

Suppliers

Braskem
New ways to look at the world





Partnering

“In the corporate world, the focus on what is priority, important and may make a difference for the Client has been encouraging the so called ‘outsourcing’.

In a culture that values the involvement and commitment of all in the pursuit of total productivity and the creation of relationships based on discipline, respect, friendship and loyalty, ‘outsourcing’ is not enough.

More than ‘outsourcing’, we need to partner.

When it comes to Suppliers and Service Providers structured on corporate bases, it is relatively simple to establish relationships based on partnership.”

Norberto Odebrecht

Introduction

This manual was designed to open a new communication channel between Braskem and its Suppliers, and to communicate, clarify and align the existing processes and practices in Braskem, sharing the key aspects regarding the procurement of raw materials, materials and services.



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1 Profile



1.1 The Braskem Vision

Braskem in the lives of millions of people worldwide

Founded on August 16, 2002, Braskem has, in just a few years, carved a significant niche in the global petrochemical scenario, for which the merit goes to a set of outstanding qualities and characteristics such as its focus on innovation, the pursuit of business in line with global sustainability premises, and the capacity for the professional fulfillment of each of its team members from a broad diversity of cultures, origins and backgrounds.

Thanks to this profile, our company is recognized by the market as the leading thermoplastic resin producer in the Americas and the world's largest producer of biopolymers, operating in the chemicals and petrochemicals sector, with one of the market's most comprehensive portfolios. Our production is focused on thermoplastic resins such as polyethylene (PE), polypropylene (PP) and polyvinyl chloride (PVC), in addition to basic chemical raw materials, such as ethylene, propylene, butadiene, benzene, toluene, chlor-alkali, solvents, water and steam, among others.

Braskem's business model integrates the first and second petrochemical generations, which ensures higher operational efficiency in this part of the production chain. The first generation is responsible for the business cycle related to the production of basic raw materials such as ethylene and propylene, which are fundamental for the second generation that produces thermoplastic resins such as polyethylene, polypropylene and PVC.

Braskem in people's lives

Through its Clients in more than 60 countries across all continents, Braskem is present in the lives of millions of people from diverse cultures and origins. This is because our products are essential to the production chain in diverse sectors, such as:

- food, in the production of plastic packaging;
- construction, in the production of pipes, connections, casings and modules for construction;
- automotive, in the production of high performance light plastic parts;
- health, in the production of important items such as IV and blood bags and diverse medical utensils and components;
- consumer goods in general, for the production of plastic and other items whose composition includes chemical and petrochemical raw materials.

Braskem in numbers

A few numbers call our attention to Braskem's track record in the chemical and petrochemical sector. Numbers that depict the operations and size of Braskem, one of the world's largest companies in its industry.

Braskem in numbers



Revenue

R\$ 39,8 billion /
US\$ 23,8 bi

Net Revenue

R\$ 33,2 billion /
US\$ 19,9 bi

EBITDA

R\$ 3,7 billion / US\$ 2,2 bi

Export Revenue

US\$ 5,8 billion

Investments

R\$ 2,07 billion / US\$ 1,2 bi

Investments in innovation and technology

R\$ 155 million / US\$ 92 million



Employees

7.500



Patents

445

Innovation

300 specialized professionals



Production Capacity

Braskem produces over 16 million
tons of thermoplastic resins and basic
petrochemical products a year.

Plants

35 – 28 in Brazil, five in the U.S.
and two in Germany

Suppliers

Braskem recognizes and reiterates that its Suppliers are an important driver of its success, growth and contribution to society. Like Braskem, its more than 5,000 active Suppliers pursue the satisfaction of their clients, responsible action and the growth of all.

1.2 Principles and values

Braskem's leadership and the recognition it enjoys among its Clients and the market are sustained by principles and values that are intensively disseminated among its Employees and practiced on day-to-day basis.

Corporate culture

Odebrecht Corporate Technology, the philosophy conceived by Norberto Odebrecht, the founder of the Odebrecht Organization (Braskem's controlling shareholder), guides the company's operations. It is valued by the employees and is applied to foster the Company's development, access to knowledge, experience and relationships that help make the Odebrecht Organization one of the world leaders in its sector, with more than 160,000 Employees across all continents.

