

Activity Report 2022

FUNDAÇÃO
ECO+

■ BASF
We create chemistry

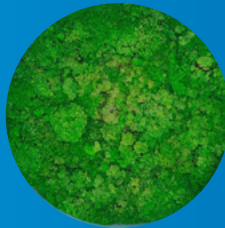
Contents

03



About us
Our commitments
Manifesto
The value-driven journey
Our way+
Our identity in a new look

07



Message from the Board of Trustees
Message from the Executive Board
Our regional customers and business partners
Our main indicators in 2022
Our Governance
Our Team

13



Environmental
Good practices in the coffee ecosystem
Together, we are even more Eco-efficient
Mata Viva® in South America

17



Social
Renewed fleet: less pollutants and better quality at work
Evolution in packaging
Protagonists
ReciChain

20



Governance
ESG Agenda: Holambra Cooperative
New markets based on regional diversity
Portfolio ESG Innovation

22



Good practices in corporate sustainability

23



Financial Statements



About US

We are a sustainability consultancy for South America with a focus on measurement. We guide and drive the sustainable journey of long-term thinking businesses, developing their economic, social and environmental value in an integrated way. Allied to this, we foster the exchange and production of avant-garde knowledge, articulating and strengthening the different sectors.

We exist to drive sustainable journeys. We want to positively transform the environmental and social scenarios, bring discoveries, create connections that foster innovation and expand the possibilities of development responsibly. We are focused on living sustainability truly, as a constant path for today and tomorrow.

We have been established in 2005, based on the commitment of our sponsor – BASF – and other agents of the chemical industry to promote a vast aggregating ecosystem of actions, research, studies and solutions for an increasingly sustainable society. We act independently throughout South America, in causes of priority public interest, which result in greater progress and innovation.

We are constituted as an OSCIP (Civil Society Organization of Public Interest), so the financial return we have is reinvested in causes relevant to society. As such, the impacts of our projects can be expanded far beyond a corporate commitment and extend to the benefit of the whole of society and the environment. This is the case, for example, of training and capacity building of actors in the biofuel chain, promoting the use of renewable and alternative energy sources that reduce, on an ever-increasing scale, their environmental impacts.

In our 2022 report, you can see how knowledge and science can contribute to advances in the generation and preservation of natural resources. Furthermore, we present cases that show the importance of cooperation, joint, humanitarian and conscious commitment and innovation for a sustainable journey.

Our commitments

We have maintained ISO 9001:2008 (Quality Management System) and ISO 14001:2004 (Environmental Management System) certifications, which guarantee transparency, technical rigor and the commitment of our governance.

We are signatories to the UN Global Compact. Our business strategy is based on the Sustainable Development Goals (SDGs) of the United Nations (UN).

The concepts of ESG (environmental, social and governance) underpin our entire strategy, aligned with the guidelines of BASF, our founder and maintainer.

Through Annual Activity Reports, we carry out the rendering of accounts that are audited by Ernst & Young and approved by the Fiscal Council and the Public Prosecutor's Office.

Manifest

Some see sustainability as an end point. A seal, a package, a program, or a goal.

We believe that being sustainable is staying on the right track. Complex, multifaceted and constantly moving. That challenges us to reinvent ourselves and evolve every day.

We help those around us to pioneer new sustainable paths, as long as they are towards the future.

We oxygenate each journey with our innovation, challenging each partner and encouraging them to go a little further whenever they think they've already got there.

We offer metrics that will make every move and every curve safer and more predictable.

We are flexible to work with unique routes, after all, no trip is the same. And we have a real commitment to the evolution of the whole segment, because together we go further.

Welcome to the journey that always begins. Today's path to tomorrow's business.

Our way+

We work side by side with companies, communities and Public Authorities to build sustainable journeys in an assertive way. We promote the engagement of several agents, we provide the necessary preparation so that, together, we can achieve a journey of sustainability in constant evolution.

We work on commercial and public interest projects, focused on four guidelines:

Proven evidence - measurement, technique and science are behind most of our services. This is a differential in the market, which can be an important guiding thread to help our consumers better navigate our portfolio, in addition to allowing us to be more assertive and offer more security to those who come with us.

Innovation that breathes life - for an ever-changing market, we offer an inquiring mind. We are creative and courageous to develop new services, tools and foster discussions with the potential to transform or at least improve the market.

Flexibility for multiple routes - we know that each journey is unique and that connection is key. That's why we adapt and are flexible to understand the journey, challenge and context of each of our customers and to speak their language.

Purpose beyond projects - as an OSCIP, the financial return we have is reinvested in causes relevant to society, which means that the projects we develop are expanded beyond their main commitment and impact society in other ways.

Our identity in a new look

We continue, always on the move, our journey of evolution. We are restless, brave, dynamic and full of energy, with great capacity for change and adaptation to the new. Therefore, in 2022, we felt the need to "structure" our journey, sharing with everyone how we evolved and how we got here.

We moved forward without ceasing to value our history. More people, more ideas, more business and more innovations add up and multiply in our journey.

We want to practice simplicity. We want to represent our history and our legacy; at the same time we bring the new, the future. We want our name to translate all of this, adding meaning to what we do on a daily basis. After all, we go beyond sustainability, every action we take is so that more people, more companies, more ideas are part of this journey together with us. So now we are the Eco+ Foundation, the tomorrow that starts today!

For us, being sustainable is reinventing ourselves and evolving every day. Sustainability is not about the finish line of your walk, but about walking and getting a little further every day. Through research, data and technology, we help our partners every step of the way towards a more sustainable journey. With an innovative vision, we indicate opportunities and guide companies towards transformation. At each finish line, new possibilities arise. Thus, in addition to being objective, sustainability is a tool and resource.



MESSAGE FROM THE BOARD OF TRUSTEES

Roads to an increasingly sustainable future

Since the launch of the Foundation in 2005, we have walked alongside customers, expert partners and society. This is because we believe in the power of everyone being united for the sustainable development of the planet. We reinforce our innovative and visionary nature and value our history and tradition: driven by science and knowledge, we guide new sustainable business models.

We have built an important legacy in this journey over the years and we keep moving, aligned with the great issues in the world. We grew from a 'performance focused on environmental education', to a solid trajectory of 'consulting for sustainability'. In 2022, we feel comfortable to take another step in our evolution, aligned with current issues and positioning ourselves in the future: thus, we explain how we can add value to the sustainability strategy of customers, and not only to their performance in environmental awareness and education.

