

The background is a vibrant teal color with a pattern of white, wavy lines resembling water ripples or light reflecting off a surface. A vertical rope runs down the center, held in place by four copper-colored metal rings. A large, semi-transparent rectangular box is centered on the page, containing the text.

transparency

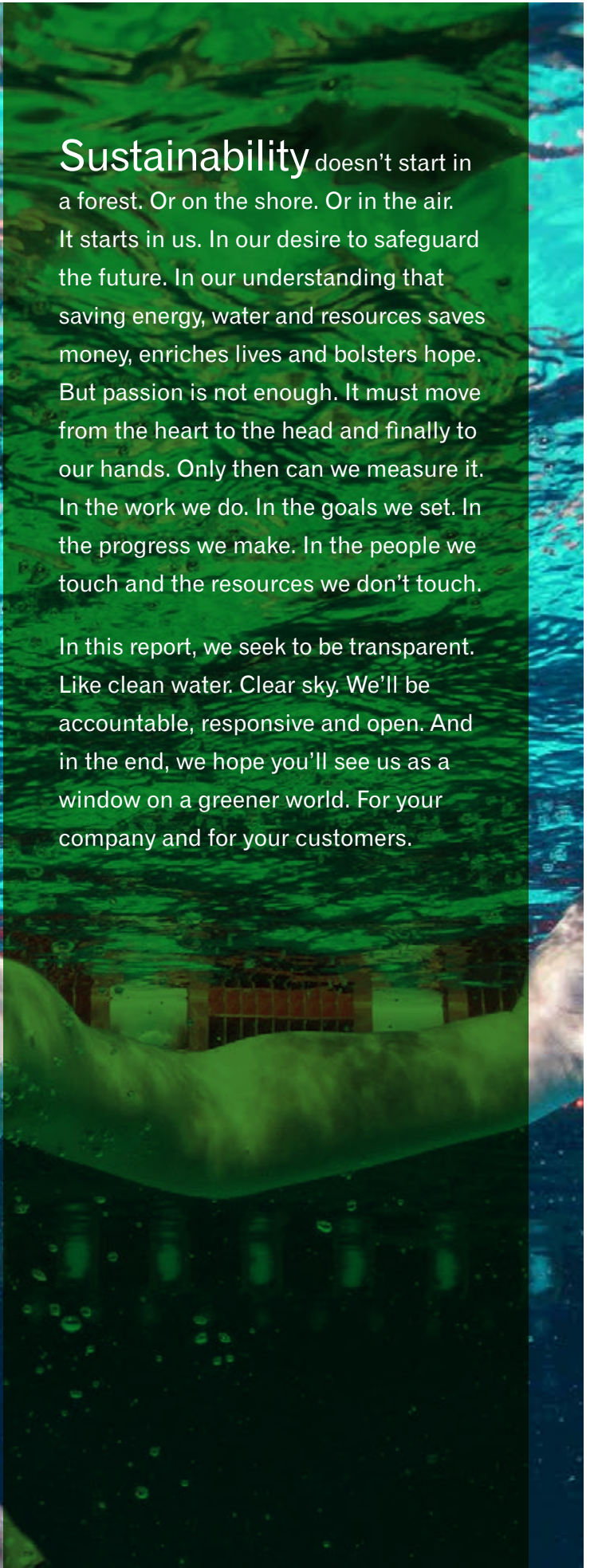
2012 SUSTAINABILITY REPORT

Buckman



Sustainability doesn't start in a forest. Or on the shore. Or in the air. It starts in us. In our desire to safeguard the future. In our understanding that saving energy, water and resources saves money, enriches lives and bolsters hope. But passion is not enough. It must move from the heart to the head and finally to our hands. Only then can we measure it. In the work we do. In the goals we set. In the progress we make. In the people we touch and the resources we don't touch.

In this report, we seek to be transparent. Like clean water. Clear sky. We'll be accountable, responsive and open. And in the end, we hope you'll see us as a window on a greener world. For your company and for your customers.



A page with a repeating geometric pattern of interlocking shapes in light green and beige. The page contains 12 horizontal green lines for writing, arranged in a central column.



1.1

The mission is clear. And so is our commitment.

Although Buckman has long been committed to a more sustainable future, creating a formal sustainability reporting process like this one has given us a comprehensive way to measure our progress over time. We have been able to identify opportunities for operational improvements that not only benefit the environment but also make us more competitive in the marketplace. The process has strengthened our commitment, accelerated our efforts and given us new opportunities to work with our customers. It has also given our associates more reasons than ever to be engaged with and proud of their company.

Short-term, we will continue to work toward our reduction targets for waste, energy and emissions. As this report attests, we have made significant progress toward our 2015 goals, and we will be working on ways to maintain these reductions as we go forward.

We will continue to invest in our associates' training and development and use the feedback we gleaned from recent surveys to make Buckman a great place to work. In addition to our more localised efforts we recently established two global initiatives for our BuckmanCares program—blood donation via regular blood drives and disaster relief through financial support of the Red Cross/Red Crescent. By focusing our global human resources on these worthy causes we hope to make a difference.

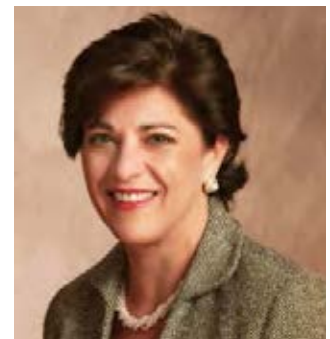
We will continue to streamline our product line and optimise our product manufacturing and supply chain capabilities, refining how we make decisions in each of our operating locations, how we source our raw materials and how finished goods flow to our customers.

Medium-term, we will move forward with standardisation initiatives, reducing complexity that does not add value to our organisation. We will implement our new global business management and IT system that will allow seamless communication, data sharing and accountability across all of our operating companies. This will decrease our costs and increase efficiency and profitability. It will also mean less time spent on internal operations and more time focusing on customers and communities.

Long-term, we plan to invest in our facilities and use more renewable energy. We will continue to develop business in emerging economies where our greener technologies can have a dramatic effect. We will also continue to develop new, greener technologies that serve our key markets of paper, water treatment and leather, as well as create opportunities for other industries.

We are proud of the work we are doing to build a more sustainable future. We believe that sharing our progress is one of the most important and beneficial things we can do. Even upon close examination, we are confident this report will boldly reflect a Company that is caring, forward-thinking, unified and highly valuable to shareholders, associates, customers and communities alike.

Kathy Buckman Gibson
Chairman of the Board
Bulab Holdings, Inc.





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ECONOMICS

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IT'S NOT JUST ABOUT ACCOUNTING. It's about accounting for the future. As a privately held company, we ensure our economic sustainability by making financial decisions based on a long-term view.

We use a value-driven decision making process, investing in the people, assets and technologies that will drive incremental increases in sales and sales growth, market profit contribution, operating profit and free cash flow. It's an approach that has earned us recognition as a Hay Group Insights High Performing Company for 2012. This designation takes into account not only our financial performance measures but also our ability to engage and enable employees.

Most important, we make sure our customers benefit financially from our products, services and support. There's no better way to ensure the economic sustainability of our own operation. Throughout this report, you will see short case stories profiling how we have helped our customers achieve significant return on investment and return on environment. This is how we measure our value and how we sustain it.

EC1 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments

Economic Value 2011

- 2011 worldwide sales: \$624,013,000 (all dollar amounts shown in USD)

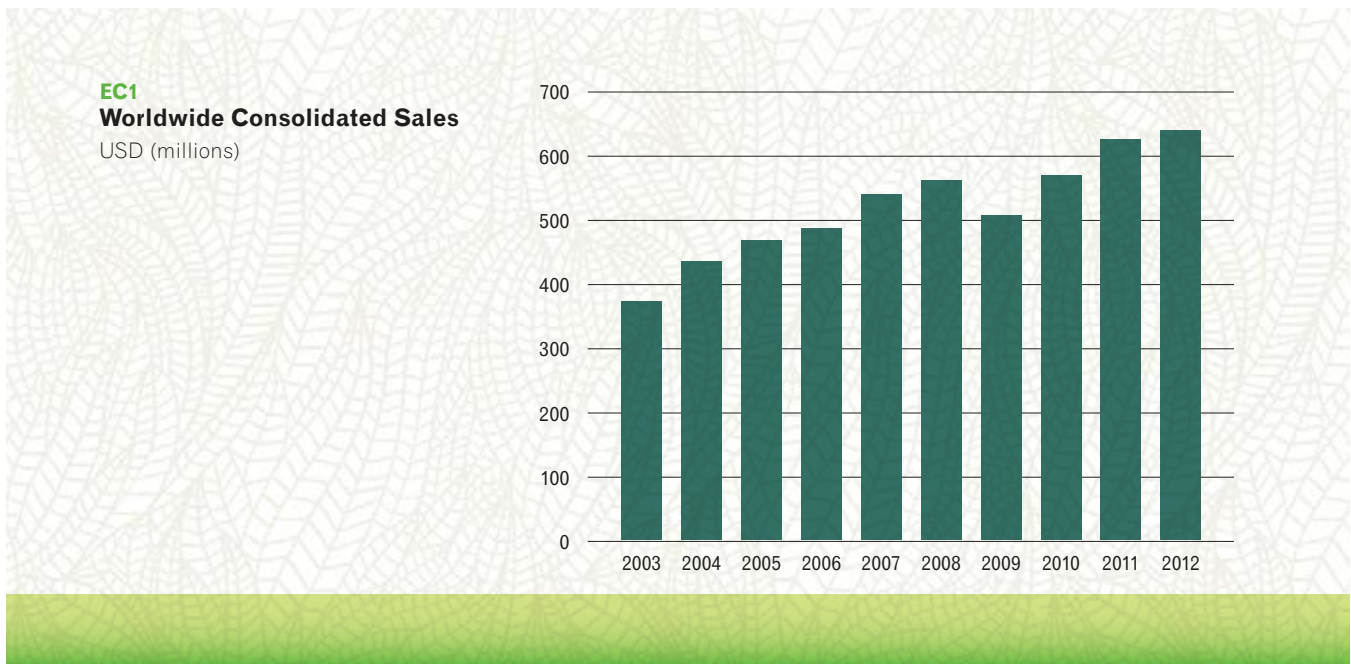
- 2011 total wages and benefits: \$160,622,337
- Value of volunteer time, noncash and cash donations made globally in 2011 totaled 2.2 percent of net profit.
- More than 76,500 people were positively impacted by the BuckmanCares program.
- Buckman associates volunteered more than 5,900 hours to support our communities, with an estimated value of \$329,700.

Economic Value 2012

- 2012 worldwide sales: \$632,066,000
- 2012 total wages and benefits: \$168,677,262
- Value of volunteer time, noncash and cash donations made globally in 2012 totaled 2.7 percent of net profit.
- More than 80,900 people were positively impacted by the BuckmanCares program.
- Buckman associates volunteered more than 7,050 hours to support our communities, with an estimated value of \$421,800.

Volunteer hours represent the total of working and non-working hours Buckman associates commit to BuckmanCares programs.

As a privately held business, Buckman does not disclose strategic financial data.



EC4 | Significant financial assistance received from government

Bulab Holdings, Inc., does not receive any significant financial assistance from government.

EC5 | Range of ratios of standard entry-level wage

- Buckman meets or exceeds minimum wage in all of our operating companies and territories.
- Where there are no minimum-wage requirements, Buckman uses a salary survey to set salary ranges.

EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation

- While Buckman has no formal policy that requires hiring from local communities, we believe in and support our local workforces.
- All general managers except one are local.
- At each operating company, at least 90 percent of senior management is local. ■

BUCKMAN
 CLEAR SUCCESS

Refining the Process

The Challenge: A paper mill wanted to reduce the cost of its dry strength and drainage program and increase machine speeds without degrading quality.


The Solution: Buckman replaced its single-product application with a combination of Bubond® 5928 and Bubond® 505, which allowed the drainage and the strength to be controlled separately. This, in turn, cut refiner energy use 50% and allowed faster speeds.

Return on Investment (ROI)

- A significant reduction in program cost from \$28 to \$20 per tonne for a monthly savings of \$130,000 to \$170,000.
- Downgrades reduced by more than 400 tonnes per month.

Return on Environment (ROE)

- A 50% reduction in refiner energy cut CO₂ equivalent emissions by approximately 3,164 kg per year.



ENVIRONMENT

We find ways
to reduce so
we can grow.

IN THE PAGES THAT FOLLOW, you will see that we have made great strides toward achieving our 2015 reduction goals in waste, energy and water consumption, and emissions. In many cases, we have already met them.

Our progress is measured in gigajoules, cubic meters per kilogram, hectares and tonnes. It's also measured in awards, such as the **Presidential Green Chemistry Challenge Award from the EPA** recognising our naturally derived enzyme technologies that save energy and wood fiber for the paper industry.



Everything we do, make or envision takes environmental sustainability into account. It's not about doing what's adequate to comply with environmental laws and regulations. It's about growth for us and our customers. And it's about doing our part in what has become a global way of life – handing down to our children a clean and healthy environment.

EN3 | Direct energy consumption by primary energy source

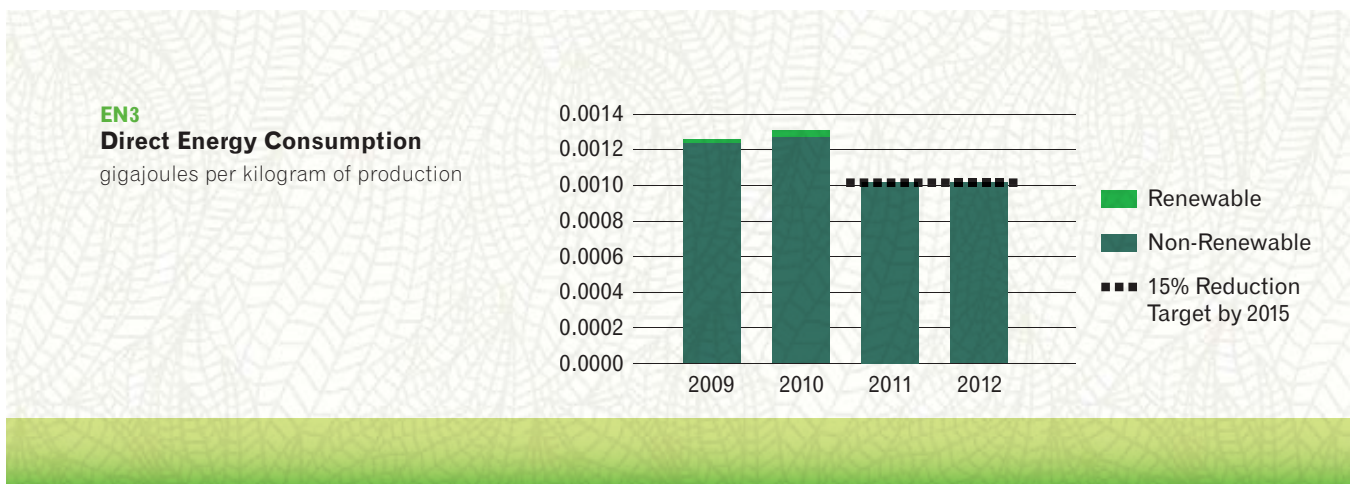
The direct energy consumed by the Company to manufacture products and provide power to our office buildings in 2012 was 175,000 gigajoules. About 86 percent (150,000 GJ) of the direct energy was generated from purchased natural gas and

14 percent is from other liquid fuel sources (LPG, petro, kerosene, diesel, fuel oil and ethanol).

