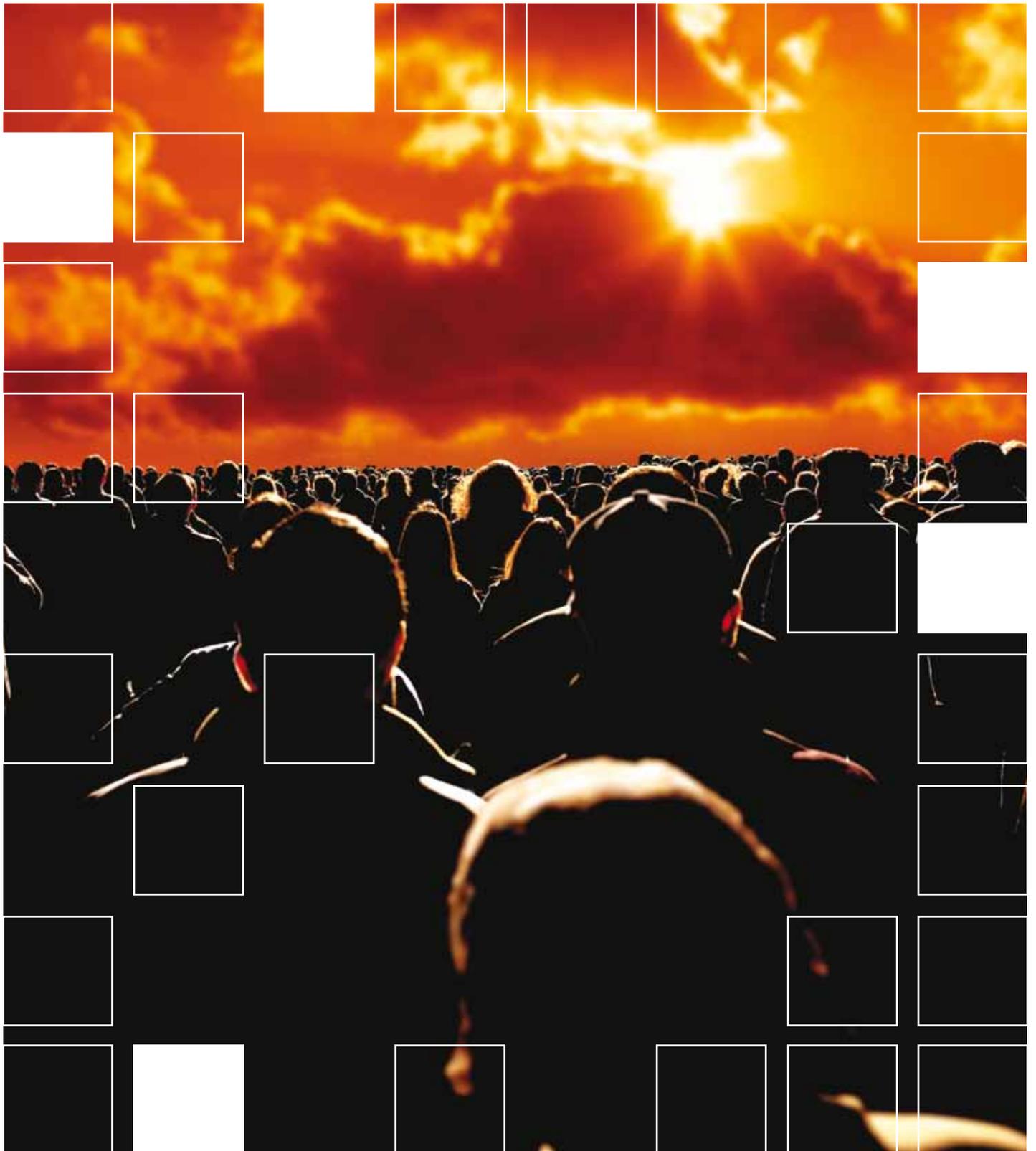
At the end of 2010, Beraca's staff counted three adolescents. Fernanda Corrêa da Silva, 17, was the first one. She was apprentice for four months and, due to her performance, hired as administrative assistant. The next step in her professional development is to start college in 2011. She has chosen to study pharmacy because of her identification with Beraca's business field. Besides, she wants a career in the company.

