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ANNUAL REPORT

PROMON GROUP

2012



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PROMON IN 2012

The solid foundation of technical and managerial knowledge allied to a healthy organizational culture, allow Promon to define its macrostrategy as centering on the establishment of a dynamic whereby it offers the market a constantly renewed portfolio of high-quality professional services, while at the same time exercising its entrepreneurial vocation by investing in the development of new business ventures.

This strategy translates into the pursuit of optimal business configurations for operating in each segment. It entails different business models, partnerships and associations of various kinds and multiple professional profiles consistently driven by the valorization of people and knowledge as a key factor.

Numerous initiatives were undertaken to expand and renew the offerings of each Group company in 2012, alongside the consolidation of positions and developments begun in the previous period. Promon seeks through its business activities to build a steadily growing presence in the infrastructure projects associated with the principal axes of Brazilian development. At the same time, demand for services and infrastructure is growing in step with the ongoing changes in the nation's socio-economic profile, including the emergence of a new middle class and expressive contingents with access to consumer goods.

Transportation and urban mobility systems, ports and airports, broadband communications and connectivity solutions, energy, among others, are areas in which Brazil must advance in order to continue developing. Moreover, it must do so with the intelligence essential to sustainable solutions that optimize resource use and minimize environmental impact. This is fertile territory for Promon, whose companies leverage knowledge and technology to offer efficient solutions in all these areas.

In performing all these dynamic activities Promon gains more than the immediate reward represented by 8% growth in total operating revenue, which reached R\$2.01 billion in 2012 considering all businesses managed by the Group regardless of equity ownership.

Net income was R\$49.0 million after profit sharing with employees and executives. Promon S.A. ended 2012 in excellent financial health, with low liabilities and high liquidity.

TOTAL OPERATING REVENUE FROM BUSINESSES MANAGED BY PROMON S.A.
in millions of reais



Source: Management Reports

NET INCOME / NET OPERATING REVENUE



Source: Financial statements

In the context of considerable growth in broadband services and associated infrastructure, PromonLogicalis Latin America increased revenue by 40% in 2012 and expects this strong growth to continue. This is due to its successful strategy of development, both from the geographical standpoint, with the addition of new markets via acquisition of the operations of CiberCall in Colombia and Ecuador, and in terms of its portfolio of offerings, in which the highlight is the provision of services associated with the cloud computing model.

Trópico, whose signaling systems are installed in some 90% of Brazil’s landline telephone network, performed important projects for traditional clients in this market. But the most significant movements involved consolidation of its new axis of activities as a provider of solutions to the corporate market. This has not yet been reflected financially – 2012 revenue fell 8% compared with the previous year – but the company ended the period with a large number of contracts.

The activities of Promon Engenharia also featured many innovations, focusing on the development of new offerings and markets. As a longstanding provider of solutions to the oil and gas market, the company was adversely affected by a decrease in the number of EPC (engineering, procurement and construction) contracts awarded by Petrobras, its main client in this sector. The company offset this by expanding the number of sectors to which it provides professional services, such as feasibility studies, design engineering and project management. It is also evaluating new business models that will be productive as public-private partnerships (PPPs) gain in importance to develop Brazilian infrastructure.

Promon Engenharia has also achieved important advances in promising areas destined for massive investment in the coming years, including subsea oil and gas, mining and transportation infrastructure. In subsea, a new segment for the company, the highlights include important international partnerships with Xodus and Oceaneering, both highly respected players in the segment.

Another offering that was strengthened in 2012 was environmental services. In line with its goal of making socio-environmental sustainability a central element in the development of its businesses, in 2011 the Group established Promon Meio Ambiente and at the end of the same year acquired an interest in the equity of Brandt Meio Ambiente, TerraVision Geotecnologia e Geoinformação, and Verti Ecotecnologias. In 2012 efforts concentrated on integrating these three companies with Promon Engenharia and creating differentiated offerings for a broader array of sectors that require environmental services beyond mining, where it already has a strong presence. In February 2013, Promon Meio Ambiente became the controlling shareholder in all three companies by increasing its equity interest from 30% to 52.7%.

The same perception of the moment Brazil is experiencing in terms of the urgent need to develop its infrastructure and environmental solutions inspires investment by P2 Gestão de Recursos, a joint venture between Promon and Pátria Investimentos. Its first fund, P2 Brasil Infraestrutura, raised US\$1.155 billion in 2011 and ended 2012 with holdings in six companies. Through these investments it is present in sectors of key importance to the development of society, from agribusiness logistics and river transportation to waste treatment, shipping services associated with offshore exploration, mobile telecommunications infrastructure, and energy generation from renewable sources.

Attentive to the changes that are remodeling economic contexts, creating more challenging environments for organizations and generating new requirements, Promon has identified yet another space in which it believes it has the competencies needed to make a significant contribution. The new offering added to its portfolio consists of consulting services to support organizations in strategic decision making, especially those involving the choice of technological trajectories and the construction of a systemic vision in the complex environments in which these decisions are made. The new company, Promon Intelligens, seeks to combine Promon Group's talents in innovation and the identification of technological, regulatory and market breakthroughs with its recognized capabilities in management and implementation. Its offering includes prospecting for new technology, support for decisions to invest in capital goods, and the development of scenarios and strategies relating to efficiency and sustainability, among others. The first contracts were signed in 2012 and are currently in work.

All these movements, increased offerings and growth in the number of segments in which Promon operates mean the organization pays even more attention to people development and knowledge management. In 2012 the number of Group employees rose 12%, mainly because of PromonLogicalis's expansion, to reach a total of almost two thousand, three hundred professionals. Training programs using advanced concepts, online tools and time sharing enabled the organization to intensify its offering of professional development opportunities for all teams.

The quality of the organizational climate remains excellent. Year after year the internal satisfaction and engagement survey returns scores above 80%. Satisfied and motivated professionals are a key factor in the growth of client satisfaction ratings, which reflect Promon's ability to sustain the levels of excellence achieved over the years according to regular surveys performed by independent outside consultants.

These indicators are reinforced by external recognition both by publications and specialized bodies, and by clients. The gallery of major prizes won by Promon Group companies in areas such as people management, sustainability and project management grew in 2012.

While Promon's business activities affirm its importance as an active agent of national development, it also works in other ways to help bring about changes for a better, more just and equitable society. On one hand, it joins forces with organizations such as the United Nations Global Compact, to which it became a signatory in May 2006, as well as participating actively through the Brazilian Global Compact Steering Committee. On the other, through the activities of Instituto Razão Social and programs implemented in each Group company it channels social investment to initiatives in the field of education, which it considers a key element in the development of individuals and the country.

Promon is a living system, part of a totality that it helps transform and at the same time transforms the organization. It seeks to reconcile business objectives with human goals. This is perhaps the source of its capacity to dream, imagine and model new futures, and to achieve steady progress in building them by innovating, creating and applying knowledge, weaving networks and establishing different business models and associations.

This dynamism accelerates in more favorable contexts, such as that expected for 2013 as the Brazilian economy surmounts the factors that hindered its growth in the previous year and resumes the investment urgently needed in infrastructure so as to broaden the nation's development horizons. With its knowledge and capacity to implement major projects in a wide array of segments, alongside its entrepreneurial vocation, Promon remains well positioned to contribute to the realization of Brazil's dreams of progress.

Luiz Ernesto Gemignani
Chairman of the Board

Luiz Fernando T. Rudge
CEO

PROFILE

Promon Group is controlled by Promon S.A., a holding company responsible for executive and strategic coordination of the organization. Its head offices are located in the city of São Paulo. Group companies have a physical presence in eight other Latin American countries. Its only shareholders are professionals linked to the Group. Its ownership structure is democratic, transparent and participatory. More than a legal structure, it is the economic translation of the organization's values and ideals. By voluntarily engaging with this ownership model, professionals share more deeply in the wealth created and participate more intensely in the life of the company.

Promon Engenharia Ltda., PromonLogicalis Latin America Limited, Trópico Sistemas e Telecomunicações S.A., Promon Meio Ambiente Ltda., P2 Gestão de Recursos Ltda. and Promon Intelligens Ltda. are the entities responsible for the organization's main business activities, each operating with independent management but always aligned with the overall strategy, policies and guidelines established by the Group.

Promon Engenharia, a wholly-owned subsidiary of Promon S.A., specializes in consultant engineering and integrated infrastructure solutions for seven strategic sectors: electric power, process industries and manufacturing, infrastructure and special buildings, environmental management, mining and metallurgy, oil and gas, and chemicals and petrochemicals.

Promon Meio Ambiente was established in 2011 to structure environmental management ventures in infrastructure sectors, as part of the organization's strategy of making sustainability the cornerstone of its activities. Until December 2012 it owned 30% of Brandt Meio Ambiente Ltda., TerraVision Geotecnologia e Geoinformação Ltda., and Verti Ecotecnologias S.A., via the holding company Ozônio Empreendimentos S.A. In February 2013 it increased its equity interest in all three companies to 52.7%.

PromonLogicalis Latin America, a joint venture between UK-based Logicalis Group Ltd. (60%) and Promon S.A. (40%), is dedicated to systems integration in the information and communications technology (ICT) market, with a presence across Latin America. Promon maintains sole responsibility for the company's management.

Trópico, a joint venture between Promon S.A. (60%), Fundação CPqD (30%), and Cisco Systems (10%), develops software and hardware for the telecommunications industry, and software solutions geared to systems integration and efficiency for the corporate market.

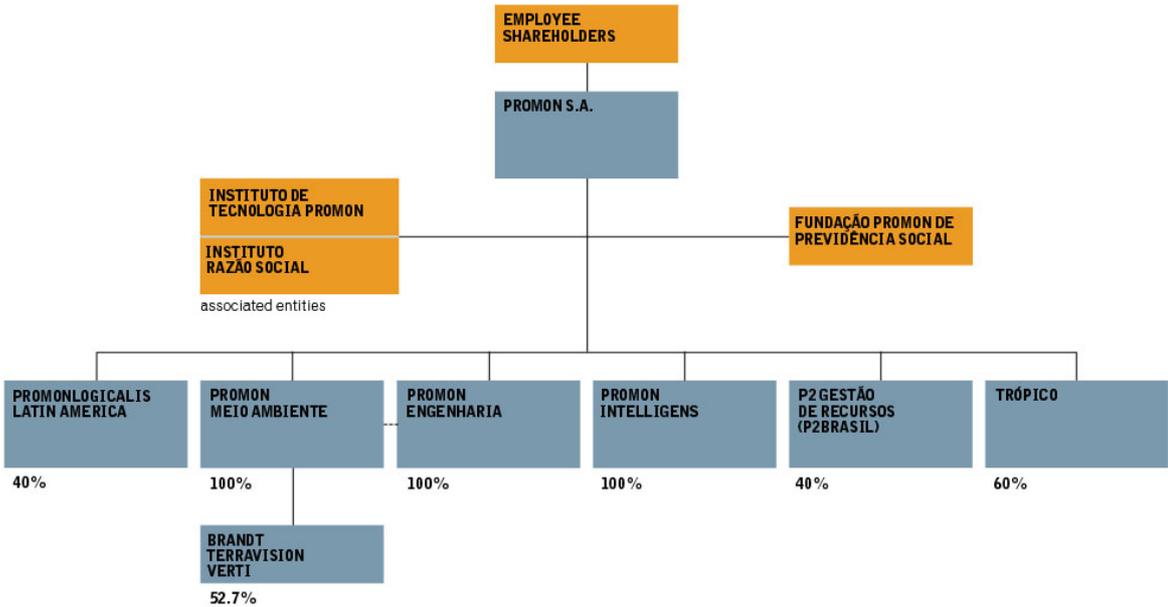
P2 Gestão de Recursos (P2Brasil) is a joint venture between Promon (40%) and Pátria Investimentos (60%) to manage private equity investment in infrastructure. Its management is shared by the two partners.

Promon Intelligens, a wholly-owned subsidiary of Promon S.A., was established in early 2013 to offer consulting services in strategy, technology and management to organizations that are undergoing complex change and require a systemic, implementable and consistent approach to guarantee efficiency and results in their business activities.

Promon Novos Negócios, an area of Promon S.A., develops the Group’s entrepreneurial vocation in a structured and consistent manner, leveraging the organization’s competencies and relationship networks to stimulate new ventures in infrastructure-related sectors.

Three more entities complete the Group: Fundação Promon de Previdência Social, Instituto de Tecnologia Promon and Instituto Razão Social, the latter being sponsored jointly with Gerdau and partnering with IBM Brazil in technology.

PROMON GROUP CORPORATE STRUCTURE



**as of Promon S.A.'s AGM on April 10, 2013.*

REASON FOR BEING & ORGANIZATIONAL CULTURE

Promon is a community of professionals structured on the basis of knowledge and identified by the capacity to innovate. With the pursuit of excellence as its guiding principle, it develops and delivers infrastructure solutions that create value for its clients and other stakeholders; provides the conditions for the professional and human fulfillment of its employees; and participates as an active agent in societal development and environmental conservation.

Community means having things in common, shared understandings that transcend the parts into which the organization is divided. Community involves a willingness to obey principles and rules, but also voluntary collaboration, which is far richer and less programmed.

Collaboration is not altruism. It takes shape when people share a cause and feel they are aiming for the same destination. A community can be described and mapped in formal terms, but it also has an emotional dimension and involves a bond or sense of unity. A community has a soul as well as a body.

The culture of a community or group of people is the true and profound expression of their common beliefs, values and purposes, functioning as a substrate from which emanate practices and standards of conduct accepted and considered appropriate by the group in question. Promon's organizational culture is a matrix that defines the form and content of the organization's relationships with its stakeholders.

The starting-point for an understanding of its formative elements is the *Campos do Jordão Charter*, a charter of principles drawn up in 1970 to express values, ideals and worldview, especially with regard to the role of a knowledge company in Brazilian society. The pursuit of excellence in all dimensions, the value of people as professionals and human beings, and strict ethical standards in all relationships are some of the principles embodied synthetically in the Charter. The complete text can be found at www.promon.com.br.

These principles, which in many respects exceed the mere observance of legal and contractual requirements, are also embodied in the internal documents that define the organization's values and beliefs. In addition, the document *Promon Corpo e Alma* ("Promon Body & Soul"), distributed to all professionals, describes the organization's conduct throughout its history in relations with clients, partners, suppliers, employees, shareholders, competitors, the public sector, society and the environment.

The degree to which Promon's professionals adhere to its culture is continuously assessed. For the past several years the findings of the organizational climate survey, conducted annually by an independent firm, have evidenced the maintenance of high levels of satisfaction among the organization's professionals. Some indicators relating to internal communication and training have declined slightly, but this is due to natural expansion of the workforce and rapid development of new business by the Group during the period. Although the indicators are significantly better than outside benchmarks, action is being taken to improve them.

Promon is the expression of the value of its professionals, and its culture is its essence and its identity. Indeed, its culture is probably its greatest asset.

GOVERNANCE

Promon has continuously enhanced its corporate governance in recent years. The concepts and practices adopted are in perfect harmony with the principles of transparency, fairness, accountability and corporate responsibility disseminated by IBGC, the Brazilian Corporate Governance Institute, and other organizations.

Grounded in Promon's values and ideals, the exercise of leadership aims to encourage and highlight the value of participation in the life of the organization by all of its professionals, seeking to awaken in each one a sense of belonging to the Promon community.

The decision-making process is strongly influenced by the ownership model and obeys the following logic:

- Promon's values and ideals must be present in all decisions at all levels.
- Decision flows indicating the person responsible for signoff and the level of authority are part of the organization's processes, systems and routines, endowing each decision with reliability and agility.
- Results and actions deriving from the decision-making process must be recorded, identifying the person responsible, the professionals involved, deadlines and the origin of resources, as appropriate.
- All those involved, including affected stakeholders, must be considered in the decision-making process, which must aim at consensus.
- Collective interests take precedence over individual interests.

BOARD OF DIRECTORS

Promon S.A.'s Board of Directors, the highest governance body in the organization, is responsible for setting strategic objectives and for general corporate oversight. It is elected by the shareholding employees for a three-year term. In addition to the qualifications required by law, its members must have proven experience in business and management and, in the case of board members not considered independent, demonstrate unequivocal adherence to the organization's core values and principles.

Following a rite of many decades, the shareholder-professionals were called upon to elect the Board of Directors for the period 2013-16 at the Annual General Meeting of April 2013.

Luiz Ernesto Gemignani, who has thirty-five years of service in Promon, was elected Chairman of the Board for the second consecutive time. Luiz Fernando T. Rudge, Gilson Galvão Krause, and Luiz Gonzaga Marinho Brandão, who were members of the Board in the previous period (2010-13), were also re-elected. They were joined by José Rodrigo Parreira and Wagner Tirolli, both of whom have profound knowledge of the organization.

Raul Antonio Del Fiol and José Guimarães Monforte, who were members of the Board in the previous period, left the organization in April 2013. The Promon community is immensely grateful for their inestimable contributions to the organization, whose directions they helped to define using their rich and widely recognized professional experience.

Promon S.A.'s Board of Directors has three advisory committees, which were set up in 2010. The Strategy Committee analyzes and tracks the Group's macrostrategy in all dimensions. The Risk & Audit Committee analyzes and tracks management of the main business risks and the work of internal and independent auditors. The Organizational Development Committee discusses themes linked to people, the management system, and the organizational culture and model.

These committees are made up of members of the Board of Directors and the Executive Committee, as well as members of the organization's professional staff with proven experience and competencies in the area covered by the remit of the committee in question. They meet ordinarily at least every two months. Their proceedings focus on analysis of diagnoses and indicators, identification of best practices, and assessment of opportunities for improvement and challenges. They propose action plans, assist implementation, and oversee execution in the dimensions under their responsibility. The committees do not have decision-making powers and periodically report to the Board on their activities and recommendations. They will undergo a process of evolution during the Board's current term.

Promon S.A.'s articles of association and bylaws establish that the members of the Board of Directors must avoid any situation that may create a potential conflict of interest with the organization. Board members who find themselves in such a situation must recuse themselves from taking part in discussions on subjects that entail a conflict of interest and refrain from making any comments or expressing any opinions whatsoever, as well as abstaining in any votes. The Board meets ordinarily once a quarter and extraordinarily whenever necessary.

EXECUTIVE COMMITTEE

Promon S.A.'s Executive Committee is responsible for formulating Promon Group's general strategy, subject to approval by the Board of the Directors; for managing the Group's business activities, investments and strategic projects; and for evaluating results in all dimensions (see "Strategy & Management").

The Executive Committee has the following members, who took office on April 2010: CEO Luiz Fernando T. Rudge, with thirty-two years of service in Promon and a member of the Executive Committee since 2001; Executive Directors Gilson Galvão Krause and Ivo Godoi Junior, both of whom members in previous terms; and Executive Director and CFO Felipe Alceu Amoroso Lima. All members of the Executive Committee were confirmed for a new three-year term (2013-16) by the members of the Board of Directors who took office at the April 2013 AGM.

LEADERSHIP RENEWAL

The succession process in PromonLogicalis Latin America was completed in 2012. José Rodrigo Parreira was appointed to succeed Luís Eduardo Sym Cardoso as CEO starting on March 1. Parreira joined Promon in 2000 and for three years had been PromonLogicalis' chief executive for the Southern Cone countries.