That is why, at the beginning of this year, the Espacio ECO Foundation was renamed Eco+ Foundation: acting as a center of excellence for sustainability and transposing strategic and transversal challenges and issues (such as regenerative practices, shared value and governance) to all countries in South America, as it already does in Brazil.

We remain firm in our purpose of promoting sustainable paths for organizations of different kinds and impacting them positively, through all the agents involved in the process: society, the environment and business. Because for us, truly living sustainability is staying on the right journey into the future. We challenge ourselves and encourage our partners to go further, facilitating pathways for companies that think long-term and add this dimension of sustainability in their performance. Today's route to tomorrow's business: this is our guide.

We go beyond our portfolio of services: We connect ideas, business, government and society around a journey towards a more sustainable future for economies to thrive. We are driven by innovation, committed to the evolution of sectors such as chemicals, food and beverages, biofuel and construction.

Our governance also follows the path of evolution with the implementation of our strategy. Recently reformulated, it is based on the representation of genders, nationalities, generations and cultures. In addition, it brings the potential of digital thinking, adding a more agile and flexible way of proposing solutions.

We also reformulated the Advisory Council, which, in synergy with the Curatorial Council, the Fiscal Council and the Executive Board, ensures transparency, equity among stakeholders and accountability. The Advisory Council strengthens our regional representativeness since it is composed of voices with an eye on the Andean and Southern Cone challenges, for example, working with borderless issues, such as biomes or regulations.

Each professional who travels this journey contributes to our learning and evolution. In this report, you can see how we have amplified our positive impact, strengthened by the power of all actors on the lane of sustainability.

We take this opportunity to thank our customers, who trust our work and allow us to contribute to their journeys. Also, to our expert partners and collaborators, who share with us much more than knowledge: purposes, ideals. Because for us, the only way to evolve in sustainability is through the connection that exists between us: Eco+ Foundation, customers, partners, government and society.

Join us to experience part of our journey through this Report! Have a happy reading!



CRISTIANA XAVIER DE BRITO

Director of Institutional Relations and Sustainability of BASF for South America and Chairman of the Board of Trustees of Eco+ Foundation

MESSAGE FROM THE EXECUTIVE BOARD

A world in transformation: in the environment, in relations and in companies

The year 2022 marks an important advance in the visual identity and positioning of the Foundation's brand, which is now Eco+. The action is the result of the strategic review initiated in 2015, which translates the changes in our business environment and the need to improve our presence in the market from the focus on offering Sustainability Consulting with Impact Measurement.

The new identity represents our constant evolution and our ambition to reach new heights of excellence.

Our learning experiences since the foundation's inception show that, in 17 years, the main advances have been achieved connected with the values Creativity, Openness, Responsibility and Entrepreneurship of our sponsor BASF.

As a separate legal entity, we were also able to develop a personality oriented to our purpose of promoting sustainable development.

Thus, the Foundation's projects and publications start from the same values and are inspirational (Visionary) to companies and organizations that think long-term and demand plans and actions (Dynamic) for economic, environmental and social development with an integrated posture to understand science (Interpreter) to adapt to current contexts.

The growth of BASF's customer cases and business areas reflect our close collaboration with BASF and the regionalization strategy of the Eco+ Foundation, as we intend to strengthen and share value from our performance also with new partners in other South American countries.

A desired consequence of this movement is to be able to take our projects to the entire region and thus serve and learn from an even broader audience. The report demonstrates our achievements through the business journeys of ESG, Carbon Management and Natural Capital Management.

There were several applications of our methodologies to support strategic business planning that seek low-carbon models of action and that map biodiversity around the value chain.

It is important to highlight the expansion of our digital portfolio through the partnership with the Brazilian Business Life Cycle Assessment Network for the development of Life Cycle Thinking maturity self-assessment for companies.

Based on our experience and achievements, we are confident in our ability to continue innovating and creating digital solutions to our society's most pressing challenges.

Building on our solid reputation and strategic partnerships, we will continue to grow and serve an ever-widening audience. They will enable the exchange and production of knowledge for a regional network of partners seeking 'today's paths to tomorrow's business'.

Through this report, we invite you to know a little more about this work. We hope to contribute to inspire the co-creation of projects with positive impacts on business, society and the environment.

Enjoy reading!



RODOLFO VIANA
President of Eco+ Foundation



RAFAEL SELVAGGIO VIÑAS
Manager of Eco+ Foundation

Our regional customers and business partners

Colombia



- AzulK and Dersa (Cleaning and Home Care)
- Carbochemistry (Petrochemistry)
- Itacol and Grupo Aliar (Animal Protein)



Brazil



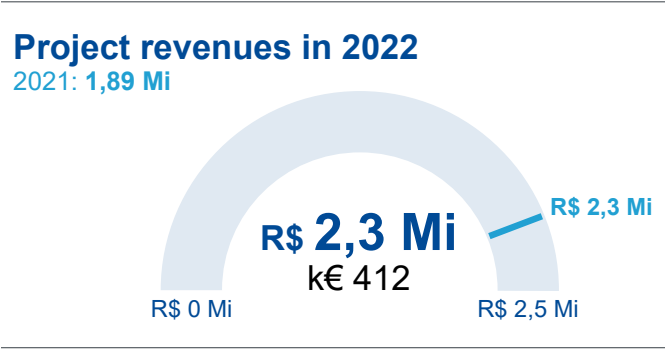
- Andrómaco (Cosmetics)
- Granja Tres Arroyos (Animal Protein)

Argentina



- AHK São Paulo – Câmara de Comércio Brasil e Alemanha
- Braskem (Plastic resins)
- Cargill (Food)
- CESB – Comitê Estratégico da Soja Brasileiro
- Coopercitrus (Agriculture)
- Embrapa Meio Ambiente
- GVces – Center for Studies and Sustainability of Fundação Getúlio Vargas
- Química Amparo (Cleaning and Home Care)
- Raízen (Bioenergy)
- SIMPAR (Logistics)
- Stellantis – formerly FCA (Automotive)
- Usina Alta Mogiana, BioÓleo and Caramuru (Biofuel)

Our main indicators in 2022



R\$ 425,56 Mil

To be billed in 2023
Net Promoter Score
(customer satisfaction)
for executed projects

2021: 95%

90% of satisfied customers

44
Projects in progress

100%
of the projects implemented during the year. From start to end.
2021: 116%

64
Finished projects
2020: 64

8k
working hours

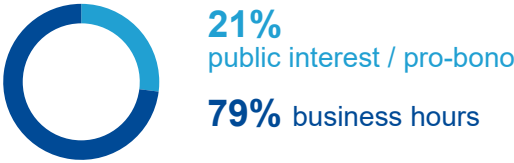
54%
Conversion of proposals into projects.
2021: 58%

82
Proposals sent to clients.
2021: 69

15
Total team members

90%
Time spent on projects. Of the total hours available.
2021: 68%

Projects
2021:
27% of public interest
73% commercial



Our Governance

Enabling sustainable journeys also means directing companies and institutions to adopt the best corporate governance practices. At the Eco+ Foundation, it could be no different. We are committed to transparent action, which strives for equality, balance and coherence. We respect the various agents who work directly or indirectly with us – customers, employees, partners, suppliers, governments, among others.

