



# activities report 2016

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 **BASF**  
We create chemistry



**FUNDAÇÃO  
ESPAÇO ECO**

Sustentabilidade que se mede

# Summary

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Letter from  
the **Managing  
Director**

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**Financing**

**Credits**

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# 1. Letter from the **managing director**

Agile. That was our year. Here at Espaço ECO® Foundation (FEE®), we face the challenge of being ahead of sustainability trends every day in order to meet and anticipate our clients' demands. To do so, we need to be very fast. We managed to be fast in 2016, due to our team's efforts.

To accomplish that, we rely on our most valuable asset: people. Professionals from various areas, highly skilled, and above all, energized by the purpose of the work we deliver to our clients, to society, and to our planet. We seek to strike a balance among the three pillars of sustainability – economic, environmental, and social – every single day. A lot of work has to be done in order to expand sustainability, diversity,

“FEE® mastered methodologies and tools that enable companies to assess and achieve **goals forecasted in their sustainability initiatives**”

and inclusion in companies' strategy. Our activities are integrated and focused on providing support for our clients so that they can take the best decisions. Our team is connected and share high profile content on important forums and networks targeted at spreading concepts related to sustainability.

In 2016, in an effort to improve our work, we started the process of reviewing our corporate strategy. Therefore, Monitor Deloitte® is the responsible consulting firm for helping us reshape our corporate strategy. The new strategy will enable us to further adjust our service level to current and future demands of our clients and partners. In a preliminary study conducted in the strategy review project, we proudly realized that FEE® is recognized as a reference sustainability consultancy in the market, especially in regards of Life-Cycle Assessment (LCA). Our organization has also mastered methodologies and tools that enable companies to assess and achieve goals forecasted in their sustainability initiatives.

In this report, you can learn the main results achieved in 2016, the year I took office. Our challenge will also be to foster the debate about current and important issues faced by companies' corporate agendas and stimulate increased transparency for sustainable development initiatives.

We still have a lot of work to do together and we are highly motivated to face the challenges that come ahead. I thank FEE® team and all those who have joined this journey. Enjoy the read!

**Rodolfo Viana**

Managing Director – Espaço ECO® Foundation

## 2. Governance

Espaço ECO® Foundation (FEE®) governance body comprises of the Council of Trustees, the Advisory Board, the Tax Council, and the Board of Directors. This frame was set up to assure that the decision making process is transparent, safe, competent, and fast. Counselors act as links between the cause and management, as well as, they provide guidance and monitor the relationship of FEE® with other stakeholders. They also protect company's values and the purpose of the institution so that the company mission shall always prevail. Both counselors and other governance bodies in the organization provide advice regarding economy, society, the environment when we decide which areas, programs, and projects are to be developed and/or terminated.

FEE® governance process carried out over its eleven years of operations, allowing each counselor to use their personal experiences to build collective thinking, provide support to the final decision, which is legitimately and collectively taken, and make sure that the institution is stable and perennial. As a private foundation, Espaço ECO® Foundation has dutifully fulfilled the mission set forth by its Advisory Board by setting the example of excellence in management with regulations, transparency, ethics, and accountability.



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## Board of directors

In August, the former managing director, Roberto Araújo, left office and, Rodolfo Viana took the position. The new managing director has the duty of leading the company strategy focus in the next few years, strengthening the relationship between the institution with key stakeholders: society and the corporate community.

According to Espaço ECO® Foundation by-laws, the managing director is the main executive in charge of managing the institution and mediates the relationship between the technical team and the governance bodies. Under his management, Mr. Viana also carries the function of bringing counselors even closer to FEE® routine, by increasing the frequency of meetings and fostering groups to be more dynamic.

Mr. Viana has earned a degree in Law at University of São Paulo (USP). He specialized in Finance at Getúlio Vargas Foundation (FGV) and holds an MBA in Operations issued by IBMEC. He started his career at BASF, where he worked from 1990 to 2001. He held various positions at the company, such as tax lawyer, finance manager, and finance director at Pharma Business Unit) until the company had been bought out by Abbott.

In Abbott, he served as a Chief Operating Officer (COO) from 2001 to 2004. Later he worked as general manager at the Ludwigshafen branch, in Germany until 2008, and he also worked as Latin America Business Development Manager until 2010.

In 2011, he started working in the NGO Sector as President in the *Fundação Bienal de São Paulo*. He then joined Espaço ECO® Foundation in August 2016.

As for the Relationship and Diversity Management Department, Guilherme Bara took the position in order to assist FEE® and implement initiatives