The direct energy consumption is reported for all of our major sites, which includes our global headquarters and sites containing manufacturing plants.

Our progress

We established a reduction target of 15 percent from the 2010 baseline for non-renewable direct energy consumption per kilograms of production by 2015. In 2010, the non-renewable direct energy consumption per kilograms of production was 1.29 MJ/kg. Based on this, the target for 2015 is 1.094 MJ/kg. In 2011 and 2012, the direct energy consumption per kilograms of production totaled 1.115 and 1.113 MJ/kg, respectively. When comparing data representing the same sources of consumption, the 2015 target has almost been achieved. At this time, almost all direct energy is non-renewable with a small amount of ethanol usage in Brazil.



How we did it

The reduction in direct energy intensity is predominantly the result of improvements we made, including:

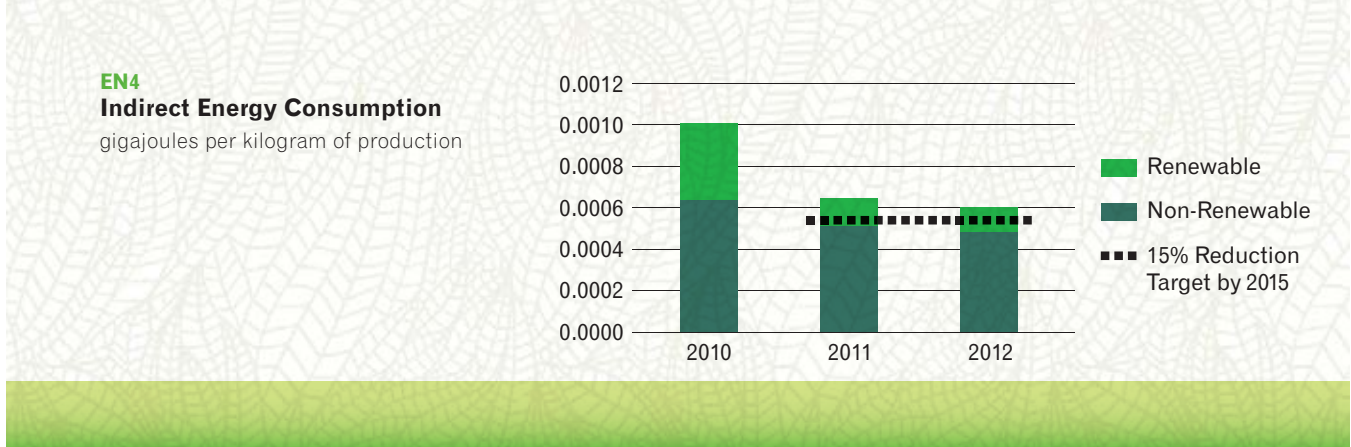
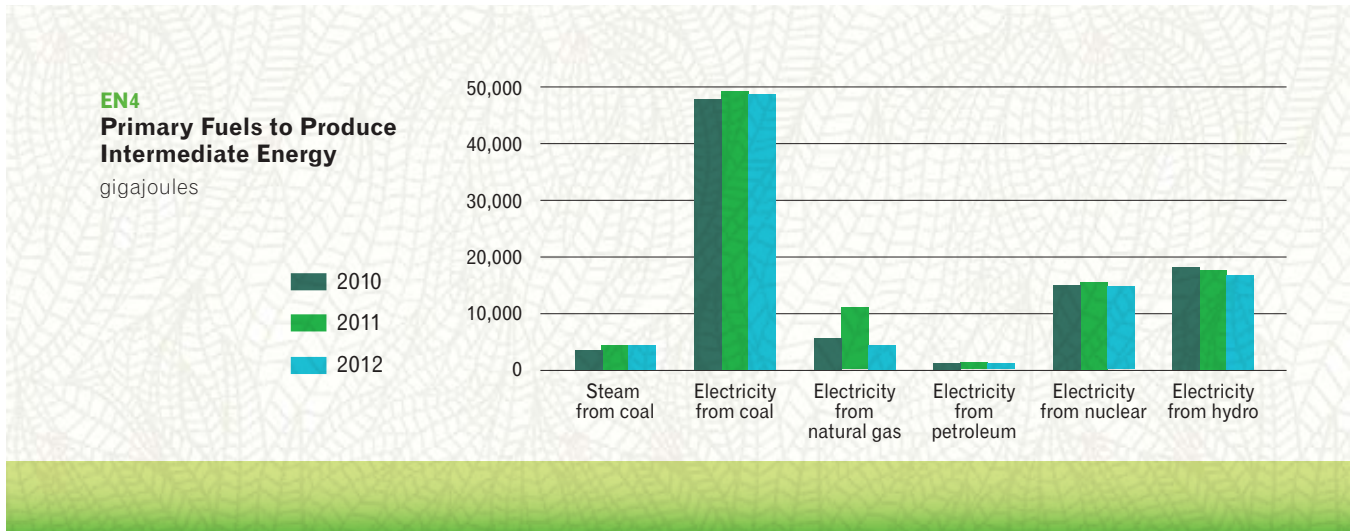
- Replacing steam tracing on chemical transfer lines with electric heat tracing
- Installing a new heating and ventilation system in a raw material warehouse, which ensures adequate air changes but also captures exhausted heat, reducing overall energy demand
- Converting steam-based tank heating system to a hot-glycol-based system
- Improving boiler controls
- Improving steam line insulation
- Insulating process vessels, tanks, heat exchangers and steam lines
- Instituting a steam trap management program

EN4 | Indirect energy consumption by primary source

The indirect energy consumption is reported for all of our major sites, which includes our global headquarters and sites containing manufacturing plants. This includes all indirect energy consumption at these sites, which consists of purchased electricity and purchased steam (only in China). Indirect energy consumption at small satellite facilities is not included.

In 2010, the indirect non-renewable energy intensity was 0.636 MJ/kg. We set a target of 15 percent reduction in indirect non-renewable energy intensity by 2015. This target is 0.540 MJ/kg. In 2011 and 2012, the indirect non-renewable energy intensity has been 0.512 and 0.482 MJ/kg, respectively.

Therefore, this target has been achieved.



EN8 | Total water withdrawal by source

In 2010, Buckman South Africa became our second location to install and use a wastewater distillation unit, which allows for recycling operational process water. This significantly reduces the amount of water withdrawn from the environment. We also have been investing in low-flow toilets and showers and utilising rainwater capture in many of our facilities.

Our progress

Based on the 2010 baseline, we set a 15 percent reduction target by 2015 for water consumption per kilogram of production. In 2010, the water consumption per kilogram of production was 0.002982 m³/kg. Based on this, the target for 2015 was 0.002535. In 2011 and 2012, the water

consumption per kilograms of production totaled 0.002315 and 0.002109, respectively. **The 2015 target has already been achieved.**

How we did it

We made significant improvements, including:

- An improved plant-wide water system winterisation process with activation based on ambient temperatures
- Installation of new controls on cooling towers to reduce water usage
- Automation of Pulpsil eductor, so it is only in operation when the process is being charged
- Reduction in the length of the fresh water flush
- Improvement in production/batch planning to minimise the need to rinse vessels between common products



EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Buckman owns a site in Sumaré, Brazil, adjacent to a protected area. The site contains both Buckman’s South American offices and our manufacturing plant and is 18.23 hectares in size. The protected biodiversity area is a marshy stream safeguarded by the national law on the protection of native vegetation.

Buckman Mexico is next to a protected area of 408 hectares called “El Texcal.” More than 90 different kinds of plants and trees grow in the area, including Cuajote (*Bursera* sp.), Tepehuaje (*Lysiloma* sp.) Casahuate (*Hipomoea* sp.) and Nopales (*Opuntia* sp.). Fauna include three different varieties of fishes, nine different kinds of amphibians and 44 different species of birds. The site is located at geographical coordinates 18° 53’ N, 99° 10’ W. This land is protected by an official decree dated February 17, 2010.

EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas

There were no impacts to the protected areas next to Buckman’s facilities in Mexico and Brazil.

EN13 | Habitats protected or restored

None.

EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity

We will maintain current activities, which do not impact the protected areas adjacent to Buckman’s facilities in Mexico and Brazil.

EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

See EN11.

BUCKMAN
CLEAR SUCCESS

An ROI Four Times the Cost

The Challenge: Poor-quality feed water caused high reverse osmosis (RO) operating and maintenance costs, as well as low plant availability and production.

The Solution: Applying Oxamine® and a special antiscalant, Buckman was able to reduce biofilm, increase flux and boost overall performance of the RO system. The bottom line? The return on investment was four times the cost of the program.

Return on Investment (ROI)

- \$2.31 per m³ water.
- \$1,584,000 per year (income from additional water recovered less Buckman program costs).

Return on Environment (ROE)

- 16% boost in water recovery—an additional 897 m³ recovered per year.

EN16 | Total direct and indirect greenhouse gas emissions by weight

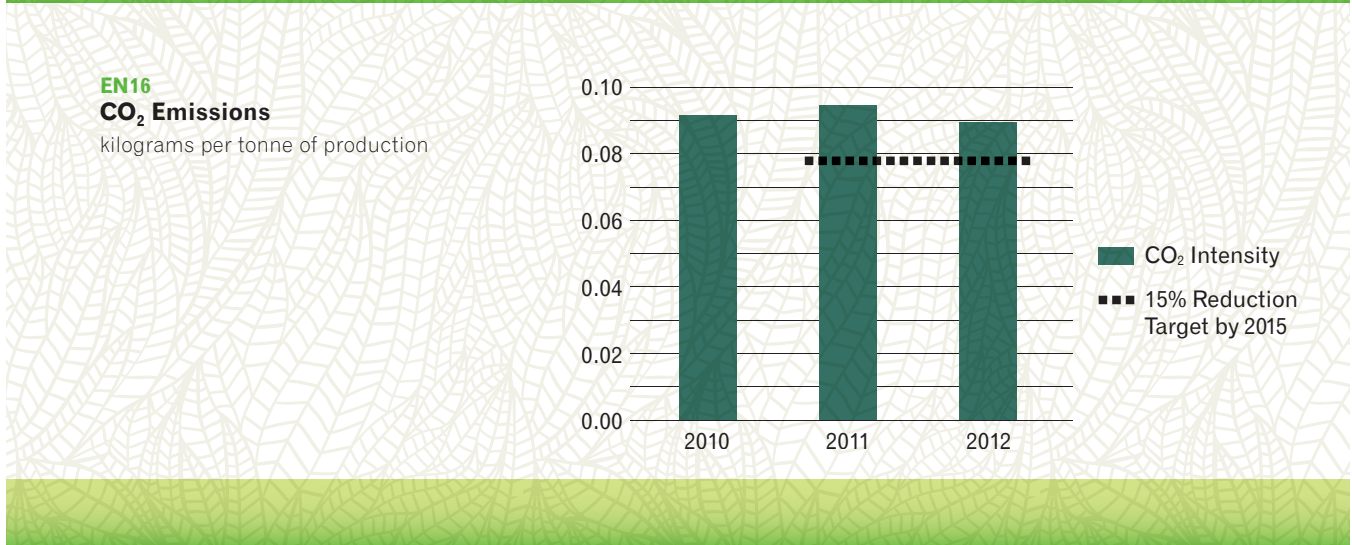
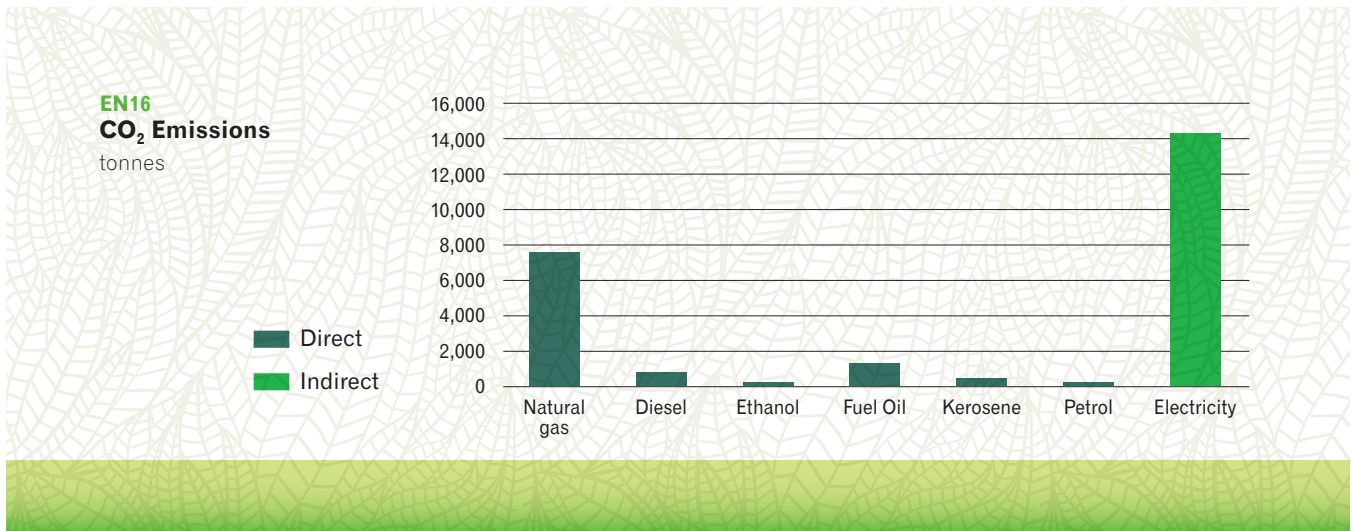
Buckman collects data on direct fuel consumption, purchased electricity and steam usage. CO₂ emissions from these activities were calculated using emission factors. Regional emissions factors were used if available. National emissions factors were used if regional factors were not available. U.S. emissions factors were used if local national factors were not available. With regard to automobiles, where fuel consumption data was available, emissions were based on fuel consumption; otherwise mileage was used to estimate fuel consumption, based on an average of 22.5 miles to the gallon for an average car.

Our progress

We began measuring CO₂ emissions in 2010, but have only included fleet vehicle emissions since 2011. CO₂ emissions intensity in 2010 was 0.0913 kg/kg. Our goal is to reduce this number by 15 percent by 2015. This target is 0.0776 kg/kg. In 2011 and 2012, the CO₂ emissions intensity has been 0.0942 and 0.0892 kg/kg, respectively. We're beginning to make progress and we will continue to work to achieve this target by 2015.

How we did it

The reduction in CO₂ intensity was the result of the direct energy improvements outlined in indicator EN3.