Our governance structure consists of an executive board and three boards (Trustees, Fiscal and Advisory). A strong and consolidated structure, which ensures compliance with our guidelines, in a journey carried out with transparency, security, competence and agility necessary for decision making.

Thus, we divide these duties as follows:

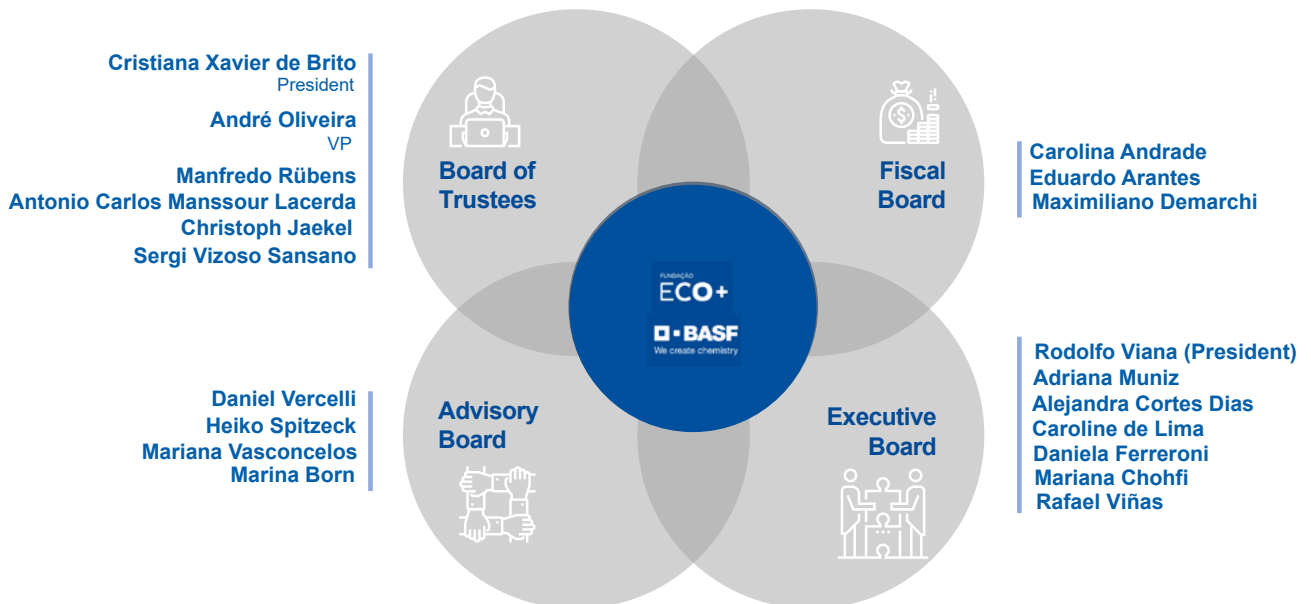
Board of Trustees: the main decision-making body of the Eco+ Foundation and responsible for electing the other governing bodies. It ensures the full execution of our bylaws, validates the Annual Work Plan, analyzes, discusses and approves our accounts and financial statements.

Fiscal Council: supervises the management of the Eco+ Foundation through the analysis of accounting books, balance sheets and annual reports and other tax documents. Furthermore, it monitors the application of legal and statutory duties.

Advisory Board: the body was reformulated in 2021 and has a team of external experts, whose function is to advise and offer subsidies to the other boards. As such, it considers the adoption of best practices, trends, risks, challenges and possible scenario transformations. Its activities also include enhancing the eco-system of the Eco+ Foundation, identifying new partnerships and providing consulting for projects.