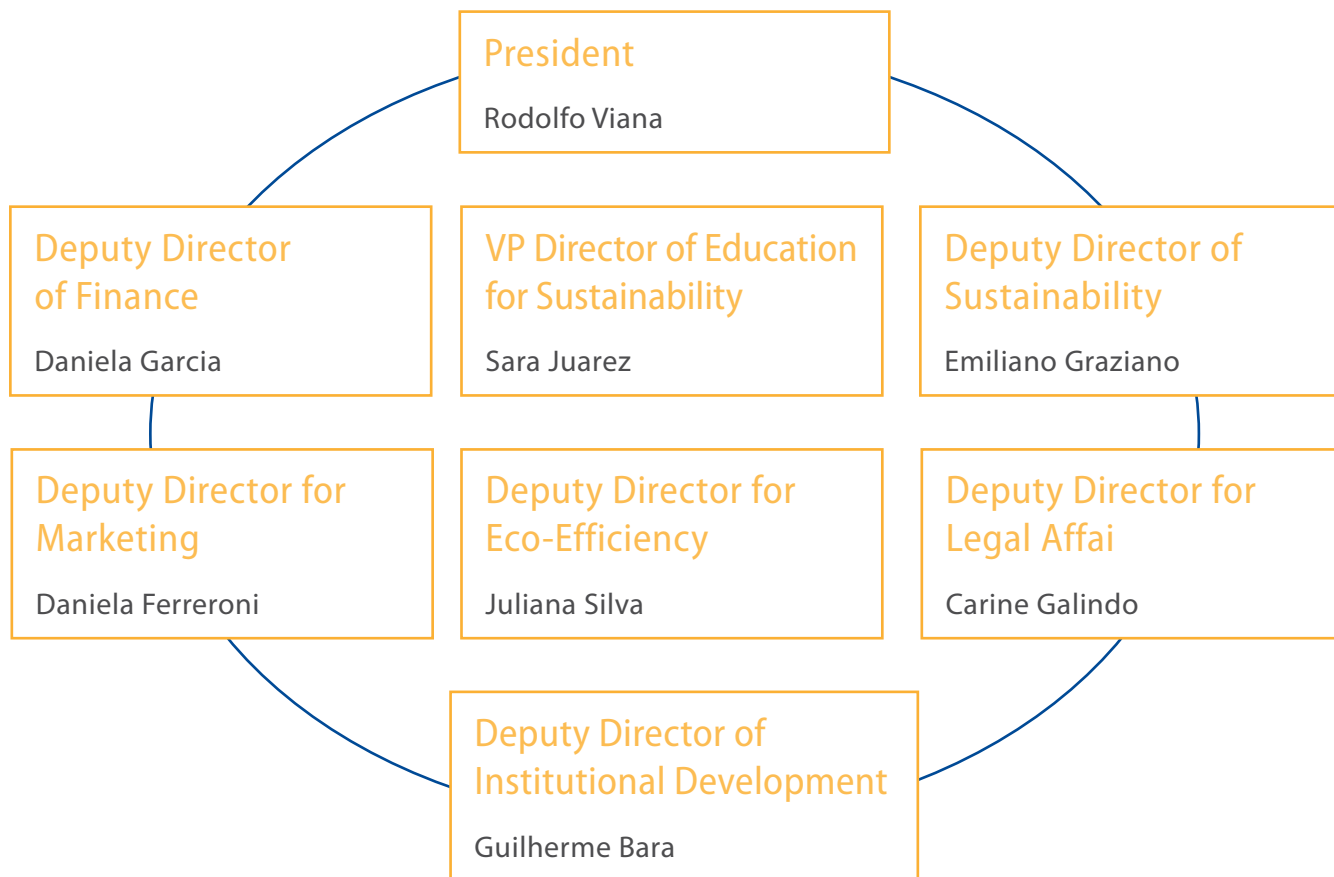


connecting the social pillar. Mr. Bara earned a degree in management from *Instituto Mauá de Tecnologia*, and holds an MBA in Project Management issued by FIA Business School. He was South America Diversity and Inclusion Manager at BASF. He also worked as Procurement and Marketing Coordinator at Suvinil. Among the positions, he held in the public sector and in the organized civil society, one may highlight the position of Head of the Cabinet of the City of São Paulo Secretariat for Disabled People, his work as head of the Social Responsibility Committee of the Federation of Industries of the State of São Paulo (FIESP), and his experience at the Special Advisory Board to the Governor of the State of São Paulo.

He joined FEE® in 2016. He leads the strategy of fostering debate about 'Diversity and Inclusion' in companies and in the society as a whole, helping to stimulate changes in the workplace, by enabling managers to deal with issues concerning diversity and inclusion, and highlighting how enhancing the sustainability social pillar can help companies become more creative and competitive.

# FEE® Organizational Chart

## • Board of Directors



## • Council

### Board of Curators *(Mandate: 4/1/2015-4/1/2018)*

Antonio Carlos Lacerda *(presidente)*  
 André Oliveira *(vice-presidente)*  
 Eduardo Leduc  
 Cristiana Xavier de Brito  
 Willi Nass  
 Wolf Michael Dio

### Audit Committee *(Mandate: 4/1/2015-4/1/2018)*

Maximiliano Demarchi  
 Anita Viviani  
 Adriano Ramos de Mello  
 Mariana Fabieti

### Advisory Board *(Mandate: 4/1/13-4/1/15)*

Flávia Moraes  
 João Carlos Martins  
 João Furtado *(in memoriam)*  
 Marina Grossi  
 Xico Graziano

# 3. Institutional

Espaço ECO® Foundation is a Public Interest Non-Governmental Organization that provides consultancy services and develops tailor-made projects to optimize clients' results, evaluating and assessing economic, environmental, and social impacts of products or processes. In order to fulfill this purpose, we use qualitative and quantitative scientific methodologies based on **Life-Cycle Assessment (LCA)**. Moreover, FEE® establishes partnerships with public institutions, universities, research institutes, and associations to stimulate public interest initiatives, foster the debate about sustainability, and enhance actions aiming at environmental conservation and sustainable management of natural resources.

**Life-Cycle Assessment (LCA)** is a tool to measure potential environmental impacts related to production of a certain product or the use of a specific product or service. Life cycle refers to all production and product usage, including extraction of raw materials, production and distribution to end-users and disposal, also covering recycling and re-use (if applicable).

Source: Ibict - Brazilian Institute of Information Science and Technology



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# FUNDAÇÃO ESPAÇO ECO

Sustentabilidade que se mede

## Mission

Promote sustainable development in the business environment and society, by sharing knowledge and technology, especially by introducing socio-eco-efficiency and education solutions for sustainability, focusing on the balance between social, environmental, and economic aspects.

## Vision

Be recognized as excellency center in applied sustainability in Latin America.