EN19 | Emissions of ozone-depleting substances by weight

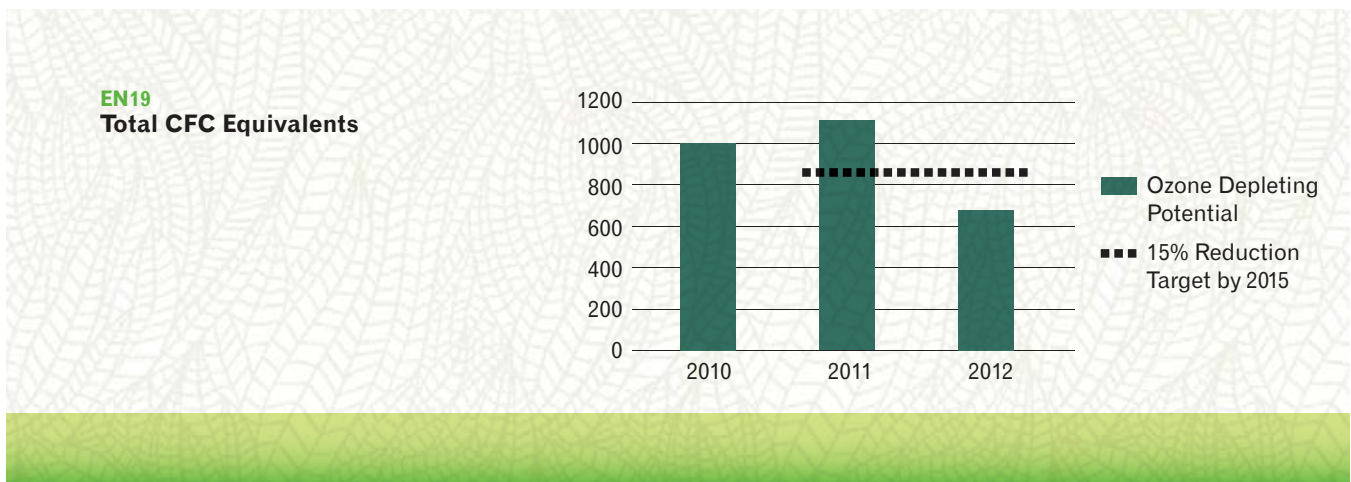
Some Buckman operations emit bromochloromethane (BCM), a potentially ozone-depleting substance. From 2000 to 2009, Buckman reduced BCM emissions by 85.7 percent. This was accomplished by transferring BCM-emitting processes to our most efficient manufacturing locations and improving the efficiency of air pollution control devices at the manufacturing sites reporting BCM emissions.

Our progress

From 2010 to 2012, Buckman further reduced remaining BCM emissions by an additional 32 percent.

How we did it

We successfully identified and mitigated leaks of bromochloromethane in piping and equipment.



BUCKMAN
CLEAR SUCCESS

Maximizing Efficiency

The Challenge: A fine paper mill needed to increase tensile strength so it could reduce the amount of pulp fiber and increase filler. It also wanted to reduce energy use and emissions.

The Solution: Buckman applied Maximize® enzymatic technology, which increased tensile MD and CD 5–12% and 5–16% and reduced local pulp use. It also significantly reduced refining energy use, allowing the mill to turn off one conical refiner.

Return on Investment (ROI)

- Savings in steam, electricity and pulp added up to approximately \$5.65/t.

Return on Environment (ROE)

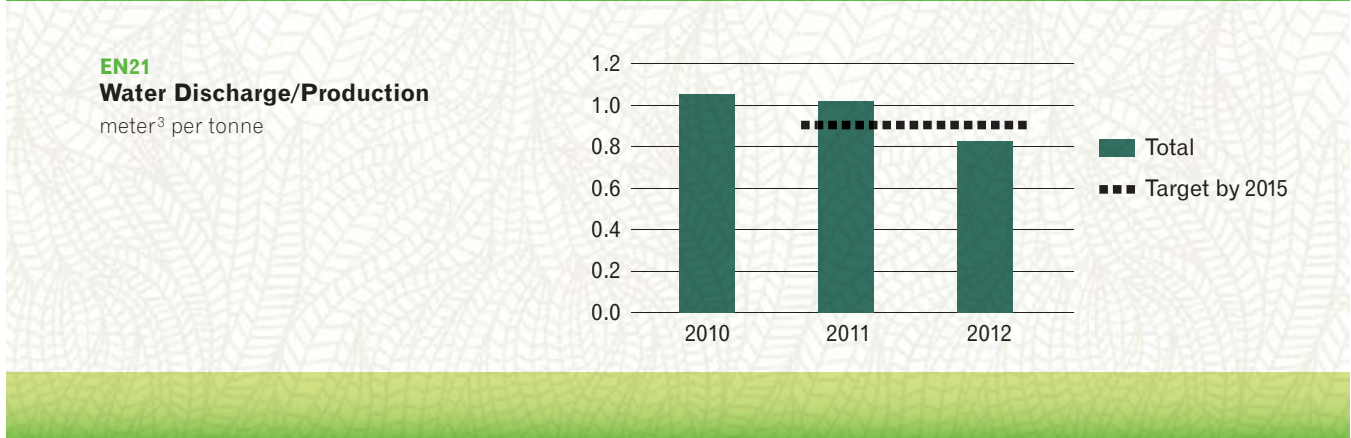
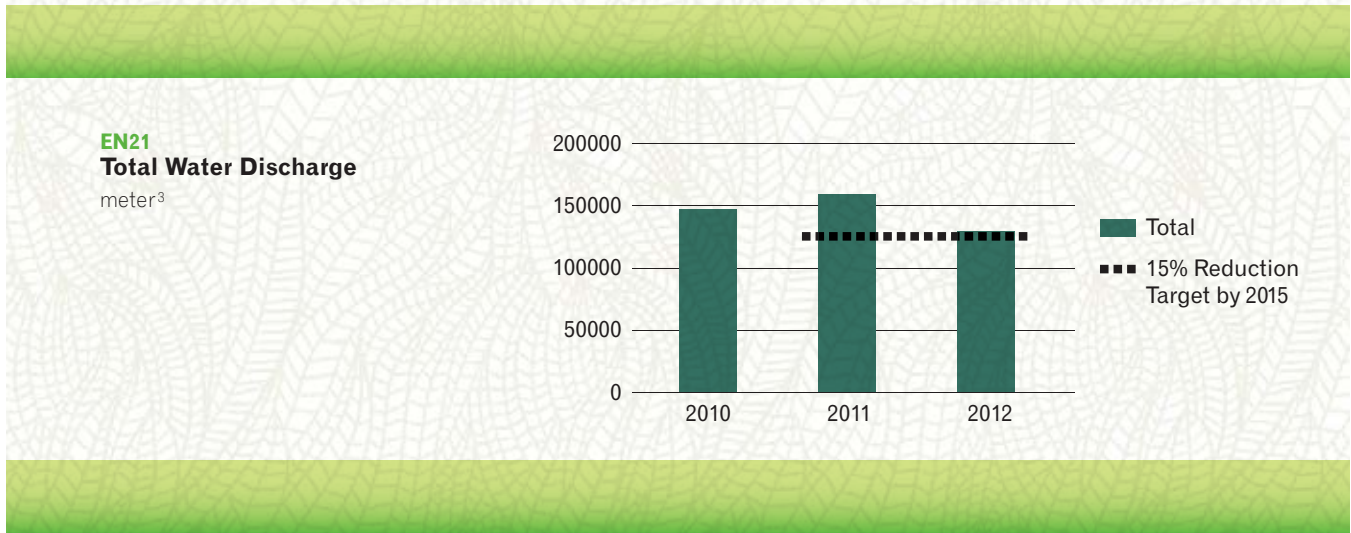
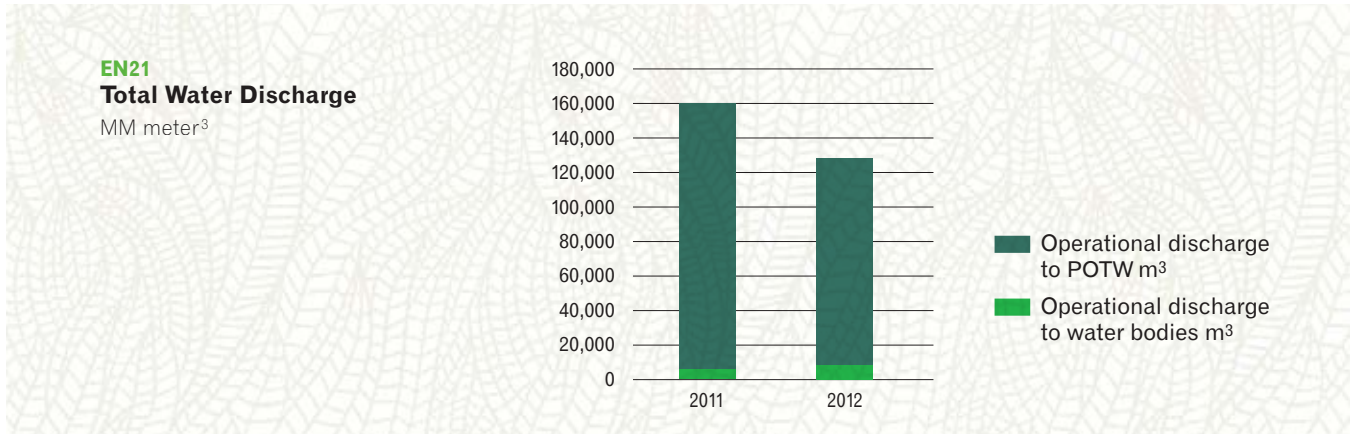
- Maximize reduced electricity consumption 3.4% and steam 12.6%, translating to a 608 kg reduction in CO₂ equivalent emissions per month.

EN21 | Total water discharge by quality and destination **How we did it**

Our progress

From 2010 to 2012, Buckman has reduced total water discharged by 19 percent. In the same time period, the total water discharge intensity was reduced 21 percent.

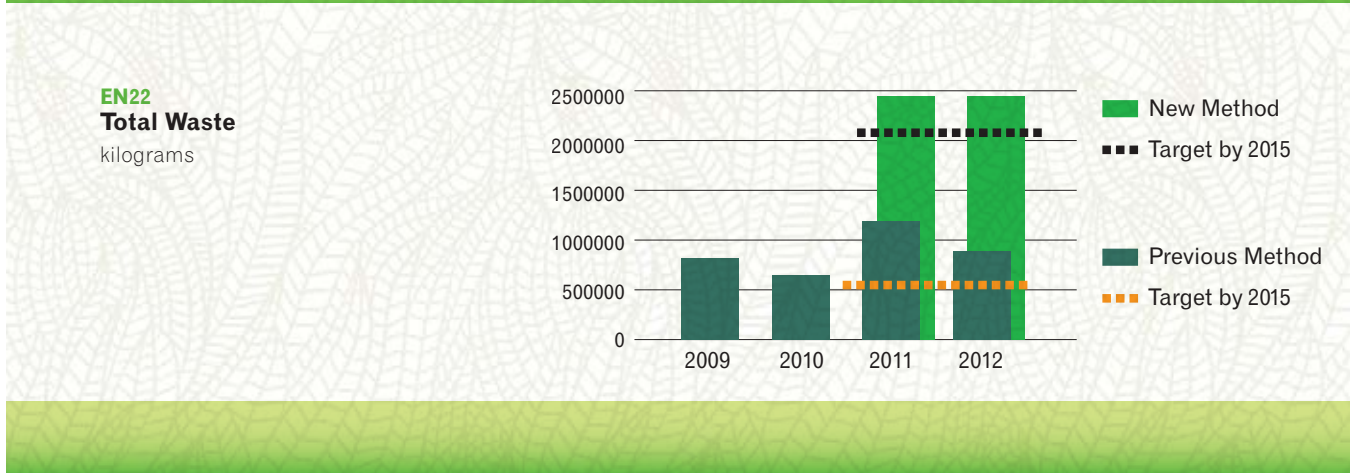
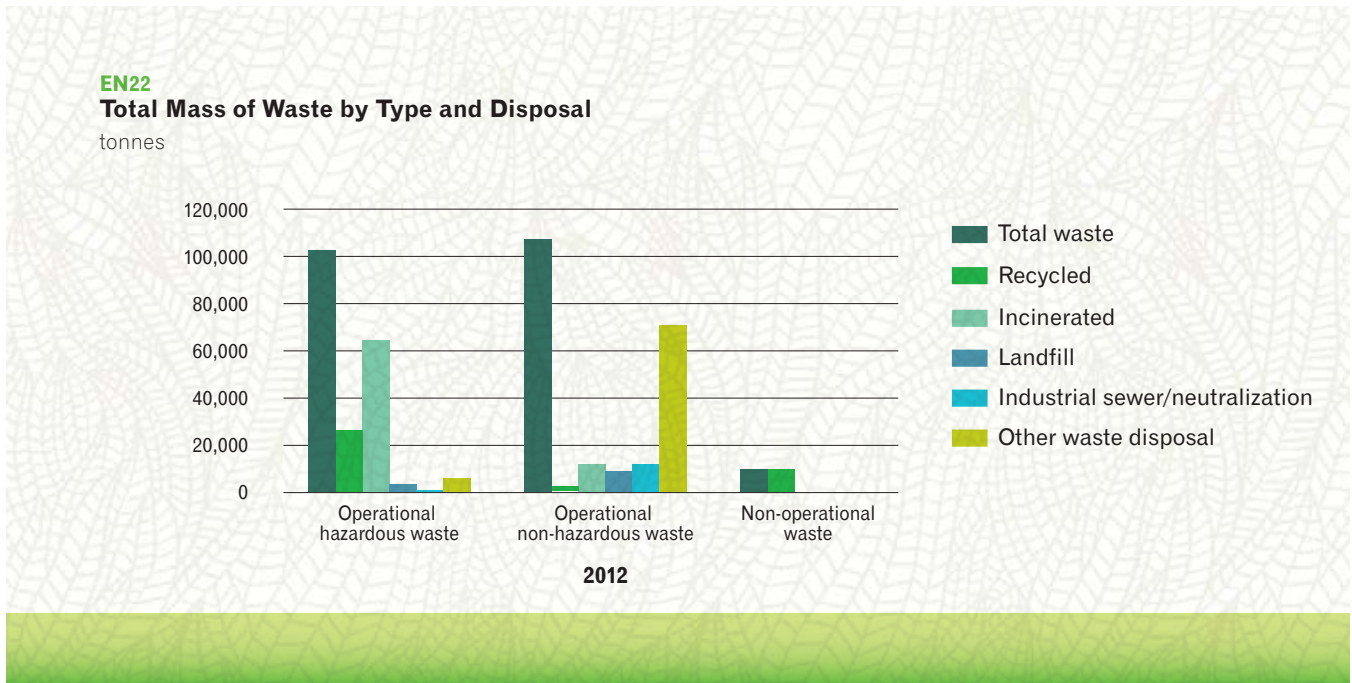
The water consumption projects listed in EN8 resulted in corresponding reductions in effluent water discharge. Also, installation of an effluent evaporation/crystallisation unit greatly reduced effluent in the manufacturing facility.