Personal and professional growth

"I have attended the Center for nine months and have taken courses there in IT and to be administrative assistant. I was looking for work when they indicated me to Beraca. After interviews and tests I was fortunately accepted as apprentice at the reception. The staff received me very well and taught me patiently. I evolved a lot, not just professionally. My communication skills improved 100% as well as my social interaction. My family is also very happy. Today I can help at home, make plans. I'm sure my future will be much better. That's up to me to see and pursue opportunities."

Fernanda da Silva Corrêa, 17, Administrative Assistant, Sales department of division Health & Personal Care





Commitments to **society**

Support to social institutions



ware of their responsibility in building a more fair and dignified society, Beraca financially supports various social initiatives working in the care of vulnerable families, particularly in regions of installed units.

- **Lar da Criança Domingos Sávio, in Fortaleza (state of Ceará)** – Established in 1988, the institution assists today 250 children and adolescents of deprived families, offering tutoring classes. They provide food, extracurricular activities, recreation and psychological assistance, as well as preventive and educational workshops for parents.
- **Núcleo Cristão Cidadania e Vida, in São Paulo (SP)** – Established in 2001, NCCV's mission is to rescue, restore and reintegrate into society children, youth and families in social vulnerability. In 2009, 1,637 people were directly and 6,548 were indirectly assisted. Apart from financial support, Beraca articulated a partnership between NCCV and Associqim to include in the labor market all the young people assisted by the institution.
- **Associação Barbarense das Damas de Caridade, in Santa Bárbara d'Oeste (SP)** – The organization provides free and continuing assistance for elder and poor people without family support, giving social assistance, nursing, nutrition, leisure and fitness activities.
- **Fundação de Turismo e Cultura (Funtec), in Pacatuba (CE)** – The organization develops cultural activities at municipal level, focusing the family in their programs and projects.
- **Associação Interamericana de Engenharia Sanitária e Ambiental (AIDIS; Inter-American Association of Sanitary and Environmental Engineering) and Pan American Health Organization (PAHO)** – In 2010, Beraca donated 40,000 SanyTabis chlorine tablets for water treatment in Haiti, after the earthquake in the beginning of 2010. Each tablet weighs five grams and can turn 2,500 liters of water into potable water.

Participation in local and international initiatives

A Beraca também está comprometida com diversas iniciativas que visam à proteção ambiental, dos direitos humanos, do trabalho, o combate à corrupção e à responsabilidade social, ao lado de outras empresas no Brasil e no mundo.



- **UN Global Compact** – Aims to align policies and business practices with universally agreed values in the areas of human rights, labor, environmental protection and fighting against corruption. Beraca became a signatory in 2007 and publishes annually their actions and results in the Communication on Progress (COP) – www.unglobalcompact.org.



- **Caring for Climate** – This action platform of the UN Global Compact was established in 2007. The signatory companies consider the theme “Climate” essential and want to lead the discussions and the search for solutions related to climate change.

- **Pact for Legal Wood** – Corporate commitment for financing, production, use, sale and consumption of certified wood and forest products and for sustainable development in the Amazon and the city of São Paulo. Beraca is a signatory since the beginning of the Pact on 1 December 2008.



- **Business & Biodiversity** – Built during the Convention on Biological Diversity (CBD), this initiative aims to educate companies about the importance of biodiversity in business. The B&B proposal, as it is called, is to bring biodiversity commitment to business. Beraca is part of the program since 2008.



- **Sustainable Amazon Forum (FAS)** – Established in Belém (state of Pará) in November 2007. Its mission is to mobilize leaders from various social groups in Amazon sustainable development. Beraca is part of FAS since September 2008.



- **On the Right Track Program** – Organized by Childhood Brasil (entity of human rights promotion), it is a corporate commitment against sexual exploitation of children and adolescents in Brazilian highways. Beraca joined the program in 2009.

- **Business Pact for Integrity and Against Corruption** – Created in 2006 by Ethos Institute, UniEthos (Training and Development of Socially Responsible Management), Patri Government Relations & Public Policy, United Nations Development Program (UNDP), United Nations Office on Drugs and Crime (UNODC), and the Brazilian Committee of the Global Compact. The initiative resulted from the conclusion that Brazil should not continue paying the social, economic and political cost of successive cases of national corruption.