Code of conduct

Its objective is to establish the ethical principles and codes of conduct that BRASKEM understands should guide internal and external relationships of all Employees and should be followed throughout its value chain.

Ethical hotline

To help maintain a safe, ethical, transparent and productive corporate environment, Braskem has set up the Ethics Hotline for its Employees, Suppliers, Clients and other stakeholders. Through this channel, one can anonymously contact Braskem's Ethics Committee to provide information about violations of Braskem's principles.

Quality, Health, Safety and Environment.

Safety is one of Braskem's values and permeates our day-to-day actions, decisions and behavior. That is why, it is essential for our suppliers to adopt the same kind of posture, thus helping to build a safe environment for all.

QPHSE POLICY

Following are a few highlights of Braskem's Quality, Health, Safety and Environment Policy, which represents the commitment of all Employees and, put into practice, adds value to our business:

- Meet the clients' expectations;
- Assure Suppliers cooperation and partnership;
- Foster the development of people;
- Maintain a constructive relationship with the communities where we operate;
- Continuously improve processes, products and services;
- Actively promote the health and quality of life of people.

Braskem's GOLDEN RULES – Commitment to Life

"The Golden Rules are commandments obedience to which saves lives. These rules were defined in line with OCT, which establishes safety as an essential value that should guide our day-to-day actions, behavior and decisions and which sustains our belief that all losses can be and should be avoided.

People are the key link capable of maintaining Braskem on the path to corporate excellence. Hence, precautions about their safety and wellbeing are always fundamental.

With these rules, we intend to strengthen discipline, as it is fundamental for strengthening our culture of prevention and, consequently, the continuous improvement of our performance in terms of safety."

Carlos Fadigas – CEO

Golden Rules



We report and address all high-risk scenarios as soon as they are identified;



Work permits are granted for each service area and all the necessary safeguards are implemented;



All our activities are carried out in safe conditions and we refuse to undertake any task if there are indications of an unsafe environment;



All our activities are carried out using Personal Protection Equipment (PPE) and the appropriate tools;



Critical activities are only carried out by qualified and experienced personnel;



All dangerous energy sources are insulated and/or blocked;



Our security and alarm systems are only switched off if formally authorized;



100% of accidents and all potentially high-risk incidents are registered, reported and investigated;



No violations of any of the Golden Rules will be tolerated.

1.3 Global Presence and New Projects

Through its offices in the Americas, Europe and Asia, Braskem operates in partnership with its Clients in more than 60 countries worldwide, establishing itself as an important global player in thermoplastic resins (polypropylene, polyethylene and PVC) and chemical products. Overall, the Group produces 16 million tons of products a year in its 35 industrial units in Brazil, the United States and Germany.

The Braskem team's philosophy is to develop successful partnerships and add value and competitiveness to Clients' businesses through personalized service and products with certified quality, as well as services such as pre- and post-sales technical support, differentiated logistics, as well as a testing and development facility for specific products.

35 Industrial Facilities | 9 Internacional Offices



International Offices

Argentina, Chile, Peru, Colombia, United States, Mexico, Netherlands, Singapore, Venezuela

BRAZIL

Bahia

1 UNIB 1 | 4 PE | 1 PP | 1 PVC | 1 Chloro-soda | 1 Office

Alagoas

1 PVC | 1 Chloro-soda

São Paulo

2 UNIB 3 | 2 PE | 2 PP | 1 Office

Rio de Janeiro

1 UNIB 4 | 1 PE | 1 PP | 1 Office

Rio Grande do Sul

2 UNIB 2 | 5 PE | 2 PP

United States

5 PP Neal | La Porte | Marcus Hook | Freeport | Seadrift

Germany

2 PP Wesseling | Schkopau

Growth with Improved Competitiveness

BRAZIL

PVC Alagoas

Expansion of capacity to 200 kt/year of PVC in Alagoas.

Investments of around US\$ 500 million, and operational startup expected in the 2nd half of 2012.

Butadiene Rio Grande do Sul

Expansion of capacity to 100kt/year at an investment of R\$ 300 million.

Partnership with Petrobras for new projects (under appraisal)

Comperj: production and sale of resins and basic petrochemical products. Located in Rio de Janeiro state.

