



Alcor Participações S.A.



Communication on Progress



## CHAIRMAN'S LETTER

Alcor is proudly the 73th Brazilian participant of the Global Compact, since June 30th, 2006 and I am pleased to confirm that Alcor Participações S.A. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

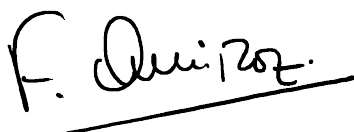
We believe sustainability is not a goal in itself, but rather a process that is always improving and which must be connected transversely to each one of our operations. Alcor has many challenges ahead due to the scope and capillarity of our activities. Over the last few years, we have improved our management system and governance so as to integrate sustainability issues into our strategic planning and operating management processes. In our opinion, this is the only way to reach lasting results in line with what we consider to be sustainable development.

We also know how important it is to engage leaders in sustainability and the importance of the voluntary commitments undertaken by the Company in issues that are not directly connected to the business, such as those addressed by the Global Compact. Our companies have a social role to play and leading by example is something that inspires and endorses the daily attitudes of our employees.

Today's world is faced with huge challenges regarding the future. In a country such as Brazil with entrenched social inequality, these challenges are even greater and will only be overcome through partnerships between government, civil society entities and the production sector. An organization such as Alcor must have the ability to actively and creatively seek solutions that generate opportunities and improve social conditions, mainly in the communities directly affected by our operations.

Our commitment to the UN Global Compact is an important step towards this path. Our regulations regarding human rights, environment, labor standards, anti-corruption policy and other guidelines are the drivers of our business activities.

It's my pleasure to present the Alcor's COP.

A handwritten signature in black ink that reads "F. Queiroz." with a horizontal line underneath.

FABIO QUEIROZ  
Chairman of the Board &  
Chief Executive Officer

**“THE WHOLE WITHOUT THE PART, IS NOT WHOLE;  
THE PART WITHOUT THE WHOLE IS NOT A PART;  
BUT IF THE PART MAKES IT WHOLE, BEING A PART,  
LET IT NOT BE SAID A PART, BEING THE WHOLE.”**

(GREGÓRIO DE MATOS, 17TH CENTURY)

Everything is part of a greater and more complex whole. the understanding of the relationship between the parts and the whole is an indispensable condition to the alignment of ideas and engineering solutions with the axis of sustainability. Alcor applies this perception to everything it does.

# Core Beliefs

A company is a living system, an integral part of a social, economic and natural ecosystem with which it interacts, on which it depends and for which it is co-responsible.

Knowledge shall be an instrument for the accomplishments of individuals and of society if used in a shared and conscious manner.

We have an optimistic view of the future: we believe that knowledge will render the world more fair and sustainable. and that education will integrate millions of people who are now excluded from the benefit of economic development and, as a consequence, they will not need to identify with violence or any kind of extremism whatsoever.

We do believe that companies play a fundamental role in this process, either serving as example or through actions. We do believe in a future-oriented company, but strongly rooted in its principles. We do believe that it is not only possible but also fundamental to combine capital and work, professional fulfillment and profit, success and integrity. We do believe, above all, in the enormous human potential of our professionals for creation and achievement. our society is the society of knowledge.

Knowledge is its most valuable resource, and knowledge professionals are the dominant group in the work force. this is the new, complex and fascinating scenario where Alcor is positioned.

# The Ten Principles of the United Nations Global Compact



## Human Rights

Principle 1:  
Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2:  
Make sure that they are not complicit in human rights abuses.

## Labour

Principle 3:  
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4:  
The elimination of all forms of forced and compulsory labour;

Principle 5:  
The effective abolition of child labour;

Principle 6:  
The elimination of discrimination in respect of employment and occupation.

## Environment

Principle 7:  
Businesses should support a precautionary approach to environmental challenges;

Principle 8:  
Undertake initiatives to promote greater environmental responsibility; and

Principle 9:  
Encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

Principle 10:  
Businesses should work against all forms of corruption, including extortion and bribery.

# Sustainability Principles

As part of our corporate identity, we adopt our Sustainability Principles, which are in line with the UN Global Compact guidelines. The Principles provide guidance to our sustainable development efforts and tell us how we can improve our sustainability.