- **Corporate Movement for the Conservation and Sustainable Use of Biodiversity** – Created in 2010 by a group of companies led by Ethos Institute and supported by Associação Brasileira de Comunicação Empresarial (Aberje; Brazilian Association for Business Communication), Centro de Estudos em Sustentabilidade da Fundação Getúlio Vargas (FGV) (GVCes; Center for Sustainability Studies at FGV), Conservation International (CI), Fundo Brasileiro para a Biodiversidade (Funbio; Brazilian Fund for Biodiversity), Instituto do Homem e Meio Ambiente da Amazônia (Imazon; Institute of Man and Environment in Amazonia), Instituto de Pesquisas Ecológicas (Ipê; Institute of Ecological Research), and União para o Biocomércio Ético (UEBT; Union for the Ethical BioTrade). Their goal is to make room for the joint construction of a positive agenda on conservation and sustainable use of Brazilian biodiversity.



Sustainable Connections

Member of Covenant for the consumption of products from forest management.

GRI Index

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Performance indicators

GRI	Beraca Indicator	Beraca's Performance 2009/2010	Corresponding page
EC1	Gross revenues in 2010 (in millions of R\$):	110,682	p. 10
	Total of donations in 2010 (in R\$):	213.602	p. 86
EC6	Policy and practices regarding locally-based suppliers	-	p. 72; 75 - 79
EC7	Local hiring at social and economic developing areas	-	p. 75; 80 - 81
EC8	Development and impact of infrastructure investments through commercial operations supported by lending	-	p. 13
EN4	Energy consumption (kW) in 2010*	537.549,65	p. 86
EN5	Measures to reduce energy consumption	-	p. 65
EN8	Total water withdrawal (m3) in 2010*	20.917,00	p. 86
EN12	Impacts on biodiversity	-	p. 67 - 73
EN13	Habitats protected or restored	-	p. 70 - 72
EN14	Biodiversity Enhancement Program	-	p. 67 - 73
EN16	Total direct and indirect greenhouse gas emissions (tons of CO2-equivalent) in 2009:	2.763	p. 63
EN17	Inventory of CO2 emissions	-	p. 63
EN18	Inventory of CO2 emissions	-	p. 63
EN21	Total water discharge (m3) in 2010	894.41	p. 86
EN22	Total weight of waste in 2010:*		p. 86
	- Solid waste generated (disposable) (kg)	234,912.00	
	- Solid waste generated (recycling) (kg)	26,078.79	
EN26	Initiatives to mitigate environmental impacts of products and services	-	p. 53 - 65
EN29	Environmental impacts of transporting - Prodir	-	p. 59 - 64
LA1	Total workforce in December 2010	244	p. 9; 45
LA4	Percentage of employees covered by collective bargaining agreements	100%	p. 86
LA7	Occupational Health and Safety – 2010 data:*	31	p. 86
	- Lost days	-	
	- Total number of work-related fatalities	-	

GRI	Beraca Indicator	Beraca's Performance 2009/2010	Corresponding page
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	-	p. 49
LA10	Training (average hours per employee in 2009/2010): - Water Technologies: - Health & Personal Care: - Food Ingredients and Animal Health & Nutrition: - Administrative:	- 74 - 45 - 30 - 128	p. 48
LA11	Programs for skills management and lifelong learning: funding support to employees (college, postgraduate, and master's degree). Number of employees benefited in 2010	22	p. 46
LA13	Breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	-	p. 46
HR2	Suppliers that have undergone screening on human rights	-	p. 51
HR6	Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor	-	p. 51
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor	-	p. 51
SO5	Public policy positions and participation in public policy development and lobbying	-	p. 26 - 27; 57; 73; 84 - 85
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement		p. 62

**Scope of data survey: Water Technologies division*

The Principles of the UN Global Compact

Human Rights		Corresponding page
1	Businesses should support and respect the protection of internationally proclaimed human rights; and	p. 51
2	make sure that they are not complicit in human rights abuses.	p. 51
Labor		
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	p. 51
4	the elimination of all forms of forced and compulsory labour;	p. 51
5	the effective abolition of child labour; and	p. 51; 83
6	the elimination of discrimination in respect of employment and occupation.	p. 45-46; 51
Environment		
7	Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and	p. 53-65; 67-73
8	encourage the development and diffusion of environmentally friendly technologies.	p. 23-31; 36-37; 53-65; 67-73
9	As empresas devem combater a corrupção em todas as suas formas, inclusive extorsão e propina	p. 39-41; 67-73
Anti-Corruption		
10	Businesses should work against corruption in all its forms, including extortion and bribery.	p. 85

Glossary

A-B

Audit: Careful, systematic and independent examination of procedures, as well as validation of internal controls used by the organization.