VENEZUELA

Joint ventures with pequiven through financing of project with net equity of 30% (under analysis):

- Polipropileno del Sur - Propilsur;
- Polietilenos de America - Polimerica;
- 1.3 Mt/year of ethylene and 1.1 Mt/year of PE.



PERU

Braskem, Petrobras and PetroPerú concluded studies for the technical and economic pre-feasibility of an integrated project to produce between 600 kt and 1,000 kt/year of ethane and polyethylene using the natural gas available in Peru as raw material.

MEXICO

Ethylene XXI Project: startup in 2015

Partnership with the Mexican group IDESA (65% Braskem, 35% IDESA) to build an integrated petrochemical complex to produce 1 Mt/year ethylene and 1 Mt/

year of PE using raw material (ethane) supplied by PEMEX.

Investments estimated at US\$ 3 billion.

1.4. 2020 Vision

2020 Vision: be the world leader in sustainable chemistry, innovating to better serve people

A company's vision includes both its dream and strategic direction - the intangible and the attainable. It is the vision that unites a great team, creates enthusiasm, engagement and makes clear the future that all employees must pursue.

With just a few years of existence, accelerated growth and strong determination to increasingly contribute to building a better world, Braskem has already overcome major challenges along its trajectory.

In 2010, Braskem defined its 2020 Vision and is determined to contribute to the transformation and evolution of the chemical sector, as well as assume global leadership in sustainable chemistry. For us, at Braskem, business and sustainability are intrinsically related.

"Braskem's 2020 Vision aligns its business strategy with the principles of sustainable development, underlining the company's commitment to actively participate in finding the solutions for the social and environmental problems afflicting the world in the 21st century".

And how to march towards the 2020 Vision?



First assuming an active and participative posture based on the understanding on its role in the sustainable evolution of society and the improvement of quality of life of people worldwide.

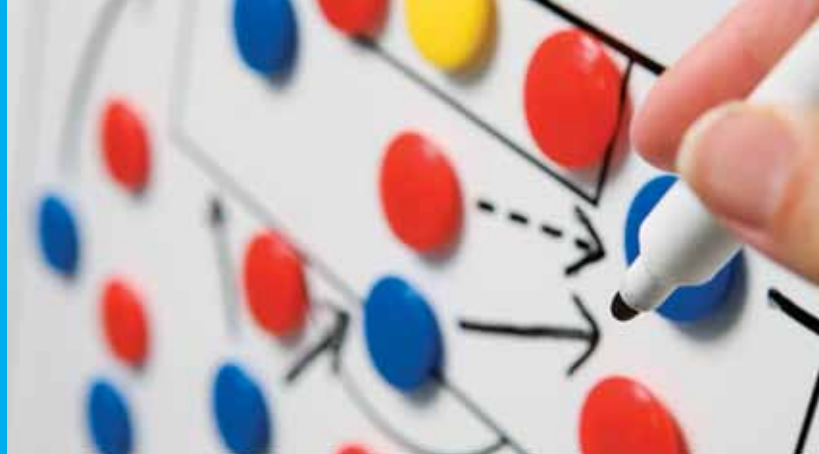


Constantly improving the eco-efficiency of its operations, generating wealth in a responsible manner.



Innovating with the objective of creating and improving solutions, technologies and products that contribute to better people's lives and increase environmental efficiency.

2 Procurement Management



More than merely negotiating a discount or placing an order, the Procurement area is the communication channel between the engineering, logistics, production, sales and finance departments and their supplier chain. However, its role is not simply to communicate, but also to interpret, enable, negotiate, suggest and ensure that this flow remains constantly active in order to strengthen the partnership through a structured process of continuous follow-up, feedback and improvement.

Braskem's Code of Conduct

"The selection and contracting of Suppliers must always be based on technical, professional and ethical criteria, aligned with BRASKEM'S general guidelines, and conducted through an objective and predetermined process, such as competitive bidding or price quotation, which ensures the most cost-effective relationship. The relationship with a Supplier should be lasting, without any prejudice to the principles of free initiative and honest competition."

The Procurement Department's Activities

In the beginning of 2011, the Procurement department recognized the need to review its operational model in order to better sustain Braskem's growth and global expansion, which would result in the following benefits: greater proximity and support to users and value addition; speedier and safer processes and better knowledge management, resulting in improved efficiency and performance. In this scenario, the department underwent restructuring and created the Central

and Regional Management areas, with quite distinct roles but with an important alignment between their teams.