RISK MANAGEMENT

Effective management of the risks inherent in the type of business conducted by Promon has always been present throughout the history of the organization. It covers all dimensions of the Group, whose companies systematically map and analyze a range of corporate risk factors. Risk management focuses mainly on impact and probability, risk appetite, mitigatory controls and action plans. Strategic, operational, financial, legal, social and environmental risks are comprehensively covered.

A new methodology implemented in 2011 under the guidance of the Risk & Audit Committee identifies the corporate risks inherent in each business line and current residual risks taking existing mitigatory action into account. Work sessions attended by the top management of each Group company map and control the probability of occurrence and the severity of the potential impact of each risk factor analyzed, as well as implementing complementary actions.

Risk management is also formally present in the operating plan of each company, as part of both the decision-making processes for commercial proposals and the monitoring of projects executed for clients. In both cases, risk management has been conducted for over a decade in accordance with the guidelines and recommendations of the Project Management Institute (PMI). Inclusion of socio-environmental issues in these studies assures the utilization of the most appropriate, safe and proven technologies in each case, minimizing environmental impact and guaranteeing observance of the precautionary principle in all of Promon's operations.

Internal Auditing evaluates and monitors the controls in place in Promon Group's main processes and operations including those relating to: inadequate conduct by the Group's own professionals or by partners and suppliers; the occurrence of internal or external fraud; procurement of goods and services; financial procedures; and segregation of duties, among others. Promon S.A.'s Board of Directors and Executive Committee oversee all matters relating to risk management, both directly and through the Risk & Audit Committee.

TOP MANAGEMENT'S INTERNAL PROCESSES

In accordance with its remit to set strategic objectives, effect general corporate oversight and assure the fulfillment of the organization's commitments to stakeholders, the Board of Directors influences the leadership by designating the members of the Executive Committee, assessing their performance and assisting them in carrying out their duties. With the support of the three committees mentioned earlier, as well as Internal Auditing, it supervises the organization's performance in all eight strategic perspectives, covering the economic, social and environmental aspects of operations and contributing to the enhancement of the process of value creation for all stakeholders (see "Strategy & Management").

Every year the organization holds at least three events for formal interaction between top management (the Board of Directors and Executive Committee) and the shareholders, all of whom are employees. These events are the Annual General Meeting (AGM) and two annual Community Meetings. They are held at Promon's head offices in the city of São Paulo, and their content is repeated in Rio de Janeiro and Campinas, cities where large numbers of staff are also based. The events are transmitted via real-time webcast to all other branches. At these meetings management presents detailed reports on the organization's performance, challenges and aspirations in all strategic perspectives. A comprehensive debate takes place with the participation of everyone present.

In addition, top management organizes meetings with groups of professionals for informal open discussion of any issues in which they are interested. The profile of the participants varies, and may include new hires, supervisors, employees with better performance assessments than expected or members of a specific operation, for example.

Finally, the open door policy in place for many years enables employees to request a private meeting with any member of the Board of Directors or Executive Committee to discuss whatever matters of concern they may have.

STRATEGY & MANAGEMENT

Promon Group's short- and long-term strategies are formulated in annual cycles of strategic planning involving the senior executives of each Group company.

Since 2005 the systemic vision disseminated by the Group's companies has formally embodied eight strategic perspectives representing the key stakeholders and the main elements of the dynamics of value creation, and hence encompassing all economic, social and environmental aspects of its operations. They are: business portfolio; clients; economic performance; knowledge and processes; organizational culture; partners and suppliers; people; society and the environment.

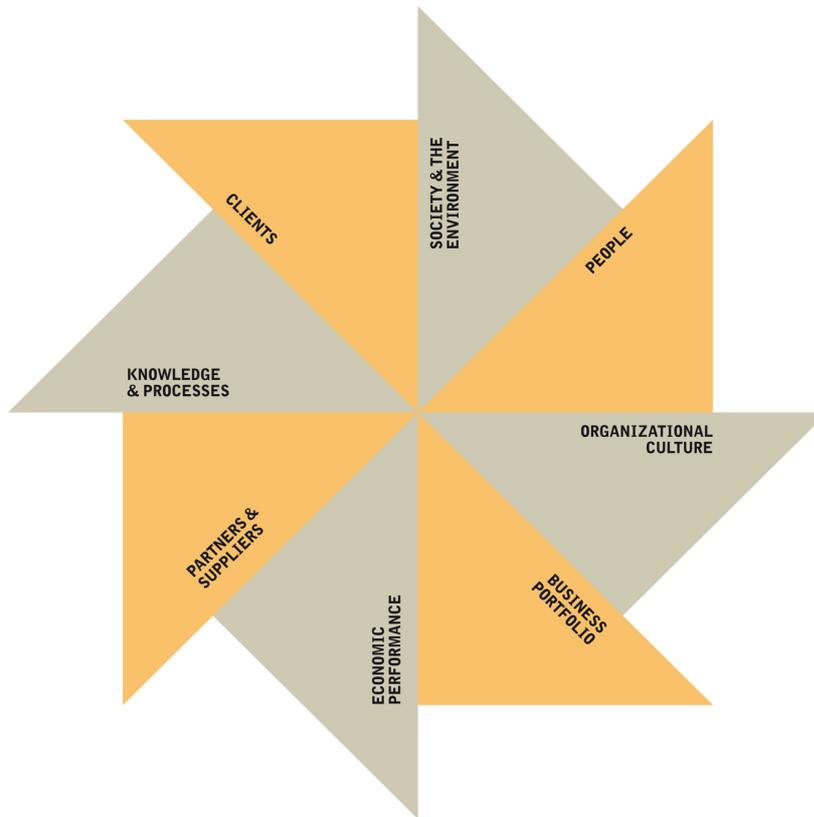
The dynamics of permanent renewal led in 2010 to the implementation of a project called "Promon 2020" to define a future vision and develop possible scenarios for ten years ahead. Presentations exposing more than one hundred professionals to the major issues faced by the world and the sectors in which the organization operates served as a basis for the establishment of its key strategic options.

The exercise confirmed the eight strategic perspectives and formulated an ambitious set of macro-objectives for each one, expressing their interdependency and importance in a simple, direct manner. More than objectives in the conventional sense, they express Promon's aspirations for the years ahead. These aspirations were ratified by the strategic planning cycle performed in 2012.

Detailed specific objectives for each perspective are set or reviewed annually by each Group company on the basis of a balanced analysis of internal factors and stakeholder interests. These objectives, the status of the action plans drawn up to achieve them, and the evolution of the corresponding indicators are tracked month by month by the leadership of each company in accordance with the respective management systems. The causes of any deviations are also analyzed and corrective action is taken as appropriate.

The annual performance of each company in each strategic perspective, alongside individual performance in professional and behavioral terms, determines the amount of variable compensation paid to each administrator or employee. The process encompasses all company leaders and the highest governance body of Promon S.A.

PROMON' STRATEGIC PERSPECTIVES & MACRO-OBJECTIVES



Clients

Build relationships of quality with the key players in our target markets, taking a proactive stance by proposing value solutions with innovative applications of technology developed on the basis of differentiated knowledge of the sectors involved and of their specific needs.

Knowledge & Processes

Continuously pursue a level of excellence in management that enables us to achieve our growth and profitability targets in full while assuring our position as a benchmark for the sector and unremittingly updating our knowledge base.

Partners & Suppliers

Build a global network of suppliers, partners and associates capable of offering the market competitive and innovative solutions, so as to assure a differentiated position that is sustainable in the long term.

Economic Performance

Create value for shareholders by operating all businesses efficiently and competitively, and by realizing the full potential of our brand while balancing risks, time to maturity and the economic dynamics of the different business lines.

Business Portfolio

Continuously renew our portfolio of offerings for the basic sectors of the economy in selected countries, with adequate diversification and risk profiles and structured according to business models that enable us to realize the potential value of our brand.

Organizational Culture

Develop a complete sense of belonging to our community of professionals, preserve and enrich our culture through sharing and communication, recognize the diversity of people and businesses, and make innovation and entrepreneurship the distinctive strengths of the organization.

People

Maintain our status as an excellent company to work for, capable of attracting and retaining excellent professionals with different profiles, offering them opportunities to fulfill their potential in an open collaborative environment and encouraging them to pursue high performance and permanent innovation.

Society & the Environment

Socio-environmental sustainability must be the cornerstone of our development as an organization, while also driving the development of our business and brand.

COMMITMENTS & AWARDS

Since 2006 Promon has been a signatory of the UN Global Compact (see “Global Compact”). The organization is also a signatory of the National Compact to Eradicate Slave Labor in Brazil and the Business Compact for Integrity & Against Corruption in Brazil (known as the Clean Business Compact). Promon is a member of the following movements and institutions: GIFE – Group of Institutes, Foundations & Enterprises; Instituto Akatu pelo Consumo Consciente, a nonprofit whose mission is to raise consumer consciousness of the value of sustainable goods and services; Instituto Ethos de Empresas e Responsabilidade Social, a nonprofit which promotes corporate social responsibility; Movimento Brasil Competitivo, a non-governmental organization set up to foster the competitiveness of the Brazilian economy; Movimento Todos pela Educação, an alliance that aims to guarantee basic schooling of high quality for all by 2022; and Rede Nossa São Paulo, a network of civil society organizations whose aim is to improve the quality of life in the city of São Paulo.

Promon is also a sponsoring member of Fundação Nacional da Qualidade (FNQ), the National Quality Foundation, a non-governmental organization dedicated to research and disseminate the fundamentals of management excellence. The Chairman of Promon S.A.’s Board of Directors is a member of FNQ’s Board of Trustees.

Group companies are members of trade associations for the industries in which they operate, such as the Brazilian Industrial Engineering Association (ABEMI) and the Brazilian Infrastructure & Heavy Industry Association (ABDIB) in the case of Promon Engenharia; the Brazilian Electrical & Electronics Industry Association (ABINEE) for Trópico and



PromonLogicalis; the Brazilian Telecommunications Association (TELEBRASIL), again for Trópico; and the Brazilian Association of Closed Pension Funds (ABRAPP) and the Association of Private Companies Pension Funds (APEP) for Fundação Promon de Previdência Social.

Promon's permanent commitment to the inclusion of socio-environmental dimensions in its business activities and the progress made by its work in this field has won recognition from *Exame* magazine, which for seven consecutive years has ranked Promon among Brazil's twenty-one model companies in terms of corporate social responsibility.

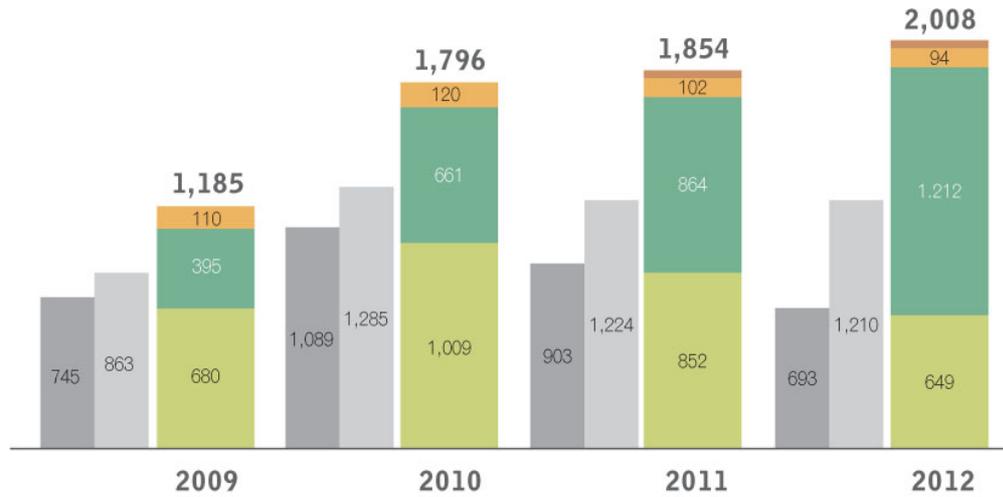
Promon's differentiated positioning in people management has also been recognized by several important awards. In 2011 the organization was ranked *hors-concours* by *Great Place To Work/Época's* survey of the "100 Best Companies To Work For In Brazil". In 2012 it remained one of the top-ranking companies in the "150 Best Companies To Work For" according to *Você S/A-Exame*, in which it has featured since the first edition. It was also once again one of the top ten companies ranked by *Você S/A* magazine as the "Best Places To Start A Career", in a survey that evaluated the workplace climate and people management practices applicable to younger professionals.

Social initiatives implemented by Group companies that have been recognized by outside bodies include the activities to improve the quality of basic education conducted by Promon Engenharia and Instituto Razão Social at Araucária, Paraná State. The Ministry of Education has recognized the model adopted, which is being extended to communities in other locations.

CHARTS

REVENUE

in millions of Reais



TOTAL REVENUE FROM BUSINESSES MANAGED BY PROMON GROUP

(considers 100% of revenue from all Group companies)



CONSOLIDATED MANAGEMENT REVENUE

(considers Promon S.A.'s equity interest in each Group company in each year. As at 12/31/2012:

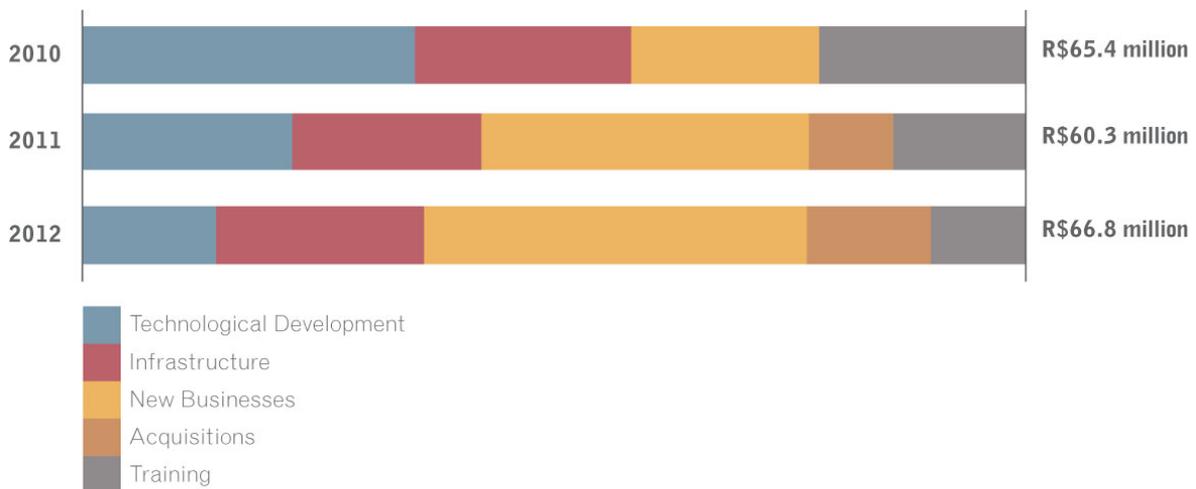
- 100% Promon Engenharia
- 40% PromonLogicalis
- 60% Trópico
- 100% Promon Intelligens
- 40% P2Brasil
- 42.5% Brandt/Terravision/Verti)

NET OPERATING REVENUE

(according to financial statements)

Source: Management reports and financial statements

PROFILE OF GROUP COMPANIES INVESTMENTS

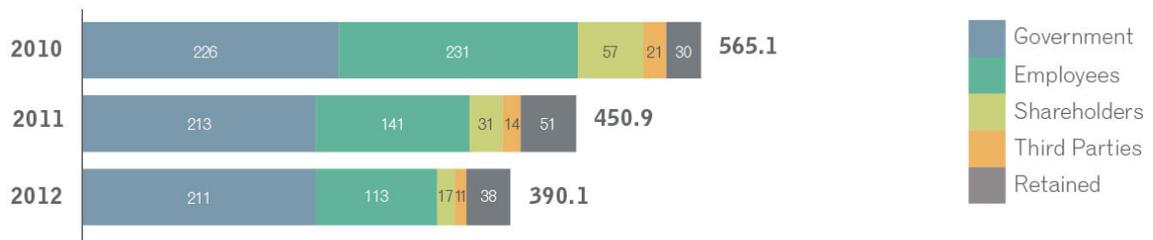


Amounts invested by all Group companies regardless of Promon S.A.'s equity interest.

Source: Management reports

BREAKDOWN OF VALUE ADDED

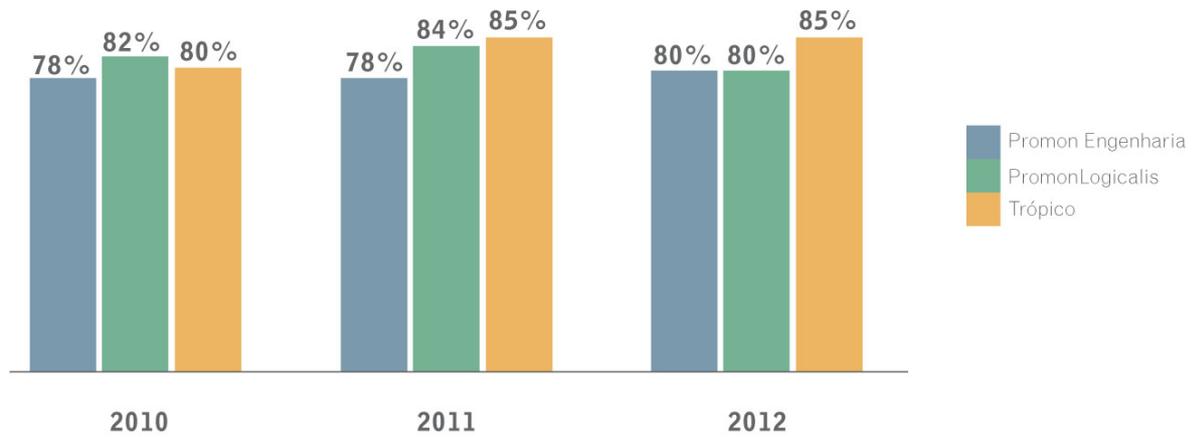
in millions of Reais



Source: Financial Statements

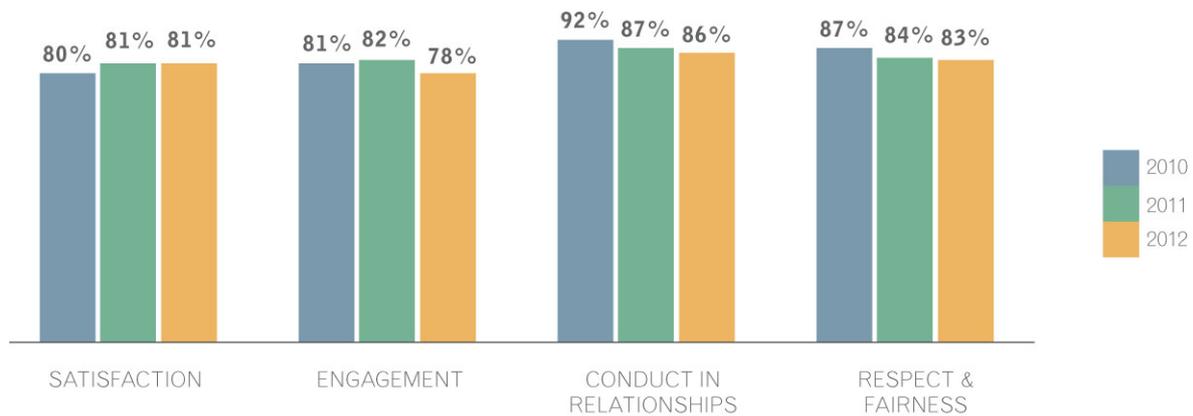
CLIENT SATISFACTION

percentage of clients satisfied with the services delivered by Promon



Source: Client satisfaction surveys (Omni Marketing)