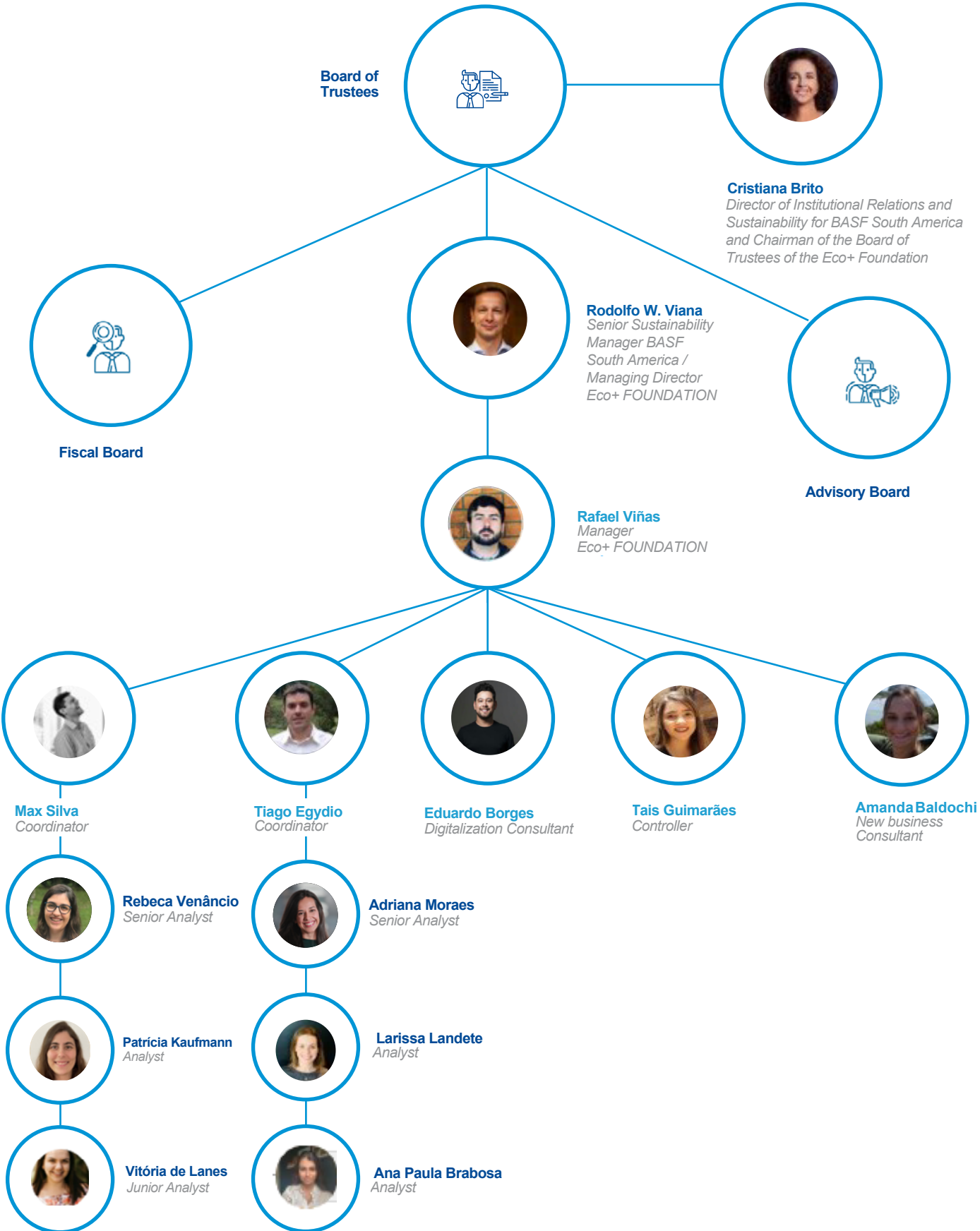
Executive Board: responsible for ensuring the proper implementation of actions and the execution of social and environmental projects, as well as their dissemination. Furthermore, it ensures that the actions are in line with the purposes of the institution.

Current and new members of the Boards of Directors*



*This is the representation of the Eco+ Foundation structure prevailing in 2022.

Our Team



Environmental

We are committed to contributing positively to the protection of the environment. Based on technical knowledge, research and indicators (measurable data), we contribute to our customers at every step towards a more sustainable journey.

Good practices in the coffee ecosystem

Agribusiness is one of the fastest growing sectors in terms of innovations and sustainable solutions – combining good business practices with the reduction of greenhouse gas (GHG) emissions into the atmosphere. It has the potential, no doubt, to catalyze and be a protagonist in issues that deal with the decarbonization of the world economy.

This agricultural potential covers several productive sectors of the economy, since, by reducing emissions – due to good practices – they can generate results in carbon credits. Furthermore, it supports industries in various segments to reduce their pollutants by using raw materials from agriculture, with a smaller carbon footprint.

The Eco+ Foundation, together with partners AGROSMART and Future Carbon, in 2022, joined their expertise to offer a product to the market to support the carbon management of companies.

Considering this scenario, the Regional Coffee Growers Cooperative in Guaxupé, MG, Brazil (Cooxupé), had the partnership of the Eco+ Foundation and partners for the development of an inventory of GHG emissions (in line with the GHG-Protocol for scopes 1, 2 and 3), in addition to the construction of a digital tool to calculate these emissions during coffee production and also the study for economic viability of generating carbon credits.

The project contributed significantly to Cooxupé’s objectives to establish, in the medium term, an effective emissions management program and, in the future, to be recognized as an agricultural cooperative managing environmental indicators.

The emissions inventory was a major milestone for Cooxupé’s operations, as well as the customized emissions calculator for coffee cultivation. The products of this initiative can be used for different crops and companies.



Encouragement to start a sustainable journey

In 2022, the Eco+ Foundation launched the “**Carbon Journey Guide**”, which can be accessed free of charge. It aims to support organizations in developing more effective decarbonization strategies, assisting and supporting organizations in building a decarbonization plan. The guide brings a step by step based on key concepts for the business sector, especially on the importance of carbon in their value chains.

The material also provides technical references for professionals from various sectors of the market to obtain a sufficient level of qualification for the elaboration of a carbon management plan, consistent with their business.

Sustainability management tool:

In 2022, the Eco+ Foundation developed the CarbonBOT tool, which analyzes and classifies the degree of maturity of companies related to Carbon Management. We were therefore able to contribute to a low-carbon economy, also acting in the sharing and joint construction of solutions that avoid or reduce the impacts of climate change.

The tool is available on the **Foundation portal** and has an interactive chatbot interface, with 25 questions about the five stages of the Carbon Journey: Diagnosis, Measurement, Reduction, Compensation and Innovation. Each answer is assigned a score, resulting in the rating on business management practices between ‘beginner’ and ‘mature’. With this diagnosis, CarbonBOT presents the maturity analysis in the form of a graph of each of the stages. Based on the result, we can suggest procedures for a more sustainable journey.



WE REDUCED
30%
OF CO₂
EMISSIONS PER TON
OF PRODUCT

WE REDUCE
ENERGY
CONSUMPTION
16%

Together, we are even more Eco-efficient

The Demarchi + Eco-efficient program – a pioneering initiative of BASF in the Industrial Complex of Coatings and Varnishes (São Bernardo do Campo (SP, Brazil)), **which completed 10 years in 2022** – was expanded to the Jaboatão dos Guararapes (PE, Brazil) production site. With the same goal of finding solutions that combine efficiency and productivity, it earned the name **Demarchi & Jaboatão + Eco-efficient**.

The main objective of the initiative is to disseminate the concept of life cycle management of the production processes of decorative and automotive paints, combining the analysis of the environmental and economic impacts of production with the employee engagement program. The challenge with this program is to optimize paint production processes so that the impact on the environment and society is reduced, in addition to giving transparency and visibility of the relevance of the project to our employees, customers and society.

The Eco+ Foundation is responsible for measuring and analyzing program indicators (through life cycle analyses), as well as conducting training, lectures, workshops and benchmark actions. As such, the company can quantify the impact of paint production, from the extraction of raw materials, processing and production of BASF, allowing to identify



WE
REDUCED WATER
CONSUMPTION
BY **35%**

WE HAVE
IMPROVED
ECO-EFFICIENCY
BY **21%**
SINCE 2010

points of attention and improvement.