Central Management

The Procurement team, whose key role is to define and roll out the strategy for contracting Services, MRO and Raw Materials in order to keep the requisitioning areas fully aligned, as well as to identify the opportunities for synergies and adopt the best practices for Braskem as a whole. Professionals in this area use the Strategic Sourcing methodology in strategic and critical processes in order to understand deeply what they are negotiating, as well as the Supplier market and to develop a contracting model with the best total cost (TCO) in a sustainable manner. The team is also responsible for disseminating the best contracting practices internally, proposing procedures, strengthening the communication channel with suppliers and providing support to the Regional Procurement department on existing agreements.

MRO Central Management

Team based at the São Paulo office, responsible for negotiating Maintenance Repair and Operation (MRO) agreements. It encompasses all material not directly related to the product and services which are vital for the continuous functioning of the industry. These items vary from low value-added and high volume (for example, washers) to items of high-value added and specific consumption (e.g. pyrolysis furnace coils).

MRO material purchases are aimed at meeting the need of a requisitioner or user. The purchase may also aim to build or replenish safety stocks that are not meant for immediate consumption. There are certain critical factors to be considered regarding MRO, such as:

- Focus on increasing the reliability and availability of machinery and equipment;
- Strong demand for materials during maintenance stoppages;
- Possibility of using in-house Stores;
- Need to automatize issue of daily and low value orders;
- Most MRO items have irregular and intermittent demand, making it difficult to foresee future demand and manage inventories.

Leader:

André Luis Cardoso - andreluis.cardoso@braskem.com.br

Services Central Management

Also based in the São Paulo office, this team is responsible for negotiating major Service agreements, with the focus always on the corporate, rather than a more regional, vision. It operates in various critical and strategic agreements with the objective of standardizing the scope and best controls, and replicating the best practices throughout Braskem's plants.

The process of contracting Services demands a strong alignment with users and vast knowledge of the Supplier market. The main objective of this area - much

more than the simple process of competition - is to seek creative ways to do more with less resources, establishing long-term sustainable partnerships. There are certain critical factors to be considered regarding Services, such as:

- Constant pursuit of higher productivity without compromising safety;
- Focus on Supplier sustainability (financial health, safety, environment and labor issues);
- Execution of services outside plants to reduce people's exposure to risks;
- Need to maintain long-term agreements, strengthening the relationship of trust and establishing a positive agenda of mutual gain;
- Importance of maintaining a cordial organizational environment to improve work quality.

Leader:

Alessandro Scapol - alessandro.scapol@braskem.com.br

Raw Materials Central Management

The team is based in the Salvador (Bahia) office and is responsible for planning and implementing the Raw Materials strategy and policy, including the negotiation of the department's agreements, which cover the Commodities, Specialties, Utilities and Packaging segments.

The majority of its operations involve high value-added items, with a substantial impact on variable costs of the industrial plants, always focusing on reducing total costs when purchasing critical raw materials and raw materials.



Considering its strategic importance, certain aspects should always be considered

- Purchase of items according to our specifications and which guarantee the operational continuity of plants;
- Full alignment and integration with Business Units and Braskem's vision;
- Quest for the perpetual competitiveness of our industrial plants through the development of alternative products/suppliers;
- Creative solutions that enable the capture of synergies in Brazil and abroad, considering the transversality among the units;
- Development and consolidation of the relationship with suppliers committed to our management model and who share our principles, values and prioritize long-term relationships;
- Continuous adoption of Braskem's social and sustainability principles, preventive approach in the actions of all Employees regarding the impacts on the environment, health and safety.

Leader:

Silvio Carvalho - silvio.carvalho@braskem.com.br

Regional Management

Responsible for services to industrial units and the corporate area, the focus is on understanding users' needs and on emergency purchases. The key link between users and suppliers, it operates in the implementation of all agreements, including those negotiated by Central Management, right from placing the order up to payment. This team is also responsible for inventory

management (MRO), in-house stores, imports, spot orders and purchases for other categories.