Our Sustainability Principles are:

1. Be acknowledged by society as a socially and environmentally responsible company.
2. Embrace sustainability as a strategic pillar that drives governance, management, education, and investment decisions, while also creating value.
3. Consistently improve economic, social and environmental results by seeking efficiency and reliability in our operations based on world class standards.
4. Be acknowledged as a company that attracts, develops and retains talent to create value and build a fair and inclusive society.
5. Be committed to the welfare, health and safety of our employees, customers, and partners.
6. Contribute to the development of our neighboring communities.
7. Encourage all employees and stakeholders to cooperate and participate in building partnerships and collaborative work aimed at generating value for all.

One of the criteria to define our Sustainability Principles was the correlation with the Global Compact Principles, since it is our aim to increase our efforts towards sustainability and also contribute to the dissemination and adherence to the Global Compact guidelines.

## Correlation with the Global Compact Principles

1. Principles 1, 2 and 8
2. Principles 1 to 10
3. Principles 3 to 9
4. Principles 3 to 6
5. Principles 1 to 6
6. Principles 1, 2, 4 and 5
7. Principles 3,4,5,6 and 10

## Human Rights

### Principle 1:

**Businesses should support and respect the protection of internationally proclaimed human rights;**

### Principle 2:

**Make sure that they are not complicit in human rights abuses.**

Ethics are at the core of everything Alcor does. In striving to harmonize the interests of its staff, clients, suppliers and other stakeholders, and prioritizing respect for the human being in every relationship, Alcor recognizes its role as an agent of social development.

Alcor is committed to ensuring that all business units of the organization avoid complicity in human rights abuses.

Alcor is committed to be an ethical and quality conscious company. It shall continually enhance the effectiveness of its quality, environmental, occupational health and safety management system. It shall do so while conforming to all applicable legal requirements, as well as fulfilling and exceeding the needs of its customers.

We respect the personal dignity, privacy, and rights of every individual, regardless of their origin, nationality, culture, religion, sexual option or gender.

Team work, continual improvement, prevention of pollution, waste reduction, protection of environments, care for health and safety of people and equipment, reduction of accidents, improvement in safety practices, a fair return to shareholders and fulfillment of social responsibilities shall be the hallmark of all activities undertaken by Alcor.

The Alcor Code of Conduct (Good Governance and Ethical Practices) was approved by the Board of Directors on October, 2009 for implementation in Alcor and all subsidiaries companies and then was communicated to all employees to ensure that respect for human rights are fully integrated into their respective activities.

Alcor also expects its business partners and suppliers to respect human rights and uphold other ethical principles. Recognition of international human rights standards is enshrined in our Supplier Conduct Principles and is a precondition for approval as a new supplier. Furthermore, all new suppliers must complete a Compliance Questionnaire for Alcor's Business Partners as part of the qualification process. By completing the questionnaire, suppliers agree to familiarize their management team and all employees with the Alcor Code of Conduct.

## Labour

### Principle 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

### Principle 4:

The elimination of all forms of forced and compulsory labour;

### Principle 5:

The effective abolition of child labour;

### Principle 6:

The elimination of discrimination in respect of employment and occupation.

Alcor Code of Conduct contains fundamental, internationally recognized labor standards, including freedom of association, non-use of forced or child labor, and a discrimination-free workplace.

All employees are assured the same career opportunities.

Alcor respects the right of employees to join the associations of their choice, values other forms of voluntary association by its staff, and encourages suppliers to do the same.

The Code of Conduct also stipulates that unlawful discrimination or harassment of any kind will not be tolerated. At Alcor, every employee "has the right to be treated fairly, politely, and with respect by his or her superiors, subordinates, and coworkers."

Working conditions or ways of treating people that contravene international agreements will not be tolerated.

Alcor and any and all Alcor's subsidiaries does not tolerate any kind of child labour.

In Brazil, we only may contract teenagers as an apprentice, respecting the Brazilian Federal Law 8.069/90.

We keep including an No Child Labour in our supplies contracts, so, all of our vendors are committed with us in refuse any kind of child labour.



## Environment

### Principle 7:

Businesses should support a precautionary approach to environmental challenges;

### Principle 8:

Undertake initiatives to promote greater environmental responsibility; and

### Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

During the Corporate Sustainability Forum in Rio +20, between 15-18 June 2012, the companies of the Brazilian Network of the Global Compact delivered to the Brazilian government and the United Nations to chart Corporate Contribution to the Promotion of Green Economy and inclusive, comprising ten commitments in favor of the green economy and signed by 226 organizations by the beginning of the Forum, including Alcor.