ORGANIZATIONAL CULTURE



Percentage of positive responses by Promon Group employees to questions on following topics:

SATISFACTION(*): Degree of satisfaction with working for a Promon Group company

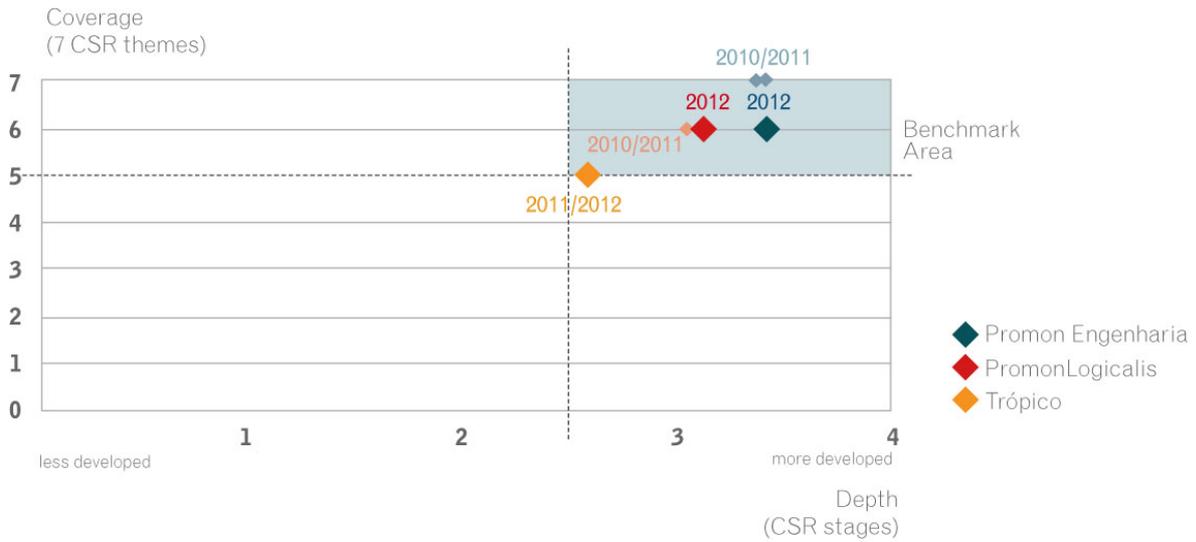
CONDUCT(*): How the organization handles external and internal relationships

RESPECT & FAIRNESS(*): How professionals are treated regardless of job title

ENGAGEMENT: Percentage of professionals who are also shareholders

(*) Source: Survey of Practices (HayGroup)

DEGREE OF CORPORATE SOCIAL RESPONSIBILITY

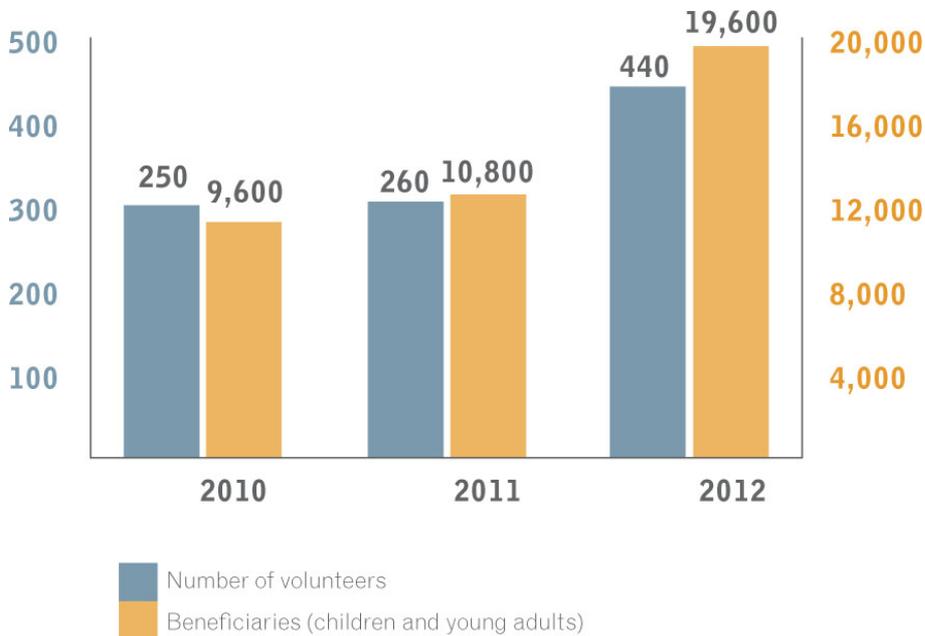


The Instituto Ethos indicators cover the following seven CSR themes: Values, Transparency & Governance; Workforce; Environment; Suppliers; Consumers & Customers; Community; Government & Society.

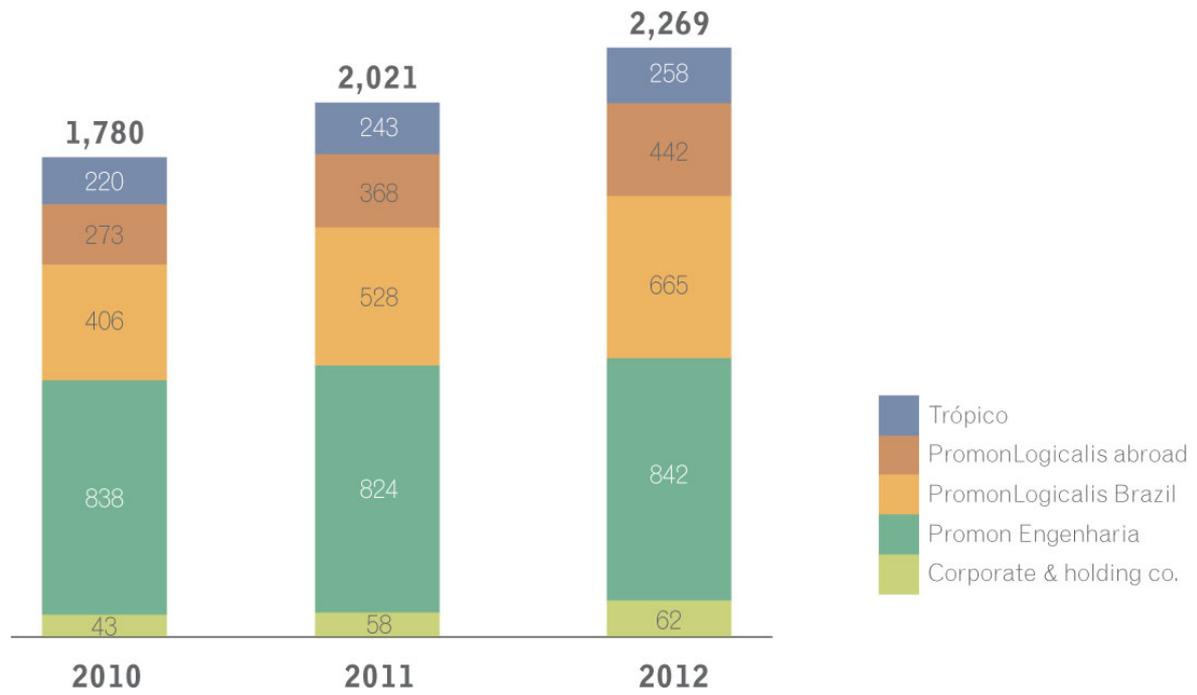
Trópico began measuring its indicators in 2011.

Source: Instituto Ethos de Empresas e Responsabilidade Social

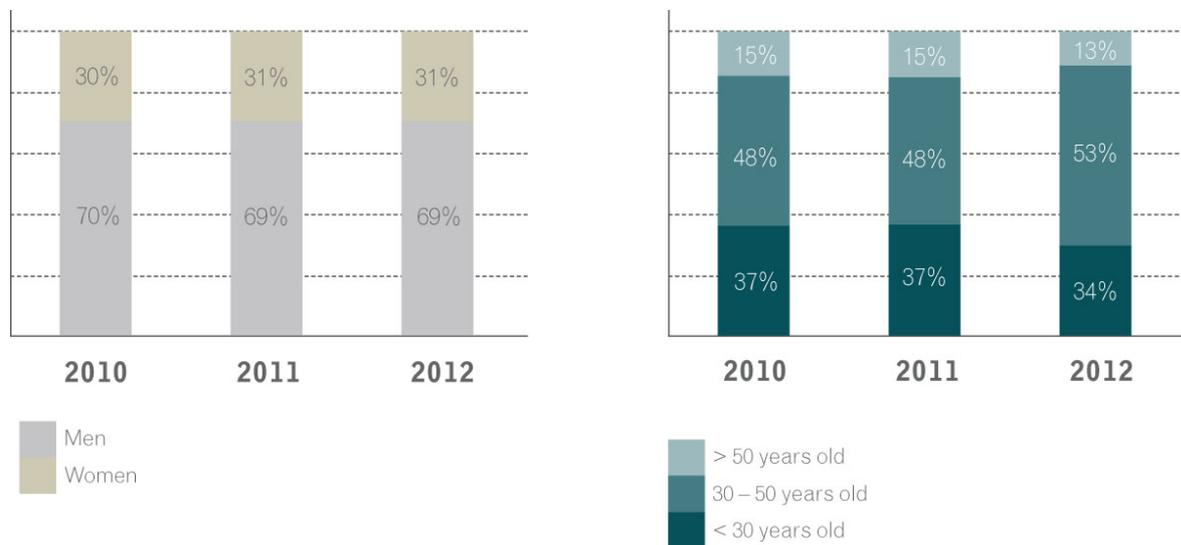
SOCIAL INVESTMENT: MAGNITUDE OF PROMON'S VOLUNTARY SERVICE PROGRAM



WORKFORCE EVOLUTION
employees and trainees at year-end



WORKFORCE – AGE & GENDER
employees and trainees at year-end



BUSINESS ACTIVITIES

PROMON ENGENHARIA

In 2012 Promon Engenharia intensified its activities in engineering and project management services, especially feasibility studies and engineering design. It also resumed more significant activity in transportation infrastructure, including rapid transit projects, an area in which it has a portfolio of major achievements built since the 1960s, and which offers strong growth potential for the coming years due to Brazil's deficiencies in the sector.

The global economic situation and specific circumstances in the Brazilian business environment, however, resulted in a lower domestic investment rate and affected Promon Engenharia in the period. Some of its most important clients decelerated ongoing projects and postponed new ones.

Despite these adverse conditions, revenue amounted to R\$648.7 million in 2012. While this was less than in the previous year, the company succeeded in keeping profitability on target thanks to its strategy of client and portfolio diversification, management efforts, and workforce profile adjustments. Other key indicators remained at benchmark levels, including client satisfaction with the services delivered, market recognition, and workforce engagement and qualification.

BUSINESS PORTFOLIO

The largest contracts performed in 2012 were for Petrobras. The oil company is the leading source of work in Brazil under EPC (engineering, procurement and construction) contracts and has accounted in recent years for over 50% of Promon Engenharia's revenue. However, its share in the pipeline of exploration opportunities fell in the year, as a reflection both of the decrease in Petrobras's investment and of the market diversification and client platform expansion strategy pursued by Promon.

In 2012 work began on a new natural gas processing unit for the Cabiúnas Terminal (Tecab) at Macaé, Rio de Janeiro State. This is an EPC contract and part of a project to expand Brazil's largest natural gas processing complex. The new unit, scheduled for start-up in second-half 2014, will increase Tecab's NG processing capacity from twenty-three million to twenty-eight million cubic meters per day.

In offshore oil and gas the highlight is a contract to produce detail engineering for two floating production, storage and offloading units (FPSOs), which will be installed in two of the Santos Basin pre-salt fields, Lula and Sapinhoá. The contract is the first of its kind undertaken by Promon Engenharia. The client is Keppel FELS Brasil, the local arm of Singapore-based group Keppel FELS, a leading global provider of solutions for the offshore and marine industry.

Work proceeded on the EPC contract for an atmospheric and vacuum distillation unit at the Rio de Janeiro Petrochemical Complex (Comperj), which is being implemented by a consortium comprising Promon Engenharia, Skanska and Engevix. At end-2012 construction was 70% complete, awaiting only the delivery of equipment under the client's responsibility. The contract executed in consortium with MCE to build and assemble a pigging station called MOP-1 had reached the final stage of implementation at year-end. This is the first offshore facility of its kind in Brazil and will be used to operate pipeline inspection gauges or PIGs to perform cleaning and other maintenance services.

Other projects completed for Petrobras in 2012 include the delayed coking unit at Presidente Getúlio Vargas Refinery at Araucária, Paraná State, one of the largest projects in which Promon Engenharia has participated in recent years, and the hydrodesulfurization unit at the Alberto Pasqualini Refinery at Canoas, Rio Grande do Sul State.

The highlights in professional engineering services were execution and delivery to Petrobras of the first project developed in partnership with Linde, a German company. The scope of work comprised basic design and front-end engineering design for onshore LNG regasification and NG liquefaction terminals to be built at Barra do Riacho, Aracruz, Espírito Santo State.

The mining industry continues to account for a significant share of Promon Engenharia's portfolio. For Vale, a longstanding client, it began feasibility and engineering studies for the North Logistics Capacity Building Project (CLN) in São Luís, Maranhão State, with delivery scheduled for May 2014. The CLN project will expand Vale's iron ore production and transportation capacity. Another contract involves conceptual and basic engineering designs of infrastructure for the North Corridor, which includes the Ponta da Madeira maritime and rail terminals in Maranhão State and the Carajás railroad in Pará State, with delivery scheduled for June 2013.

For EBX Holding, it developed structural engineering studies for the bridge and pier for the Açú Port, presently being built at São João da Barra, Rio de Janeiro State. It is also initiating the execution of the first work order under a contract signed in 2012 to service the requirements of this client's twelve companies operating in various sectors in Brazil, Colombia and Chile.

Junior mining companies are becoming an important source of business opportunities, confirming the correctness of Promon Engenharia's strategy of investing in the segment. In 2012 it won an EPCM (engineering, procurement and construction management) contract to implement a vanadium pentoxide plant for Largo Resources, a Canadian junior miner. The unit will be built at Maracás, Bahia State, with the capacity to produce more than ten thousand metric tons per year of vanadium pentoxide, equivalent to more than five thousand mtpy of ferrovanadium, used in the manufacturing of steel and aluminum alloys with applications in the automotive, construction and offshore platform industries, among others. This new contract strengthens the relationship with Largo Resources, to which Promon Engenharia supplied basic engineering design services for the same plant in 2011. In the same sector it is also worth mentioning contracts with MBAC Fertilizers and Rio Verde Minerals to supply feasibility studies for the implementation of fertilizer plants.

In alternative energy the highlight was completion of co-generation stage 2 at the Usina da Barra ethanol plant belonging to Raízen Group. Located at Barra Bonita, São Paulo State, this project added 70 MW to the facility's installed capacity to generate electricity from sugarcane bagasse, making it one of the world's largest thermal power plants fired by this raw material. The conceptual design and basic engineering for a plant to produce biomass pellets as an energy source for use in power generation were also completed in 2012 for Suzano Energia Renovável, a Suzano Group company. The pellets made from ground wood particles are more energy dense than raw biomass and easier to transport over long distances.

Brazil's urgent need for urban mobility solutions led Promon Engenharia to resume more intense operations in this sector. The company won a contract from CBPO Engenharia to supply consultant engineering services for implementation of the Nossa Senhora da Paz, Jardim de Alah and General Osório II stations on Line 4 of the Rio de Janeiro subway connecting Ipanema with Barra da Tijuca. The scope of work includes basic design consolidation, detail engineering for rail geometry, structures, rock excavation and ancillary systems, and technical supervision of construction.

CLIENTS, PARTNERS & SUPPLIERS

Promon Engenharia's competencies and differentiators have consistently assured highly positive results in client satisfaction surveys. The average rating in the 2012 survey was 80%, the highest for four years. This achievement is all the more significant considering the number of new clients added in the period.

Promon continues to be considered a benchmark by its longest-standing clients, such as Petrobras and Vale, as evidenced by their frequent invitations to deliver presentations on subjects such as constructability, design automation and knowledge management, to attend benchmarking meetings hosted by organizations such as Embraer, O Boticário and the Central Bank of Brazil, and to discuss case studies at events in Brazil and abroad.

Promon Engenharia cultivates a network of partners who add value to its offerings and client services. In addition to maintaining longstanding partnerships with Camargo Corrêa, Odebrecht and Skanska, among others, it constantly seeks new alliances to add complementary competencies, share risk management and enable its entrance in new business models, such as public-private partnerships. In this direction one of the highlights of 2012 was the strengthening of its partnership with Linde via joint participation in new projects.

Opportunities in subsea oil and gas are leveraged via partnerships with Scotland's Xodus and with Oceaneering Brasil, the local arm of US-based Oceaneering. Xodus is recognized worldwide for its capacity to provide integrated engineering solutions to the oil and gas and renewable energy sectors, as well as technical support to offshore projects. Oceaneering specializes in subsea intervention, especially using remotely operated vehicles (ROVs) for pipeline inspection, maintenance and repair. These new alliances will enable Promon Engenharia to focus on offering engineering services that involve high-tech solutions.

PEOPLE, KNOWLEDGE & PROCESSES

Sustaining the motivation and qualification of its professionals is one of Promon Engenharia's permanent objectives. To do so it invests continuously in training and development, and in actions to guarantee a stimulating organizational climate that favors innovation and the creation and dissemination of knowledge.

An important technical training initiative has been developed in partnership with Instituto de Tecnologia Promon. Called Trajetórias, the program provides distance learning modules prepared and structured by senior professionals. Since its inception in 2008, the number of modules has reached ninety and over one thousand, four hundred professionals have taken part, representing some twenty-three thousand hours of training offered.

Given the key role played by project management in its service offering, Promon Engenharia is well aware that excellence in this discipline is vital to the success of its clients' undertakings and has devoted considerable effort over the years to ensuring its professionals are well-trained in the field. In 2012 ten more professionals won PMI certification as Project Management Professionals (PMPs), taking the total to more than eighty or about 10% of the workforce.

The company's project management structure, methodologies and practices brought important new recognitions in 2012, such as the "PMO of the Year" award from *Mundo PM* magazine. In ten years of existence, Promon Engenharia's PMO (Project Management Office) has overseen and supported two hundred projects, over thirty of which were EPC contracts entailing higher levels of complexity and risk.

Introduced in the previous year with a diagnosis of the theme by Promon Engenharia, the Strategic Innovation Project proceeded in 2012 with the establishment of working groups to detail and implement a program to stimulate, capture and implement innovative ideas.

Another point worth highlighting is the quality of health and safety management, evidenced by the excellent results obtained in the year. The accident rate for all activities, at both offices and worksites, remained well below the industry average according to ABEMI, the Brazilian Industrial Engineering Association. This is quite positive in light of the nature of the activities concerned and the number of contracts in progress (more than thirty at year end). The number of hours worked under the company's management exceeded sixteen million, which represents an average workforce of more than eight thousand professionals.