Leaders:

Alberto Lewis (South region and imports) - alberto.lewis@braskem.com.br

Almir Rocha (São Paulo region) - almir.rocha@braskem.com.br

Claudia Pellegrini (Corporate) - claudia.pellegrini@braskem.com.br

Marcos Vieira (Rio de Janeiro region and inventory management) - marcos.vieira@braskem.com.br

Maria Del Pilar Y Garcia (Northeast region) - pilar.garcia@braskem.com.br

Planning & Performance

Responsible for planning and performance of the Procurement department, notably of the process and business indicators, evaluation of suppliers, supplier market intelligence and management of the continuous improvement processes.

Leader:

Dimas do Nascimento - dimas.nascimento@braskem.com.br



Methodology used by the Central Management Strategic Sourcing

It is aimed at reducing, in a sustainable manner, total purchase costs of each category of products or services by mapping consumption, understanding and evaluating specifications, the supplier market, procurement models and negotiations based on facts.

INTERNAL PHASES (WITHOUT CONTACTING SUPPLIERS)



- | | | | |
|---|---|---|--|
| <ul style="list-style-type: none"> • Collect data for utilization • Collect existing specifications and standards • Revise current purchase process • Analyze internal criticality • Research current purchasing barriers and purchasing power | <ul style="list-style-type: none"> • Analyze market complexity • Research market trends • Identify potential suppliers and market segments • Research the industry's cost structure and compare with current prices | <ul style="list-style-type: none"> • Identify cost areas and components • Construct Total Cost model with current costs and market prices studies | <ul style="list-style-type: none"> • Revise characteristics of the current model and seek alternatives • Select model(s) |
|---|---|---|--|

EXTERNAL PHASES (CONTACTING SUPPLIERS)



- | | | | |
|---|---|---|---|
| <ul style="list-style-type: none"> • Determine supplier evaluation criteria • Collect and analyze information • Prepare ranking of suppliers • Define preliminary performance evaluation criteria | <ul style="list-style-type: none"> • Structure budget process • Send budget requests to suppliers • Insert alternatives to increase benefits in budgets • Structure agreement model (preliminary draft) | <ul style="list-style-type: none"> • Evaluate answers received • Establish service levels • Plan and conduct negotiations • Select suppliers and document benefits • Obtain approval for the selected supplier | <ul style="list-style-type: none"> • Close final version of the agreement and define implementation • Confirm performance evaluation criteria and implement process • Announce implementation of the agreements to users |
|---|---|---|---|

3 Key Instructions



This topic provides instructions and clarifications regarding the processes and procedures, ranging from the purchase of materials and services up to payment, including certain improvements that are desirable to speed up the flow of documents at Braskem.

3.1 Basic HSE (Health, Safety and Environment) Guidelines

In order to achieve and maintain HSE excellence, we expect Suppliers to be committed to adopting practices, procedures and performance that are in line with Braskem's HSE values and principles when conducting their activities in our facilities.

Basic Individual Protection Equipment

- Jeans with the company's name or coat identified at knee height;
- Long sleeve jeans shirt with the company's name or coat identified at knee height;
- Safety boots;
- Safety goggles;
- Earplugs;
- Helmet with chinstrap;
- Analyses of RISKS and IMPACTS on HSE must be conducted in all activities (routine or not), processes, products, services and facilities, taking into consideration the interests of all stakeholders;

- These analyses should consider the environmental, economic and social consequences of the activities, processes, products, services and facilities, taking into consideration the interests of all stakeholders;
- Operating procedures should clearly specify the measures to be taken to correct and/or avoid deviations that might result in health, safety or environment losses;
- People should be trained to follow the standards and procedures in a disciplined manner;
- The Work Permits must be audited periodically and the necessary procedures and documentation evaluated;
- Activities considered critical to health, safety and the environment must have clean, safe and healthy work practices defined, such as:
 - Working at elevation, in confined environments, in hot environments, blockage of hazardous energies, purges and drains, work in energized systems, work involving handling of heavy loads, work with earthmoving equipment, opening of equipment with hazardous materials, work with radioactive materials, and intervention in safety instrumented systems.
- Service providers must receive HSE integration training before starting their activities (acquaintance with the work environment);
- Service providers should continuously monitor legal and additional requirements to guarantee prior knowledge and maintain adequate standards and procedures.