## Values

- Ethics
- Integrity
- Commitment to innovation
- Professional and personal competences
- Show respect to people and environment
- Commitment to sustainable development

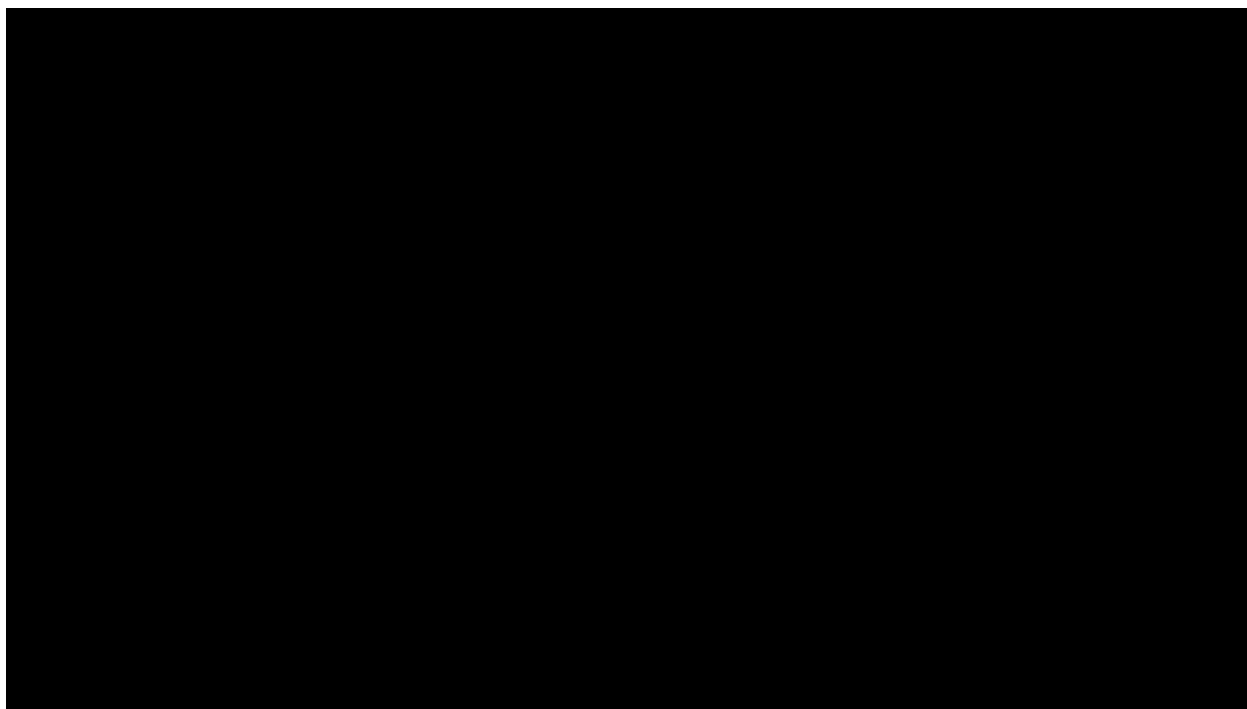


Please, find below a video highlighting agricultural Socio-Eco-Efficiency study that assesses and certifies the importance of **Integrating Farming-Cattle Raising-Forestry (iLPF)** not only to farmers, but also to Brazil and the world.

The animation produced by BASF and FEE® explains in a simple and teachable fashion what the Integrating Farming-Cattle Raising-Forestry (iLPF) system is. It highlights the main benefits identified by the agricultural socio-eco-efficiency study of the system when compared to conventional ones; moreover it quantifies its contribution to attaining Brazilian goals set forth in the new global climate agreement.

This is one of the actions Espaço ECO® Foundation takes to fulfill its mission.

Click and watch.



**Integrating Farming-Cattle Raising-Forestry (iLPF)** – production system created by the Brazilian Agricultural Research Corporation (*Embrapa*). It integrates farming, cattle raising, and forestry, rotation, consortium, or succession, in the same area. It enables the economic use of the land all year long, favoring increased crop supply, and meat and milk at lower costs due to synergies between farming and pasture. Its main aim is to change land use systems based on integrating components of the productive system, aiming at achieving ever higher product quality standards, environmental quality, and competitiveness.

Source: Brazilian Agricultural Research Corporation (*Embrapa*)



# 4. Expertise

Since FEE® was founded as a Public Interest Non-Governmental Organization; its team has worked as a business partner to the clients. The institution aims to create value to clients by seeking excellence when rendering services.

Sharing knowledge on sustainability:



Over **twelve thousand people** benefit from the program, out of that number, six thousand are students and over 40 are teachers



**Four additional municipalities** benefit from the program now

FEE® spreads the word on **Life-Cycle Thinking**, providing guidance on decision making to companies and citizens, as well as, fostering innovation and continuous improvement of daily activities. Thus, when transferring knowledge and technology, especially using solutions on socio-eco-efficiency and education for sustainability, we `walk the talk` on sustainable development in society and companies.

**Life-Cycle Thinking:** Taking into account the path a manufactured product has to follow when decisions are made every day. Considering its path since the extraction of raw materials to product disposal or re-use – in different sectors and in society.

FEE® is globally connected to all sustainability trends related to its core activities. Therefore, it focuses its solutions on meeting the needs of clients and partners, offering smart solutions, consolidated in action plans, indicators, training and support, and implementing projects.