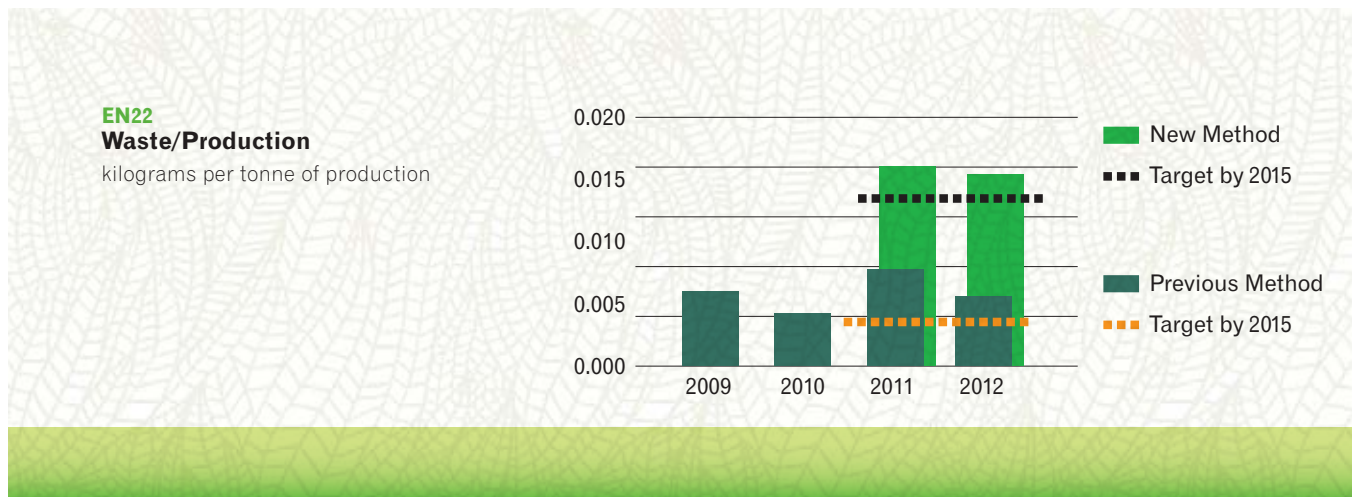


EN22 | Total weight of waste by type and disposal method

Prior to 2011, Buckman reported only waste to landfill and incineration, which did not include waste reused, recycled or recovered. In 2011 and 2012, Buckman has reported based on the GRI definition that includes reused, recycled and recovered wastes. *Total waste* increased from 2009 to 2012 using both

the previous and new methodology. However, *waste intensity* decreased slightly from 2009 to 2012 using both the previous and new methodology. Buckman set a 15 percent reduction target for 2015 using 2011 as the base year. We still have work to do to achieve that target. Because of the change in reporting, 2011 will be used as the future baseline for EN22.





EN23 | Total number and volume of significant spills

Buckman did not incur any significant spills in 2011 or 2012.

EN28 | Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations

No fines or nonmonetary sanctions were levied against any Buckman facility in 2011 or 2012. ■

BUCKMAN
CLEAR SUCCESS

A Burning Need

The Challenge: A pulp mill needed to increase coal combustion efficiency in order to lower its SOx emission levels.


The Solution: Buckman's Bulab® 9672 was applied in the boiler chamber. Combustion became more efficient, reducing flue gas.

Return On Investment (ROI)

- Based on 10% coal savings, customer saved 30 tonnes per day, estimated at \$1,500 per day.

Return on Environment (ROE)

- SOx emissions from the boiler to the Electrostatic Precipitator Unit (ESP) were reduced by 49%.
- A savings of 73,534 KwH resulted in a reduction of 8,055 tonnes/annum CO₂ equivalent emissions.



LABOUR

We make
the workplace
work better.

AN IMPORTANT REFRAIN we live by here at Buckman is “Sustainable success through teamwork.” As this report demonstrates, ours is a multidisciplinary company serving many different industries and companies around the globe. It is also multicultural. We operate in 97 countries, so our associates represent a wide range of religions, languages and customs. Obviously, teamwork is essential. Our goals must be clear. Our rewards must be tangible. And our support of each other must be strong. That’s why Buckman has in place comprehensive workplace strategies and policies that give every associate the opportunity to thrive, make a significant contribution to the whole and improve personally and professionally.

FUNDAMENTAL PRINCIPLES

Labour Rights

We are committed to fair wages, good working conditions and effective workplace conflict resolution. All Buckman operating companies are located in countries that are member states of the United Nations International Labour Organisation, and we maintain labour standards that align with the eight core conventions of that organisation’s Declaration of Fundamental Principles and Rights at Work of 1998.

Occupational Health and Safety

We believe that all occupational injuries and illnesses can be prevented, that safety education and training is vital to a safe workplace, and that safety always takes precedence over expediency. Our safety protocols and procedures are comprehensive and effective, yet we’re always looking for ways to improve them. Our initiatives include the following:

Global Standards for all Organisational Operations—Oversees compliance with our global standards in all organisational operations. The standards are based on risks identified by the following factors:

- Regulatory
- Incident history (trend analysis)
- Safety and environmental audits
- Best practices

These standards also provide the foundation for continuously strengthening our internal auditing programs.

Global Safety, Process Safety and Environmental Stewardship Audits—A single comprehensive audit process system encompassing all three of our key risk-identification processes: associate safety, process safety and environmental stewardship. Audits are scheduled at least every three years for each operating location. Audit teams are comprised of subject matter experts from within our organisation and include associates from safety, environmental, plant management, process engineers and others.

This auditing process has continued to provide an opportunity for Buckman associates who have similar jobs to share knowledge and best practices among each other and outside their normal environment.

To ensure that we are always improving our risk-reduction efforts, Buckman employs third-party Qualitative Risk Assessments (QRAs). These QRAs identify chemical hazards and security vulnerabilities; facilitate and apply the appropriate risk-analysis technique for the risk identified; and recommend, prioritise and review options to manage risk to a level appropriate for each company’s specific risk tolerance.

Safety & Environmental Scorecard—A biannual scorecard to measure and communicate each operating company’s implementation of our Global Safety & Environmental fundamentals. The scorecard

measures each operating company’s performance as it applies to the following areas:

- Global Safety & Environmental audit results
- Incidents
- Corrective action activities
- Nonconformances

Global Safety, Health and Environmental (SHE) Community—Improves global communications, coordination and implementation of health and safety initiatives among operating companies and corporate departments at multiple levels. Members of the SHE Community meet at least annually to review successes and failures, and to establish the necessary vehicles to continuously improve our safety and environmental stewardship.

Hazardous Chemical Application Standardization (HCAS)—A recently revised and comprehensive checklist we devised to ensure that our chemicals and chemical applications at customer sites are handled in a uniform and safe manner according to agreed-upon global standards.

Associate Development

We are convinced that continuous learning increases the value of an associate. As an organisation that employs many scientists and engineers with years of education and experience, teaching and coaching has naturally become deeply embedded in our culture. We constantly train. We use talent forums to make sure we have the right people in the right roles. And we offer ways for associates to progress and grow personally and financially.

In 2011 we ranked 62 in *Training* magazine’s top 125 organisations in the world for training. We moved up to 47th in 2012.

When asked in our 2012 Global Associate Engagement Survey, 76 percent of our associates agreed they are provided opportunities for learning and development. This is 14 points higher than Hay Group Insight’s High Performing Companies Norm.

LA1 | Total workforce by employment type, employment contract, and region

Total Buckman workforce:

1,733 associates as of December 31, 2011
 1,719 associates as of December 31, 2012
 (Values include permanent and temporary associates)

Breakdown by employment contract:

In 2011 and 2012, 88 percent of all Buckman associates were permanent, and the remaining 12 percent worked under a temporary arrangement.

Breakdown by employment type:

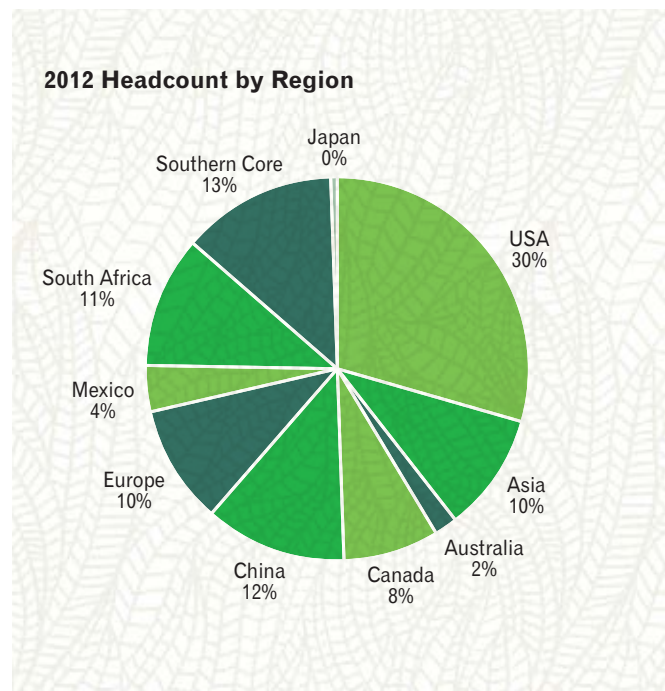
In 2011 and 2012, 99 percent of all Buckman permanent associates were full time, and the remaining one percent was part time.

2011 breakdown by region:

1,547 permanent Buckman employees worldwide,
 186 temporary workers

2012 breakdown by region:

1,532 permanent Buckman employees worldwide,
 187 temporary workers



LA2 | Total number of employee turnover by age group, gender, and region

In reporting attrition rates, the definition of total population is based on the number of associates at the end of the reporting period. This number only includes Buckman associates—no temporary or contract associates. It includes voluntary and involuntary exits.

2011—1,547 associates

Total attrition for 2011: 128 associates or 8.2%

- 97 males
- 31 females
- 22 age <30
- 71 ages 30–50
- 35 age >50

2012—1,532 associates

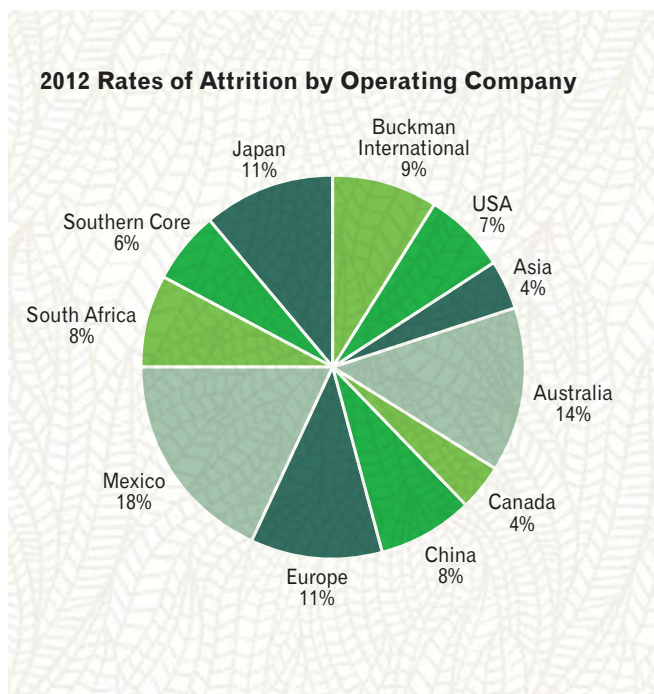
Total attrition for 2012: 179 associates or 11.7%

- 131 males
- 48 females
- 36 age <30
- 92 ages 30–50
- 49 age >50

LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

Buckman offers major benefits to full-time associates in the countries where it does business. These benefits may vary by country, but include:

- Medical
- Dental
- Vision
- Flexible spending account
- Life insurance
- Optional life insurance
- Accidental death & dismemberment insurance
- Travel accident insurance
- Long- and short-term disability
- Employee assistance program (EAP)
- Long-term care
- Cancer plan
- Legal plan
- Tuition reimbursement
- 401(k)/profit sharing
- Vacation
- Relocation
- Healthcare survivor benefits



LA4 | Percentage of employees covered by collective bargaining agreements

353 Buckman associates (23 percent) are covered by collective bargaining agreements.

LA5 | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements

- Buckman keeps associates informed of operational changes through a variety of channels
 - One-on-one meetings
 - Intranet
 - Email
 - Global and local workgroups
 - Associate meetings
 - Calibration/info-sharing sessions
- There is no global standard for a minimum-notice period, but Buckman makes every effort to give reasonable notice to all associates for significant operational changes. Buckman remains compliant with legal requirements in each country of operation regarding notice periods. At locations where collective bargaining agreements are in place, minimum notice periods are negotiated and respected in the event of significant operational changes.

LA6 | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs

100 percent of the Buckman workforce is represented in the chartered Global Safety, Health and Environmental committee. This committee holds bi-monthly virtual meetings as well as a face-to-face meeting every 12–18 months.

Many operational companies have additional local health/safety committees. These include:

- Committee for Prevention, Health and Safety in the Workplace
- Ergonomic Committee
- SAFE Group
- First Aid Brigade
- Fire Brigade
- Evacuation Brigade
- Internal Commission for Accident Prevention

Safety protocols and safety training are in place for all areas of the company:

- Manufacturing
- Sales/Marketing
- Administration
- Laboratory/Research

BUCKMAN
CLEAR SUCCESS

Sludge Weight-Reduction Program

The Challenge: A mill wanted to reduce the moisture content in its effluent plant sludge in order to reduce weight.

The Solution: Buckman’s dewatering program, including Bulab® 5370, increased sludge dryness by 5.6%.

Return on Investment (ROI)

- The treatment achieved a 1,345 ton reduction, saving the mill \$100,000 per year.

Return on Environment (ROE)

- Reduced weight of the sludge meant 62 fewer trucks required per year, saving 3,974.4 litres of diesel and reducing CO₂ equivalent emissions by 10,627 kg per year.

LA7 | Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region

Buckman’s safety record continues to improve and is consistently better than the industry averages. Safety is a fundamental tenet of our organisation.

Occupational Health and Safety Data

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2015 Target
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Total Recordable Injuries and Illnesses*

Buckman Incident Rating	1.9	1.2	1.4	1.5	1.3	1.0	1.3	0.7	1.2	1.12	1.11	0.75
U.S. Chemical Industry Average		3.4	3.5	3.2	2.9	3.1	2.7	2.3	2.4	2.4		
U.S. Manufacturing Industry Average		6.8	6.6	6.3	6.0	5.6	5.0	4.3	4.4	4.4		

Lost Workday Cases**

Buckman Incident Rating	0.7	0.5	0.3	0.5	0.7	0.3	0.1	0.3	0.4	0.6	0.4	0
U.S. Chemical Industry Average		0.9	0.9	0.8	0.8	0.8	0.8	0.6	0.7	0.7		
U.S. Manufacturing Industry Average		1.6	1.6	1.5	1.4	1.3	1.2	1.0	1.1	1.1		

Off-Job Injuries

Buckman Incident Rating	Buckman does not currently measure off-job injuries.
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Fatalities

Buckman Incident Rating	0	0	0	0	0	0	0	0	0	0.06***	0	0
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* Represented by the occupational incident rating (OIR) calculated by the total number of occupational injuries/illnesses resulting in medical treatment, lost time or fatality multiplied by 200,000 then divided by the number of man-hours worked.