SOCIETY & THE ENVIRONMENT

Socio-environmental concerns cut across all of Promon Engenharia's activities, from worksites driven by sustainable solutions to business strategy.

The company has sought to increase the presence of “green projects” in its portfolio. The Usina da Barra co-generation plant noted above is an example of projects relating to clean energy production. Other examples include initiatives such as a project conducted by ACEVP, the Vale do Paraíba Ecological Corridor Association, to restore one hundred and fifty thousand hectares of forest in the São Paulo State portion of the Paraíba do Sul Basin. The project is connecting conservation units and natural areas to facilitate species dissemination, reforestation of degraded areas and protection of biodiversity, as well as socio-economic and environmental development of the region.

In local community action, the highlight was the Social Mobilization for Education Plan at Araucária, Paraná State, developed by the CCPR-Repar Consortium, comprising Promon Engenharia and Camargo Corrêa. The program was created by the Ministry of Education to mobilize families and other community groups to improve the quality of basic education. Work continued during the year to raise the awareness of workers and their families, and to mobilize the community’s key actors. Following project completion and attainment of maturity, program leadership was transferred from the consortium to the municipal education department and other local organizations.

The success of this initiative, which embraced about twelve thousand people during the project execution, inspired adaptation and replication of the activities in the region of São Roque do Paraguaçu, Bahia State, where the MOP-1 pigging station was implemented. Plans are also under way to establish similar programs at Tecab and the vanadium plant at Maracás, Bahia State. External recognition came from the Ministry of Education, which highlighted the Araucária experience on its website as an example of best practices in this field. Clients and partners have studied the initiative in detail and some are now implementing similar programs in their own organizations.

CHALLENGES & PROSPECTS

Continuing the process of client portfolio diversification, intensifying the provision of design engineering and project management services and expanding partnerships and alliances to complement competencies are some of Promon Engenharia’s goals for 2013, when investment is expected to grow in practically all its markets of choice.

In oil and gas this resumption is expected to focus on the gas segment, on specific refining projects and on the subsea market, which requires high-tech offerings and hence higher value added solutions. Projects in these areas will increase their share of Promon Engenharia's portfolio.

The energy sector, which was adversely affected in 2012 by the electric utility concession contract renewal process, requires investment to address the increased risk of supply problems, opening up opportunities for alternatives such as thermal power plants.

In mining, new investment opportunities will be created as the world's major consumer economies reaccelerate and the Brazilian potential is developed. The activities of the junior mining companies produce a virtuous cycle with new agents and new projects, for which the value added by Promon has been strongly valued. Other areas such as cement production are also showing signs of a resumption of growth.

Infrastructure is another promising sector with outstanding potential to offer opportunities for investment in ports, railroads and urban mobility projects. Promon Engineering begins to position itself in business models where it is involved since the initial phases of the formatting of public-private partnerships (PPPs).

In this favorable context, and with its strong portfolio of offerings and recognized competencies, Promon Engenharia has good reasons to look forward to 2013 with optimism.

PROMON MEIO AMBIENTE

The Group's newest business, Promon Meio Ambiente, was established in 2011 as its environmental management arm and part of the strategy of making sustainability the cornerstone of its activities. Focusing on environmental management for the infrastructure sector, Promon Meio Ambiente offers the expertise of all Group companies but especially that of Promon Engenharia and its environmental management specialists, plus that of Brandt Meio Ambiente, TerraVision Geotecnologia e Geoinformação, and Verti Ecotecnologias. Promon Meio Ambiente initially owned a 30% stake in these three companies but increased its equity interest to become the controlling shareholder in February 2013 with 52.7%.

Integration of the organizations was the main focus in 2012, involving the identification of synergies and sharing of good practices to lay solid foundations for business development in the environmental sector.

BUSINESS PORTFOLIO & CLIENTS

Promon Meio Ambiente's revenue totaled R\$17.4 million in 2012. This performance fell somewhat short of expectations owing mainly to the fall in industrial investment, especially in mining, the main market for Brandt Meio Ambiente, the largest of the three companies.

In business activities, the highlight of 2012 was the potential for opportunities deriving from collaboration with Promon Engenharia, which worked closely with Brandt Meio Ambiente on the implementation of Brazil's first vanadium peroxide unit at Maracás, Bahia State, for Largo Resources, a Canadian miner. Brandt acted as consultant to Largo for its environmental license application in 2006 and is now responsible for solutions to mitigate the plant's environmental impact, including production of the greenhouse gas inventory and acoustic modeling.

Partnerships were also reinforced. Kisters, a German company engaged by Vale to develop a water and power usage monitoring process, chose Brandt as its Brazilian partner.

TerraVision's achievements in 2012 included innovations and other groundbreaking initiatives. The company developed a new offering for geoprocessing activities using an unmanned aerial vehicle (UAV) system. Equipped with geoprocessing software, the system offers significant advantages compared with conventional methods. The UAV flies at altitudes of 100-200 meters to capture precision data that assures a final product of exceptionally high quality. The system is also more cost-effective and faster than other techniques in delivering the required output.

TerraVision also performed a pioneering cave survey using laser scanning for the first time in Brazil. Cave surveying is important in areas where mineral reserves exist or are believed to exist, as a source of data for use as a basis for the planning of mining projects, since cave size, characteristics and conservation requirements can affect exploration design.

TerraVision is developing a topographic survey of twelve caves in the region of Grão Mogol, Minas Gerais State. Elsewhere, a project performed for The Nature Conservancy to map farm encroachment into Brazilian biomes has become a benchmark for its quality and the model will be replicated in similar studies across South America.

Verti, which specializes in environmental management technology research and development, concentrated in 2012 on modeling its offering based on a more strategic vision of its competencies.

KNOWLEDGE & PROCESSES

Promon's recognized project management competencies and practices are a framework within which to strengthen the management and strategic planning processes and tools deployed by Promon Meio Ambiente and its three companies.

Methodologies have also been implemented for knowledge management and structured analysis of commercial opportunities, with a view to assuring closer alignment with the commercial and operational areas of Promon Engenharia. The activities of both organizations are complementary and enrich the portfolio of offerings available to clients.

CHALLENGES & PROSPECTS

If 2012 was above all a period for laying the foundations on which to grow Promon Meio Ambiente, the challenge for the period ahead is to develop the business further by diversifying markets and extending the portfolio of products and services. The prospect of a resumption of investment in infrastructure in 2013 suggests a positive outlook, which Promon Meio Ambiente is prepared to leverage.

PROMONLOGICALIS LATIN AMERICA

The adverse macroeconomic situation, with low GDP growth in important countries for the organization, such as Brazil, did not affect the 2012 performance of PromonLogicalis Latin America, a joint venture between Promon and UK-based Logicalis Group. The company continued to expand as strongly as it had since its inception in 2008. Revenue in 2012 was R\$1,212.3 million, 40% more than in the previous year. Brazil accounted for 76% of the total. This increase in revenue far outpaced growth in the Latin American information and communications technology (ICT) market, which was about 15% in the period.

Performance was positive in all segments – telecommunications, corporate and government – and in all three territories in which the organization has a presence – Brazil, the Southern Cone (Argentina, Paraguay, Uruguay and Chile), and the Andean region (Bolivia, Colombia, Ecuador and Peru).

In line with its strategy of strengthening and expanding its presence in Latin America, in November PromonLogicalis completed acquisition of CiberCall's operations in Colombia and Ecuador. CiberCall is a leading provider of voice, data and video solutions in Central America, the Caribbean and the northern countries of South America. This acquisition will combine the unique capabilities of PromonLogicalis, such as its broad portfolio of solutions and the technical excellence of its professionals, with CiberCall's knowledge of the local market. The Andean region has displayed exceptionally strong growth in recent years. Peru's GDP grew 6% in 2012, for example, more than that of any other Latin American country.

BUSINESS PORTFOLIO

The company's performance in its markets of choice varied in accordance with the economic conditions in each region. In countries with higher GDP growth rates the corporate and public sectors performed best. In Brazil the economic slowdown had a direct impact on investment by both government and the private sector.

The telecommunications industry continued to invest heavily throughout Latin America, reflecting the region's still pressing need for infrastructure. Recognized by the industry as a leading ICT integrator, PromonLogicalis worked with all operators on landline-mobile network fusion projects, Hybrid Fiber-Coax (HFC) and ultra-broadband architectures for cable networks, and 3G and 4G solutions for mobile carriers. The highlight was the project to upgrade Claro's core network in Brazil to prepare for delivery of 4G services.

Continuing a tendency seen in the previous period, Wi-Fi offload solutions gained momentum. This technology relieves the load on the last mile of access networks by enabling users in Wi-Fi hotspots to use data services on their cell phones without burdening the carrier's infrastructure. One of the highlights in this segment was a project executed for TIM involving ten thousand access points throughout Brazil. The project included the supply of Cisco equipment and the provision of technical consulting, implementation, operations support and infrastructure maintenance services.

In the corporate market, which accounts for 30% of the company's revenue, the financial services industry remained the most representative. Migration of conventional telephone systems to IP was the main trend in 2012, as exemplified by one of the company's largest projects in the year, which involved upgrading Banco Itaú's branch telephone system via migration to integrated IP telephony and unified communications. The aim of the project, implemented in partnership with Cisco and Vivo as carrier, is to reduce operating costs and enhance energy efficiency. Scheduled to last five years, the project began with the more than two hundred and forty branches of Itaú Personnalité in Brazil, and its five thousand extensions are now operating the new technology.

Initiatives to modernize data centers with virtualized architectures, digital collaboration platforms (such as telepresence and videoconferencing, for example) and network security solutions were other important projects developed for corporate clients, especially in the retail, construction, and mining and metallurgy industries, among others.

In the public sector, the company delivered several major infrastructure modernization projects, such as a data center, telephone system and telepresence facilities for the Brazilian Judiciary. An important partnership was established with the Rio de Janeiro State Government, which has been investing significantly in IT infrastructure to prepare for forthcoming events such as the 2014 FIFA World Cup and the 2016 Summer Olympics. PromonLogicalis will supply and implement the solution for the Olympic Organizing Committee's future headquarters, in partnership with Cisco and Embratel. The project encompasses networks, Wi-Fi, telephony, security and services comprising the technology infrastructure to be used by more than two thousand staff and workers during the event.

Another highlight was the addition of a new solution to the company's portfolio. At Futurecom 2012 PromonLogicalis launched its business intelligence/business analytics solution based on IBM technology to help clients extract information of business relevance from their various databases. The solution is designed to contribute to a better understanding of market behavior, effective change prediction and enhanced decision making.

CLIENTS, PARTNERS & SUPPLIERS

The business strategy pursued by PromonLogicalis in 2012 was to expand its client base sustainably, prioritizing growth in the volume of business with existing clients. This objective was successfully achieved and the company maintained the high quality of its client relationships, as evidenced by an 80% satisfaction score in the survey performed and audited by outside consultants.

Cisco remains the main partner of PromonLogicalis, which also has solid relationships with IBM, McAfee, Microsoft, HP and Arbor. The company established important new partnerships during the year, including an alliance with Hitachi Data Systems in the storage segment and an agreement with Apple for corporate mobility.

Some clients are also commercial partners. Examples include carriers such as Oi and Embratel. In these agreements the carriers offer service packages to their corporate clients and PromonLogicalis participates by supplying equipment and managing operations.

PEOPLE, KNOWLEDGE & PROCESSES

The workforce comprising more than a thousand, one hundred professionals was reinforced by continual hiring and absorption of staff from Cibercall, requiring efforts to integrate and adapt new professionals to the organization's culture.

In addition to the new operation in the Andean region, another novelty in 2012 was the opening of three new commercial offices to guarantee a local presence in Recife, Porto Alegre and Curitiba. Change also came to the company's headquarters, where work began on a new office layout using an innovative architectural design concept that makes more dynamic use of space by decoupling individual professionals from their physical workstations. The change is also aligned with the home office work model that began to be introduced at the São Paulo and Barueri offices.

Professional development is a focus for special attention. As in previous years, investment in training for both technical and sales teams remained a top priority. To this end, two years ago PromonLogicalis introduced a self-proposal model whereby its professionals choose the courses best suited to their development from those available under the Corporate Education Program. These courses were requested by 80% of the workforce in 2012.

Another important initiative in this direction begun in 2012 was the development of a talent management platform designed to provide a structured view of regional competencies and an integrated people management model for all of Latin America.

The "Ideas Wall", created at the end of the previous year to stimulate innovation by enabling staff to propose new processes and businesses, produced more than three hundred suggestions in the period. Eight have been implemented and one hundred and eighty are under analysis. The suggestions are discussed via a corporate social network and analyzed by a committee to assess their feasibility.

Another work front involved the homogenization and expansion of corporate certification. In the Southern Cone, standardization of ISO 9.001 quality management system certifications began with Argentina and will be extended to the other countries of the region within two years. In Brazil, ISO/IEC 27.001 information security management system certifications, previously confined to commercial operations, were extended to all company processes. With the acquisition of Cibercall's assets in Colombia and Ecuador, PromonLogicalis also developed processes for the Cisco certifications required by local operations.

SOCIETY & THE ENVIRONMENT

Education, culture and entrepreneurship are the main focus for the social initiatives supported by PromonLogicalis. The highlights include Junior Achievement's programs in Argentina and Brazil, to which the company donates money as well as encouraging its professionals to volunteer as managers of the courses offered to young people by the nonprofit. In Argentina PromonLogicalis also awards study grants and supports rural schools by donating material and IT equipment. In Brazil it makes its data center available to Instituto Razão Social to host and run software.

In culture, PromonLogicalis has long supported Mozarteum in Argentina and is now extending this partnership to Brazil. The company is finalizing a plan to structure and optimize its CSR practices and social investment initiatives. The plan will be applied initially to Brazil and later extended to the other regions.

In the environmental perspective the company's main contribution is its offering of technological solutions for environmental impact mitigation. Besides being based on the green IT concept and thus optimizing IT equipment power usage, these solutions reduce commuting and travel via telepresence and collaborative environments.

CHALLENGES & PROSPECTS

PromonLogicalis expects revenue to grow 15%-20% in 2013, in line with the Latin American ICT market. The company's strategy is to prioritize its higher value added offerings, with services accounting for a larger share of business volume, including consulting, managed services, cloud computing, support and maintenance. Among product offerings it sees the highest growth potential in virtualized architecture and data center modernization solutions.

In terms of technology trends, the company expects the importance of BYOD (Bring Your Own Device) to increase. This concept has strongly influenced the direction taken by the IT market in recent years. Since 2012 PromonLogicalis has been developing a complete solution to enable companies to manage and guarantee the security of their IT systems when they allow staff to use personal devices at the workplace to access corporate data and systems, and expects to see steadily rising demand for BYOD from the corporate market in 2013.

Another important challenge is the need to continue making progress with the Latin American integration begun with the acquisition in the Andean region. The plan is to strengthen operations in this region so that within five years the results reach the level achieved by operations in the Southern Cone. The company is also looking at the countries in which it does not yet have a presence.

TRÓPICO

Begun in the previous year, the strategic repositioning of Trópico, a joint venture between Promon, CPqD and Cisco Systems, started to bear fruit in 2012. The effort to extend the company's scope, hitherto focused on supplying products and services to fixed telephone operators, and establish it as a developer of applications for the corporate and telecommunications sectors generally enabled Trópico to end the year with a substantial portfolio of contracts that is not yet fully reflected in its financial performance.

Revenue totaled R\$93.9 million in the period, falling 8% compared with the previous year. This was due mainly to a slower pace of investment by fixed telephone operators in 2012. However, the prospect of reaccelerating investment by the industry, continuation of client base diversification and expansion of the product and service offering points to a promising year in 2013.

BUSINESS PORTFOLIO & CLIENTS

Trópico effectively began operating with a new vision in 2012. In addition to its traditional offering of products and services for core networks, it developed solutions for application layers based on its Vectura family of servers, structuring service platforms to meet the needs of the corporate sector and telecommunications operators.

The Vecture Signaling Servers (VSI) implemented by Trópico and now present in more than 90% of Brazil's fixed telephone network were used in several upgrade projects to meet clients' requirements. The company expanded GVT Brazil's and Telefónica Colombia's VSI platforms and developed projects for several clients to migrate these service platforms to a fixed-mobile convergence architecture. Its offering of competitive and reliable solutions significantly strengthened its relationship with Vivo and won space against competing suppliers in 2012. It also participated in Telefônica Brazil's project to unify the Vivo brand via its automated customer support platform.

Several applications were developed for Oi, including solutions to improve operations and applications to identify calls made by phones equipped with anti-tracking software. Oi also acquired a large number of Trópico switches for installation in areas with rapidly growing demand such as Rio's pacified slums, low-income communities in the interior and new towns or suburbs.

Innovation was another ingredient that enriched the relationship with Oi, for which Trópico developed the first Wi-Fi hotspot on a street payphone booth. Implemented in Rio de Janeiro, the hotspot provides free wireless internet access to users who are within range and have a device compatible with the technology. For Trópico the challenge was equipping the payphone with the infrastructure and devices required to operate a Wi-Fi hotspot, including power supply.

Introduction of a ninth digit in cell phone numbers, which became mandatory in 2012 in the city of São Paulo, required the adaptation of fixed-line operators' VSI service platforms and created excellent business opportunities. Trópico developed solutions for Oi, Vivo, GVT and BT, which in Brazil operates in the corporate sector. The project equipped these operators with the infrastructure to permit automatic integration of the ninth digit as it is rolled out to other parts of Brazil in the years ahead.

The company also developed solutions to upgrade the IMS networks of Oi, Vivo, GVT and Brisanet. The architecture of IMS networks enables the implementation of cloud applications so that each data center can process a larger number of customers.

Moving ahead with its offering portfolio expansion strategy, Trópico developed televoting platforms for TV shows, a type of service that has significant growth potential in Brazil and can be used by both landline and mobile subscribers.

The company explored new terrain in 2012. One such project focuses on the phenomenon known as Big Data, requiring analytics intelligence platforms capable of handling large volumes of data so as to generate useful information in a data-intensive business, with significant potential for the corporate market, especially in monitoring financial services, retail operations and water and power utilities. Trópico has implemented a pilot platform for a leading credit analysis and business decision support company. It monitors the transactional backend that supports check and taxpayer number verification services to guarantee high availability and performance. The solution is also being analyzed by other important financial institutions.

PARTNERS & SUPPLIERS

Trópico is constantly expanding its network of partnerships as part of its strategy of exploring new business opportunities and markets, as well as consolidating existing relationships, not least via innovative types of contract that transform clients into partners. A case in point is Vivo. Trópico and the carrier joined forces in a project to develop a voice recognition system to provide services relating to health and finance to Vivo's subscriber base. As noted, this is an innovative contractual model and is based on revenue sharing, whereby Trópico,

responsible for implementing its customer service technology and establishing the other partnerships required to supply the health and financial guidance content, will share in the revenue generated by subscribers' access to the services. The model may be extended to other offerings.