The achievements from this project in the units of São Bernardo do Campo (SP, Brazil) and Jaboatão dos Guararapes (PE, Brazil) include:

- Sharing information and good practices – by employees – in internal and external communication channels, encouraging others to adopt more sustainable measures.

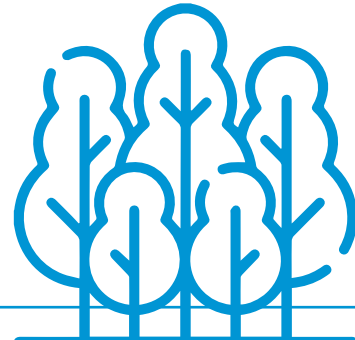
- Conducting more than seven best practice analysis actions and six training modules on topics related to sustainability, such as circular economy, carbon management, natural resource management, ESG and corporate sustainability strategy.

- The two BASF sites received the new equipment, which should contribute to the emission reduction of more than 600 tons of CO₂eq per year in operations.

- Furthermore, for each electric forklift truck marketed as a replacement for combustion equipment, BASF and Jungheinrich (supplier) planted 20 tree seedlings with the help of the Copaíba Environmentalist Association, a non-profit organization that operates in the preservation of the Atlantic Forest. In total, 1,120 trees were planted for BASF in the Atlantic Forest.

- The evaluation of more than 15 implemented projects of cleaner production and optimization of resources: for example, the replacement of calcium carbonate powder consumption to liquid, avoiding the completion of the dilution and internal mixing process and, consequently, a lower consumption of energy and water, as well as other supplies used in the production process (diesel, nitrogen, and compressed air, among others).

2012-2022 – Industrial Complex of Coatings and Varnishes in São Bernardo do Campo (SP, Brazil)



Sustainability management tool:

The Eco+ Foundation developed and implemented the Maturity Assessment Diagnostic in LCA, a solution of the Brazilian Business Network for Life Cycle Assessment (LCA Network). Life cycle-oriented impact management requires access to information, training, support, and most importantly, continuity of action. Through it, we elaborate questions and answers to evaluate sustainability criteria and the maturity of the company in LCA. Thus, we indicate the starting point of this journey, with automated and anonymous diagnosis and then draw up an Action Plan, to advance in maturity, and promote more assertive practices related to the topic in organizations in general.



Mata Viva® in South America

BASF established the Mata Viva® initiative in Brazil in 1984, to protect water quality, conserve soil and create areas to preserve native vegetation and biodiversity with the restoration of the forest along the Paraíba do Sul River, near the company's largest chemical complex in South America, in Guaratinguetá (SP, Brazil). After the creation of the Eco+ Foundation, the management of the Mata Viva® program began to be performed by both. The initiative has flourished throughout Brazil, attracting a wide range of partners from the agricultural, business and scientific communities, all united in their desire to promote forest restoration, ecosystem services and biodiversity conservation.

By restoring degraded land, we can restore biodiversity, remove carbon from the atmosphere, protect soil and water bodies. As an additional result of our work, the restoration of permanent preservation areas promotes paths to sustainable agriculture and the improvement of natural resources and their ecosystem services, so necessary for the development of sustainable agriculture.

Since 2013, Eco+ Foundation has implemented a digital solution to calculate the carbon footprint of individuals and legal entities, enabling a program to offset greenhouse gas emissions for companies and individuals in Brazil. Since 2020, all the resources obtained by the program have been used to restore sections of the Barreiro Rico Forest, in the municipality of Anhembi (SP, Brazil). This reserve is one of the last sanctuaries of the Southern muriqui (*Brachyteles arachnoides*), the largest monkey in America, classified by the IUCN as critically endangered.



Mata Viva® Program 1984 to 2022

800 hectares of restored forests – including the Mata Viva Forest, located within the Guaratinguetá Chemical Complex (SP, Brazil) planting of more than 1.4 million tree seedlings throughout Brazil with the estimated removal of 196,000 tons of CO₂ from the atmosphere.

Mata Viva® Program 1984 to 2022



Social

We have gathered experience in strategic preparation and planning, diagnosis, perception analysis and impact measurement for an efficient management of social projects through methodologies already conceptualized which show the tangible and intangible value of these initiatives.

Renewed fleet: less pollutants and better quality at work

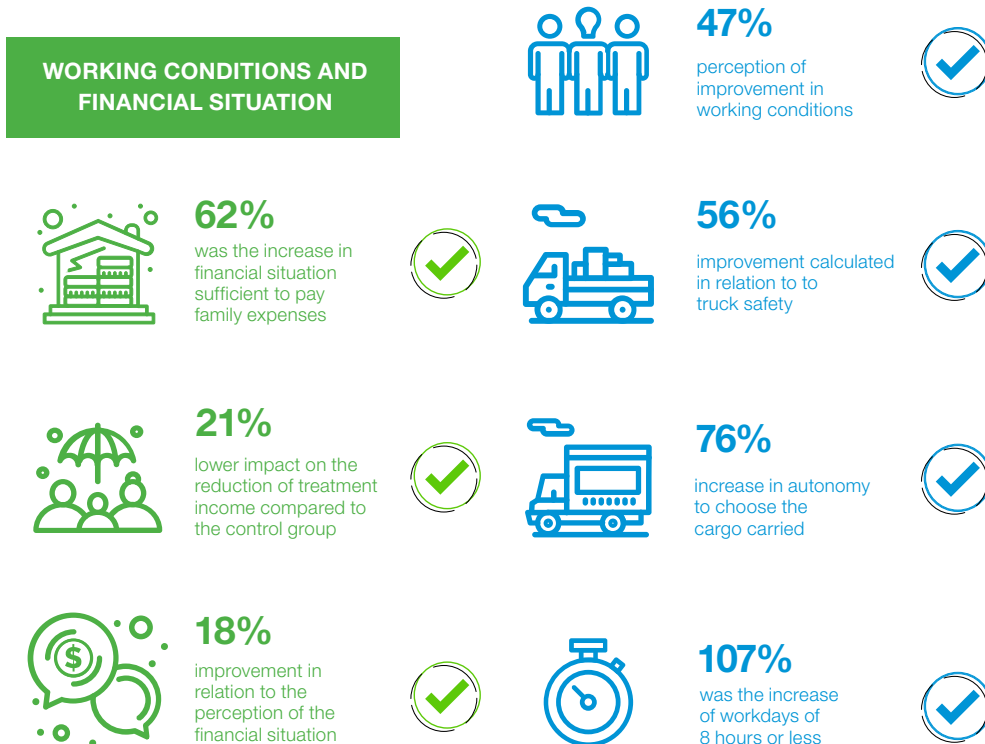
The average age of the autonomous truck driver fleet in Brazil is 20.5 years (ANFAVEA, 2018). This type of vehicle consumes more fuel, is more polluting is less safe for drivers.