Once signed, we assume ten commitments:

1. Always seek the sustainable economic outcome, one that considers the achievement of these outcomes associated with maximizing environmental and social benefits and minimizing possible negative impacts;
2. Acting in our production processes and our value chain (suppliers and customers) to:
  - a. Continue to improve the efficiency of the use of environmental resources (energy, materials, soil, water etc..). And reduce all forms of waste (waste, wastewater, greenhouse gases etc.).
  - b. Expand the use of sources of energy or renewable raw materials;
  - c. Promote the generation of decent jobs. Those who consider the service to direct human and people's ability to develop continuously;
  - d. Promote dialogue, cooperation and commitment order enlarge the contribution of the chain for sustainable development.
3. Strengthen our investment in innovation and technology in order to introduce new solutions in processes, products and services that enable the reduction of impacts from the production, use and eventual discharges associated with products and services;
4. Strengthen the role of the consumer and the importance of their choices consumption considering the whole life cycle of products and services;

5. Direct our social investments on strengthening three aspects:
  - a. Social inclusion of the poorest population
  - b. Education and skills development for sustainability
  - c. Promotion of human and cultural diversity
6. Strengthening care for our relationships with their stakeholders in order to promote ethical behavior and discourage any form of corruption. This includes ethical care in the communication process of the characteristics of our products and services;
7. Set concrete goals for the most relevant aspects of the contribution of each of our business for sustainable development and publicly report the progress of the treatment of these commitments;
8. To promote the dissemination of knowledge, respecting the intellectual property, best practices focused on business expansion contribution to the economic, social and environmental;
9. Contribute in discussions on sustainable development and inclusive green economy, low carbon economy or any other issue correlate in business forums, trade unions and associations of which we are a part, especially in the Brazilian Committee of the Global Compact, in universities and business schools, organized by the society and by the government, so influencing and being influenced in this interaction;
10. Influence and support the decisions and policies of the Brazilian Government contribute to sustainable development.

Assuming these ten commitments, we understand that we are acting in a concrete way to improve the quality of life on our planet and to make strides in the pursuit of the green economy and inclusive. Moreover, the government's commitment to strengthen these five aspects of public policy will facilitate the business contribution. This will strongly leverage the results. Thus, companies, organizations, society and government are building together a new scenario for the next 20 years. A scenario that fosters sustainable development really.

Alcor acts to protect the environment wherever it does business. It uses natural resources rationally, preferring recyclable materials wherever possible and taking other steps to mitigate pollution of the air, water and soil as well as noise and visual pollution.

Alcor promotes environmental responsibility in its regular operations and through environmental education and conscientious consumption programs.

Alcor is committed to developing and adopting sustainable technologies as an intrinsic part of its business.

Alcor and its employees recognize the importance of living an environmentally conscious lifestyle and have incorporated it into every aspect of their office life by:

- Use of recycled paper in most applications
- Using a tap water filtration system rather than bottled water
- Providing reusable dishes and cutlery
- Using energy-efficient appliances and office equipment
- Providing biodegradable soap and cleaning supplies

As decided at the end of 2010, the Alcor's Board of Directors will be involved to the United Nations Environment Programme campaign, Billion Tree Campaign.

## Anti-Corruption

### Principle 10:

**Businesses should work against all forms of corruption, including extortion and bribery.**

Alcor prioritizes ethics in all of its business and other activities, striving to reconcile the interests of its professionals, clients, suppliers and society generally, and valorizing the human being in all the relationships it maintains, promoting its role as an agent of societal development.

All Alcor's business processes include instruments that explicitly prohibit professionals from accepting or encouraging inducements or favors of any kind.

Alcor is committed to fighting corruption, blackmail, and bribery, and to acting in accordance with all relevant laws. We pursue a policy of zero tolerance. Rule infringements are not tolerated and compliance violations are penalized accordingly. This policy is based on our defined guidelines and policies, which have been signed by all managing directors and apply to our activities around the globe: our Code of Conduct, the corporate "Gifts and Invitations" policy, and the Business Partner Questionnaire that our suppliers and business partners must complete before they can work with Alcor. These binding rules apply at every location, in every business unit, and in our day-to-day dealings with business partners and with each other. The Code of Conduct states that the rules "also expressly apply to instances in which obeying the law may even lead to a loss of business or influence." The fact that a contract may go to a competitor is "no excuse."



ALCOR PARTICIPAÇÕES S.A.  
*Corporate Communications*  
*Corporate Social Responsibility*

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