On a separate front the company partnered more closely with PromonLogicalis to complement its CGNAT-based solution for the migration and allocation of existing IPv4 internet addresses, which are rapidly approaching depletion, to the new IPv6 base. Trópico's solution stores the data supplied by the CGNAT (Carrier-Grade Network Address Translation) equipment, reducing the space needed to log and archive the events generated, and enables cost-effective and reliable database querying.

To enhance its offering of connectivity solutions for virtualized architectures, Trópico established a partnership with BroadSoft Solutions, the world's leading provider of such services. The unified communications solutions (videoconferencing and telepresence, among others) were sold to Vivo, which will offer them to its corporate clients.

As a result of its partnership with Liferay, a US-based company that is a leading provider of solutions for collaborative web portals, Trópico is developing a solution for use by Mapfre Seguros in creating its portal. This model has substantial growth potential, especially in the corporate market.

Trópico strengthened its relationship with Acme Packet, a US-based manufacturer of equipment used to enhance voice network security, and is now one of the Brazilian companies with the largest proportion of Acme Packet products in its solutions. In addition, Acme Packet added the HSS (Home Subscriber Server) developed by Trópico and CPqD to its portfolio of IMS solutions, The HSS stores the profiles of residential subscribers to the various services provided by telecommunications operators.

PEOPLE, KNOWLEDGE & PROCESSES

Trópico has devoted special efforts to enhancing its organizational environment and the results are positive, as evidenced by the workplace climate survey conducted in 2012 with the highest satisfaction score in recent years. Among other factors, this progress was due to the activities of focus groups set up at the start of the year to identify opportunities for improvement, reinforcing communication between top management and staff in operations and administration.

Another area of progress was the structuring of the Trópico Project Management System to create tools, techniques and processes for enhanced risk control and maturity in project management. This system is expected to come effectively on stream in 2013.

SOCIETY & THE ENVIRONMENT

Trópico's major contribution to the socio-environmental development of society resides in its business activities. Grounded in the concept of green IT, its solutions are almost universally deployed by telecommunications service providers, with positive impacts on the lives of people and companies. All of Trópico's new products are supplied with blade computing platforms as a standard feature, saving up to 30% in power consumption compared with other technologies.

Internally, the company encourages employees to engage in actions that favor the community. The establishment of a group to manage social projects bolstered the momentum of the Trópico Voluntary Service Program, which was set up in 2011 and began operating effectively in 2012. In this first year the program involved more than two hundred participants, all employees of Trópico and their families, in three actions that benefited children and elderly people under the care of institutions in Campinas, São Paulo State, where the company is headquartered. The plan for 2013 is to expand the program and at least six new actions to benefit the community and environment have been scheduled so far.

CHALLENGES & PROSPECTS

Confident of the quality of its products and services, its capacity to innovate and the reputation for reliability it enjoys throughout the industry, Trópico will focus in 2013 on consolidating its positioning as a developer of applications for the corporate and telecommunications markets. Besides the prospect of a resumption of investment in the telecommunications sector, the company foresees significant growth in demand for virtualized architecture solutions based on cloud computing.

The main challenges are diversifying the client base and maintaining a portfolio of solutions that is continually updated and aligned with clients' needs. Besides the many new solutions it develops, Trópico expects to continue supplying its more traditional products and services, as operators must sustain their efforts to meet demand for telecommunications in remote parts of Brazil.

P2BRASIL

P2 Gestão de Recursos (P2Brasil), a joint venture between Promon S.A. and Pátria Investimentos, specializes in managing private equity investment in infrastructure, mainly in Brazil. Its strategy of combining Pátria's investment fund management competencies with Promon's knowledge of the infrastructure market and project implementation and management capabilities has been recognized as innovative by local and global investors.

In 2012 its main activities focused on managing the P2 Brasil Infrastructure Fund, which in the previous year closed the funding phase with a total of US\$1.155 billion from large investors.

The fund's investments in 2012 included acquisitions and launches of new companies (LAP, Nova Opersan and Highline), as well as capital injections and the negotiation of contracts by the companies that had been added to its portfolio in previous years (NovaAgri, Hidrovias do Brasil and Oceana).

At the end of the period the fund's portfolio contained the following six companies:

- NovaAgri: Storage and transportation of agricultural commodities; management of grain elevators and road-rail transfer facilities. In 2012 the company won a contract from CHS do Brasil, a subsidiary of CHS Inc., a leading US-based commodity processor and trader. The long-term contract guarantees priority for CHS in the shipment of grains, especially soybeans and corn, through the Tegram grain terminal currently under construction at the Port of Itaqui, São Luís, Maranhão State, where NovaAgri is one of the lessees. The terminal will reduce the logistical cost of shipping grains from the Center-West, North and Northeast.
- Hidrovias do Brasil: Operation of integrated waterway logistics services, currently focusing on the development and operation of river and marine terminals integrated with the operation of barges transporting iron ore, grains and other goods. In 2012 the company signed a 25-year contract with Vale for the transportation of more than three million metric tons per year of iron ore from Corumbá, Mato Grosso do Sul State. The tugs and barges now being built will travel from Corumbá to the Plata Basin, opening doors to attract new clients to the waterway transportation market.
- Oceana Offshore: the holding company for Oceana Navegação and Oceana Estaleiro, it is aimed on offshore navigation support services, initially focusing on the operation of medium-size vessels such as platform-supply vessels (PSVs) and anchor-handling tug supply vessels (AHTSs), as well as subsea inspection and construction vessels. These

activities are growing rapidly in response to rising demand from oil and gas companies, not least in the pre-salt play. In January 2013 the company began building its shipyard at Itajaí, Santa Catarina State, and prepared to begin building its first PSV at the end of the year. In 2012 the national development bank (BNDES) invested R\$122 million through BNDESPAR to acquire 25% of the company's equity.

- Latin America Power (LAP): Renewable energy generation in Chile, Peru and Panama. Acquired in August 2012 by P2Brasil in partnership with BTG Pactual, the company plans to invest in small hydropower plants and wind farms in the countries mentioned, via acquisitions or construction of new plants, aiming to reach installed capacity of 1,000 MW by 2018.
- Nova Opersan: Industrial waste management and treatment, water treatment and recycling. A merger of four acquired companies – Enasa, Opersan, GT Ambiental and Brasquip Ambiental. The new company, in which P2 Brasil holds a majority stake, targets small and medium enterprises, initially in the vicinity of its dedicated sites at Jandira and Jundiaí, São Paulo State, but with plans to expand geographically in the future. It also offers effluent or water treatment implementation and operation services on the client's premises.
- Highline: Construction and leasing of mobile telephony towers. The company is now being established and will operate as an infrastructure provider to telecommunications operators, focusing on their 3G and 4G network infrastructure expansion requirements.

In 2012 P2Brasil took over the operations of Genes, a company established by Promon in 2010 to develop a sustainable electric power generating business.

AFFILIATED ENTITIES

FUNDAÇÃO PROMON DE PREVIDÊNCIA SOCIAL

In 2012 Fundação Promon de Previdência Social (FPPS) achieved a historic milestone by exceeding R\$1 billion in total assets held under its two pension plans. The number is emblematic but more importantly it expresses FPPS's success in attaining the goal set when it was established in 1975, which was to assure the financial conditions for employees to enjoy a decent retirement in accordance with Promon Group's human values. If a private retirement pension is still the privilege of relatively few in Brazil today, it was an absolute rarity thirty-seven years ago, making FPPS a pioneer. Indeed, FPPS is the oldest pension fund sponsored by a private-sector company in Brazil.

The number of participants rose 8% in the period, reaching two thousand, six hundred and forty, of whom some five hundred and sixty were in the BásicoPlus defined-benefit plan, which was closed to new participants in 2005, while almost two thousand, eighty were in the MultiFlex defined-contribution plan. The two plans together are currently paying benefits to six hundred and fifty participants, 73% in BásicoPlus.

In addition to the record asset value, FPPS achieved significant progress in other areas in 2012. Governance was enhanced by the formalization of its Investment Committee to advise the Executive Committee on the allocation of funds, and practically all managers are now certified by Instituto de Certificação dos Profissionais de Seguridade Social, an entity that specializes in certifying pension professionals. The law makes such certification mandatory in 2014.

Financial results were positive, exceeding the targets set. MultiFlex ended the year with net asset value (NAV) of R\$483 million and a return of 30.2%, thanks mainly to its investment in government debt securities, which benefited from the fall in interest rates and from a decision by the Board of FPPS to mark this portfolio to market, an important criterion for a share plan. The new strategy established for the equity portfolio also proved successful. Previously pegged to the IBrX, an index that tracks 100 of the most actively traded stocks on the São Paulo Stock Exchange, the portfolio was widened to include investment in uncorrelated funds as well. In addition, the real estate funds and more aggressive multimarket funds yielded high returns in 2012.

BásicoPlus obtained a return of 14.4%, outperforming its 11.3% actuarial target. This plan structures its investments in accordance with an asset/liability management strategy designed to correlate portfolio holdings with the future flow of payments to participants. In fixed income, its government bond holdings are still priced on the basis of the yield curve, while in equities the plan also benefited from the new approach to equity investment adopted for MultiFlex. In addition to these debt and equity holdings, some 9% of the assets held by BásicoPlus are in real estate and will certainly appreciate when this portion of the portfolio is revalued in second-half 2013. With the strong 2012 performance, NAV reached R\$631 million in December and the ratio of the technical surplus to actuarial liabilities, which was already comfortable, reached roughly 24%, reaffirming the plan's stability and security.

Another highlight of 2012 was the decision to engage the services of Itaú Soluções to run operations so that FPPS can concentrate on strategic planning and management as well as the indispensable service provided to participants.

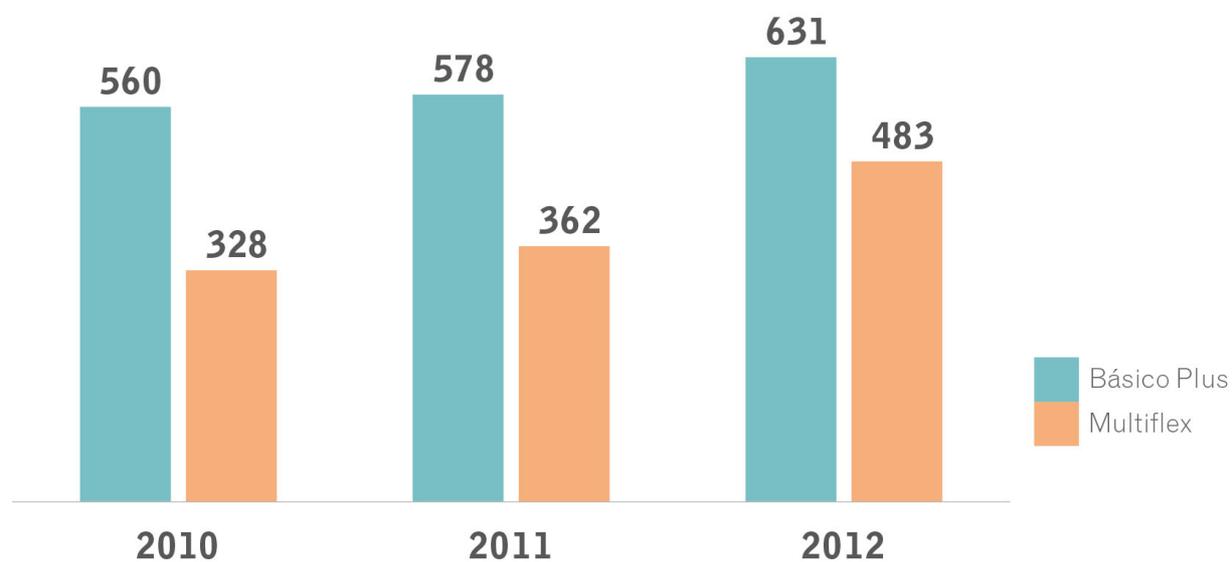
In other dimensions beyond the financial, FPPS took several steps to enhance relationships with participants. For example, it structured a program of education on financial affairs and welfare, which will be launched in 2013. Its aim is to stimulate reflection on the importance of planning for retirement and to reinforce the support offered to staff who wish to engage in such planning. The volume of voluntary contributions by participants in MultiFlex has increased every year. In 2012 they totaled R\$6.7 million, 35% more than in the previous year.

FPPS also continued to support organizations that contribute to the development of the industry. Its executives participate in the presidency of the National Association of Open Pension Funds (APEP) and the Pension Fund Appeal Chamber, a Ministry of Social Security panel on which it represents pension fund sponsors.

The main challenges in 2013 will come from the economic and financial environment, which appears set to combine rising inflation with reduced interest rates, and in the case of plans such as MultiFlex will require a more aggressive equity investment strategy balancing risks with the pursuit of returns.

NET ASSET VALUE OF FPPS'S PENSION PLANS

in millions of Reais



INSTITUTO DE TECNOLOGIA PROMON

What does the future hold for Promon Group's key operating areas? What technologies will emerge? Will they be mere evolutions of what exists today or will they embody a revolution? Which frontiers should the organization explore for current or new businesses? More than preparing for the future, Promon wants to be part of the forces that construct it. Exploring this universe of the times to come is the focus of Instituto de Tecnologia Promon (ITP).

ITP was established by the Group six years ago as a nonprofit to generate research and knowledge on two main fronts. One is future-oriented technology analysis, a methodology for prospecting emerging and disruptive technologies in energy, sustainable development, and information and communication technology, all of which are sectors of central interest to the Group because of their impact on its business activities. The other front is technological capacity building to prepare Promon's talented professionals to contribute to the construction of this future.

The activities concerned are organized into programs and projects performed by networks of Promon Group professionals, ensuring that the practices and knowledge developed in this way are automatically disseminated throughout as well as outside the organization. This is an important differentiator of ITP compared with comparable initiatives.

In technology prospecting the highlight of 2012 was the progress made by the Technology Observatories, networks of Promon's young talents and senior specialists that focus on specific themes. Five Observatories set up the previous year continued their work on projects aligned with the "Promon 2020" long-term strategic planning exercise, more specifically in biotechnology, nanotechnology, biofuels and advanced bioproducts, technological solutions for healthcare and wellness promotion, and smart grids.

These activities are already bearing fruit in the form of new business proposals in healthcare and smart grids, for example. All proposals are analyzed in detail for technical and commercial feasibility. The Observatories will be reviewed in 2013, possibly leading to the creation of new ones and reorganization of the themes for prospecting. An electronic newsletter is also planned to publicize the work in progress.

In the second front on which ITP focuses, that of technological capacity building, the main initiative is the Trajetórias technical training program. Developed jointly with Promon Engenharia, this program is based on an innovative methodology that converts individuals' knowledge into the raw material with which to structure distance learning modules for dissemination by the organization. In 2012 the program was recognized by the Ministry of Science, Technology & Innovation in the context of its Innovation Law. In 2013 the program's methods and processes will be reviewed and its extension to other Group companies assessed.

Another initiative introduced in 2012 on the capacity building front was the establishment of a Technological Development Committee with representatives of ITP, Promon Engenharia and Human Relations. Its remit is to select the themes of strategic interest that will be considered in defining the subjects for employees' master's and PhD theses in programs supported by the organization, in light of their significance to Promon's business and the activities of the Technology Observatories.

INSTITUTO RAZÃO SOCIAL

A nonprofit set up in 2002 to improve the quality of education in Brazil, Instituto Razão Social completed ten years of existence in 2012 with a number of achievements and recognitions that attest to the success of its original model: instead of creating its own programs and projects, it participates in third-party initiatives with the aim of enabling their low-cost multiplication and extension. It does this by building networks of agents to add resources, knowledge, competencies and technological solutions so that each project can be replicated in other parts of Brazil.

Teacher training and support and the development of public school administrators have been the focus for the past ten years, involving actions in their various stages from conception to development and implementation.

Razão Social is funded by Promon and Gerdau and in technology partners with IBM, which supplies the hardware and software used by projects and has a seat on the board. In 2012 it also began partnering with PromonLogicalis, a Promon Group company, which offers the infrastructure for hosting and operating the servers on which the Institute's systems run. This partnership enhances infrastructure quality, efficiency and security to an extent indispensable for an organization responsible for supporting large-scale projects and programs with many users and broad geographical coverage.

Recognition for the maturity of its competencies in utilizing technology to enhance educational processes and managing social projects came in the form of an invitation to help develop a virtual environment for Conviva Educação, an important third-sector educational initiative that supports the administration of public schools by municipal education departments. Sponsored by a group of leading Brazilian foundations and private institutes, the environment was developed in partnership with UNDIME, the National Union of Municipal Education Managers, with the support of CONSED, the National Council of State Education Secretaries, and the Ministry of Education. Investment is set to amount to some R\$4 million.

This recognition by both government and private enterprise reflects Razão Social's performance in successfully operating initiatives as large-scale as Progestão Online, a school management training program. This involved converting to electronic media the content of a face-to-face course created by CONSED and implemented the previous year for two hundred schools in eight states. Supported by a network organized by the Institute (Promon, Gerdau, Santander, Instituto Natura and Instituto Jama), in 2012 Progestão Online reached more than four hundred municipalities in seventeen states, and benefited some five thousand participants. The training process will last until July 2013, when a review of the

course content will be conducted. In light of the success achieved, the Institute and the sponsors were invited to join the program's governance committee.

Collaboration between Razão Social and Santander, which involved a pedagogical partnership with Instituto Avisa Lá, took two teacher training programs focusing on literacy and numeracy (Além das Letras and Além dos Números) to municipalities covered by Santander's Escola Brasil project (PEB). Developed in 2011 and 2012, the programs benefited more than five hundred teachers and some ten thousand students. A third action undertaken by PEB in collaboration with the Institute is a child education program linked to the Ministry of Education's ProInfância program. This began in 2011 and will continue until 2013 in nineteen municipalities in Bahia State.

New projects also began in 2012. With Instituto Natura, Razão Social designed, implemented and provided support and hosting for an anchor network for Portal Trilhas, a Ministry of Education supplementary education and reading stimulus program for children in their first year of primary school. Another initiative that emerged from the alliance with IBM was the development with Parceiros Voluntários, an NGO, of an online course entitled "Ideas & Practices for Managing Civil Society Organizations", with modules that address the various aspects of NGO strategic management and operations. The National Association of Telecenters will start distributing the course in 2013.

Details of all the year's activities are presented in the "Social Investment" section.

Having completed a decade of activity, Instituto Razão Social has a proven operating model and solid experience in the management of projects that involve the use of technology in educational processes to enhance the quality of basic education in public schools. It will proceed on this journey, ready now to aim for broader horizons by leveraging its expertise in other areas.

ADDITIONAL PERFORMANCE INDICATORS

Promon 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, Promon recognizes its role as an agent of societal development.

The concept of excellence applied to Promon and expressed in a corporate document entitled *Conceito-Guia* (1984) encompasses the quality not only of its work but also of its people and their life in the organization, entailing high technical standards and rigorous ethical and aesthetic principles. It presupposes high-level relationships with clients, partners and suppliers, and requires that Promon unremittingly seeks to make its companies better and strives to contribute to the society of which it is part. These concepts, grounded in its beliefs, are embodied in several elements of its strategic perspectives, described in “Strategy & Management”.

Indicators are presented below, in addition to those reported in previous chapters, detailing how some of these perspectives evolved in 2012.

PEOPLE

Promon is committed to human relations policies geared to justice, transparency, impartiality, professionalism and equality of opportunity for all. No form of discrimination based on race, gender, sexual orientation, color, religion, age, ethnic origin or any other factor is allowed in its processes or in the workplace.