In the evaluation of the National Transport Confederation (CNT), it is essential to create a national program for the renewal of the fleet of heavy vehicles, with a differentiated financing rate and the withdrawal of vehicles with more than 20 years of use, to stimulate the sector

and improve the working conditions of autonomous truckers. Thus, the study by Grupo Vamos evaluated the impacts of Fleet Renewal through a project of purchase and scrapping of trucks with more than 20 years that had, as main objectives, contribute to the improvement of the working conditions of the drivers involved and help in reducing the average age of the truck fleet and, consequently, collaborate with the reduction of pollutant gas emissions. At the Foundation, we support the group in measuring the social impact of the project, bringing the indicators, results and the effective impact of the project through the elaboration of a Theory of Change and measurement of the social impact of the action.

We were able to measure the improvement in several indicators related to work and income, which reported a substantial increase when comparing the responses of the treatment group with the control group, after the sale (and in most cases, replacement with a newer truck).

THERE HAS BEEN A SIGNIFICANT IMPROVEMENT IN THE FOLLOWING INDICATORS (VAMOS GROUP):



We were able to contribute by designing the theory of change with the customer, which guided the most important results and impact indicators for the project, followed by the measurement of these indicators before and after the purchase of the trucks. We were therefore able to prove the increase in indicators of quality of work and income for program participants, when compared to the control group, bringing technical support to the project.

Evolution in packaging

BASF's decorative paint brand Suvinil remains focused on contributing to a high quality of life. To make the best possible use of the resources, the brand has developed a new packaging line with a capacity of 3.6 liters of paint, made of kraft liner paper in the form of a box, with a plastic bag on the inside. As it is possible to separate the box from the plastic bag, it makes recycling easier.

We at the Eco+ Foundation carry out the Product Life Cycle Assessment to compare the environmental impacts of the new packaging with the metal can of the same capacity. Data were collected from the company's suppliers and an evaluation was made with a "cradle-to-grave" scope, considering all steps from the extraction of raw materials to the end of life of these packages.

We present in detail the possible environmental gains of changing your packaging and translate these impacts into simple equivalences to be communicated to consumers, in addition to being able to support the customer in the evidence of this process.

Protagonists

The protagonism of BASF, in partnership with the Eco+ Foundation, brought together companies to create a collaborative network (reciChain). Through blockchain technology, verified information regarding reverse logistics systems and their ability to dispose of recyclable materials is shared. In this network, we connect companies, multi-professional technical teams and recyclable waste pickers.

Due to updates in legislation, efforts in 2022 were oriented to allow the investment and inclusion of recycling solutions with positive social and environmental impact in order to certify the registration of post-consumer material treatment in structuring programs. The Foundation offered a guide of public interest, which guides **Pathways to Reverse Logistics** in programs of this nature.

With the change of packaging, from metal can to box with plastic bag, one can expect:



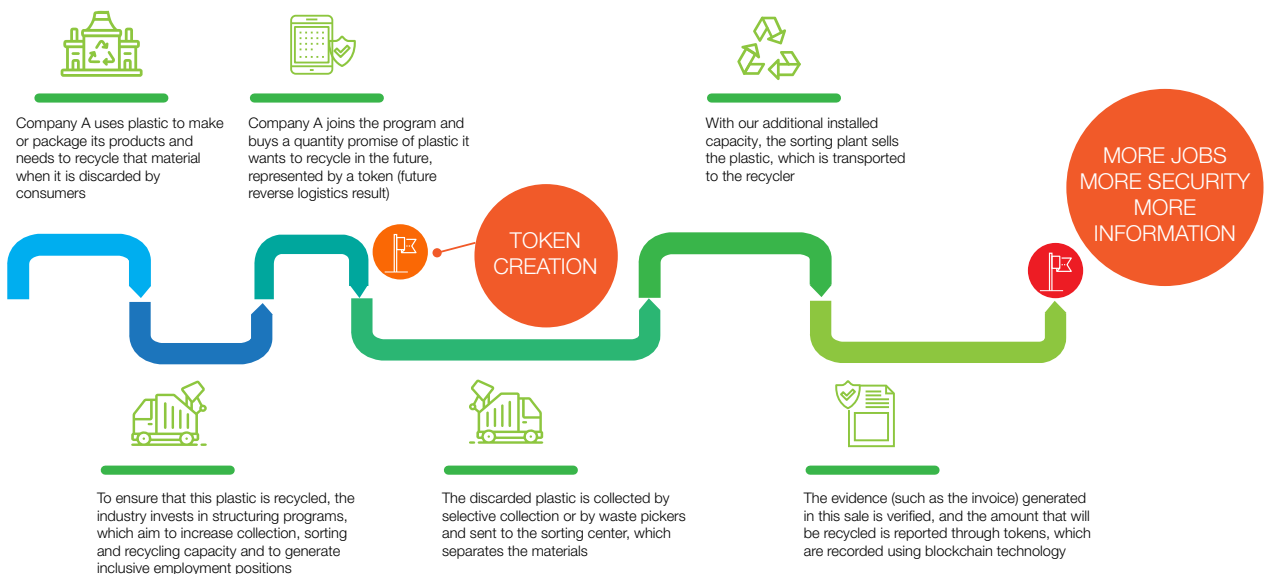
A reduction of up to 83% in Greenhouse Gas (GHG) emissions per package

Improved environmental performance in the categories

- Depletion of Fossil Resources **(43%)**
- Depletion of Mineral and Metal Resources **(75%)**
- Marine eutrophication **(44%)**
- Photochemical Ozone Formation **(47%)**
- Land Use **(88%)**
- Acidification **(41%)**

In practice, what would incorrectly be discarded by small or large cities in municipal landfills or even the environment will return to the economy. In addition to the positive environmental impact, the platform also stimulates greater income generation and formalization of jobs. The milestone of the 2022 initiative is the tokenization of a screening plant in the interior of São Paulo. This infrastructure has the capacity to process tons of recyclable masses recovered in nearby municipalities in the region.