** Represented by a lost-time injury rate (LTIR), calculated by the total number of occupational injuries/illnesses resulting in medical treatment, lost time or fatality multiplied by 200,000 then divided by the number of man-hours worked.

*** Buckman suffered a fatal accident of a non-Buckman service representative working at a customer site.



LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases

Buckman provides:

- Education and training for workers
- Counseling for workers and their families
- Prevention/risk control for workers and their families
- Treatment assistance for workers and their families

Buckman USA and Buckman International offer online health assessments to all associates to assist them and their qualified dependents in evaluating the genetic and lifestyle factors that increase individual risk of contracting serious illness. Associates have access to educational materials and are offered access to a healthy lifestyle coaching program. Participants receive telephone coaching sessions with a professional wellness coach at no cost to the associates. Through Buckman's health insurance offerings, associates and their families may receive treatment assistance.

LA9 | Health and safety topics covered by formal agreements with trade unions

At Buckman, we understand the inherent risks of our industry. That's why our Global Safety & Environmental Department engages in a disciplined program of risk analysis and planning that includes:

- Setting and following strict protocols for the safe operation of our plants and the safe handling of our products.
- Performing site vulnerability analyses to ensure security, and reduce the potential for harm to people and the communities we share.
- Focusing on employee health, implementing a global medical- and health-testing standard to reduce serious illness in the workplace and the related healthcare costs.

In the regions where we have formal agreements with trade unions (Southern Cone, South Africa and Mexico), we cover health and safety in those agreements. The health and safety topics covered in all local level agreements include:

- SHERQ representatives safety inspection report
- First-aid box
- Suggestion box
- Emergency response plan
- Workplace safety
- Modified policies and procedures
- Audit results of ISO 9000 and 14000
- Occupational health reports
- Hygiene reports
- Personal protective equipment
- Non-conformances
- Outstanding actions
- Consultation
- Joint management-employee health and safety committees
- Training and education
- Participation of worker representatives in health and safety inspections, audits and accident investigations
- Complaints mechanism
- Right to refuse unsafe work

Additional health and safety topics that are covered in these agreements but are specific to certain countries include:

- Compliance with the International Labour Organisation (ILO)
- Arrangements or structures for resolving problems
- Commitments regarding target performance standards

LA10 | Average hours of training per year per employee by employee category

At Buckman, we place great emphasis on employee development, the exchange of knowledge and information, and the fostering of transformational leadership skills. Only when our associates grow better and stronger can we expect our Company to do the same.

2011

1,733 associates
71,495 total training hours
41 hours (average) training/associate globally

2012

1,719 associates
61,600 total training hours
36 hours (average) training/associate globally

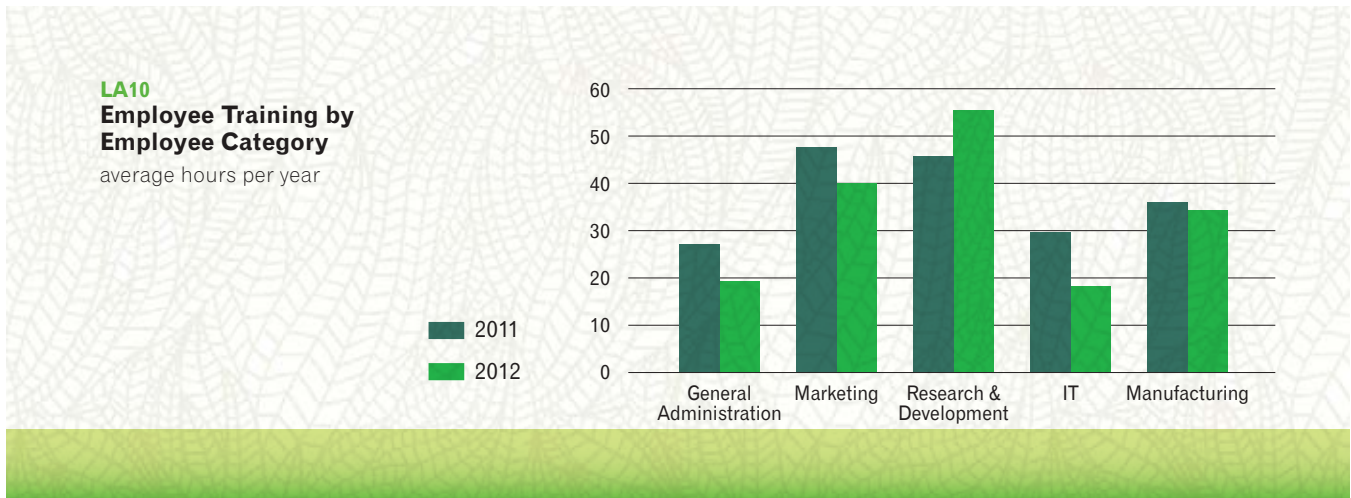
LA12 | Percentage of employees receiving regular performance and career-development reviews

Managers and associates (contractors not included) have a formal performance review annually (at a minimum) to review the prior period performance and set goals for the next period.

In 2011, approximately 82 percent of employees received performance reviews.

In 2012, approximately 87 percent of employees received performance reviews.

Success doesn't come from working in a vacuum. That's why we completed our second round of talent forums last year. These forums are a key piece of our sustainability effort, as it will be our people who will enable us to remain viable 10, 20 and 30 years down the road. It's all about having the right people in the right roles, and it is a continuing self-renewal process that keeps us positioned to meet the changing needs of both our customers and our shareholders. ■



HUMAN RIGHTS

Our record and our employees speak for themselves.

WHEN YOU EMPOWER THE INDIVIDUAL, you strengthen the group. And one of the most empowering things an employer can do for employees is to make sure they have a voice. At Buckman, associates are asked to share their views of our Company every two years through our confidential Global Associate Engagement Survey, which helps us identify organisational strengths and areas of concern.



In 2012 all permanent Buckman associates were invited to participate in the survey, which was delivered in 11 languages. Approximately 92 percent of associates completed the survey and shared their individual opinions about the work environment at Buckman. Approximately 90 percent indicated that they felt proud to work for Buckman and 82 percent would recommend Buckman to family and friends as a place to work.

Those numbers are no accident. Buckman is committed to treating our associates with respect, dignity and fairness. Buckman strives to create an environment where associates choose to work and grow professionally. And we operate according to

the Buckman Fundamentals, our Code of Ethics and basic principles that ensure:

- Recognition and respect for the individual and his or her human dignity, capabilities and potential
- Recognition and reward for contributions and accomplishments
- Effective teamwork
- Ongoing learning and personal growth
- Sound decision-making and planning for the future
- Creativity
- Responsibility, both personal and corporate

Buckman has zero tolerance for human rights violations or abuses. ■

OUR DISCRIMINATION AND HARASSMENT POLICY

Buckman will ensure that no associate aids, abets, compels, coerces or conspires to discipline or discharge, or causes another associate to resign, because of race, color, religion, creed, age, sex, national origin, disability or any other prohibited basis under state or federal law.

The Company expects all associates to accomplish their work in a business-like manner with a concern for the well-being of their co-associates. Any harassment of associates by fellow associates is not permitted, regardless of their working relationship.

Reporting and remedy

All associates are given access to EthicsPoint, a reporting system that serves as an alternative to approaching their manager, human resources or senior management about activities or conduct believed to be unethical, illegal or in violation of our Code of Ethics. EthicsPoint reports can be made anonymously and confidentially, and associates can feel confident that there will be no negative consequence for reporting or inquiring about potential violations in good faith. Training on the Buckman Code of Ethics and EthicsPoint is part of the New Hire Orientation process at each operating company.

HR4 | Total number of incidents of discrimination and actions taken

There were two incidents of discrimination in 2011 in the United States:

- One internal claim of age discrimination, which was investigated. No discrimination was found. The issue was settled with a facilitated meeting between associate and manager, and both moved forward with no more problems.
- One EEOC claim of discrimination, which was settled through mediation.

There were no incidents of discrimination in 2012.

HR6 | Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor

Child labor is not tolerated at Buckman.

HR7 | Operations identified as having significant risk of forced or compulsory labor and measures taken to contribute to the elimination of forced or compulsory labor

Forced labor is not tolerated at Buckman.

HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken

None. ■

BUCKMAN
CLEAR SUCCESS

Softness and Savings

The Challenge: A tissue mill wanted to improve sheet softness and runnability for its biodegradable, food contact-approved 3-ply tissue.

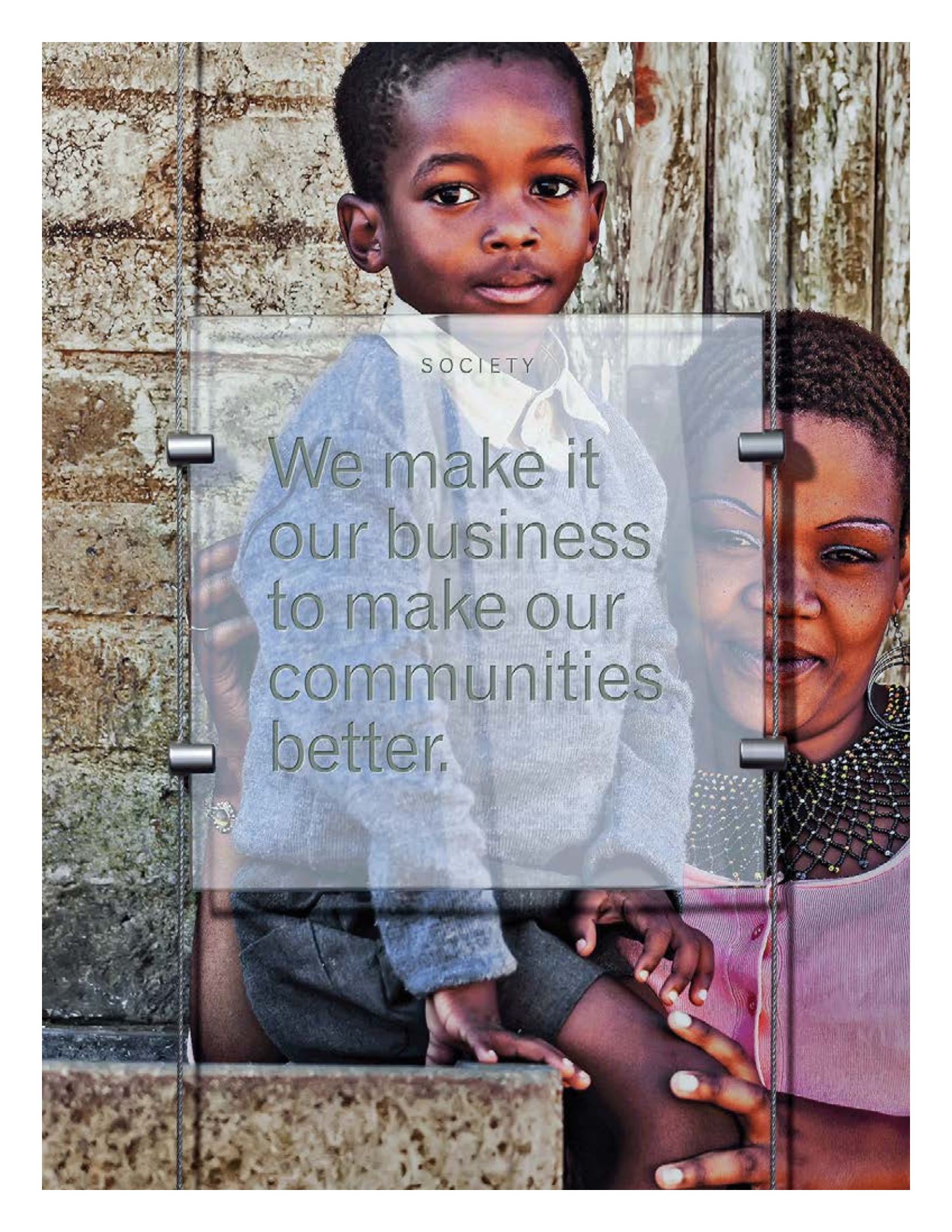
The Solution: Buckman applied Buckman® 691 which improved softness and production efficiency. Hood temperatures were reduced, reducing emissions. And blade life was extended.

Return on Investment (ROI)

- Blade life extension saved €18,750 per year.
- Production increase valued at €300,000 per year.
- Hood temperature reduced 30 degrees C.
- Total ROI (after treatment costs) €102,000 per year.

Return on Environment (ROE)

Reducing gas at dryer hoods saved 172.8 tonnes of CO₂ equivalent emissions per year.

A young child and a woman are looking towards the camera. The child is on the left, wearing a light blue sweater over a white collared shirt and dark pants. The woman is on the right, wearing a pink top and a large, ornate necklace. In the foreground, a transparent sign is held up by four metal fasteners. The sign contains the text 'SOCIETY' and a larger message. The background consists of a textured wall and wooden panels.

SOCIETY

We make it
our business
to make our
communities
better.

COMPLYING WITH LOCAL LAWS, avoiding corruption and eschewing anti-competitive behaviour are extremely important. But a corporate citizen can do so much more for the communities in which it operates.

At Buckman, we strive to add real and lasting value to our communities. Not only by investing money there and hiring people, but also by using our resources to create change. Strengthening ties that bind people together. Fostering goodwill through good works and promoting a higher standard of living. In 2012, through BuckmanCares, our global community engagement initiative, we contributed more than 7,050 hours of volunteer service in support of programs and initiatives focused on education, health and human services, and environmental stewardship. Add in monetary contributions, and the value of our support totaled 2.7 percent of our net profit.

At the local level, we planted trees, cleaned up neighborhoods, provided comfort and support to the elderly, collected school supplies for inner-city kids, showed communities how to conserve water, and taught children valuable principles to live by. And we united globally to donate blood needed in our local communities and support the Red Cross/Red Crescent in their disaster relief efforts.