Hiring and induction

The Human Relations unit conducts the selection and accession process entirely in line with Promon’s commitment to eliminate discrimination in the organization. Candidates participate in all stages of the selection process regardless of job description or hierarchical level. The “Attitude to Include” Program is designed to extend its inclusion culture by hiring persons with special needs, providing assistance and raising staff awareness.

The Adolescent Apprenticeship Program aims to include and provide technical training for 17-20-year-olds. It lasts two years and is technically supervised by CIEE (Centro de Integração Empresa-Escola, an education nonprofit funded by business).

In the last three years there has been no hiring of temporary professionals. The professionals hired for a specific time period are governed by the applicable law and enjoy the same benefits of other professionals. The professionals employed by contracted companies, which, by their function, need to be resident in the offices of the Group companies, have access to quality of life programs and initiatives related to their integration with the organization.

Compensation and benefits

The same benefits are available to all professionals regardless of hierarchical level, function, gender, ethnicity, religion and age, as well as a pay policy compatible with each market segment, a healthcare program, a pension plan and the opportunity to buy shares in Promon S.A.

Promotion is strictly by merit, without discrimination based on hierarchical level, function, gender, ethnicity, religion or age. The same is true of the performance assessment system and professional development programs.

For many years Promon's processes have included a system whereby staff propose their own salaries using a standard form. Justification for the parameters involved is based on the market pay survey commissioned annually from an outside specialized firm, whose full findings are made available to staff. After analysis and assessment by managers, including interaction with the individuals concerned, the results of the salary review are communicated to each professional.

Relations with unions

Promon recognizes freedom of association and the right of employees to join professional associations, unions and political parties. It also values other forms of voluntary organization by its employees and encourages suppliers to do the same. The organization does not practice discrimination of any kind against unionized employees. It has no formal processes to identify operations in which freedom of association and the right to collective bargaining may be threatened. However, an open channel is available for employees to submit complaints or grievances of any kind through each Group company's Human Relations unit. The collective bargaining agreements signed with unions cover all employees.

While advance notice of operational changes is not specifically required by collective bargaining agreements, Group companies endeavor to advise their workforces in advance of any such changes to allow time for clarification.

Employees and governance

Promon S.A.'s equity is held solely by its employees. All staff may buy shares in the company without exception on a voluntary basis. This ownership model enables employees who are residents of Brazil to participate actively in corporate governance, including elections for senior executive positions by secret ballot. At end-2011 some 82% of Group companies' employees were shareholders.

Elections to Promon S.A.'s Board of Directors and Executive Committee are held every three years and independently audited. All profit from operations is used for the benefit of employees, as follows:

- Profit sharing for all staff, whether or not they are shareholders, based on performance assessment
- Dividends paid to shareholders in Promon S.A., all of whom are employees of Group companies
- Reinvestment in the business, which in turn is reflected in the share price.

Occupational health and safety

Promon is committed to continuous improvement of the conditions in which its professionals work. In this context, apart from the formal requirements of collective bargaining agreements the organization establishes systematic controls, monitoring mechanisms and other measures to prevent or mitigate the environmental and health and safety hazards arising from its operations.

All employees of Group companies are represented by Internal Accident Prevention Committees (CIPA), which are open to participation by all and include members of all hierarchical levels. Activities focusing on the minimization of risks and hazards, accident prevention and compliance with legal and normative requirements have a strong impact on the construction of a safe and healthy workplace, which helps reduce accidents and occupational disease. Additionally, there is a constant concern with the adoption of measures relating to employee health and quality of life, such as:

| | |
|-------------------------------|--|
| Visitor guidance | Visitors to Promon's offices are given leaflets with basic information on emergency action, emergency telephone numbers, escape routes, and information on recycling of materials. |
| Office and worksite induction | Information on Promon's Health, Safety & Environment Policy, and its HSE management system. |
| Emergency drills | Evacuation drills, basic firefighting, procedures to respond to alarms resulting from a gas leak or chemical spill etc., assuring that all staff know what to do in an emergency or contingency. |
| Safety campaigns | Organized by the accident prevention committees, for education and training on ergonomics, AIDS, STDs, stress, use of fire extinguishers, and safe behavior. |
| Flu vaccination campaigns | Coverage of all employees and dependents. |
| Preventive medical tests | All employees have an opportunity to undergo preventive tests during safety campaigns, including blood pressure, eyesight, eye pressure, early diabetes detection and cholesterol. |
| Publications | Articles on health, quality of life and related topics are regularly published on the intranet. |
| Discounts | Employees and dependents can acquire goods and services at a discount under agreements with establishments and entities in specific segments. |
| Gymnastics | Physical exercises in the workplace to improve fitness and physical performance, concentration, and posture. |
| Sports tournaments | Ongoing activities, including soccer and volleyball, as well as seasonal activities, such as sports tournaments for staff and families. |
| Walking and running groups | Instructors supervise training for runners and walking exercise for staff and families, with relatively undemanding options to cater for all ages and physical conditions. |

Because Promon Engenharia's employees, when working at construction sites, are exposed to a range of hazards that differ from those traditionally present in an office environment, many years ago this company implemented an occupational health, safety and environmental management (HSE) system, which is certified against OHSAS 18001 and ISO 14001. Specific actions resulting from this system include:

| | |
|--|--|
| Worksite HSE toolbox talks | Talks held before work begins, led by a site foreman or supervisor, to discuss risks, prevention measures and procedures inherent in the activities to be performed that day. |
| Specific HSE requirements for subcontractors | In all bidding procedures for subcontractors, HSE requirements are specified in the request for proposals and from then on for each scope of work, so that the bidders can budget and plan appropriately. |
| HSE kick-off meetings with subcontractors | Meetings led by the head of HSE to explain Promon Engenharia's HSE guidelines, corporate policy, procedures, objectives and targets for the activity in question. |
| Specific training | Provided as planned or whenever need is detected by awareness surveys or required by non-compliance, accidents or emergency situations. |
| Scheduled HSE inspections | Weekly HSE inspections are carried out at worksites using checklists to detect any vulnerabilities or hazards that need correcting, e.g. housekeeping/cleanliness, personal or collective protective equipment use, suitability of facilities. |
| Weekly HSE meetings | HSE teams meet with subcontractor site foremen to decide what needs to be done generally in the week ahead and agree on corrective action plans for any deviations or pending matters. |

Profile of Promon Group workforce

| Historical evolution of workforce (including trainees and the Executive Committee) | | | |
|--|--------------|--------------|--------------|
| | 2010 | 2011 | 2012 |
| Promon Engenharia | 883 | 882 | 904 |
| PromonLogicalis Brazil | 406 | 528 | 665 |
| Trópico | 220 | 243 | 258 |
| TOTAL IN BRAZIL | 1,509 | 1,653 | 1,827 |
| PromonLogicalis abroad | 273 | 368 | 442 |
| TOTAL | 1,782 | 2,021 | 2,269 |

| Promon S.A.'s top management | | | | | | |
|------------------------------|-------|-----|-------|----------|-------|---------|
| | TOTAL | Men | Women | Under 30 | 30-50 | Over 50 |
| Board of Directors | 6 | 6 | | | | 6 |
| Executive Committee | 4 | 4 | | | 1 | 3 |

| Breakdown of workforce by job title | | | | | | | | | | | | | | | | | | |
|-------------------------------------|--------------|--------------|--------------|-----------|-----------|-----------|------------|------------|------------|-------------------|------------|------------|--------------|--------------|--------------|-----------|-----------|------------|
| | Total | | | Director | | | Manager | | | Leader/Supervisor | | | Technician | | | Trainee | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| Promon Engenharia | 883 | 882 | 904 | 45 | 44 | 42 | 68 | 89 | 86 | 73 | 78 | 76 | 646 | 627 | 627 | 51 | 44 | 73 |
| Promon-Logicalis Brasil | 406 | 528 | 665 | 11 | 15 | 16 | 41 | 44 | 62 | 32 | 36 | 44 | 302 | 400 | 504 | 20 | 33 | 39 |
| Trópico | 220 | 243 | 258 | 8 | 7 | 7 | 11 | 13 | 14 | 27 | 33 | 32 | 158 | 179 | 192 | 16 | 11 | 13 |
| TOTAL | 1,509 | 1,653 | 1,827 | 64 | 66 | 65 | 120 | 146 | 162 | 132 | 147 | 152 | 1,106 | 1,206 | 1,323 | 87 | 88 | 125 |

| Breakdown of workforce by region | | | | | | | | | | | | | | | | | | |
|----------------------------------|--------------|--------------|--------------|-----------|-----------|------------------|--------------|--------------|--------------|-------------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | | | South | | | Southeast | | | Center-West | | | North | | | Northeast | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| Promon Engenharia | 883 | 882 | 904 | 73 | 60 | 5 ⁽¹⁾ | 805 | 811 | 879 | | | | | | | 5 | 11 | 20 |
| PromonLogicalis Brasil | 406 | 528 | 665 | 7 | 10 | 8 | 393 | 512 | 650 | 3 | 5 | 5 | 3 | 1 | 1 | | | 1 |
| Trópico | 220 | 243 | 258 | | | | 202 | 227 | 239 | | | | 18 | 16 | 19 | | | |
| TOTAL | 1,509 | 1,653 | 1,827 | 80 | 70 | 13 | 1,400 | 1,550 | 1,768 | 3 | 5 | 5 | 21 | 17 | 20 | 5 | 11 | 21 |

⁽¹⁾ Reduction due to the closing of a construction site in the Southern region, followed by return of the team to the company's offices in the Southeast region.

| Breakdown of workforce by gender (M=male, F=female) | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--------------|------------|--------------|------------|-----------|----------|-----------|-----------|------------|-----------|------------|-----------|----------------------|-----------|------------|-----------|-------------|------------|------------|------------|-----------|-----------|-----------|-----------|
| | Total | | | | Directors | | | | Managers | | | | Leaders/ Supervisors | | | | Technicians | | | | Trainees | | | |
| | 2011 | | 2012 | | 2011 | | 2012 | | 2011 | | 2012 | | 2011 | | 2012 | | 2011 | | 2012 | | 2011 | | 2012 | |
| | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F | M | F |
| Promon Engenharia | 589 | 293 | 592 | 312 | 39 | 5 | 37 | 5 | 70 | 19 | 68 | 18 | 57 | 21 | 50 | 26 | 398 | 229 | 403 | 224 | 25 | 19 | 34 | 39 |
| Promon-Logicalis Brasil | 383 | 145 | 478 | 187 | 11 | 4 | 11 | 5 | 31 | 13 | 45 | 17 | 28 | 8 | 38 | 6 | 286 | 114 | 354 | 150 | 27 | 6 | 30 | 9 |
| Trópico | 174 | 69 | 184 | 74 | 7 | | 7 | | 11 | 2 | 12 | 2 | 24 | 9 | 24 | 8 | 124 | 55 | 134 | 58 | 8 | 3 | 7 | 6 |
| TOTAL | 1,146 | 507 | 1,254 | 573 | 57 | 9 | 55 | 10 | 112 | 34 | 125 | 37 | 109 | 38 | 112 | 40 | 808 | 398 | 891 | 432 | 60 | 28 | 71 | 54 |

| Breakdown of workforce by age (under 30, aged 30-50 or over 50) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|------------|-----------|---------------------|------------|-----------|----------|------------|-----------|-------------|------------|------------|------------|------------|------------|-----------|------------|
| | Total | | | | | | Directors | | | | | | Managers | | | | | | Leaders/Supervisors | | | | | | Technicians | | | | | | Trainees | |
| | 2011 | | | 2012 | | | 2011 | | | 2012 | | | 2011 | | | 2012 | | | 2011 | | | 2012 | | | 2011 | 2012 | | | | | | |
| | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | 30-50 | >50 | <30 | >30 | | | |
| Promon Engenharia | 319 | 369 | 194 | 334 | 386 | 184 | - | 15 | 29 | - | 15 | 27 | - | 46 | 43 | - | 42 | 44 | 2 | 44 | 32 | 1 | 49 | 26 | 273 | 264 | 90 | 260 | 280 | 87 | 44 | 73 |
| Promon Logicalis Brasil | 283 | 236 | 9 | 295 | 358 | 12 | - | 12 | 3 | - | 13 | 3 | 1 | 40 | 3 | - | 55 | 7 | 4 | 31 | 1 | 4 | 40 | - | 245 | 153 | 2 | 252 | 250 | 2 | 33 | 39 |
| Trópico | 68 | 148 | 27 | 67 | 159 | 32 | - | 4 | 3 | - | 4 | 3 | - | 8 | 5 | - | 9 | 5 | 1 | 27 | 5 | 1 | 24 | 7 | 56 | 109 | 14 | 53 | 122 | 17 | 11 | 13 |
| TOTAL | 670 | 753 | 230 | 696 | 903 | 228 | - | 31 | 35 | - | 32 | 33 | 1 | 94 | 51 | - | 106 | 56 | 7 | 102 | 38 | 6 | 113 | 33 | 574 | 526 | 106 | 565 | 652 | 106 | 88 | 125 |

| | 2010 | 2011 | 2012 |
|--|-------|-------|-------|
| Percentage of workforce who agree that "People of any age, race, color and sexual orientation are treated equally fairly and with the same respect in this company", according to a survey of the best place to work in Brazil by Você S/A-Exame. | 93.5% | 92.1% | 94.1% |

Promon does not classify employees by ethnicity or ask them to declare their own ethnic or racial characteristics because it believes these are not material for the organization. However, it does take pains to prevent discrimination of whatever kind in people-related processes. Compliance with this guideline is monitored by independent workforce surveys and in other ways.

Employee turnover

| Employee turnover (*) | | | | | | | | | | | | | | | | | | |
|-------------------------|--------------|--------------|--------------|-------|-------|-------|-------|-------|-------|----------|-------|-------|-------|-------|-------|---------|-------|-------|
| | Total | | | Men | | | Women | | | Under 30 | | | 30-50 | | | Over 50 | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| Promon Engenharia | 12.9% | 11.1% | 11.8% | 13.2% | 8.7% | 11.8% | 12.3% | 16.1% | 11.7% | 12.5% | 13.1% | 13.0% | 12.7% | 11.7% | 7.0% | 13.8% | 7.2% | 20.1% |
| Promon Logicalis Brasil | 11.9% | 16.8% | 16.5% | 11.7% | 20.5% | 18.1% | 12.6% | 7.2% | 12.4% | 14.4% | 20.8% | 23.8% | 10.0% | 11.0% | 11.2% | | 55.6% | 16.7% |
| Trópico | 23.5% | 5.6% | 4.5% | 24.7% | 5.4% | 2.8% | 20.7% | 6.1% | 8.8% | 30.0% | 10.5% | 9.3% | 20.4% | 3.4% | 3.8% | 29.4% | 7.4% | |
| TOTAL | 14.2% | 12.1% | 12.5% | | | | | | | | | | | | | | | |

(*) Employee turnover is calculated as the number of employees who leave the company voluntarily or owing to dismissal, retirement or death, divided by the total number of employees on the payroll in a given period. Trainees are excluded, since almost 100% are hired by Group companies at the end of their traineeship.

| No. of employee separations (*) | | | | | | | | | | | | | | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Total | | | Men | | | Women | | | Under 30 | | | 30-50 | | | Over 50 | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| Promon Engenharia | 107 | 93 | 98 | 72 | 49 | 66 | 35 | 44 | 32 | 35 | 36 | 34 | 46 | 43 | 27 | 26 | 14 | 37 |
| Promon Logicalis Brasil | 46 | 83 | 103 | 35 | 73 | 81 | 11 | 10 | 22 | 28 | 52 | 61 | 18 | 26 | 40 | | 5 | 2 |
| Trópico | 48 | 13 | 11 | 36 | 9 | 5 | 12 | 4 | 6 | 15 | 6 | 5 | 28 | 5 | 6 | 5 | 2 | |
| TOTAL | 201 | 189 | 212 | 143 | 131 | 152 | 58 | 58 | 60 | 78 | 94 | 100 | 92 | 74 | 73 | 31 | 21 | 39 |

(*) Trainees are excluded, since almost 100% are hired by Group companies at the end of their traineeship.

Occupational health and safety

| Occupational health and safety | | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------|------|------|-----------------------|------|------|--------------------------|------|------|---------------------------|------|------|---------------|------|------|---------------|-------|------|-------------------|------|------|---|---|
| | Injury rate | | | Lost-time injury rate | | | No lost-time injury rate | | | Occupational disease rate | | | Lost day rate | | | Severity rate | | | No. of fatalities | | | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | | |
| Promon Engenharia | | | | | | | | | | | | | | | | | | | | | | | |
| Employees | - | - | 0.1 | - | - | - | - | - | 0.7 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Employees of consortia led by Promon Engenharia | - | - | 1.4 | - | - | - | 1.1 | - | 7.0 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Employees of consortia not led by Promon Engenharia | 0.5 | 0.9 | 1.2 | 0.3 | 0.5 | 0.4 | 2.3 | 4.1 | 5.5 | - | - | - | 8.8 | 5.5 | 4.7 | 44.1 | 254.1 | 23.6 | - | 1 | - | - | - |
| Promon Logicalis Brazil | 0.4 | 0.4 | - | 4.8 | 4.3 | - | - | - | - | - | - | - | 0.4 | 0.4 | - | 2.1 | 2.1 | - | - | - | - | - | - |
| Trópico | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Injury rate: Total injuries x 200,000 / Total hours worked (as per GRI Guidelines)

Lost-time injury rate: Total lost-time injuries x 1,000,000 / Total hours worked (as per ABNT-NBR 14280:2001)

No lost-time injury rate: Total no lost-time injuries x 1,000,000 / Total hours worked (as per ABNT-NBR 14280:2001)

Occupational disease rate: Total number of occupational disease cases x 200,000 / Total hours worked (as per GRI Guidelines)

Lost day rate: Total lost days x 200,000 / Total hours worked (as per GRI Guidelines)

Severity rate: (Number of lost days + Days debited) x 1,000,000 / Total hours worked (as per ABNT-NBR 14280:2001)

Absenteeism is not applicable because for decades Promon Group companies have had flexible working hours (flexitime) and allow employees to alter the length of a working day provided such alterations are compensated for by overtime or undertime on other days.

Employee compensation

| Pay ratios | | | |
|--|------|------|--------------------|
| | 2010 | 2011 | 2012 |
| Ratio of standard entry-level salary to local minimum wage | 2.6 | 2.4 | 1.7 ^(*) |
| Ratio of highest to lowest salary for graduates in positions with executive, managerial and technical profiles in engineering, architecture, economics, administration and the like | 13 | 13 | 13 |

^(*) In 2012 two Group companies – PromonLogicalis and Trópico – incorporated professionals with a more junior profile.

| Ratio of men's to women's basic salary | | | | | | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|----------|-------|-------|-------------------------------------|------|------|-------------------------|------|------|-----------------------------|------|------|
| | Directors | | | Managers | | | Leaders/ Supervisors ^(*) | | | Technical Professionals | | | Non-Technical Professionals | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| Promon Engenharia | 1,11 | 1,11 | 1,09 | 1,11 | 1,09 | 1,07 | 1,30 | 1,30 | 1,26 | 1,12 | 1,08 | 1,04 | 0,94 | 0,98 | 0,96 |
| PromonLogicalis Brasil | 1,44 ^(*) | 1,48 ^(*) | 1,37 ^(*) | 0,91 | 0,98 | 0,97 | 1,40 | 1,33 | 1,24 | 0,85 | 0,89 | 0,78 | 1,04 | 1,02 | 1,04 |
| Trópico | (**) | (**) | (**) | (***) | (***) | (***) | 1,23 | 1,22 | 1,21 | 1,01 | 1,03 | 1,03 | 1,12 | 1,19 | 1,07 |

^(*) In these positions the ratio is impacted by the difference in seniority among professionals as a result of entry or promotion of a greater number of women in recent years.