In 2016, FEE® has worked in **three areas**:



Socio-Eco-Efficiency



Environmental Conservation



Education for Sustainability

# 4.1. Socio-eco-efficiency

## Life-Cycle Assessment is increasingly important in Brazil

*FEE® plays a key role in spreading the concept of LCA*

Brazil has a wide range of governmental and business initiatives organized in networks, work groups, and associations with the purpose of fostering understanding of what sustainability means for companies and society as a whole. One of the concepts used to make the issue tangible is Life-Cycle Assessment (LCA), a tool that can provide guidance to companies and point out the best buying decision to consumers. Some examples of this tool are: the Brazilian Business Network for Life Cycle Assessment (*REBACV*), the Brazilian Roundtable on Sustainable Livestock (*GTPS*), and the Brazilian Institute of Information in Science and Technology (*IBICT*), a research unit related to the Ministry of Science, Technology, and Innovation.

In an unpublished work – the '*ICVAgroBR Project*' – FEE®, Embrapa, and the Brazilian Center for Research in Energy and Materials (*CNPEM*) are to provide a data base on production systems for some of the most important Brazilian agribusiness products for Ecoinvent, the main

international data base for LCA studies. Ecoinvent headquarters are in Switzerland.

FEE® has also performed a crucial role in partnership with universities to connect students' academic knowledge with daily practice. Our team has taught classes and delivered talks in undergraduate and graduate courses. Furthermore, we have tutored capstone assignments of students from University of São Paulo (*USP*), São Paulo State University (*Unesp*), Universidade Paulista (*UNIP*), Federal University of ABC (*UFABC*), and Fundação Santo André (*FSA*).

In September, FEE® was one of the highlights in the Brazilian Congress about Life Cycle Management held in Fortaleza (State of Ceara). Our team set forth five pieces of work, talks and presentations, in addition to communication support in the event mainly sharing information with our stakeholders.



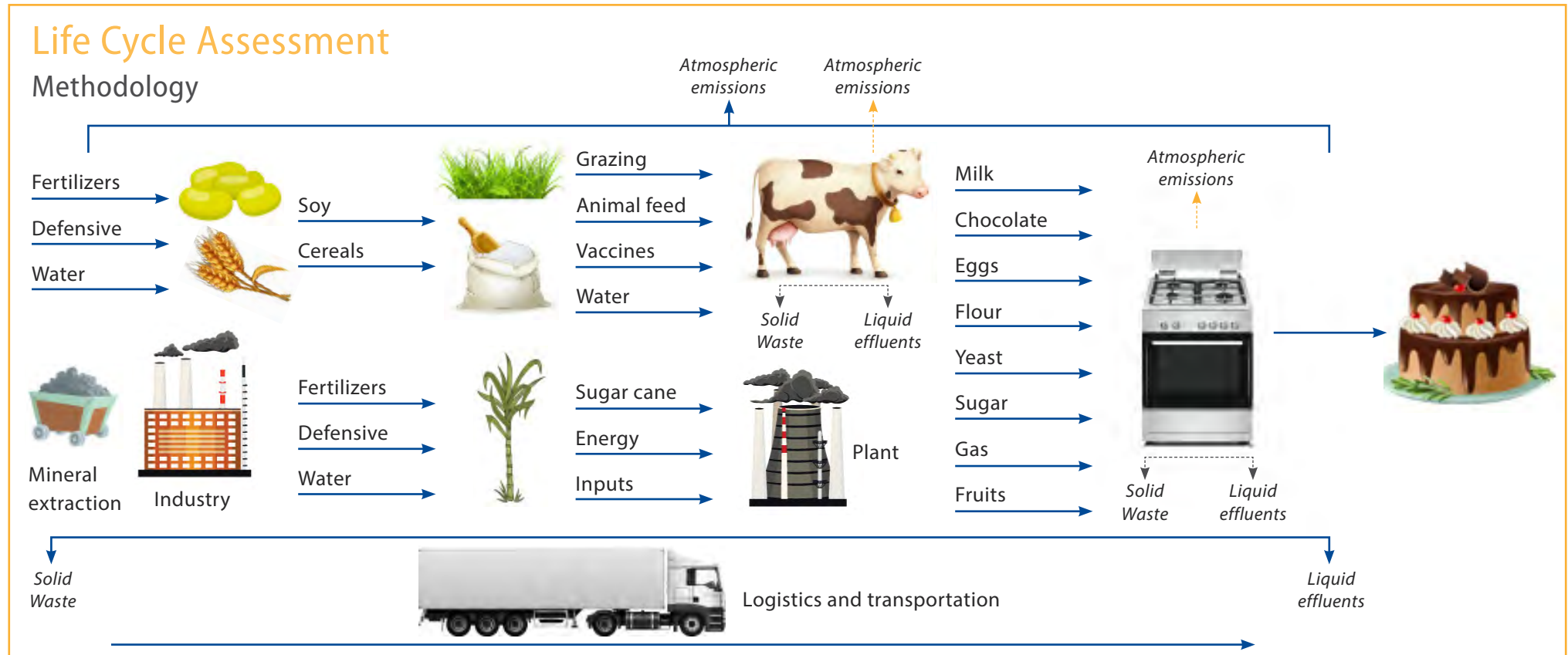
# 20 years of Eco-efficiency Analysis

In 2016, we celebrated 20 years of **Eco-Efficiency Analysis** creation. It is a methodology designed by BASF and implemented by Espaço ECO® Foundation in Latin America. This was the first methodology used in FEE® when it was founded.

**Eco-Efficiency Analysis** is a methodology created by BASF based on the concept of Life-Cycle Assessment. It measures economic and environmental aspects through a product, a service, or a process life cycle.



Over **630** Eco-Efficiency Analysis have been made worldwide



## Main studies performed in 2016 at a glance

- Eco-Efficiency Analysis in **tomato extract production**

The analysis was carried out at a Cargill plant. It was a ground breaking study in Brazil as it assessed the life cycle of tomato extract production, considering economic and environmental impacts related to the steps of farming, industrial, packaging, and logistics. Cargill learned from the survey which production phases generate more impacts. The study has also pointed out some options to solve or minimize the issues.