3.2 Record

- Suppliers should always maintain their registration details (e-mail, telephone, bank information) updated.

3.3 Price Quotes

- Requests for price quotes should be responded within the required timeframe. Proposals sent after the deadline may be disregarded, irrespective of how attractive they are financially;
- The terms agreed upon between the parties should be honored. Any change should be communicated immediately;
- The accuracy of the price quotes will be considered in the process. Incomplete proposals, lacking information such as payment terms, delivery schedule, incoterm, taxes included and other relevant information may be disregarded by Braskem.

3.4 Signature of Agreement

- Only legal representatives of the companies may sign agreements/ amendments and attachments thereof. All the pages should be initialed. The duplicate may not be a copy of the pages already initialed.
- All the pages of agreements/amendments and all their attachments should be initialed and the Supplier should sign the agreement in the space indicated. It is important that the fields below the signatures are filled legibly, with all the information.
- The signatures of attorneys in fact who signed the documents must be certified.
- The witness field should also be signed by a representative (not necessarily a legal representative) of the Supplier. Only one Witness field needs to be signed; the other one will be signed by Braskem's Agreement Manager.
- A simple copy of the power of attorney granting powers to the representatives that signed the agreement/amendment should be sent together with the signed documents.

3.5 Payment Terms

- In order to improve its payment process, Braskem will preferably make payments on the 15th and 30th of each month according to the concept of X days "after the current fortnight (FQ)" or "after the current month (FM)" of the issue of invoice, where X will always be a multiple of 15. Example: 15 FQ (15 days after the current fortnight), 30 FM (30 days after the current month). This will allow Suppliers to better plan their receivables.

3.6 Commitment to the delivery date of materials or services

- To deliver the material as specified in the order;
- Only procurement materials or services with a formal document from Braskem (Order or SRS);
- For the safety of the parties involved, the Company will maintain the obligation of a Formal Agreement. Recurring services will be backed by agreement, duly signed by the parties and should go operational only its formalization is authorized.

3.7 Invoicing

- Issue the invoice to the Braskem unit (logistics center) that is purchasing the product or service;
- Ensure that you correctly fill in the number of the Purchase Order or Service Record Sheet (SRS) that should be included in the invoice;
- Invoice the material as specified in the order (price, unit, taxes, description etc.);
- Include, preferably, a maximum of six (6) items per invoice;
- Include in the XML file of the DANFE (auxiliary document of the electronic invoice) Braskem's order/line code for each line of material included in the invoice;

- In cases of advance payment to the Supplier, the invoice should be issued for the same corporate taxpayer ID (CNPJ) of the company that received the payment;
- When a bank payment slip is issued, mention the invoice number as the document number in the payment slip. Issue, preferably, registered payment slips. Braskem preferably pays suppliers through bank deposits and avoids payment slips;
- The city where Braskem operates is Salvador (BA), which should be used as the collection address.

3.7.1 Delivery of Invoices

- Invoice delivery period: Cooperatives and Independent Professionals – up to the 15th of each month. Other companies – up to the 20th of each month;
- Electronic service invoices (NF-e) should be sent to nfeservicos@braskem.com.br;
- Invoices of materials should be delivered together with the goods at the Storage Depots of Braskem each unit;
- Cancellation of invoices should be communicated to nfeservicos@braskem.com.br;
- When issuing invoices, always confirm and highlight the following information: Service Record Sheet (SRS) Number or PEQ Order, location where service was rendered, mentioning the city, and informing the e-mail nfeservicos@braskem.com.br in the client field. This way, your invoice will automatically be sent at the time of issue;
- The XML file of the material's electronic invoice (NF-e) should be sent to nfeentradas@braskem.com.br. In the case of electronic bill of lading (CT-e), the XML file should be sent to cteentrada@braskem.com.br;
- Note that the issuer of the electronic invoice is obliged to forward the XML file or make it available for download together with the respective authorization to the sender, as defined in the SINIEF Adjustment 11/08;
- Bank payment slips should be sent to boletosbancarios@braskem.com.br;
- Maintain records and contact information updated, particularly the e-mail address in order to receive notices via workflow, when needed;

- Service form invoices should be delivered at the Center Invoice receipt at Braskem's units, listed below:

BRASKEM

Camaçari – BA, UNIB1 – Portaria PV1;