^(**) No women are currently in these positions.

^(***) The small number of women in the indicated positions make the ratio statistically nonsignificant.

Notes:

- Position at December 31 of each year, unless otherwise indicated.
- Employees of Promon S.A. and Fundação Promon de Previdência Social are very few in number and have therefore been added to employees of Promon Engenharia.
- Unless otherwise indicated, workforce indicators do not include employees of PromonLogicalis Latin America based abroad.
- Technical positions refer to engineers, architects, analysts, assistants, clerical workers and other categories not specified in other columns.
- All employees are contracted to work full time except trainees and under-age apprentices, whose employment complies with the applicable legislation.

KNOWLEDGE AND PROCESSES

It is an explicit policy of all Promon Group companies to make significant and systematic efforts to assure the continuous technical, managerial and behavioral development of their professional staff. All employees are encouraged to manage their own development and participate in the development programs offered, regularly receiving the findings of performance assessments and career development reviews. Training needs are continuously identified by means of the Performance Assessment Process and the Mentoring Program in place for all professionals since 1995. Existing competencies are mapped and the potential to be developed by each individual is assessed. Development is understood as a two-way process in which Promon is directly involved when the organization's interests deriving from its strategy and the interests of its employees overlap or coincide. Team leaders, coordinators of disciplines and mentors are tasked with fostering professional and personal development, which is ultimately the responsibility of each individual employee.

In order to permit and encourage the implementation of training plans in accordance with the requirements of management and the personal needs of the professionals concerned, Promon has established modalities of training with clearly defined responsibilities and forms of participation by the organization and by each professional, enabling better planning and compatibility with day-to-day activities, as well as more direct involvement by employees in validated plans. Examples of these modalities include:

- Continuous training for all hierarchical levels, and study grants or the like for the acquisition of knowledge with a positive impact on employability.
- Mapping of the potential competencies to be developed by each professional.
- Career planning and mentoring programs to help professionals think about their work and establish long-term goals.
- Considering its social duties toward trainees, the organization offers them good working conditions, a learning environment and opportunities for professional and personal development in their respective areas of study with appropriate supervision.

Highlights in 2012 included the continuity of Promon Engenharia's *Trajetórias* Program and PromonLogicalis' Corporate Education Program.

| Average annual number of training hours | | | | | | | | | | | | | | | |
|---|-----------|------|------|----------|------|------|-------------------------|------|------|-------------|------|------|----------|------|------|
| | Directors | | | Managers | | | Leaders/ Supervisors | | | Technicians | | | Trainees | | |
| | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 | 2010 | 2011 | 2012 |
| Promon Engenharia | 20 | 14 | 15 | 48 | 23 | 29 | 52 | 43 | 36 | 34 | 33 | 27 | 132 | 128 | 118 |
| PromonLogicalis Brasil | 1 | 2 | | 6 | 10 | 6 | 17 | 17 | 9 | 24 | 23 | 16 | 70 | 79 | 7 |
| Trópico | 3 | 3 | 3 | 26 | 17 | 27 | 89 | 61 | 34 | 31 | 42 | 60 | 129 | 24 | 154 |

Notes:

- Employees of Promon S.A. and Fundação Promon de Previdência Social are very few in number and have therefore been added to employees of Promon Engenharia.
- Workforce indicators do not include employees of PromonLogicalis Latin America based abroad.
- Technical positions refer to engineers, architects, analysts, assistants, clerical workers and other categories not specified in other columns.
- The above hours correspond only to the amounts booked by Group company systems and do not include the participation of professionals in programs funded or subsidized by the companies designed to boost learning at off-hours. Extremely significant examples are the web-based modules of Promon Engenharia's *Trajetórias* Program, which employees are free to take at times of their own choosing; PromonLogicalis' Corporate Education Program, which uses the concept of time sharing to allow hours to be exchanged for additional training credits; or training and graduate studies programs offered by outside organizations.

CLIENTS

Promon believes its clients are entitled to expect more than services and products developed to meet their specific needs in accordance with the quality standards to which it is contractually committed. Based on an in-depth understanding of each client's business, markets and strategies, Promon leverages its knowledge to identify opportunities, anticipate new requirements and propose solutions that add maximum value throughout the client's investment cycle. It is important to note that each of the markets in which Promon Group companies operate has its own specific dynamics, often driven or influenced by the nation's investment cycles, and that projects frequently require a long time to develop and implement.

Client perceptions in the operational sphere are continuously monitored by teams via monthly events held for this purpose in connection with each project. Formal client satisfaction surveys are also conducted annually by all Group companies by means of an independent process. Their findings are reviewed by Promon S.A.'s Executive Committee and the top management of each Group company involved. The 2012 survey shows that the clients of the Group's three main companies continue to express a high degree of satisfaction with the services executed by Promon. Considering the diversity of customers and markets served, one must highlight the consistency of the results over the last few years, the result of a careful and structured work performed by the companies.

| Client satisfaction | | | |
|-------------------------|------|------|------|
| | 2010 | 2011 | 2012 |
| Promon Engenharia | 78% | 78% | 80% |
| Promon Logicalis Brasil | 82% | 84% | 80% |
| Trópico | 80% | 85% | 85% |

PARTNERS AND SUPPLIERS

The Group companies' network of partners and suppliers must enable Promon to construct competitive and innovative offerings.

Most suppliers provide goods, services and technology to help meet clients' requirements as part of the solutions Promon delivers. The procurement processes involving these suppliers typically call for custom products and job lots, and are always part of a specific contract awarded to one of the Group companies.

Corporate procurement is basically confined to the goods and services required to meet Promon's internal needs and to keep its offices in good working order, such as stationery, IT equipment, security, cleaning and maintenance.

The main suppliers for the projects are companies that operate in the domestic or international markets in technology, electromechanical equipment and materials, specialized engineering services, consulting, civil construction, electromechanical assembly, and systems installation. Procurement is regionalized whenever this practice enhances efficiency, as in the case of worksite support services for Promon Engenharia, PromonLogicalis and Trópico.

Besides formal compliance with labor, social security and tax laws, the organization's supplier selection and assessment policy also requires certain social responsibility practices, such as repudiating and prohibiting child labor, forced labor and compulsory labor, respecting human rights, enforcing decent workplace relations and observing strict environmental standards.

All contracts entered into by Promon S.A., Promon Engenharia, PromonLogicalis and Trópico with suppliers of goods and services include an agreement in which the supplier undertakes to abide by clauses requiring respect for human rights and compliance with social and environmental standards.

No significant supplier is engaged without a prior analysis of such matters as posture, management, organizational structure, and occupational health and safety. These are verified periodically by means of in situ inspection where justified by contract size or potential non-compliance, alongside education and awareness raising campaigns for smaller suppliers and firms with less robust organizational structures or only regional operations. All suppliers are required to present documents proving compliance with the applicable legislation, such as monthly receipts for social security contributions and other labor law requirements covering employees of service providers.

An example of the actions taken by Promon Engenharia in this arena is “Promon Integra”, a biennial event bringing together key suppliers to share principles and deploy joint initiatives that contribute to the development of Promon’s supplier network. The first edition took place in 2006, and the last one, in 2011, focused on long-term prospects for global sustainability. The next Promon Integra is due in 2013.

| Spending on suppliers (R\$ million) | | | | |
|-------------------------------------|--------------|-------------|--------------|-------------|
| | 2011 | | 2012 | |
| | In Brazil | Abroad | In Brazil | Abroad |
| Promon Engenharia | 551.8 | 8.1 | 368.2 | 11.0 |
| Trópico | 49.1 | 8.1 | 41.2 | 16.0 |
| TOTAL | 600.9 | 16.2 | 409.4 | 27.0 |

Spending on Promon S.A. and Fundação Promon de Previdência Social’s suppliers have been added to Promon Engenharia’s. Spending on PromonLogicalis’s suppliers is not reported, since these values are not consolidated in Promon S.A.’s financial statements.

SOCIETY AND THE ENVIRONMENT

SOCIO-ENVIRONMENTAL IMPACT

All operations by Promon Group companies take into consideration the nature and scale of occupational health and safety hazards and the social and environmental impacts inherent in the services they provide. They use natural resources rationally, use recyclable materials whenever feasible, and take other steps to mitigate water, soil and air contamination as well as visual pollution and noise. They strive to coexist harmoniously with the communities in which they perform their activities, respecting people and their traditions and values. This approach applies both to usual operations, via the development and adoption of sustainable technologies that are compatible with project characteristics, and to environmental education, awareness raising and conservation.

Analysis of all socio-environmental aspects of office operations indicates there are no significant adverse impacts. Thus all initiatives in this arena are directly associated with targets for social and environmental improvements, such as monitoring of consumption and targets for efficient use of water and electricity; selective waste disposal; group commuter transportation; intensive use of technology such as videoconferencing to minimize travel; internal awareness raising campaigns; and actions designed to develop society through education.

The specific characteristics of each business require each Group company to evaluate the requirements and impacts of the operations performed for its clients, adjusting procedures accordingly and providing the necessary training to assure compliance within the scope of work.

PromonLogicalis' and Trópico's projects involve important socio-environmental contributions. On one hand, their advanced innovative solutions aligned with the concept of green IT enable clients to reduce energy consumption. On the other, they help clients expand and enhance the supply of services such as communications and connectivity that are increasingly essential to the development of businesses, people and society as a whole.

Although most of the services currently provided by Trópico are software-related, all hardware developed by Trópico or its suppliers must be certified against rigorous safety and electromagnetic emissions standards, as required by the Brazilian telecommunications regulator (Anatel). Optimized production models have reduced in recent years the space occupied by the equipment factory at Manaus, Amazonas State, by some 30%, as well as reducing waste by cutting the rate of circuit board rejection in the production process.

The impact on local communities of the telecommunications equipment installed by Trópico and PromonLogicalis is not measured because these activities are very short-term and take place inside existing facilities owned by their clients.

At Promon Engenharia, whose operations involve physical intervention at premises or worksites owned and operated by clients, both technical engineering activities and field activities that interact directly with local communities in the vicinity of the projects concerned are painstakingly analyzed.

The “Sustainometer”, methodology designed and developed by the company to evaluate all of its projects from the standpoint of sustainability, continued to be applied at bids made in 2012. As a policy, the company refuses to participate in projects considered incompatible with its environmental principles and practices and strives to adopt improvements in other works in which it is involved.

Optimization of industrial processes in clients’ facilities, studies to make maximum use of solar energy, the development of biofuel offerings and competencies, and the use of biomass and co-generation to produce power are all examples of initiatives by Promon Engenharia to provide more energy-efficient solutions.

Environmental management is one of several technical disciplines used by Promon Engenharia to develop engineering solutions. The goal here is not just to assure compliance with the environmental legislation, but above all to deploy a technical approach to the identification of the best environmental solutions for clients’ projects. Examples of actions proposed to clients by the discipline in 2012 include:

- Development, during an engineering design project, of process to identify and reduce air emissions.
- Improvements in the solid waste management system for industrial facilities.
- Solutions to optimize water use and reduce industrial process effluent discharge.
- Inclusion of sustainable building materials such as translucent roofing, louver blinds, thermal ceilings, rainwater use, solar water heaters and solar-energy units attached to utility poles
- Use of recycled tire-derived rubberized asphalt to improve pavement performance in industrial units

The company ensures that all stages of the project lifecycle under its management from initial team deployment to delivery of the completed project to the client are covered by the scope of work so that all risks are identified and measures planned to minimize them. Impacts classified as “adverse” or “significant” are treated and monitored by specific actions.

Sustainable worksites, which adopt solutions to reduce consumption of natural resources such as natural lighting and cooling systems, collection of rainwater for reuse and reusable cement blocks, are routine in projects managed by the company.

The company has a formal policy for building relationships with the communities in the vicinity of its main projects. Local community organizers participate in working groups to analyze its activities and monitor their impact. It actively discusses community problems and solutions to improve local infrastructure that can be used by the community after the project has been delivered. It has a policy to employ the largest possible number of local residents and train them so as to raise the community’s level of qualification, collaborating for this purpose with representatives of local society and public bodies. It educates and trains its staff to respect the values, knowledge and traditional practices of the communities in which it operates.

Team mobilization and demobilization are carefully planned, taking into account the negative and positive impacts of temporary labor hired in the area as well as the employment of local residents. For example, these plans assess the capacity of the local community and infrastructure to absorb the peak workforce and include measures to mitigate the expected impact. They are established and implemented at the start of work and their results are continuously monitored.

Promon Engenharia’s health, safety and environmental management system was implemented and certified in 2005 against OHSAS 18001 as well as Brazilian standard ABNT-ISO 14001. In 2010 the company joined the Brazilian Greenhouse Gas (GHG) Protocol Program, an initiative of Fundação Getulio Vargas’s Center for Sustainability Research in partnership with the World Resources Institute. The GHG Protocol is the methodology most used by firms and governments worldwide to inventory and manage their greenhouse gas emissions. Promon Engenharia’s inventory, published for the first time in 2011, shows that 87% of its greenhouse gas emissions are indirect, relating to air and land transportation of professionals, commuting, and consumables. Since 2012 Promon publishes in its Annual Report the data for direct and indirect emissions resulting from energy consumption.

Given the characteristics of the market in which it operates, Promon Engenharia participates in many of the projects it executes for clients through consortia with other companies, often as a minority partner. Nevertheless, Promon has opted to record in this report the full amount of materials, water and power used and all the waste and emissions generated by the projects executed in consortium, because it believes its responsibility to clients and society encompasses all aspects of these projects.

The indicators presented below are absolute and represent the company's effort to monitor the magnitude of the direct impacts of its services. One must consider, however, that the numerical values can vary significantly from year to year, since they depend on the type, number and level of implementation of projects in execution each year. In 2012, for example, the construction phase of major projects under way in Promon Engineering had already been completed, which led to a decrease in the volume of concrete consumed, when compared to the previous period.

| | Consumption of materials (in tonnes) | |
|----------------|--------------------------------------|--------|
| | 2011 | 2012 |
| Bleached paper | 8 | 5 |
| Recycled paper | 27 | 23 |
| Concrete | 89,195 | 24,611 |
| Steel | 20,067 | 15,096 |

Promon Engenharia accounts for most of the total. The only recycled material is the paper used in the company's offices, 81% of which is proven to be recycled in origin in 2012.

| | Direct energy consumption by primary energy source | |
|--------------------|--|----------------------------|
| | 2011 | 2012 |
| Biofuel | 6,225 GJ / 149 tep | 2,754 GJ / 66 tep |
| Petroleum products | 37,932 GJ / 906 tep | 35,934 GJ / 858 tep |
| Natural gas | 441 GJ / 11 tep | 338 GJ / 8 tep |
| TOTAL | 44,598 GJ / 1,066 tep | 39,026 GJ / 932 tep |

| | Indirect energy consumption by primary energy source | |
|--------------------|--|------------------------------|
| | 2011 | 2012 |
| Biofuel | 30,983 GJ / 8,606 MWh | 24,880 GJ / 6,911 MWh |
| Petroleum products | Not measured | Not measured |
| Natural gas | Not measured | Not measured |
| TOTAL | 30,983 GJ / 8,606 MWh | 24,880 GJ / 6,911 MWh |

| | Total water withdrawal by source (m ³) | |
|---|---|----------------|
| | 2011 | 2012 |
| Piped water supply (client or public utility) | 308,978 | 200,795 |
| Ground water | 2,763 | 10,833 |
| TOTAL | 311,741 | 211,628 |

Water is withdrawn from clients' systems or licensed sources with the legally required permits. Amounts are estimated according to records in Group company offices and projects in which Promon Engenharia participated in the period. In 2012, water reuse techniques allowed the reutilization of up to 90% of the effluent at Promon Engenharia's construction sites. Sufficient data is unavailable to quantify the proportion of recycled water used on worksites involving Promon Engenharia and the office complex housing the headquarters of the Group, Promon Engenharia and PromonLogicalis. Promon ensures that the effluent generated in its operations is disposed of in compliance with contractual requirements, laws and environmental regulations. Most of it is conveyed to the municipal sewerage network, in the case of office wastewater, or clients' sewers and sewage treatment plants, in the case of projects in which Promon Engenharia participates. Estimated total effluent generated was 292,449 m³ in 2011 and 200,706 m³ in 2012. The values of ground water consumed in 2011 were reassessed during this period.

| | Total greenhouse gas emissions (tonnes CO ₂ -e) | | Total greenhouse gas emissions for entities controlled by Promon (tonnes CO ₂ -e) | |
|---|---|--------------|---|------------|
| | 2011 | 2012 | 2011 | 2012 |
| Direct emissions (scope 1, as per GHG Protocol) | 2,870 | 2,681 | 100 | 59 |
| Indirect emissions (scope 2, as per GHG Protocol) | 251 | 501 | 172 | 292 |
| TOTAL | 3,121 | 3,182 | 272 | 351 |

Besides the emissions reported above, Promon's greenhouse gas inventory for scope 3 also includes emissions from air travel, staff commuting, chartered vehicles, and Group company offices. These emissions amounted to 942 tonnes of CO₂ equivalent in 2011 and 1,299 tonnes of CO₂ equivalent in 2012. The slight emissions increase recorded in 2012 is due to the fact that the electric power purchased by the organization is related to the increased use of fossil fuels for power generation by the national grid.

Promon encourages the staff of its companies to use videoconferencing and telepresence rooms instead of air travel in order to reduce greenhouse gas emissions. It estimates that if two people refrained from traveling for each videoconference held during the year, the emissions avoided amounted to 1,444 tonnes of CO₂ equivalent. In 2011, based on the same assumptions, the avoided emissions amounted to 845 tonnes of CO₂ equivalent.

| | NO _x , SO _x & other significant air emissions by type and weight (tonnes) | |
|--|--|------|
| | 2011 | 2012 |
| Estimated emissions of sulfur in the form of SO _x from combustion | 1.3 | 1.3 |
| Estimated emissions of NO _x from combustion | 61.6 | 61.0 |

Emissions from automotive vehicles were calculated assuming 1500 ppm as the average sulfur content of diesel oil.

| | Total waste by type and disposal method (tonnes) | |
|---|--|--------------|
| | 2011 | 2012 |
| Class I (disposal: landfill or incineration) ^(*) | 175 | 170 |
| Class IIA & IIB (disposal: final) | 3,337 | 1,045 |
| Class IIA & IIB (disposal: recycling) | 3,807 | 1,388 |
| TOTAL | 7,319 | 2,603 |

^(*) Weight of transported, imported, exported or treated waste deemed hazardous under the terms of Basel Convention Annexes I, II, III, and VIII corresponds to class I waste, as per ABNT-NBR 10004. Estimates are based on Promon Engenharia office activities and worksite waste by weight and volume.

| | Total environmental protection expenditure and investment by type (R\$ thousand) | | | | |
|--|---|--------------|--|--------------|--------------|
| | considering full amount of expenditure and investment by consortia in which Promon participated | | considering only projects fully controlled by Promon | | |
| | 2011 | 2012 | 2010 | 2011 | 2012 |
| Investment in external programs or projects | 197 | 115 | 0 | 197 | 115 |
| Environmental management and training ^(*) | 3,501 | 4,581 | 2,885 | 1,280 | 1,080 |
| Treatment and disposal of waste, effluent and emissions ^(*) | 2,500 | 569 | | 983 | 264 |
| Remediation | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 6,198 | 5,265 | 2,885 | 2,460 | 1,459 |

^(*) In 2011, Promon began to book expenditure on environmental management separately from expenditure on waste disposal and treatment of effluent and emissions.