“I was very much impressed at the range of services FEE® can offer. **Two things caught my attention: the technical knowledge and FEE® team’s commitment!** The study was conducted in a very serious way. The whole team has worked hard to deliver an assessment that reflected the reality of the supply chain. They have showed us deep credibility and trust.”

**Márcio Barela**

Sustainability, Cargill Global Edible Oil Solutions



**Hotspot Analysis (HSA)** – “hotspotting” – is a qualitative assessment technique that enables understanding perceptions of different stakeholders as regards a subject, a product, or a chain of specific values. This methodology allows compiling and analyzing a variety of information sources, including, for instance, studies based on Life-Cycle Assessment (LCA), market data, scientific research, specialists’ and target audience opinions. The results outline a diagnosis of priority sustainability issues in the value chain; enable identifying which are the most important issues for each group of stakeholders, gather significant information and data for a continuous improvement plan, in addition to fostering integration with various actors of the chain.

Source: FEE®

- **Hotspot Analysis** – Priority sustainability issues for **fruit, vegetable, and leafy vegetable growers**

The study was conducted with rural growers who supply fruit, vegetables, and leafy vegetables for one of Nestlé production lines. By means of interviews and looking information up on appropriate sources, the study mapped key sustainability issues for Nestlé’s value chain, as well as, allowed to strengthen present sustainable actions of farmers. The results will be useful for Nestlé to complement current actions, in addition to fostering new actions and training, creating value to the communities where the company has operations.

“The diagnosis made by the consultants of the Espaço Eco Foundation brought new demands from partner farmers. **With this information we could adjust the focus of our development and training activities, and individual technical visits. The whole initiative has helped us to create even more relevance and significance in the direct relationship between industry and farmers.** Thus we generate and share value for local agriculture and we consistently act to support the region’s sustainability.”

**João Roque de Araújo,**  
Agricultural Supervisor  
Nestlé



**109 studies**  
performed by FEE® so far



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- Hotspot Analysis - Sustainability in the **wheat chain**

This analysis was ment to identify priority issues in the Brazilian wheat value chain. Thus, it considered the importance that various interest groups give to sustainability issues. The result of over 40 interviews with growers, research institutions, civil society members, among other groups, identified 32 key sustainability issues along the chain. The highlights are: profitability, R&D and food safety. Such information will be the starting point for future debates and potential actions aiming at stimulating a sustainable value chain.

“That was quite a different task for us. It was extremely important to analyze the wheat production chain as it involved new people, in quite a deep way with positive results to all. We would not have managed to do that on our own. **The FEE® team has made consistent efforts to reach our end consumers, such as agricultural cooperatives”.**

**Helio Costa,**

Marketing Manager for Rice & Winter Crops Farming at BASF



**11 studies** performed

## 4.2. Education for sustainability

### Strengthening productive chains **create value for the client**

*Training sessions offered by FEE® enhance sustainability knowledge to supply chains*

Companies are increasingly seeking for solutions to develop their supply chains and better connect to people by anticipating, monitoring, and mitigating risks for their business. This concern was presented in the study **Allianz Risk Barometer** that, for the fifth year in a row, has identified interruption in the supply chain as the biggest risk for business in the world.

Espaço ECO® Foundation masters this trend. It helps both companies and cooperatives in strengthening their chains so that they integrate sustainability issues and include them in their management strategy, risk mitigation, delivering results to their businesses.

Raising awareness of suppliers in the Chemistry industry value chain so that they join the 'Together for Sustainability Program' (TfS) is an example.



Center for Environmental Education Cooxupé

Source: Allianz Risk Barometer 2017, accessed on 28th February 2017.





FEE® has also joined the Latin America TfS Committee that deals with value chain sustainability issues with region fellow members.

Another initiative is the partnership with *Varginha* Zone Coffee Growers Cooperative – in the State of Minas Gerais – Minasul and BASF. FEE® supports the cooperative in their efforts to spread sound agricultural practices to obtain socio-environmental certificates, an essential requirement for rural growers to become suppliers to large companies. Part of this process was the training of 12 agricultural technicians targeting to share knowledge with coffee growers, by enabling coffee rural property owners to grow coffee in a more qualitative and sustainable way.

Moreover, **sharing rural** training support is also a strategy used to enhance growers knowledge. FEE® has launched an educational brochure that deals with proper use and handling of herbicides targeting with over 3,000 Minasul cooperative members.

Source: [www.emater.tche.br/](http://www.emater.tche.br/) – **Rural Extension**: process based on educational principles that aims to bring directly to adults and youth in rural areas teachings on agriculture, cattle raising, and domestic economy, in order to change habits and family attitude in technical, economic, and social aspects.