S02 | Percentage and total number of business units analyzed for risks related to corruption

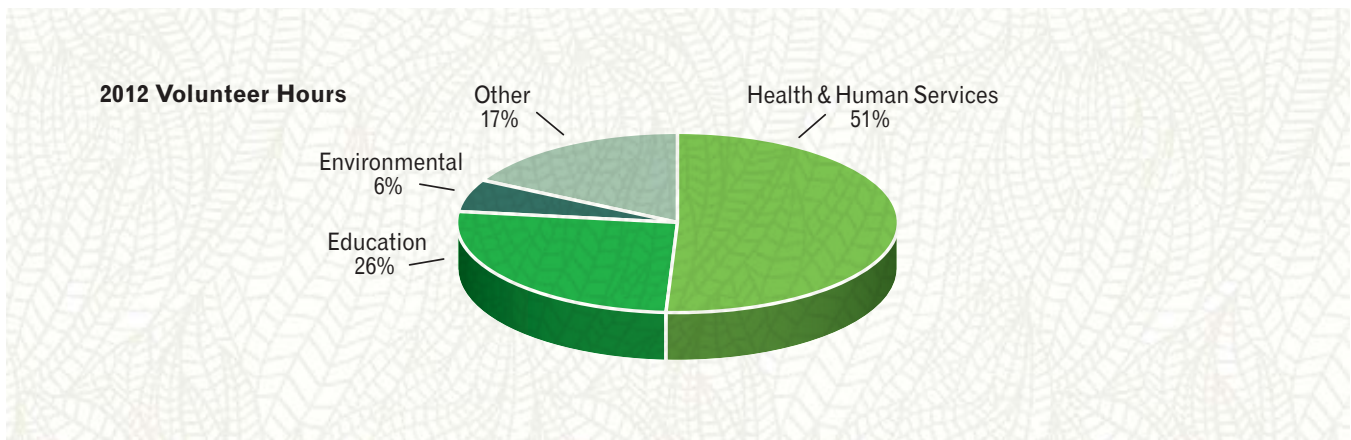
100 percent of our nine operating companies are analysed for risks related to corruption. We maintain a risk-management committee at the board level, and we educate all our associates on our Code of Ethics. External and internal financial audits have uncovered no incidents of corruption.

S03 | Percentage of employees trained in organization's anticorruption policies and procedures

All associates at Buckman adhere to the Code of Ethics, which is part of the Buckman Fundamentals. Each associate company worldwide shares the same Code of Ethics. In addition to the EthicsPoint training provided to each newly hired associate, Buckman requires all upper level managers to complete an online Foreign Corrupt Practices Act training course.

S04 | Actions taken in response to incidents of corruption

There have been no reports of any governmental actions, such as investigations, against any Buckman entity or associate for corrupt activity. ■



Success Stories

Corporate values become words to live by for students in China

Throughout China, storytelling performers have practiced their tradition—commonly called *quyi*—since ancient times, imparting culture, history and life lessons through the spoken word. Today, at Shanghai Yu Xiu School in Shanghai, China, the tradition continues. Students aged 11 and 12 gather together to listen to stories about animals, princesses, problems and solutions—fables that teach important principles. But there’s a twist to this story. Here, the storyteller is Buckman. And the stories are based on the Company’s Seven Principles of Highly Effective Teamwork.

Buckman’s storytelling program is an outreach of the company’s BuckmanCares initiative in which employees volunteer their time in the community. Sally Hu, program leader and Marketing Assistant—Paper Division at Buckman China, said her colleagues saw an opportunity to draw on their own corporate values to help children learn.

“Abstract concepts like responsibility and commitment can be difficult for a child to grasp,” she said. “But if you

demonstrate them in a story, the students understand them and remember how they affect outcomes.”

The Seven Principles of Highly Effective Teamwork are:

- 100% responsibility
- Trust
- Clear communication
- Healthy conflict
- Commitment
- Accountability
- Focus on results





Buckman associates use the principles as a guide for success in the corporate world. But these principles are also universal and reflect practical and moral decision-making that can help anyone lead a more fulfilling life.

Story Time

Using simple tales, the Buckman team leads the students in sessions in which the children read their parts aloud, engage in role-playing and even sing. Once the story is understood, there are questions and answers, small prizes are awarded to participants, and the children discover what underlying principles are at work in the story.

“The theme of our program is ‘Attitude leading your life, innovation brightening your life,’” Hu said. “We know having the right attitude and being able to engage in innovative thinking and problem solving are extremely important. This was our chance to influence the children early in their life and perhaps have a positive and permanent impact on their future.”

In one story, two brother crows meet their end because each is waiting for the other to repair the hole in their nest. The hole grows bigger and bigger until they both fall to the ground and freeze to death. The tale teaches the importance of responsibility, commitment, accountability and staying focused on results.

In another story, a strong iron jar boasts of his superiority over a breakable pottery jar in the king’s royal kitchen. After the fall of the kingdom and many centuries pass, archeologists dig up the pottery jar, which remains intact, and they marvel at its beauty. The stronger iron jar, on the other hand, is nowhere to be found. It has rusted away. The children learn that every person is both strong and weak, just in different ways. And that conflict can be healthy when it reveals the strengths of each side and ultimately profits everyone.

The stories teach lessons. But so does the actual storytelling experience. It allows students to not only read about teamwork but also engage in it as they interact with the story and with each other. They have a lot of fun, too.

Happy Endings

The school’s principal, Ms. Zhou XiuFang, said what Buckman has done is unique among corporate supporters.

“They not only donate money but also contribute a lot of time to prepare and tell the stories,” she said. “They have worked hard to help the children form positive attitudes and learn to work together.”

The School Chief of Moral Education, Ms. Gu YuQin, agrees. She’s noticed that every time there’s a storytelling session, the students go back to their classmates and retell the stories. In that way, the program reaches beyond the participants themselves.

“Parents and children have been very appreciative of the program,” she said. “We have received many thank-you cards.”

At the request of the school, Buckman China is now exploring the possibility of creating story sessions for higher-grade students and even teachers, based on the Seven Principles of Highly Effective Teamwork. As a result, Buckman is implementing similar programs in other countries.

For Yu Xiu School, Buckman has become a part of their success story. And the school has certainly become a part of Buckman’s. That, everyone agrees, is teamwork at its best. ■



PRODUCT RESPONSIBILITY

Ultimately, we
don't produce
chemicals.
We create
reactions.

WE WANT THOSE REACTIONS TO HAVE POSITIVE EFFECTS. On our customers. On our balance sheet. On human health. And on the environment. So we use proven and accountable processes for the development and commercialisation of every product we create. We incorporate greener chemistry practices. We take special care to produce effective safety data sheets and labeling. We prepare hazardous chemical application checklists for proper handling. And we provide direct customer support to ensure that products are moved, used and stored safely and effectively.

PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures

Buckman has in place stringent review processes for the development and commercialisation of new products. Regulatory changes or new hazard information can also trigger safety reviews of existing products. Buckman is working to formalise methods for conducting Life Cycle Assessments (LCAs).

PR3 | Type of product and service information required by procedures, and percentages of significant products and services subject to such information

All of Buckman's products must comply with hazard communication laws for the countries in which

Buckman sells them. These requirements include product Safety Data Sheets (SDS) and labels. When required by local and national regulations, the content of the SDSs and labels includes information on: the content of substances that might produce an environmental impact, safe use and disposal, and other information as required for compliance. Information on the sourcing of components is collected but not disclosed to customers via SDSs and labels.

Buckman also provides direct support to customers when additional information is needed regarding safe handling and uses for specific applications. Buckman is making preparations to comply with the global implementation schedules of the Globally Harmonized System for Classification and Labeling.



PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction

It is standard for Buckman to administer a customer satisfaction survey to customers meeting a certain sales threshold for a calendar year. However, the survey is available to all sales associates. We depend on the sales associates to administer the survey.

The main purpose of this survey is to increase customer interaction (engagement)—the numbers are not used to judge anyone. In addition, we administer it to more than one person at each customer location.

Once a survey has been administered, the results are compiled and a report is generated, which is made available to the sales associate, who then reviews the report with the customer at an annual business review.

Once the report has been presented to the customer, the sales associate prepares an action plan based on the findings and the discussion with the customer. The sales associate then reviews the business plan with the customer.

All of these actions are governed by our 8 Business Management Standards:

- Communication
- System knowledge
- Planning
- Safety
- Program manuals
- Service and activity reports
- Business reviews
- Continuous improvement

Continuous improvement is the end goal for every customer, the driving inspiration for everything we do. ■

BUCKMAN
CLEAR SUCCESS

Discharge Worries Eliminated

The Challenge: Excessive pressure drop led to frequent cleanings, which led to total dissolved solids (TDS) and pH discharge concerns.

The Solution: Buckman applied our proprietary chemistry to restore membrane performance and reduce cleaning frequency to just once per year.

Return on Investment (ROI)

- Premature membrane replacement eliminated—after three years of peak efficiency, this RO unit continued to perform at a 3–4 microsiemens conductivity with its original membranes.
- Chemical cleaning costs were reduced by \$4,000 per year.

Return on Environment (ROE)

- Dramatic decrease in cleaning eliminated the customer's worry about exceeding its regulated discharge permit.

VISION & STRATEGY

1.1 | Vision from Leadership

(See page 4.)

1.2 | Description of key impacts, risks, and opportunities

Risk Descriptions

The following sets forth definitions of the top ten risks identified for Buckman on a global basis and how they impact the company. These risks are listed in the order of their combined likelihood and severity from highest to lowest.

The following Risk Descriptions were developed by the Chairmen's Group and then presented, discussed and modified with input from the Risk Management Committee of the Board.

Velocity is the speed at which the occurrence of a risk can impact Buckman. It does not seek to address how long the impact will last. A designation of immediate velocity would impact the Company within 24 hours, medium velocity would be from two days to one year, and long term would be longer than one year.

Performance Gap – Performance gap risk is the risk of Buckman failing to manage the business to meet the financial performance expectations of our associates and shareholders. Failure to do so can negatively impact the long-term sustainability of the business by limiting the Company's ability to make investments needed to grow the business or by being forced into selling the Company at the request of shareholders.

Performance gap risks include the following:

- Declining gross margins
- Declining operating margins
- Increasing operating expenses
- Failure to generate sufficient free cash flow
- Failure to stay competitive in the marketplace with existing and new technologies

The velocity of this risk is long term.

Business Interruption – Business interruption risk is the risk that there will be an interruption to Buckman's critical operations and processes that have a negative material impact on the business. Buckman's ability to continue its operations within a given geographical region or regions is dependent on:

- Its ability to operate its manufacturing and distribution facilities
- The availability of certain raw materials
- The availability of third party transportation services
- The operation of critical information systems (addressed more comprehensively in the risk area of "information system integrity")

Business interruption can arise from the following:

- Accidents
- Natural disasters
- Limited availability of raw materials or reliance on one supplier for key raw materials
- Third party work stoppages
- Sabotage
- Political actions taken by a country that impact Buckman's operations

The velocity of this risk is immediate to medium term.

Competitor – Competitor risk represents the risk that competitors will establish or sustain a competitive advantage over Buckman in such a way that we will not be able to effectively compete in one of our target markets. The two primary areas in which this risk is the greatest:

- Competitors will enter the market and compete effectively against Buckman in areas where it has had a unique position – TCMTB, WSCP, Oxamine/MCA chemistries.
- Buckman's relatively small size in the water treatment market will not allow it to establish and maintain a competitive advantage against its larger competitors.

The velocity of this risk is long term in nature.

External Economic and Financial – External economic and financial risk is the risk that circumstances and events outside the control of Buckman will have a material negative impact on our ability to do business in certain locations and on our financial results. Possible circumstances and events that would be included in this type of risk include the following:

- Economic downturn, recession or depression
- Economic crisis in a specific geographic region
- Political crisis in a specific geographic region
- Fluctuations in currencies relative to the U.S. dollar
- Changing tax regulations
- Changing import/export regulations for a specific geographic region
- Exchange controls imposed by a government that limit Buckman's ability to transfer funds in or out of the country
- Risk of high inflation in a particular geography
- Bankruptcy or fraud of a financial institution where Buckman has funds invested

The velocity of this risk is medium to long-term.

Environmental/Safety – As a chemical manufacturer and distributor, Buckman is exposed to various potential environmental and safety-related events that could have a significant impact on our ability to continue operations, our financial results, and/or our reputation and image in the marketplace and the communities in which we operate. These environmental and safety-related risks include the following:

- Damage to Buckman's associates (bodily injury)
- Damage to Buckman's property
- Damage to third parties for bodily injury or property damage
- Damage to natural resources
- Liability to governmental entities
- Damage to Buckman's reputation as a result of any of the above

Environmental and safety risks can arise from:

- The release of unintended emissions to the environment
- Disposal of waste

- Violations of operating permits
- The actions of third parties, such as transportation providers and customers
- Unsafe work practices and processes within Buckman
- Unsafe work practices and processes of our customers
- Human error at Buckman or our customer sites

The velocity of this risk is immediate to long term.

Industry – Over 50 percent of Buckman's business is in the pulp and paper industry. This market concentration presents potential negative risks to Buckman in light of certain characteristics associated with this market. These characteristics include the following factors:

- The significant bargaining power many large companies have with suppliers such as Buckman
- Few globally capable suppliers, a situation that from time to time creates intense competitive rivalry
- A significant decline in the printing, writing and newsprint segments of the industry, particularly in North America
- Some weak customers (particularly in the declining segments) presenting the threat of bankruptcy or inability to pay

The velocity of this risk is long term.

Human Resources – Buckman's competitive advantage is dependent on our ability to:

- Attract the right people
- Develop our associates so they are capable of being in the right positions
- Manage them so that they are placed in the right positions
- Manage them so that they are doing the right things the right way
- Retain them

Risk related to talent acquisition, development, management and retention can arise from:

- A lack of understanding of the talents and skills needed in certain strategic areas

- A poor reputation in the hiring marketplace
- A poorly defined or ineffective selection process
- An inadequate performance management system
- An inadequate associate development process, poor managers or a poor organisational environment
- Non-competitive or inappropriate compensation systems
- An ineffective succession management process

The velocity of this risk is medium to long term.

Compliance – Buckman has a history and reputation as an ethical organisation and a good corporate citizen guided by its Fundamentals. It has also built a reputation as a global organisation that does business consistently around the world. Buckman’s image and reputation can be negatively impacted by:

- The failure to create and operate in an environment guided by our Fundamentals
- The failure to consistently honor our Fundamentals through corporate action or inaction
- The failure to operate consistently around the world with global customers
- The failure to maintain and operate in accordance with an adequate system of internal accounting controls
- The failure to operate in accordance with commonly accepted accounting and financial reporting practices
- The failure to operate as a good corporate citizen in the communities in which it does business
- The failure to file required reports and pay appropriate taxes and fees in a timely manner
- The failure to follow appropriate laws and regulations when employing and terminating associates
- The failure to be aware of changes in laws and regulations, and to adopt changes as necessary

Buckman also operates in a highly regulated environment in most parts of the world. Failure to comply with applicable laws and regulations can have a significant impact on Buckman’s ability to continue operating in certain locations and/or can negatively impact its financial results. External compliance

failure can result from failure to comply with laws and regulations related to:

- The manufacture of products
- The transportation of products
- The sale of products
- The application of products
- The disposal of waste materials

The velocity of this risk is medium to long term.