What are TOKENS? These are credits reverted to the financing and implementation of reverse logistics systems and circular economy, which will enable the increase in the recovery of post-consumer plastic materials. They are a record of the material to be recycled in blockchain technology and bring information such as the type of plastic and where it was recycled.





The main benefits of reciChain include:

- Increased capacity of sorting units and fairer job creation
- Feasibility of training for these professionals who work on the frontline of recycling
- Tracking and monitoring the volumes of recyclable materials in assimilating phases
- Increase the rate of recyclability of materials and improve the steps of reverse logistics
- Elevation of communication between sorting units, recyclers and other assimilators, filling the gaps existing today
- Attracting new investments to the recycling system

Employees Jade R. Dino, Gabriel T. Granja, Caroline de Lima Santos, Ana Luisa Fossa Michi and Ornella Nitardi "trying out" the Circular Economy

ReciChain

Blockchain-based platform that brings together several companies to implement reverse logistics and plastic waste recycling solutions, in a traceable way and in a safe and transparent environment.

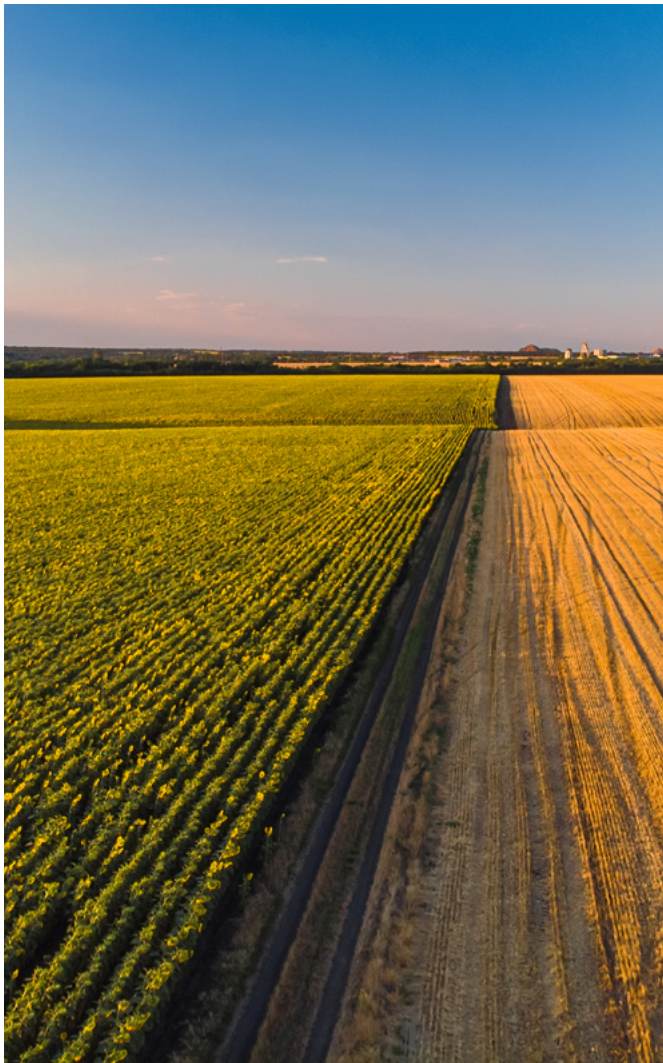
Its objective is to keep plastic in the economy, so that it is no longer treated as waste sent to landfills or disposed of in the environment.

Governance

ESG Agenda: Holambra Cooperative

The beginning of the sustainability journey of the Holambra Agroindustrial Cooperative (SP, Brazil) was marked by the participation of the Eco+ Foundation in the preparation of an ESG materiality study, which aims to define the main themes for strategy direction, building a sustainable path and aligning with its business demands and ESG best practices.

We work in different stages, which included an in-depth study of the Cooperative's context in Brazil, related to global trends in sustainability and the sector. On another front, we also identified the perceptions of various audiences that have similar challenges or that influence or monitor ESG challenges for the sector.



1



We identify relevant topics for each ESG pillar (environmental, social and governance) through context studies, benchmarking and consultation with strategic stakeholders.

2



We structure the materiality matrix with ESG themes. Based on these themes, sheets were provided with instructions for the creation of action plans with strategic guidelines and developments and management for each of them.

3



We train the leaders of the Cooperative providing guidance for the construction of the ESG Agenda in its management.

4



We hold two workshops with 20 company leaders, to discuss the studies carried out and the possible developments of ESG themes in their management.

5



The creation of goals and objectives based on the results of the project are also part of our objectives.

New markets based on regional diversity

Between June and December 2022, we conducted a study for BASF on the perception of sustainability in the value chain for the manufacture of mattresses in South America. The theme is part of the company's strategy, as it operates in the development of precursors for the production of polyurethane foams, marketed to manufacturers in the sector. The survey was conducted in seven countries in South America: Argentina, Brazil, Chile, Colombia, Ecuador, Peru and Uruguay.

We carry out an applied sustainability project, with the following stages:

- Context research of mattresses in South America and worldwide good practices.
- Perception study, through interviews, with strategic stakeholders in Latin America, with the objective of qualifying sustainability practices in the segment.
- Classification of the relevance of material topics to support the customer's strategy.

The process includes a thorough analysis of the availability of sustainably sourced raw materials on the market, information on reverse logistics of mattresses, as well as the survey of mandatory laws and regulations governing the sector.

We add knowledge, foundation and strategy by exposing, in a simple and objective way, the main risks, challenges and opportunities of the sector in different countries. We also expand the possibilities of sustainable initiatives in synergy with the organization's guidelines.



Portfolio ESG Innovation

With the initial objective of understanding the main ESG attributes and how they positively impact the value chain, Vedacit (Brazilian company belonging to the Baumgart Group, in the field of waterproofing and construction materials) relied on the experience of the Eco+ Foundation.

Our work began in October 2021, when we started to analyze, qualify and organize the perception of its different audiences on the practice of sustainability and the offer of sustainable products. Our challenge was to understand how to apply ESG principles in the portfolio of the construction materials sector, differentiating conventional items from products with sustainable attributes.