TfS: **161** representatives from  
**123 Chemistry companies**

## Other examples of rural extension materials

### • Comic strip and video lecture on SDG (Sustainable Development Goals)

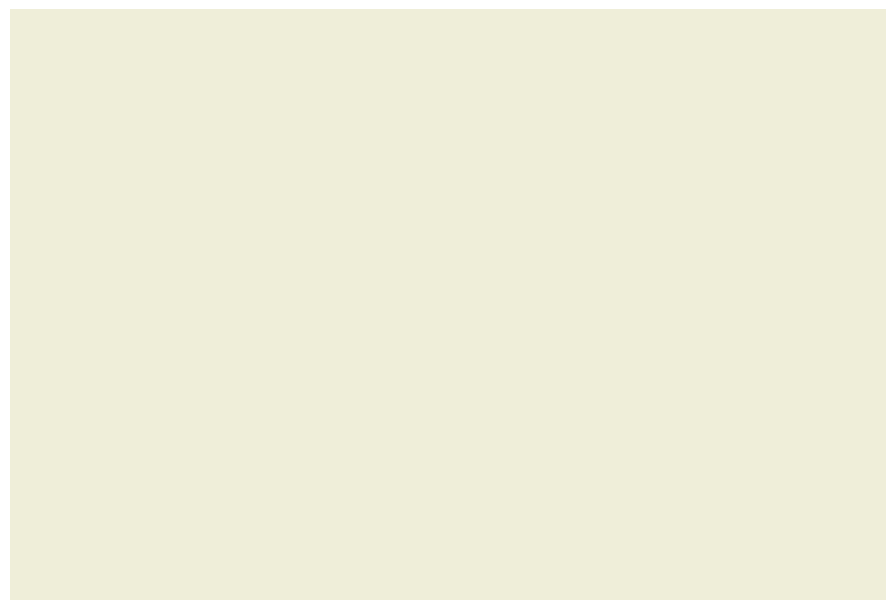
By means of the **Mata Viva® Education and Environmental Conservancy Program**, BASF and FEE® together with Agroindustrial Agrarian Cooperative, and Guarapuava Municipality (State of Paraná) launched the comic strip and the video lecture 'Building a Sustainable World'. The materials deal with **Sustainable Development Goals (SDGs)** com using simple and playful language to raise awareness and turn educators into an instrument to approach the issue in classrooms, stimulating students of the municipal education network to see sustainability as something that can be part of everybody's daily life.

**Mata Viva® Education and Environmental Conservancy Program** – A BASF initiative and implemented by FEE® with the purpose of providing guidance to rural producers for them to properly adjust their properties to more environmentally sustainable structures, in compliance with the new Brazilian Forest Code, by means of lectures, training, study development, and mapping for outlining an environmental diagnosis in the rural property. It also carries out recovery of Areas of Permanent Preservation (APP) in permanent compliance with current legislation. The initiative not only contributes to conservation and recovery of natural ecosystems, but also seeks to raise people's awareness and have them improve their relationship with the environment they live in.

[Click here to read a Comic strip on SDGs](#)



[Watch a video lecture on SDGs](#)



• "Water Conservation in Rural Areas" brochure

This primer shows sustainability best practices, focusing on water preservation. In addition, it features focusing on recovery and protection of springs and degraded areas. It was created in partnership with Irati Municipal City Hall (State of Paraná) and BASF.



### Restauração de áreas degradadas

**1- Diagnóstico da degradação**  
É preciso avaliar a área e detectar as características de degradação, ver o histórico de uso e ocupação do solo e as fontes de degradação existentes, como planície de regeneração natural pelo gado, desmatamento, presença de mata sulcando a regeneração e degradação por fogo.

**2- Isolamento da degradação**  
Depois de detectar a causa de degradação, o próximo passo é isolar as fontes que a causaram. Veja como proceder em cada caso:

Restrição de acesso do gado nas APP

A cerca - evitada degradação por fogo

08

Read the primer!

### Recuperação e Proteção das Nascentes

**Recuperação e Proteção das Nascentes à Base de Solo-cimento**

A recuperação da nascente busca oferecer ao homem do campo a disponibilidade de água potável, proporcionando, consequentemente, às famílias melhor qualidade de vida, por meio do contato com o recurso hídrico. A técnica do solo-cimento é um sistema de bioconstrução alternativo de baixo custo, o qual procura reaproveitar o máximo de materiais já existentes dentro da propriedade, minimizando custos para o produtor rural.

**Materiais utilizados**

Terra argilosa, Cimento, Carvão de lenha, Pedra bruta, Pedra de rio, Ferra de rio, Peneira, Cal virgem, Pia, container, sebo, enxofre, Tubos de PVC, Shovel, Enxada, Pala, Foice, Machete, Enxada, Machete, Enxada, Machete.

**Passos para Construção:**  
O trabalho de proteção das nascentes segue alguns passos, conforme descrito a seguir.

**1 - Localize a nascente de água;**

**2 - Faça a limpeza do local retirando galhos, folhas, lodo, troncos e esbarranchedas e assim identificar o "veio" de água;**

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## 4.3. Environmental conservation

### Brazil needs to recover 12 million hectares of forest until 2030

*Changing environmental laws can be one of the ways to achieve this goal*

In 2015, during **COP21**, in Paris, Brazil committed on various goals in order to curb Greenhouse Gas Emissions (GHG), and, consequently mitigate Global Warming. Among the ratified commitments, environmental conservation was one of the highlights as Brazil targeting the elimination of illegal deforestation in the Amazon Region (Amazonia Legal) and recover 12 million hectares of degraded forest till 2030.

Nonetheless, in order to succeed in this challenge, various issues need to be tackled, such as meeting the needs for native seedlings in degraded forest recovery processes. In addition, deadlocks preventing the Brazilian Forest Code to be implemented, such as taking too long to run regularization programs, which need to be fixed. Those obstacles cause rural producers to have doubts, and the Forest Code does not result in the positive impacts expected when it was enacted.

**COP21** – was a UN Conference on Climate Change. This meeting set a milestone in adopting the new global climate agreement that seeks to overcome climate change effects, as well as, curbing greenhouse gas emissions. One of the objectives of The Paris Agreement is of keeping global warming “pretty bellow 35.6 F (2°C)”, while seeking to make “efforts to limit temperature increase to 34.7 F (1,5 °C) above pre-industrial levels”. [Click here](#) as Brazilian goals are set forth in a document called Intended Nationally Determined Contributions (iNDC).