Product/Service Failure – Buckman sells products and services that are used in industrial processes. The failure of a product or poor advice to a customer can have a negative financial impact on a customer and can damage the reputation of Buckman. In some cases, products are used directly in the process and can have an immediate impact on the goods being produced. Additionally, some of the services offered by Buckman’s associates can impact the customer’s production. In all cases, there is some degree of potential exposure of products to associates and third parties working in a customer facility. Examples of product or service failure include the following:

- Product was not appropriately designed for the application
- Product is not stable until point of application.
- Failure of the application equipment
- Unsafe application equipment set-up
- Improper advice provided by the Buckman sales associate to the customer
- Failure of sales associate or customer representative to abide by safe handling procedures for the product
- Negative human exposure trend information despite prescribed handling procedures for the product

The velocity of this risk is immediate to medium term.

Information System Integrity – Buckman relies on its information system to take an order from a customer; manage production; ship products; invoice a customer; pay suppliers; pay associates; determine the profitability of a product, customer and industry; and evaluate its financial results. The failure of the system would have a significant impact on Buckman’s

ability to operate. The ongoing integrity of the system impacts management's ability to make informed business decisions. The integrity of Buckman's information system can be negatively impacted by the following:

- Failure to recover the system within a reasonable period of time
- Inconsistent standards regarding the input of data into the system
- Failure to abide by standards established for the input of data
- Limitations on the design of the system and type of data inputted
- Continued reliance on manual manipulation of data
- A security failure that comprises data in the system

The velocity of this risk is immediate to long term

Buckman has committed itself as an organisation to several targets, which are stated throughout this report. Progress towards our stated goals has been included.

Various departments, workgroups and committees are refining the mechanisms and systems to ensure Buckman remains a highly sustainable company. ■

ORGANISATIONAL PROFILE

2.1 | Name of Reporting Organization

Bulab Holdings, Inc.

2.2 | Primary brands, products, and/or services. The reporting organization should indicate the nature of its role in providing these products and services, and the degree to which it utilizes outsourcing

Bulab Holdings, Inc., through its principal company, Buckman Laboratories International, Inc., provides advanced chemistries and the application of those chemistries to help a wide variety of industries clean and clarify heating and cooling waters, industrial process waters and wastewaters. We provide specialised technologies that aid in leather processing, such as microorganism control programs. And we provide solutions that enhance production and product quality in the pulp and papermaking industry. For all of these industries, we provide innovative products and services that help save energy, save water, increase production efficiency, increase recycling and reuse opportunities, and reduce environmental impact. Additionally, we provide a variety of freestanding Performance Chemicals that either enhance the performance of products or the manufacturing of those products. Brands include Bulab®, Busperse®, Busan®, Maximize®, Optimize®, WSCP®, Buckman Onsite® and Oxamine®, among many others.

We, as an organisation, strive to maintain patents, registrations, trademarks, trade secrets and confidential information needed to ensure the protection of our intellectual property.

2.3 | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures

Bulab Holdings, Inc., is the parent company of Buckman Laboratories International, Inc.; Buckman Laboratories, Inc.; Bulab Realty of Tennessee, LLC; and Bulab Realty of Missouri, LLC. In addition, it is the parent company of Buckman Canada, Buckman Mexico, Buckman Southern Cone, Buckman Europe, Buckman South Africa, Buckman Asia and Buckman China. Buckman Laboratories International, Inc., is the administrative services provider to Bulab Holdings, Inc., and its subsidiaries. Our realty companies provide the tangible real property services and ownership of Buckman Laboratories International, Inc., and Buckman Laboratories, Inc.

2.4 | Location of organization's headquarters

Memphis, Tennessee, U.S.A.

2.5 | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report

Buckman has nine operating companies with manufacturing plants located in the following countries: United States, Canada, Mexico, Brazil, Belgium, South Africa, China, Singapore, and Australia. We operate in more than 90 countries worldwide.

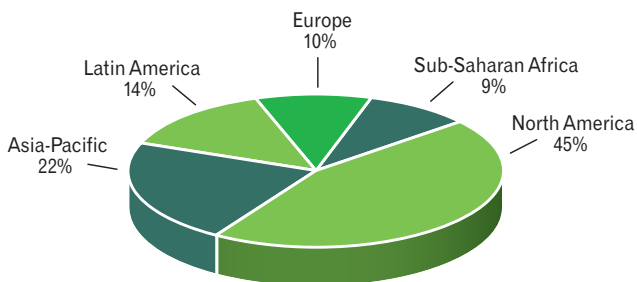
2.6 | Nature of ownership and legal form

Bulab Holdings, Inc., is a privately owned corporation organised under the laws of the State of Tennessee, United States.

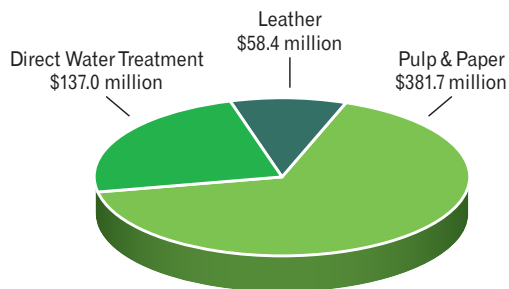
2.7 | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)

We serve worldwide markets. Our primary global markets include the pulp and paper manufacturing and leather processing industries, as well as providing advanced water treatment technologies for those and other industries. Water treatment encompasses many manufacturing environments, including power generation, mining, steel making, food processing operations, ethanol plants, sugar production and others, as well as other kinds of facilities with cooling towers, such as hospitals. Secondary market industries include paint, coatings and plastics, metalworking, agriculture, lumber and biofuels.

2012 Sales by Geographic Region



2012 Target Market Sales by Industry



2.8 | Scale of the reporting organization

Buckman is a global business employing 1,719 associates (including contractors), and which conducts sales activities in more than 90 countries. Buckman’s manufacturing operations are located in nine countries: United States, Canada, Mexico, Brazil, Belgium, South Africa, Singapore, China and Australia.

2011 Results*

Net Sales \$624,013

Debt \$39,061

Equity** \$188,850

* In thousands, as of and for the year ending December 31, 2011

** Total Equity per Balance Sheet

2012 Results*

Net Sales \$632,066

Debt \$50,115

Equity** \$176,998

* In thousands, as of and for the year ending December 31, 2012

** Total Equity per Balance Sheet

Buckman is a privately-owned organisation and has been private since its beginning in 1945. The Buckman family continues to own approximately 80 percent of the outstanding shares of capital stock. An Employee Stock Ownership Plan, established for the benefit of associates working in the U.S., owns approximately 12 percent of the stock. Most of the remaining minority share ownership is in the hands of Buckman retirees, current associates and charitable organisations that have received stock as a gift from our shareholders.

2.9 | Significant changes during the reporting period regarding size, structure, or ownership

EN16 – Measurement changed to include the emissions from fleet vehicles (page 13).

EN22 – Measurement includes waste reused, recycled and recovered. We previously reported only waste to landfill and incineration (pages 16–17).

2.10 | Awards received in the reporting period

United States

- Presidential Green Chemistry Challenge Award from the EPA for Buckman’s Maximize® enzymes comprised of natural catalysts to reduce energy and decrease the amount of wood fiber needed to manufacture high quality paper and paperboard. The award, the second for Buckman, is in the Designing Greener Chemicals Award category.
- *Training* magazine’s Top 125 – global award, ranked 47
- Volunteer Mid-South Corporate Volunteer Council, 2012 Corporate Neighbor Awards
 - Outstanding Project Awarded, to BuckmanCares Back-to-School Supply Project
 - Executive Leadership Award, to Kathy Buckman Gibson
- Community Involvement Award, St. Francois Board for the Developmentally Disabled, Cadet, Missouri

Brazil

- Brazilian Pulp and Paper Technical Association (ABTCP) Award – Best Chemical Supplier to the Pulp & Paper Market in 2011

Europe

- “Giving blood gives life” from the Belgian Red Cross for efforts to engage our associates to give blood

China

- Advanced technology foreign investment enterprise certificate for 2011–Shanghai Municipal Commission of Commerce
- Class A tax credit rating certificate for 2010-2011 – Shanghai state tax bureau and local tax bureau of Shanghai
- Class A of financial credit rating for 2011 – Finance system of Shanghai Qingpu branch
- Industrial Park Tax Top 10 for Shanghai for 2011 – Qingpu Industrial Zone Shanghai
- Qingpu Industrial Park Tax Top 50 for 2011 – People’s Government of Shanghai Qingpu
- Safety standardisation level 2 – Shanghai Institute of Work Safety Science
- Safety unit of Shanghai (2011) – Shanghai Social Security Comprehensive Management Committee

Mexico

- Recognised by National Workers Housing Fund Institute (INFONAVIT) for its 40-year partnership which has helped hundreds of workers secure safe and affordable housing.

South Africa

- Contractors Award (12 months without a lost-time injury) – Sappi Ngodwana team – April 2011
- Contractors Award (12 months without a lost-time injury) – Sappi Enstra – September 2012
- Water Affairs (recovery and reuse of wastewater)
- Department of Education of Kwazulu-Natal (work contributed to the schools in Hammarsdale) ■

REPORT PARAMETERS

3.1 | Reporting period for information provided

Reporting is for the 2011 and 2012 calendar years.

3.2 | Date of most recent previous report (if any)

June 2011.

3.3 | Reporting cycle (annual, biennial, etc.)

We report results biennially.

3.4 | Contact point for questions regarding the report or its contents

Barry Enix
Director, Global Safety & Environment

Lela Gerald
Director, Global Marketing & Communications

3.5 | Process for defining report content

Buckman began reporting our sustainability performance following the GRI G3 reporting guidelines in 2010. The report was built on several years of environmental, health and safety disclosures and reporting. Much of the data in our 2012 report reflect sustainability results and activities during the 2011–2012 fiscal years. As with our 2010 GRI Report, we continue to follow formal GRI G3 reporting guidelines to provide stakeholders with the data and perspective to understand and evaluate our performance, impacts and opportunities. We will evaluate the applicability of the new or revised guidelines for future reporting.

Buckman is committed to transparency in our reporting and continuous improvement processes for sustainability management and performance. For this reason we increased our reporting process from a Level “C” report in 2010 to a level “B” report in 2012.

We use a cross-functional Corporate Sustainability Project Team for accountability and overseeing the preparation of this report. We currently use a management software program to track and oversee our progress towards our stated goals. Quantitative data is entered by each operating facility that allows us to monitor, track and identify opportunities at both the local and global level.

No GRI sector standard exists for our industry—chemicals. However, we attempt to provide the best possible disclosures based on the nature of our global business and the related risks and opportunities. In doing so, we take into consideration the information needs of:

- Our associates and prospective associates through intercompany surveys
- Customers, seeking sustainable products and technology solutions and information about our sustainability policies and practices
- Communities, wanting to understand our sustainability management and engagement efforts as a responsible corporate citizen
- Suppliers, whom we expect to abide by our Code of Conduct and who are critical to our operations
- Other stakeholders, who have an interest in our industry and operations

3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)

All Buckman entities except BuFIN, a financial service company, are within the scope of the report.

3.7 | State any specific limitations on the scope or boundary of the report. If boundary and scope do not address the full range of material economic, environmental, and social impacts of the organization, state the strategy and projected timeline for providing complete coverage.

Within the context of the Boundary of the report as defined in 3.6, this report encompasses only the operations over which Buckman has direct control. The report does not include sustainability

information from our suppliers, customers or contract manufacturers.

As a privately held company, we are unable to disclose certain financial results publicly.

3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations

Buckman does not have any joint ventures, leased facilities, outsourced operations or other entities that can significantly affect comparability.

3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.

All the information in this report has been compiled in good faith. Our data collection and information gathering processes have been implemented to cover all strategic departments and business units within the boundary of this report.

In 2012, we implemented a sustainability performance management software program. As a result, Buckman now has a web-based platform that centralises our data collection, automates calculations of our carbon and energy footprint, delivers point-and-click sustainability reporting, reduces data errors, and incorporates embedded templates for reporting to the GRI. All of this translates into greater operation efficiency and reduced risk for our organisation.

This new program will also allow us to better analyse our sustainability performance using key indicators

such as the use of energy, raw materials, water and natural resources, GHG emissions and waste or social impacts concerning labor and health and safety.

3.10 | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)

None have been identified.

3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report

See EN16. CO₂ emissions reported in 2010 did not include emissions from Buckman's fleet vehicles. Fleet vehicle emissions are now included.

See EN22. Total weight of waste by type and disposal was previously reported only for waste going to landfill or incineration.

3.12 | Identify the page numbers or web links where the following can be found.

See page 51.

3.13 | Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).

Buckman's 2012 Sustainability Report was GRI checked and affirmed as Application Level B. We did not seek external assurance for the report. ■



Statement GRI Application Level Check

GRI hereby states that **Buckman International Inc.** has presented its report "2012 Sustainability Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 30 May 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI globe logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 16 May 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

4.1 | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. Describe the mandate and composition (including number of independent members and/or non-executive members) of such committees and indicate any direct responsibility for economic, social, and environmental performance

Bulab Holdings, Inc., is governed by a nine-member Board of Directors, a majority of whom are outside Directors (not full-time employees). Committees within the board include: Audit, Compensation, Risk Management, Capital Stock and Executive. All except the Executive Committee and Capital Stock Committee are chaired by outside Directors.

4.2 | Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)

The Chairman of the Board of Directors of Bulab Holdings, Inc., is also Vice Chairman of Buckman Laboratories International, Inc.

4.3 | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members

Presently, the Board of Directors of Bulab Holdings, Inc., consists of nine Directors. Presently, five Directors are independent; i.e., not employed by Bulab Holdings, Inc., or any of its subsidiaries in any capacity. Three Directors hold executive positions in Buckman Laboratories International, Inc.: Steve Buckman, CEO/COB; Kathy Buckman Gibson, Vice Chairman; Edson Peredo, President.

4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body

Shareholders can contact the Company and any of its Directors through the corporate secretary of the Company at its headquarters. An annual Shareholder meeting is held to present information and allow Shareholders to ask questions of Management and the Board. Shareholders holding at least 10 percent of all the votes entitled to be cast on an issue can call a special meeting of the Shareholders to consider whatever matter may be proposed by those Shareholders.

Associates and other stakeholders are encouraged to report any issues of an ethical concern to Buckman's EthicsPoint. EthicsPoint is available globally, with multi-lingual capability, 24 hours a day, seven days a week. Issues can be reported anonymously if desired. The Risk Management Committee of the Board reviews the issues submitted to EthicsPoint at least annually.

Associates are also able to offer their input by participating in the Global Associate Engagement Survey administered by the Company every two years.

4.5 | Linkage between compensation of members of the highest governance body, senior managers, and executives

Directors are paid an annual fee plus equity-based compensation that is tied to the performance of the Company.

In 2010 the Board adopted the Global Top Management Incentive Plan to increase the long-term enterprise value of Bulab Holdings, Inc. and its Related Companies (the Company and its Related Companies are referred to collectively as "Holdings"). The Plan furthers this purpose by paying incentive compensation to senior managers and executives who contribute to the financial success of Holdings. The Plan also creates an incentive to retain and attract

competent individuals who will continue to increase the long-term value of Holdings.