Maceió – AL, Unidade de Cloro Soda – Prédio administrativo – Sala 41;

Triunfo – RS, UNIB2 – Prédio administrativo A;

Paulínia – SP, PP3 – Portaria de entrada;

Mauá – SP (ABC e Cubatão) – QBIN – Portaria de entrada;

Duque de Caxias – RJ, Unidade PE9 – Prédio Administrativo – 1º andar.

quantiQ

São Paulo – Guarulhos SP13 – Prédio Administrativo - QQ-GRU

Duque de Caxias - SP – CD Duque de Caxias - QQ-DQX

To ensure greater transparency and access to information, following are the communication channels available to suppliers.

For queries/doubts regarding payments and requests for payment proof, please contact our Contact Center at +55 (71)3504-7100, or the Supplier Portal at the Braskem website.

3.8 Imports (only for Customs Agent Services)

Provision of Customs Advisory Services.

- After receiving the Purchase Order (New PO) from Braskem, classify the material (or review the fiscal classification), check the product's description to adjust it to the prevailing legislation and correctly register the Import Statement (DI), verify the need to issue the Import License (LI), contract the supplier and contract the shipping according to the INCOTERMS negotiated in the purchase order, analyzing and approving the shipping documents;
- Registration of the DI according to law and in alignment with Braskem to avoid fines, delays and extra costs, and the issue of DANFE (material receipt electronic invoice);
- Date feed in Braskem's EASY Import, covering all steps of the process: inclusion of the order up to the final accounting of process expenses;

- Execute services and administrative process control of: temporary admission; temporary exports and declaratory acts, among other administrative possibilities provided by Brazil's COMEX legislation.

After the end of the process, the Logistics Operator should prepare the invoicing, which should include:

- Services invoice (with identification of DI, PO, etc.) and the Debit Note (ND) with the expenses to be reimbursed;
- Original import or export documents;
- Original receipts of expenses paid and disk (media) with the digitalized documents.



4 Excellence Program



Prioritizing the relationship with Suppliers

In line with Braskem's Quality, Health, Safety and Environment Policy and its 2020 Vision, the Procurement department created Braskem's Excellence Program in 2010.

The program aims to strengthen the relationship, partnership, responsible action, transparency in information, competitiveness, innovation and the construction of a relationship based on trust.

Braskem seeks to strengthen its position as a socially responsible company in the eyes of its stakeholders, apart from building a relationship of trust with its Suppliers.

The Company also expects to maximize its quality and productivity levels when sourcing materials and services, seeking innovative solutions for Braskem's business, as well as strengthen its procurement chain. It also maps the factors that impact the competitiveness of its Suppliers' processes and the consequences on Braskem's agreements, to improve the management of HSE of its service providers.

MACRO-OBJECTIVES OF THE PROGRAM BRASKEM EXCELLENCE

Strengthen relationships with Suppliers

Foster sustainability and social responsibility practices

Encourage innovation

Encourage competitiveness

Improve communication

Innovative Actions

We are becoming increasingly competitive

Innovation is increasingly perceived as essential for companies' survival in a highly competitive and globalized scenario. As a result, innovating is essential for the perpetuity of companies and the growth of the nation.

It is also one of the pillars of the Braskem Excellence program, which invests in innovation among its Suppliers as this is the right path to mutual business growth.

One of the important focus areas of Braskem Excellence is its Innovation Program. The objective is to encourage Suppliers to seek continuous improvement in the services rendered, thus becoming more competitive and better prepared for future challenges.

The gains from the implementation of innovation projects will be shared with suppliers.

Development Actions

Our motto: Train them and develop them

Supporting the development of Suppliers through a training program is one of the major concerns of the Braskem Excellence Program. Based on this pillar, Braskem aims not only to improve Suppliers' concepts of quality, HSE, sustainability and management tools, but also help them improve and grow their business.

The focus of this initiative is on helping small and mid-sized suppliers, offering support to their needs and providing training for the continuous improvement of their activities and preparing them for future challenges.

Braskem's support to these small and mid-sized companies is part of the company's social positioning, which values the relationship with its Suppliers and the direct and indirect growth of the sector's procurement chain.