Source: UN Brazil





## FEE® helps companies to adapt to the **new Brazilian Forest Code**

Espaço ECO® Foundation has worked hard to provide support for companies to adapt and comply with current environmental laws, such as the project with *Alta Mogiana* Power Plant. With support of BASF and FEE®, the power plant has developed their own Projects for Recovery of Degraded and Altered Land (PRADAs), a document set forth in the Environmental Regularization Program (PRA) in the New Brazilian Forest Code. Such document details the description, the schedule, and the methods to be used in the recovery. By means of this partnership, other than the PRADAs, 55 rural properties were registered in the Rural Environmental Registry (CAR), accounting for more than 4,500 hectares, and drafting an Engagement Plan for Forest Fire Prevention for areas in the *Alta Mogiana* Power Plant region, which is located in *São Joaquim da Barra* (State of São Paulo).



Training and support for rural property owners to design and operate instruments, such as the Rural Environmental Registry (CAR), the Environmental Regularization Program (PRA), Projects for Recovery of Degraded and Altered Land (PRADAs) are some solutions implemented by FEE®.

Furthermore, FEE® attends events and publishes materials sharing knowledge related to the Brazilian Forest Code, as well as, advisory to land owners to recover degraded areas, providing technical support and monitoring after the areas have been recovered.



## Mata Viva® Education and Environmental Conservancy Program



Field Day, Santa Brígida farm (GO)

- Provide support to rural property owners regarding the **New Brazilian Forest Code**

Property owners who are Coamo – Agroindustrial Cooperative – members had the opportunity to seek information regarding the Rural Environmental Registry (CAR), which is an important stage to put farms in compliance with the Brazilian Forest Code. Espaço ECO® Foundation team went to Campo Mourão (State of Paraná) where they explained the CAR system, and have done registration of rural property owners in the area.

## • 'Hooray Mata Viva!' Week

Environmental Conservancy has also been the theme for the 'Hooray Mata Viva' event, held by Cooxupé – Guaxupé Local Coffee Growers Cooperative – (State of Minas Gerais). During the event, FEE® team offered cooperative members guidance on donating seedlings and collecting seeds. The event was also important because it matched the end of term activities at NEA – Mata Viva® Center for Environmental Education, a project in which FEE® is responsible for technical-pedagogical advisory, content development, and course materials on sustainability. In 2016, NEA hosted over six thousand Elementary students, trained 25 teachers from 100 schools in 20 municipalities in Cooxupé area of influence.



'Hooray Mata Viva!' Week 2016



## • 2016 Femagri

In another initiative established in partnership with Cooxupé, Espaço ECO® Foundation attended 2016 FEMAGRI – Agricultural Inputs, Implements, and Machines Fair. In connection with this initiative, FEE® team has done research to understand local community views on sustainability, and how Cooxupé is making it every day more present in everyone's life. This action is highly symbolic regarding new activities aiming at people's engagement in sustainability.

## Planting native seedlings

- **Forest Management Plan (PDF)**

Resuming activities of a 2014 project, Espaço ECO® Foundation has planted over 12,000 native tree seedlings in an area of 11 hectares in Guaratinguetá (State of São Paulo) region. Since the beginning of the project, close to 39,500 seedlings have been planted in an area of 32 hectares.

- **Compensation of Greenhouse Gas (GHG) Emissions in events**

Some companies reinforce their commitment to preserve nature by compensating Greenhouse Gas (GHG) Emissions generated when they host events. Espaço ECO® Foundation provides the service of calculating generated emissions, and planting the necessary amount of native seedlings in degraded areas as compensation. Companies, such as Votorantim, Globo Rural magazine, and BASF are examples of companies that compensated event emissions with FEE® in 2016. This initiative led 2,300 seedlings planted.



**14,3 thousand  
seedlings** planted



**11 hectares**  
recovered

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# 5. Eminence and recognition

FEE® performance resulted in significant recognition, not only to the institution itself, but especially to its clients, and to its funding entity, BASF. We below describe some relevant awards showing such recognition:

## • Exame Sustainability Guide

Once again an Espaço ECO® Foundation solution for companies was awarded by *Exame Sustainability Guide*: the methodology that assesses the level of sustainability in agriculture, analyzing environmental, social, and economic aspects of the activities. Two successful experiences were highlighted as examples in the edition: Condessa Farm (*Fazenda Condessa*), in Rio Grande do Sul, and Agricultural SLC (*SLC Agrícola*), in Bahia and Mato Grosso do Sul.

Learn about the case studies in the Guide.

## • Latinoamérica Verde Award

The project *Demarchi+Ecoeficiente* was ranked as one of the 50 best projects in the initiative '500 most successful social and environmental projects in Latin America' by the *Latinoamérica Verde Award*, in Ecuador.

## • Food and Agriculture Business Principles

To measure the benefits of using Clearfield®, BASF technology to control one of the most threatening plant pests in the tillage systems of irrigated rice: red rice. FEE®, in partnership with BASF, implemented AgBalance™ in Fazenda Condessa, located in the municipality of Mostardas (State of Rio Grande do Sul). Because its effectiveness was proven, when associated to other good sustainable practices, the technology was pointed in the UN edition of **Food and Agriculture Business Principles as guidelines for Sustainable Development Goals**. The initiative is one example in the food security session; food security is one of the principles of the primer aligned with UN Sustainable Development Goals (SDG).



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## 5.1 Activities in sectorial organizations

Throughout the year, FEE® team presented scientific articles and delivered talks in various events held by several sector organizations. Joining such events reinforces FEE® commitment to working as an enabler for our clients and partners strategies, offering consultancy, solutions, and significant information to enable them to take more assertive decisions and improve economic, environmental, and social initiative outcomes.

Among various events, we highlight the following:

- Brazilian Congress for **Women in Agribusiness**

FEE® joined the 'Brazilian Congress of Women in Agribusiness', introducing the concept of Life-Cycle Assessment – LCA – to an audience of over 700 female agribusiness managers in Brazil. During the event, the importance of LCA in assessing and managing sustainability in the countryside was highlighted.