Biodiversity: Association of several hierarchical components: ecosystem, community, species, populations and genes within a specific area. Biodiversity varies according to the different ecological regions, presenting higher level in tropical regions as compared to temperate climate.

C

Carbon dioxide-equivalent (CO_{2e}): It is a benchmark for determining the global warming potential of Greenhouse Gases in units of carbon dioxide.

Certification: Activity based on internationally accepted technical guidelines and principles and grounded on a technical framework with multidisciplinary auditors. It attests credibility, ethics and recognition to services rendered.

Chlorine: Chemical element used, among others, in water treatment processes. It is the most effective and cheapest way to treat water, and also helps avoiding several diseases. In 1925, the use of chlorine became mandatory in the São Paulo City water supply, following the World Health Organization (WHO) recommendations.

Chlorine dioxide: An alternative oxidant that enables the supply of treated water without any harm to health. It is a powerful disinfectant used as bactericide, fungicide and algacide.

Corporate governance: Good corporate governance provides the owners with strategic management of their company and an executive board monitoring. The main tools to ensure property control are the board of directors, external independent audit and the audit committee.

Corporate social responsibility: Socially responsible business management based on ethical standards of relationship with employees, customers, suppliers, community, stakeholders, public authorities and the environment.

E

Effluents: Any liquid, solid or gaseous product resulting from industrial processes or domestic sewage discharged into the environment. Environmental legislation requirements have led companies to seek solutions to treat their effluents, such as inputs reuse (water, oil, metals, etc), thus minimizing river pollution.

Extractivism: Any form of natural resources appropriation not intentionally increased for exploitation purposes. In the 20th century, men realized that such natural resources can become scarce if not used in a sustainable way.

G

Greenhouse Gases (GHGs): Climate change occurs because of excessive emission of greenhouse gases. Six groups of gases are considered greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydro fluorocarbons (HFCs), per fluorocarbons (PFCs) and sulfur hexafluoride (SF₆). To facilitate the calculations of impacts of each sector, company, individual person or country, all gases are expressed in terms of CO₂-equivalent.

N

Novo Mercado: It is a stock market listing segment for the trading of shares issued by companies that voluntarily commit themselves to adopt additional corporate governance practices in relation to what is required by law. (Source: BMF&BOVESPA)

S-T

SA8000 (Social Accountability 8000): It is an effective system for implementation, maintenance and verification of decent working conditions. There are already 160 SA8000-certified companies worldwide. Its audit system is similar to that of ISO 9000 and its requirements are based on human rights international standards and the World Labour Organization (WLO) conventions.

Stakeholders: All segments somehow relating to the company.

Sustainability: Capacity of a process or means of resources appropriation to remain in existence for a long period. Within the context of development, it means the capacity to meet the present needs without compromising the ability of future generations to meet their own needs.

Traceability: From delivery back to origin, the traceability process ensures there is no contamination or loss in expected quality standards of the product, taking into account challenges such as: transport, perishable products and compliance with international standards and requirements.

Methodological refinements

This is Beraca's second sustainability report, also based on the GRI/G3 Global Reporting Guidelines. The company intends to provide the reader with information about the current positioning of Beraca and the major advances of their work since 2007-2008, when the first report was published.

Report's scope

Beraca's sustainability management covers the four business units:

Water Technologies, Health & Personal Care, Food Ingredients and Animal Nutrition & Health.

The Water Technologies and Health & Personal Care divisions were prioritized in the report's scope once again due to their sustainability-sensitive nature.

Choice of indicators

The indicators chosen for monitoring prioritize the following:

- ***Beraca's current commitments and policies: Prodir, Biodiversity Enhancement Program, SA8000 and certifications;***
- ***Performance on key sustainability issues;***
- ***Beraca's social vision.***

Consolidation and controls

The environmental indicators result from consolidation of data collected at all four units of the Water Technologies division for the Prodir system. The latest audit process at the units was carried out in April 2010 by BSi and the next audit is planned for March 2011.

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