Based on this provocation, we developed a portfolio segmentation tool, based on the most relevant ESG precepts for the customer's value chain, in an organized manner and within an effective methodology. In the end, five environmental, three social and two governance criteria were selected to support the categorization of the product portfolio.

Completed in July 2022, the project tends to expand, in the medium and long term, reaching the largest possible volume of products aligned with the best sustainability practices, with differentials that add more and more value to Vedacit's business.

They participated in the process of creating the professional tool of the Eco+ Foundation team, in partnership with three employees of the company Vedacit. Together, we have built the foundation for an efficient and organized sustainability journey.

Good practices in corporate sustainability

Materiality matrix contributes to determining sustainability criteria

Faced with the global demands for sustainability and the complexity of a formulation of sustainable cosmetic products, the pharmaceutical company Laboratorios Andrómaco sought the knowledge and experience of the Eco+ Foundation in Argentina.

The initial expectation was to build a broad and diverse view on sustainability issues in the hair and skin care segment, identifying material topics for the company based on the context study and consultation of perceptions of its stakeholders, focusing on the formulation of products. The goal tends to expand to strategic developments, the creation of action plans, and corporate goals.

For six months, we carried out an intense work of perception and materiality to meet the organization's desires to understand viable paths for the development of an eco-efficient portfolio.

With the materiality matrix delivered to the pharmaceutical company, the customer was able to visualize the most important topics to be worked on to define sustainability criteria in product formulations, and they were also discussed among their employees, highlighting previously unimaginable opportunities, challenges and perspectives.

Study contributes to business development

One of the great business challenges during the sustainability journey is to transmit, share and involve its different audiences in its sustainable practices and measures.

To collaborate with this process, between the years 2021 and 2022, the Eco+ Foundation developed a perception and materiality study for the AzulK, a Colombian domestic care and cleaning company.

During the mapping and analysis of established topics, we identified relevant sustainability issues and analyzed the perception of its stakeholders, based on the company's internal and external strategic importance.

With this scenario, it was possible to develop a strategic plan for the future launch of environmentally friendly products. The perception study also allowed us to identify needs for improvements in the business environment, as well as positive factors that can be strengthened.





Financial Statements

Independent auditor's report on the financial statements

Basis for opinion

Our audit was conducted in accordance with Brazilian and international auditing standards. Our responsibilities, in accordance with such standards, are described in the following section, entitled “Auditor’s responsibilities for auditing the financial statements”. We are independent in relation to the Foundation, in accordance with the relevant ethical principles provided for in the Code of Professional Ethics of the Accountant and in the professional standards issued by the Federal Accounting Council, and we comply with the other ethical responsibilities in accordance with these standards. We believe that the audit evidence obtained is sufficient and appropriate to substantiate our opinion.

Responsibility of management and governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting practices adopted in Brazil for small and medium-sized enterprises – Technical Pronouncement CPC PME 0 “Accounting for Small and Medium-sized Enterprises” and for Nonprofit Entities – Technical Interpretation ITG 2002 – “Non-Profit Entity” and for the internal controls that it has determined as necessary to allow the preparation of financial statements free from material misstatement, regardless of whether caused by fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of the Foundation to continue operating, disclosing, when applicable, matters related to its operational continuity and the use of this accounting basis in the preparation of the financial statements, unless the board intends to liquidate the Foundation or cease its operations, or has no realistic alternative to avoid closing operations.

The Foundation’s governance officers are those with responsibility for overseeing the preparation process of the financial statements.

Auditor’s responsibilities for auditing the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error, and to issue an audit report containing our opinion. Reasonable assurance is a high level of security, but not a guarantee that the audit performed in accordance with Brazilian and international auditing standards always detect any existing material misstatements. Misstatements may arise due to fraud or error and are considered material when, individually or in the aggregate, they may reasonably influence the economic decisions of users made on the basis of said financial statements.

Opinion

We have audited the financial statements of Fundação Espaço Eco (“Foundation”), which comprise the balance sheet on December 31, 2022 and the respective statements of income, changes in shareholders’ equity and cash flows for the year then ended, as well as the corresponding explanatory notes, including a summary of the main accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the equity and financial position of Fundação Espaço Eco on December 31, 2022, the performance of its operations and their respective cash flows for the year then ended, in accordance with accounting practices adopted in Brazil for small and medium-sized enterprises – Technical Pronouncement CPC PME 0 “Accounting for Small and Medium-sized Enterprises” and for Non-Profit Entities – Technical Interpretation ITG 2002 – “Non-Profit Entity”.

Eco+ Foundation

BALANCE SHEETS ON DECEMBER 31, 2022 (IN BRL)

	2022	2021
ASSETS		
CURRENT		
Cash and cash equivalents	595,125	750,216
Accounts receivable	221,239	209,277
Postponements	9,807	–
Taxes recoverable	91,430	83,773
Total Current Assets	917,761	1,043,266
NON-CURRENT		
Fixed Assets	2,336	2,726
	2,336	2,726
Total Assets	920,098	1,045,992
	2022	2021
LIABILITY AND EQUITY		
CURRENT		
Accounts payable	821,607	212,226
Tax obligations to be collected	96,066	139,249
Deferred Income	6,987	5,087
Total current liabilities	924,660	356,562
OWNERS' EQUITY		
Equity	300,000	300,000
Surplus Accumulated	(304,562)	389,430
	(4,562)	689,430
Total liabilities and equity	920,098	1,045,992

2022 ACTIVITY REPORT

CREDITS

Eco+ Foundation

Rodolfo Walder Viana
Rafael Selvaggio Viñas

Coordination

Institutional Relations and Sustainability

Cristiana Xavier de Brito
cristiana.brito@basf.com

Corporate Communication

Karina Monaco
karina.monaco@basf.com
Carlos Henrique Almeida
carlos.henrique@basf.com
Florencia Caetano
florencia.caetano@basf.com

External Partners

Content Consulting and Coordination
Global Strategic Content
globalconteudo.com.br

Graphic Design and Layout

Fábio Francisco

Photos

Collection of the Eco+ Foundation
Arthur Calasans

Translation

Global Languages

CONTACTS

Eco+ Foundation

+ 55 11 2349-3006
Estrada Ribeirão do Soldado, 230
Botujuru - 09822-010
São Bernardo do Campo, SP – Brasil

www.espacoeco.org.br
espacoeco@basf.com



/fundacaoecomais



/fundacaoecomais/