- Convention of the **Brazilian Association of the Mattress Industry (ABICOL)**

As a result of business partnership with BASF polyurethane team, FEE® was invited to show the importance of using Life-Cycle Assessment (LCA) to guide choice of dispatching mattresses.

- Environmental Certification in **Civil Construction**

Espaço ECO® Foundation has joined forces with TechDay, held at CasaE, BASF's eco-efficient house. The event has also hosted the Green Building Council (GBC) and Inovatech. The purpose of the gathering was to discuss how environmental certifications for buildings have become more common over the last few years and how those certifications have played a role for fostering change in the sector, such as customer service for LEED version 4 certification.



• **World Mining Congress**

The logic of Life-Cycle Assessment has also performed during the 24th World Mining Congress (WMC), the world most important mining event. In the occasion, FEE® presented a successful case of Eco-Efficiency Analysis on road paving.

• **Diversity and inclusion** in the corporate agenda

Aiming to foster dialogues and approaching contents on social aspects, which are increasingly more significant in company's daily activities, FEE® has delivered talks in events and workshops on 'Diversity and Inclusion'. During the activities, representatives from the civil society, public institutions, and companies, such as 3M, Solvay, Bloomberg, Natura, Arcor, GE, Braskem, and Itaú joined us. Other highlights were a presentation at *Conferência Ethos 360°* and the Seminar on Employability of Visually Disabled People in the Government of the State of São Paulo.



Ethos Conference 2016



**656 business leaders and influencers from 322 big companies** were exposed to FEE® actions on Diversity and Inclusion

Espaço ECO® Foundation focused on sharing information on its core business with society at large as part of the mission of public interest organizations. Also, we know that information must be shared in a simple and straightforward way. A successful example of that are the efforts made to explain the Life-Cycle Assessment concept for the lay public. The press has also been an important “stakeholder” in this mission to spread knowledge on sustainability to create transformation.

## 5.2 Recognition by the press

Media has also shown recognition to FEE® as a reference in promoting sustainable development in business environments and in society at large, and, for this reason, the media sees the organization as a reference and source of information on sustainability. FEE® reinforces its contribution to spreading the concepts and values that support its mission and sustainability culture by creating space in the Press to discuss sustainable development in business environments.

Moreover, FEE® spreads the concept of Life-Cycle Assessment (LCA) so that lay people can understand the concept and Life Cycle Thinking can be introduced in society.



**427 articles published**  
by media spontaneously  
↓  
**+ USD 3.76 million**  
in advertising



# 6. Statement of Financing

We have audited the financial statements of the Espaço ECO® Foundation (Entity) which comprise the balance sheet as of December 31, 2016 and the related statements of surplus, changes in shareholders' equity and cash flows for the year then ended, as well as Corresponding explanatory notes, including a summary of the main accounting policies.

In our opinion, the aforementioned financial statements appropriately, in all material respects, the equity and financial position of the Espaço ECO® Foundation as of December 31, 2016, the performance of its operations and its cash flows for the year ended on this date, in accordance with accounting practices adopted in Brazil for small and medium-sized companies - Technical Pronouncement CPC SME - "Accounting for Small and Medium Enterprises".

## Balance Sheet

	2016	Participation
<b>Assets</b>	<b>5,409,382</b>	<b>100%</b>
Current	5,380,150	99%
Cash and Banks	28,029	0.52%
Financial Investments	5,239,037	96.85%
Accounts Receivable	88,433	1.63%
Taxes Recoverable	16,165	0.30%
Judicial deposits	8,486	0.16%
Non-current	29,232	0.54%
Immobilized	29,232	0.54%

	2016	Participation
<b>Liabilities and Equity</b>	<b>5,409,382</b>	<b>100%</b>
Current	431,904	7.98%
Accounts Payable	80,403	1.49%
Advance Payments	305,149	5.64%
Taxes Obligations	46,352	0.86%
Non-current	220,000	4.07%
Provision for legal claims	220,000	4.07%
Equity	4,757,479	88%
Social capital	300,000	6%
Accumulated surplus	4,457,479	82%

## DRE

Income	2016	Participation
Projects	886,749	12.50%
Financial Income	788,765	11.12%
Donations	5,416,821	76.38%
<b>Total Income</b>	<b>7,092,336</b>	<b>100.00%</b>

Total Income	2016	Participation
Third-party Services – Legal Entity	(7,481,760)	94.31%
Financial Incomes	788,765	11.12%
Tax Expenses	(136,799)	1.72%
Financial Expenses	(2,714)	0.03%
<b>Total Expenses</b>	<b>(7,933,394)</b>	<b>100.00%</b>

<b>Period result</b>	<b>(841,058)</b>
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São Paulo, April, 6th, 2017

PricewaterhouseCoopers

Independent Auditors

Regional Accounting Council CRC No. 2SP000160/O-5

Sérgio Antonio Dias da Silva

Accountant

CRC 1RJ062926/O-9 "S" SP

# 7. Credits

## Coordination:

Espaço ECO® Foundation Communication and Marketing Department

## Production team:

Content and Editorial Office Consultancy: **Lead Comunicação Ltda**

Editor-in-chief: **Janine Saponara**

Editors: **Denise Ângelo e Luiz Soares**

Proofreading: **Livia Lima**

Graphic Design Project: **Fabio Kato**

Design: **Fabio Kato and Laila Cury**

Photos: **Alfredo Alves Argos, Arthur Calasans, Banco de Imagens BASF, Banco de Imagens FEE®, Cláudio Norões, Conferência Ethos, Divulgação CNMA, Divulgação Cooxupé and Shutterstock**

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