Recognition of Suppliers

The period's best practices

The growth and perpetuity of Braskem's businesses are intrinsically connected to the quality and performance of its Suppliers, which jointly form an important source of strength to help the Company achieve its targets and reach higher levels of excellence. To share this objective with all Suppliers, every year Braskem honors the best suppliers of materials, raw materials and services. This occurs in the form of an event in which Braskem gives away awards to the year's top performing companies, based on the annual Supplier Performance Index.

Through this recognition, Braskem aims to encourage Suppliers to continuously improve their management practices, improve their productivity and HSE practices, and encourage innovation.

To join this select group of award-winning companies, Suppliers should seek to constantly improve their performance. They should improve their practices, be competitive, learn and understand the Company's Policy on Suppliers, as well as maintain a cordial relationship with agreement managers.

For more information about the Excellence Program, send an e-mail to programaexcellence@braskem.com.br.

SPI – Supplier Performance Index

In order to enhance competitiveness, improve Suppliers' credentials in the pursuit of excellence, strengthen the partnership and reduce business risks, every quarter, all the Suppliers that meet Braskem's value, duration and risk criteria are subject to an appraisal by the agreement managers.

Based on the ranking, every quarter the Company devises action plans for recouping results below 70%. Similarly, Suppliers with the highest scores are honored during the Excellence Program event.



5 Innovation



Braskem Excellence Program

Recognition of supplier management



SRM - Supplier Relationship Management

With the objective of increasing the interaction between Suppliers, Supplies and users and creating speedier, reliable, transparent and traceable purchase processes, the Company will implement Supplier Relationship Management (SRM) in 1H12. The tool will bring benefits to all and will completely change the way we access purchase transactions at present as well as the way we conduct our relationships.

This initiative will support the necessary changes to Suppliers' operating model, thus contributing to reaching the Braskem 2020 vision.

After its implementation, Braskem and its Suppliers will interact through the Supplier Portal, which will increase interaction as it enable the following: automatic registration in Braskem's supplier base, quotes and bidding processes, dispatch of orders/responses to the service center and payment queries.

Suppliers will be informed opportunely on the necessary training to use the tool.

Preparation of Agreements

Our plan is to implement, in the second half of the year, a tool to draft agreements in order to manage the entire lifecycle of agreements with Suppliers.

In strategic terms, the solution provides the following benefits:

- Conditions for negotiating more efficient agreements;
- The concept of a collaborative tool between the interested parties, with the possibility of tracking the agreement drafting/editing phases;

- Guarantee of compliance with the Company's policies and strategies;
- Workflow of the entire lifecycle of the agreement management process;
- History of agreement follow-up by phase (execution, duration, re-negotiations etc.);
- Control of the document versions and the agreement management process;
- Customizable reports (expired and expiring agreements, control of SLA etc.);
- Control of the agreements' lifecycle management indicators.

SCOPE OF THE SUPPLIER RELATIONSHIP MANAGEMENT (SRM) PROJECT



Requisition

Self-service - implementation of purchase cart
 (Tracking) traceability of contracting phases by Supplies and user areas
 Unique model of purchase requisition
 Approval workflow for all requisitions



Budget

Automatic RFI/P
 Electronic budgeting
 Comparative map
 Electronic auction
 Registration of budget and auction responses
 Vendor list



Order/Agreement

Automatic notification/alert for users on the creation of Agreement availability in the system
 New Agreement availability in the system
 Replication of agreements for Braskem's branch offices/centers



Supplier Portal

Pre-registration (self-registration of supplier)
 Cockpit - Interactivity with suppliers through a Relationship Portal
 Transparent purchasing process
 Electronic Order Acceptance
 Payment traceability



Supplier Assessment

New evaluation process methodology (IDF)
 Availability via Portal of links, evaluation and Action Plan

Sustainability in the Procurement Chain

One issue that has been gaining the spotlight across diverse business segments is Sustainability. In the Procurement Chain, what was previously seen as a competitive advantage is now becoming pre-requisite in purchase processes.

The project's focus is designing initiatives aligned with Braskem's sustainability commitments through active and progressive actions in the Procurement Chain, identifying opportunities in its supplier management process.

SCOPE OF THE SUSTAINABILITY PROJECT



Planning



Raising Awareness



Diagnostics



Action Plan



Validation







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