4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided

- Conflict of Interest Certification currently in place (Directors, VPs and GMs are required to sign)
- Annual certification executed by top executives, senior managers and Directors

4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics

The Board holds the ultimate authority of the Company, except to the extent our shareholders are granted certain powers under the Company's Bylaws and Certificate of Incorporation. Outside directors (six out of nine) are elected to the board to ensure effective independent governance. Qualifications for the Board of Directors and Committees are laid in our Bylaws, Proxy Statement and Committee Charters. All additional guidelines are outlined in our Code of Ethics and Buckman Fundamentals.

The Board of Directors:

- Appoints senior management of the Company, who are responsible for conducting business and operations
- Provides oversight of management and offers strategic direction to the Company
- Forms standing Board Committees (Risk Management, Audit, Compensation, Capital Stock and Executive) to assist in fulfilling its obligations

The Committees advise and as appropriate make recommendations to the Board for purposes of overseeing the operations of the company.

4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation

The Buckman Fundamentals

Our Buckman Fundamentals explain who we are and what we believe. They are a guide by which we serve all our customers around the world. They support our main goal, which is to build long-term relationships and create sustainable value for our customers. The Buckman Fundamentals also assure every customer that we will act in an ethical, honest and transparent manner to solve their technical problems, safeguard the environment, and maintain safety in the workplace.

These fundamentals include:

- Code of Ethics
- Mission Statement
- Sustainability
- Quality
- Safety
- Community
- Environment
- Our Goal: Zero Negative Environmental Impact

4.9 | Procedures of the highest governance for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes, and principles

The Board regularly reviews the financial performance of the Company. The Board also maintains five standing Committees of the Board to assist it in its oversight role: the Audit, Risk Management, Compensation, Capital Stock and Executive Committees. The Audit Committee regularly reviews risks that could have an impact on the financial statements of the Company, and the measures taken by management to mitigate those risks. The Risk Management Committee regularly reviews other areas of risk and opportunities, including the environmental and safety performance of the organisation. The Chairman of the Board has

direct responsibility for the Company's community relations efforts and regularly reports on progress in this area to the Compensation Committee. The Audit and Compensation Committees are comprised of independent board members.

4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance

- The Board is elected annually by the Shareholders of the Company. Information is provided to Shareholders prior to this election that outlines the economic performance of the Company, as well as the oversight provided by the Board and its Committees during the prior year with regard to environmental and safety performance.
- Board evaluations are conducted annually to evaluate the effectiveness of the Board and its various Committees.
- The Board Committees review their respective Charters periodically.
- A Global Sustainability Team was created to develop, implement and enforce standards to ensure consistency and quality in our sustainability reporting efforts with respect to economic, environmental, and social performance.

4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organization

Buckman supports the Precautionary Principle as defined in Principle 15 of the Rio Declaration. As a responsible corporate citizen, Buckman uses well-defined processes for assessing and managing risks. Our processes of managing and evaluating risk include hazard identification, exposure assessment and risk assessment of current products as well as those currently being researched and developed.

4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses

- ISO 9001
- ISO 14001
- OHSAS 18001 (in many of our operating companies)
- Carbon Disclosure Project (CDP)
- EPA-endorsed "12 Principles of Green Chemistry"

4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organizations

Buckman and its associates are members of several trade associations and advisory groups in which we either hold a position in governance bodies, participate in projects or committees, or which we consider to be strategic. However, Buckman does not provide funding for these beyond routine membership dues and participation in conferences.

These include:

- American Chemistry Council
- Enzyme Technical Association
- Technical Association of the Pulp and Paper Industry
- Plastics and Chemicals Industries Association (Australia)
- Society of Leather Technologists and Chemists (South Africa)
- Responsible Packaging Management Association of Southern Africa
- Chemical and Allied Industries Association (South Africa)
- Water Institute of South Africa
- Singapore Business Federation
- CANACINTRA Morelos (Mexico)
- COPARMEX Morelos (Mexico)
- Confederation of European Paper Industries
- European Chemical Industry Council
- Belgian Chemical Federation
- Technical Association of Leather (Argentina)
- Technical Association of Pulp and Paper (Brazil)
- Society of Ethanol and Sugar Technician (Brazil)
- Tannery Industries Center of Brazil
- Brazilian Association of Chemical Industries

- Pulp and Paper Technical Institute of Canada
- Pulp and Paper Technical Association of Canada
- FP Innovations (Canada)
- Chambers of Commerce (multiple locations)

4.14 | List of stakeholder groups engaged by the organization

- Associates (employees)
- Communities
- Customers
- Government/regulatory
- Industry trade associations
- Shareholders
- Suppliers/business partners

4.15 | Basis for identification and selection of stakeholders with whom to engage. This includes the organization's process for defining its stakeholder groups, and for determining the groups with which to engage and not to engage

Buckman has a long history of engaging and responding to stakeholders through formal and informal channels. We have developed a stakeholder engagement policy and guidelines to enhance the process based on principles that demonstrate our organisational commitment to sustainable growth and development. The guidelines for stakeholder engagement to support Buckman's sustainability efforts are based on the GRI G3 Guidelines, as well as the AA1000SES Stakeholder Standard developed by the AccountAbility Institute for Social and Ethical Accountability.

4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group

Given the diversity of the company and the global locations in which we operate, many engagement activities occur at the local level. However, there are a number that are standard across the company.

Customers

Buckman deploys specialised cross-organisational teams to lead and manage our relationships with Global Key Corporate Accounts (GKCAs) and Key Corporate Accounts (KCAs). This focused approach enables us to identify unique interests and needs with our customers. We also utilise the Customer Satisfaction Survey (CSS) as a way to identify needs and develop a plan to address them. (See PR5.)

Buckman also works with key customers to help identify their Customer Sustainability Index (CSI) and Return on Environment (ROE) by utilising our Sustainability Calculator within our Green Toolbox.

Industry-specific newsletters with topics relating to sustainability are developed and distributed to customers.

With Buckman OnSite, our recently launched customer portal and data dashboard, Buckman customers and their service representatives have the power to see operations like never before. Customers can use it to access vital, timely intelligence, such as automated controller data, manually entered information and material safety data sheets. Buckman representatives can use it to efficiently manage documents and quickly create comprehensive reports for their customers, complete with graphical interpretations. With the insight Buckman OnSite provides, customers can easily monitor their own success and the value Buckman brings to it.

Employees

The Associate Engagement Survey, which is administered every two years, is used to measure associate engagement and empowerment. The survey is administered in 11 languages to ensure associates have the opportunity to share their insights and opinions in their first language. The survey results are compared against previous Buckman associate surveys, external companies within the local geography and a "high performing company" benchmark.

Strengths from the most recent survey conducted in 2012 include:

- Buckman is an ethical and socially responsible company.
- Buckman treats its associates with respect and offers learning and development opportunities.
- Quality and customer focus are clearly priorities at Buckman.
- Buckman fosters a culture that supports teamwork and collaboration.

Communities

Buckman has established programs for serving our communities on a global and local level. See the Society section in this document for a description of our community relations activity through our BuckmanCares program.

Suppliers/Business Partners

Buckman strongly values our suppliers and believes supplier relationship management is a key aspect in ensuring the sustainability of our business. Governance includes the Buckman Fundamentals and ISO 14001 Environmental/ISO 9001 Quality Management Systems registered sourcing policies and programs. Buckman employs a collaborative model in effectively engaging our suppliers throughout the organisation. Strategic supplier relationships are maintained for critical sourcing needs and key technologies. The right sustainable suppliers are selected and maintained according to Buckman's established supplier selection, qualification and performance evaluation processes. Supplier selection is integrated into the earliest phases of the new product/process development process. Collaborative engagement with our suppliers covers a broad range of activities including customer/market needs management, open innovation, supply/demand planning, make-versus-buy, risk management, waste reduction and regulatory compliance. Continual improvement is driven through open collaboration with suppliers on our mutual performance, according to our established practices.

In 2012, evidences of supplier engagement included:

- Development of biodegradable green deinking technology (BRD® 2369) for paper recycling. This technology was developed partly from open innovation with our strategic supplier of best-in-class surfactant technologies.
- Consolidation and global standardisation of Buckman's polymer product line. Our strategic suppliers played a key role in determining the optimal global product line.
- Participation in Dow Chemical's global sustainability conference.
- Significant reductions in overall inventories and associated inventory waste partly as a result of better supply/demand planning with suppliers.

Government/Regulatory

Local governments and regulatory agencies are engaged via participation on committees or task forces, through written communications to agencies, or with face-to-face meetings. The level of corporate or local engagement depends on the issue.

Industry Trade Associations

Buckman participates in strategic industry trade associations at both the global and local levels.

4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting

Issues raised by associates in the Global Associate Engagement Survey are reviewed by executive management and the Global Continuous Improvement Workgroup to identify any actions that need to be taken at the organisational level. The Continuous Improvement Team at each operating company analyses the local results and engages the associates in action planning to address areas for improvement. Each associate has the opportunity to make Buckman a better place to work through this process. Buckman recognises that engaging and empowering associates

to create a stronger organisation will make us more sustainable into the future. Based on 2012 survey results, 88 percent of associates feel encouraged to come up with new and better ways of doing things while 83 percent of associates feel they have opportunities to have their ideas adopted and put into use. Associates are a key stakeholder group and their voice in guiding the organisation is well respected.

The 2012 survey, also reflected the number of associates who feel highly enabled and engaged rose from 55 percent to 58 percent. Specifically, our associates feel:

- They are being coached by their managers and receiving feedback on their work.
- New and current associates are receiving the training they need to do their job.
- There are opportunities to have ideas adopted and put into use.
- The 7 Principles of Highly Effective Teamwork are being practised more.
- Associates are receiving recognition for doing a great job.
- There are opportunities for learning and development.

In the 2012 survey, associates raised concerns about their pay (compared to other people doing similar work in other companies), and its link to their individual performance. Associates also expressed concern that the number of resources (people) to do the work in their area was challenged. We will be redoubling our efforts to ensure that all communication regarding company direction is clear. ■

This report aligns to the Global Reporting Initiative (GRI) G3 guidelines, the internationally recognized standard for sustainability reporting. This table lists the GRI G3 Sustainability Reporting Guidelines items included in this report. Buckman self-declares this report to GRI G3 Application Level B.

	INDICATOR DESCRIPTION (Click on description to navigate)	PAGE	REPORTING LEVEL
Vision & Strategy			
1.1	Vision from Leadership	4	Full
1.2	Description of key impacts, risks, and opportunities	35	Full
Organisational Profile			
2.1	Name of Reporting Organization	39	Full
2.2	Primary brands, products, and/or services	39	Full
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	39	Full
2.4	Location of organization's headquarters	39	Full
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	39	Full
2.6	Nature of ownership and legal form	39	Full
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	40	Full
2.8	Scale of the reporting organization	40	Full
2.9	Significant changes during the reporting period regarding size, structure, or ownership	41	Full
2.10	Awards received in the reporting period	41	Full
Report Parameters			
3.1	Reporting period for information provided	42	Full
3.2	Date of most recent previous report (if any)	42	Full
3.3	Reporting cycle (annual, biennial, etc.)	42	Full
3.4	Contact point for questions regarding the report or its contents	42	Full
3.5	Process for defining report content	42	Full
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	42	Full
3.7	State any specific limitations on the scope or boundary of the report	42	Full
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	43	Full

	INDICATOR DESCRIPTION (Click on description to navigate)	PAGE	REPORTING LEVEL
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	43	Full
3.10	Explanation of the effect of any re-statements of information provided in earlier reports and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	43	Full
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	43	Full
3.12	Table identifying the location of the standard disclosures in the report	43	Full
3.13	Policy and current practice with regard to seeking external assurance for the report	43	Full
Governance, Commitments and Engagements			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	45	Full
4.2	Indicate whether the Chair of the highest governance body also is an executive officer	45	Full
4.3	Number of board members of the highest governance body that are independent and/or nonexecutive members	45	Full
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	45	Full
4.5	Linkage between compensation of members of the highest governance body, senior managers, and executives	45	Full
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	46	Full
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics	46	Full
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	46	Full
4.9	Procedures of the highest governance for overseeing the organization's identification and management of economic, environmental, and social performance	46	Full
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	47	Full
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	47	Full

	INDICATOR DESCRIPTION (Click on description to navigate)	PAGE	REPORTING LEVEL
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	47	Full
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	47	Full
4.14	List of stakeholder groups engaged by the organization	48	Full
4.15	Basis for identification and selection of stakeholders with whom to engage	48	Full
4.16	Approaches to stakeholder engagement, including frequency or engagement by type and by stakeholder group	48	Full
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	49	Full
Economics			
	Disclosure on Management Approach	6-7	
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	6	Partial
EC4	Significant financial assistance received from government	7	Full
EC5	Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation	7	Full
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation	7	Full
Environment			
	Disclosure on Management Approach	9-17	
EN3	Direct energy consumption by primary energy source	9	Full
EN4	Indirect energy consumption by primary source	10	Full
EN8	Total water withdrawal by source	11	Full
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	12	Full
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	12	Full
EN13	Habitats protected or restored	12	Full
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	12	Full

	INDICATOR DESCRIPTION (Click on description to navigate)	PAGE	REPORTING LEVEL
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	12	Full
EN16	Total direct and indirect greenhouse gas emissions by weight	13	Full
EN19	Emissions of ozone-depleting substances by weight	14	Full
EN21	Total water discharge by quality and destination	15	Full
EN22	Total weight of waste by type and disposal method	16	Full
EN23	Total number and volume of significant spills	17	Full
EN28	Monetary value of significant fines and total number of nonmonetary sanctions for noncompliance with environmental laws and regulations	17	Full
Labour			
Disclosure on Management Approach		19-25	
LA1	Total workforce by employment type, employment contract, and region	20	Full
LA2	Total number of employee turnover by age group, gender, and region	21	Full
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	21	Full
LA4	Percentage of employees covered by collective bargaining agreements	22	Full
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements	22	Full
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	22	Full
LA7	Rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities by region	23	Partial
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	24	Full
LA9	Health and safety topics covered by formal agreements with trade unions	24	Full
LA10	Average hours of training per year per employee by employee category	25	Full
LA12	Percentage of employees receiving regular performance and career-development reviews	25	Full
Human Rights			
Disclosure on Management Approach		26-27	
HR4	Total number of incidents of discrimination and actions taken	27	Full
HR6	Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor	27	Full

	INDICATOR DESCRIPTION (Click on description to navigate)	PAGE	REPORTING LEVEL
HR7	Operations identified as having significant risk of forced or compulsory labor and measures taken to contribute to the elimination of forced or compulsory labor	27	Full
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	27	Full
Society			
	Disclosure on Management Approach	29-31	
SO2	Percentage and total number of business units analyzed for risks related to corruption	29	Full
SO3	Percentage of employees trained in organization's anticorruption policies and procedures	29	Full
SO4	Actions taken in response to incidents of corruption	29	Full
Product Responsibility			
	Disclosure on Management Approach	33-34	
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	33	Full
PR3	Type of product and service information required by procedures, and percentages of significant products and services subject to such information requirements	33	Full
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	34	Full

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