COMPETITION AND PUBLIC SPHERE

The conduct of Promon Group companies in the process of competing with other companies is based solely on the pursuit of the commercial and technical solutions best suited to the requirements presented by their clients. The organization seeks a positioning that is at once competitive and fair with regard to competitors, and grounded in respect, ethics and best commercial practice.

In the past three years no Group companies have been involved in legal actions brought by governmental agencies or civil society organizations for anti-competitive behavior, anti-trust and monopoly practices and their outcomes, or irregularities in processes, services or products.

Relations with public policymaking bodies and regulatory agents, such as ministries, state government departments and industry regulators, among others, are considered important to business development and structured on the basis of an institutional, ethical and politically neutral perspective.

Consistently with the principles and values expressed in its doctrinal documents, Promon does not tolerate corruption of any kind. The organization does not practice any form of payment or any other benefit to state, municipal or federal officials employed by direct or indirect public administration bodies, in exchange for advantages of a commercial, tax, labor law-related or any other nature. Its commercialization and business execution processes involve instruments that expressly prohibit the acceptance or solicitation of advantages or favors of any kind by its employees.

The organization has formal procedures to control and audit these matters, and provides for punishment of any employees involved in bribery of officials or manipulation of public or private competitive biddings.

Promon Group companies do not train employees in matters relating to corruption, but all employees at all hierarchical levels are aware of the ethical conduct expected of them. The elements that establish this ethical conduct are present in Promon's management guidelines and practices. A wide array of communication events involving leaders and staff, such as Promon Community Meetings and General Meetings of Shareholders, are also important means of disseminating and fostering adoption of the organization's values, ideals and ethical principles. Its ethical commitments are emphasized in job admission interviews and particularly strongly during the induction process. They are also part of the performance assessment and mentoring process.

HUMAN RIGHTS

Promon is unwaveringly opposed to the exploitation of adult workers and the employment of children under the legal working age, in whatever circumstances. It publicly repudiates child, forced and compulsory labor, and has no commercial relations with organizations that use such labor (see "Partners and Suppliers"). It is a signatory of the National Compact to Eradicate Slave Labor and is committed to avoiding complicity in human rights abuses in all business units.

The organization has programs and projects that contribute to the development of its employees' and contractors' children by stimulating their technical and psychosocial skills through citizenship courses, sports, arts etc.

It develops and supports projects for children and adolescents in the community and has a specific program to employ young apprentices to foster inclusion of 17-20-year-olds via technical training.

As in the previous topic, although no Group company has specific training programs on matters relating to human rights, all employees at all hierarchical levels are aware of the ethical conduct expected of them.

Group companies do not have formal processes to identify operations in which freedom of association and the right to collective bargaining may be threatened or there may be a significant risk of child labor, forced labor or working conditions analogous to slave labor. However, the organization acknowledges that this risk is more significant in Promon Engenharia's construction sites than in the projects or operations of other Group companies, especially with regard to employees of contractors hired by Promon Engenharia or by consortia of which Promon Engenharia is a member. Several measures are therefore taken at worksites to prevent the practices in question, including talks with suppliers, periodical verification of compliance with contractual clauses concerning such matters, and awareness raising campaigns. All employees of field service providers under contract to Promon Engenharia or to consortia to which Promon Engenharia belongs can complain or submit grievances to an ombudsman.

SOCIAL INVESTMENT

The Promon Group prioritizes social investment in education, which it considers a key factor in the progress and development of people and the nation. Actions are implemented for this purpose by each of its companies and through Instituto Razão Social (see "Promon Engenharia – Society and the Environment" and "Instituto Razão Social").

Promon's Voluntary Service Program operates as a social philanthropy network, through which employees and their guests can find ways of engaging in voluntary service. At one extreme it identifies, evaluates, trains and advises partner institutions to receive its volunteers. At the other it prepares and supports volunteers to use their talent, time and energy as productively as possible in social actions and projects. The goal is to assure maximum synergy between the target entities, which need knowledge to develop and implement their projects, and volunteers who are willing to share their competencies. The program has an internet portal developed by Instituto Razão Social to bolster communication and integration among participants and facilitate the management and organization of activities. It has been active for some years in Promon Engenharia and PromonLogicalis, and was implemented in Trópico during 2012. It has currently more than four hundred and forty volunteers benefiting almost twenty thousand children and young people.

| Promon's Voluntary Service Program indicators | | | |
|---|-------|--------|--------|
| | 2010 | 2011 | 2012 |
| No. of volunteers | 249 | 261 | 443 |
| No. of benefited children and young people | 9,583 | 10,806 | 19,597 |
| No. of partner entities | 5 | 7 | 12 |
| No. of benefited entities | 11 | 12 | 13 |

Promon participates in the development of the next generation of Instituto Ethos indicators by means of its presence in Ethos's Technical Advisory Committee, a group composed of external experts in the field of corporate social responsibility (CSR), sustainability sector organizations and business users representatives. Promon Engenharia's methodology for assessing the indicators was included in Ethos' best practices database in 2012 as a case study on CSR actions.

Promon is a member of the Brazilian Committee of the United Nations Global Compact. In 2012, it contributed actively in drafting the Commitment Charter *Business Contribution to the Promotion of Green and Inclusive Economy*, a document delivered to the UN and the Brazilian government at the Rio +20 Conference. Promon Group was also one of cosponsors of the National Policy on Solid Waste Seminar, an initiative of the Brazilian Committee held in March of the same year.

| | Expenditure on social investment (R\$ 000) | | |
|---------------------------------------|--|----------------|----------------|
| | 2010 | 2011 | 2012 |
| Internal indicators | | | |
| Meals | 10,777 | 17,782 | 19,344 |
| Compulsory social charges | 57,118 | 52,629 | 55,508 |
| Private pension plans | 7,025 | 7,950 | 7,850 |
| Healthcare | 7,010 | 8,752 | 10,285 |
| Occupational health and safety | 9,989 | 11,035 | 8,382 |
| Education | 323 | 328 | 286 |
| Culture | 0 | 0 | 0 |
| Training and professional development | 4,233 | 3,164 | 4,390 |
| Daycare and childcare allowances | 204 | 212 | 208 |
| Profit sharing | 21,298 | 18,875 | 9,270 |
| Other internal investments | 802 | 978 | 785 |
| External indicators | | | |
| Education | 412 | 1,046 | 199 |
| Culture | 296 | 230 | 228 |
| Health and sanitation | 0 | 0 | 0 |
| Sports | 0 | 0 | 0 |
| Food security and combating hunger | 0 | 0 | 0 |
| Other external investments | 873 | 703 | 204 |
| Taxes excluding social charges | 187,845 | 170,598 | 146,678 |
| TOTAL | 308,205 | 294,282 | 263,617 |

| Detailed Table of Instituto Razão Social's Activities in 2012 | | | | | |
|---|---|---------------------------|--|------------|---|
| Project/Period | Target | Focus | Objectives | Coverage | Beneficiaries |
| <i>Além das Letras</i> | Municipal education department teacher trainers | Literacy | Improving literacy teaching in public primary schools. | 11 cities | Schools: 399 Teachers and Managers: 2,421 Pupils: 58,206 |
| <i>Além dos Números</i> | Municipal education department teacher trainers | Numeracy | Improving mathematics teaching and learning in public schools. | 14 cities | School: 275 Teachers: 3,959 Pupils: 66,816 |
| <i>Formar em Rede</i> | Municipal education department teacher trainers | Early childhood education | Improving quality of early childhood education via in-service teacher training. | 25 cities | Schools: 550 Principals: 448 Teachers: 3,531 Support team: 378 Pupils: 88,107 |
| <i>Progestão Online</i> | School administrators | School management | Preparing leaders to manage public schools democratically and improve pupil performance. | 421 cities | Schools: 1,742 Teachers: 4,556 |
| <i>Mesas Educadoras</i> | Early childhood educators employed by municipal education departments | Early childhood education | Offering a permanent training network for professionals in early childhood education. | 8 cities | Schools: 77 Teachers: 438 Pupils: 15,889 |

| Social Actions Developed by Promon Group Companies in 2012 | | | | | |
|--|---|---|---|---|---|
| Institution Supported | Project | Objetives | UN Millennium Development Goals | Beneficiaries | Activities |
| Ação Comunitária do Brasil | Som, Ritmo e Movimento | Providing cultural experiences for children and youth, combining formal education and symbolic construction in interdisciplinary theater workshops. Valorizing and stimulating enjoyment and circulation of cultural products (visits, exhibitions, CDs, DVDs). Training professionals in cultural sphere, valorizing diversity, different languages and multiple forms of cultural expression to foster sustainability of production by partner organizations. | Goal 2: Achieve universal primary education | 6,300 children and adolescents in 23 community organizations in the south of the city of São Paulo. | Sports, dance, music, theater, capoeira, monitored visits to museums, shows etc. |
| | Projeto Geração | Strengthening community organizations in the southern part of the city of São Paulo, stimulating youngsters' self conciousness. | Goal 2: Achieve universal primary education | 2,200 youngsters, 60 educators, 46 principals and community leaders and 24 community organizations in the south of the city of São Paulo. | Activities relating to knowledge and care of self, entrepreneurship, participation in community life and citizenship. |
| Associação Educacional e Assistencial Casa do Zezinho | Cultura na Periferia - Fim de Semana com Arte | Offering culture and entertainment for children, adolescents and families on Saturdays at Casa do Zezinho. | Goal 2: Achieve universal primary education Goal 8: Develop a global partnership for development | 1,500 youngsters and their families in the south of the city of São Paulo. | Sports, dance, music, theater, capoeira, monitored visits to museums, shows etc. |
| Associação Junior Achievement do Rio de Janeiro | Atitude pelo Planeta | Introducing and developing youngsters in the concepts related to sustainable development and sustainability. | Goal 2: Achieve universal primary education Goal 7: Ensure environmental sustainability | 60 youngsters from Organização Ser Cidadão in the city of Rio de Janeiro. | Recreational activities and actions related to citizenship. |
| Projeto Casulo | Futuro Ideal – Professional qualification in the organization of hospitality events | Promoting professional training for young people in organizing events and hospitality activities, assisting them in addressing the labor market. Encouraging youth entrepreneurship. | Goal 2: Achieve universal primary education Goal 8: Develop a global partnership for development | 120 youngsters in the city of São Paulo. | Professional training courses in the organization of hospitality events. |
| | Futsal do Bem | Promoting the practice of indoor soccer as a form of social inclusion and sport diversification; extending the technical knowledge of community team coordinators; performing four championships with the involvement of the community. | Goal 2: Achieve universal primary education Goal 8: Develop a global partnership for development | 200 youngsters; technical training for 20 team coordinators in the city of São Paulo. | Indoor soccer championships. |

ANNEXES

ABOUT THIS REPORT

The 2012 Annual Report presents the results of the economic, environmental and social performance of Promon S.A., the Promon Group's holding company, in the period between January 1st and December 31st, 2012, providing stakeholders with an overview of the organization's main strategies and management practices.

Promon has historically sought to portray the performance of the organization in its entirety, including aspects relating to its impact on society. Since 2011, however, believing the establishment of a single international reporting standard facilitates comprehension by stakeholders, the Group has adopted Version 3 (G3.0) of the Global Reporting Initiative Guidelines (GRI Guidelines) as the frame for its Annual Report. This adoption, in its second year, aligns Promon with international best practices in disclosing the ways in which business organizations influence society and the environment.

This report also takes note wherever appropriate of the correlations between its initiatives and the ten principles of the UN Global Compact, to which Promon is a signatory.

REPORTING PARAMETERS

Promon believes business organizations, as living systems, should pursue a vision that recognizes they are part of a social, economic and natural ecosystem. Imbued with this systemic vision, Promon believes good management of these themes is an indispensable factor to assure its perpetuation.

Promon's beliefs and culture furnish guidelines to orient the development of all Group companies. The management effort to guarantee that this happens is proportional to the size and nature of each company's business. Thus Promon recommends that each Group company perform studies to determine material themes with regard to its social and environmental responsibilities. The areas on which these studies focus depend on the magnitude of the impacts generated by each company and its economic maturity.

This annual report is structured according to the organization's management system, as graphically represented by the pinwheel shown in "Strategy & Management". This system reflects the interests of the organization and its main stakeholders through a multifaceted vision, first constructed in a participatory manner in the early 2000s and in constant evolution so as to encompass the perspectives and themes considered critical by the Group's management.

The topics considered most material in Promon's report resulting from the process of engagement with its stakeholders are those defined as strategic perspectives (see "Strategy & Management"): clients, knowledge and processes, organizational culture, economic performance, people, partners and suppliers, business portfolio, and society and the environment.

The main elements used to evaluate stakeholder perceptions of Promon and define the relevant themes for its management system are as follows:

- Annual client satisfaction surveys
- Annual surveys in client and partner communications material
- Spontaneous testimonials and opinions from clients, partners and suppliers (ongoing evaluation)
- Biennial supplier satisfaction surveys conducted by Promon Engenharia (*)
- Promon Integra, biennial supplier integration events held by Promon Engenharia (*)
- Annual surveys of practices (organizational climate)

- Media exposure (ongoing evaluation)
- Feedback received during participation in events (ongoing evaluation)
- Recognition and awards based on independent assessments of Promon's practices, such as the annual rankings of the best companies to work for in Brazil produced by *Você S/A-Exame* and *Great Place to Work/Época*, and *Exame* magazine's "Sustainability Guide"
- External engagement with civil society organizations for the purpose of evaluating the market's best practices on an ongoing basis:
 - Instituto Ethos CSR indicators (annual evaluation)
 - Brazilian Global Compact Network
 - Instituto Akatu pelo Consumo Consciente
 - Fundação Nacional da Qualidade

(*) Promon Engenharia engages with suppliers in greater depth because the complexity and relatively long lead times of the procurement processes involved maximize the potential social and environmental impacts of its operations.

Objectives are established as part of the annual strategic planning process conducted in accordance with the management system used by each Group company and based on Fundação Nacional da Qualidade's Management Excellence Model[®]. Group companies are certified against the main standards relevant to their business segments and are periodically audited by independent organizations. The main certifications are ABNT-ISO 9001 (quality management systems) for Promon Engenharia, PromonLogicalis and Trópico; ABNT-ISO 14001 (environmental management systems), OHSAS 18001 (occupational health and safety systems) and ISO/IEC 27001 (information security systems) for Promon Engenharia. Indicators, targets and action plans are constructed in collaboration with the units concerned at the relevant levels of each company's management. Only key indicators and information are presented in this report owing to limited space and for the sake of clarity.

The appropriate scope for each indicator has been determined in accordance with the recommendations of the GRI Boundary Protocol and reflects materiality to the consolidated operations of Promon S.A.

Most of the socio-environmental information presented reflects the scope of Group company activities in Brazil, where the services provided and hence their social and environmental impacts are concentrated. The economic information disclosed refers to operations in all countries.

Because Promon Engenharia is a wholly-owned subsidiary of Promon S.A. and has historically been responsible for a relevant part of the Group's revenue and workforce, an in-depth study of the company was conducted in 2011 to determine the materiality of the topics and aspects specified by the GRI Guidelines. This study involved a survey of stakeholder interests based on a review of the relevant documents, interviews with leaders, and a questionnaire sent to all employees of Promon Engenharia and returned by 32%. The assumptions that underpin this study and its findings were considered valid also for 2012.

The following topics are considered most material for this company: water; global warming; the social impact of its operations; the indirect economic benefits of its operations; economic performance; effluent and waste; air emissions; energy; the environmental impact of the goods and services provided; the impact on local communities; and occupational health and safety.

To facilitate analysis of Promon's performance from various angles, the GRI Content Index is presented at the end of the report, as well as a table correlating the main items with the ten principles underlying the UN Global Compact.

The sector supplements recommended by GRI have not been produced because it has not yet been possible to determine the most appropriate way to do so in accordance with the Group companies' business models and lines of activity. In-depth studies of the sector supplements concerned and how they apply to Promon will continue on the Group's agenda for the near terms.

The calculation protocols utilized are the ones proposed by GRI G3.0, except where otherwise indicated. Specific hypotheses relating to Promon Engenharia's greenhouse gas inventory follow the recommendations of the GHG Protocol Initiative.

GRI recommendations for content and quality were used to enhance the report and ensure alignment of the performance indicators presented with best practice for the industry and comparability of Promon Group company operations with those of other organizations. Priority has been given to the principles of materiality, inclusion of all stakeholders, sustainability, and coverage. Best efforts have also been made to assure the quality of the report in terms of balance, accuracy, periodicity, clarity and reliability.

Promon's concept of excellence expressed in a corporate document entitled *Conceito-Guia* (1984) applies to the quality of its work, its people and their life in the organization. In consonance with this principle, the organization permanently analyzes its annual reports and submits them to the continuous improvement practices that permeate its activities.

GRI APPLICATION LEVEL

Promon Group fully adopts the GRI Guidelines for its 2012 Annual Report. An external verification by a third party was not performed for the non-financial indicators, because Promon considers that the information provided is subject to the periodic internal audit processes and to the ABNT-ISO 9001 standard certification held by the Group companies. The financial statements were audited by KPMG, an independent audit firm.

Additionally, the management processes are constantly submitted to external evaluations, as the ones provided by Promon's participations in awards such as the sustainability guides from *Exame* magazine and the best-companies-to-work-for guides from *Você S/A-Exame* and *Época/GPTW* magazines; to periodic evaluations of compliance to the Fundação Nacional da Qualidade's Management Excellence Model[®]; and formal qualification processes carried out by clients and specialized consultants.

The information contained in this Report complies with the "A" Application Level of the GRI Guidelines 3.0.

| Application Levels | | C | C+ | B | B+ | A | A+ |
|----------------------|---|---|---------------------------|---|---------------------------|---|---------------------------|
| Standard Disclosures | Profile Disclosures | Report on: 1.1; 2.1 to 2.10; 3.1 to 3.8, 3.10 to 3.12; 4.1 to 4.4, 4.14 to 4.15. | Report Externally Assured | Report on all criteria listed for Level C plus: 1.2; 3.9, 3.13; 4.5 to 4.13, 4.16 to 4.17. | Report Externally Assured | Same as requirement for Level B. | Report Externally Assured |
| | Disclosures on Management Approach | Not required. | | Management approach disclosures for each indicator category. | | Management approach disclosures for each indicator category. | |
| | Performance Indicators & Sector Supplement Performance Indicators | Report fully on a minimum of any 10 performance indicators, including at least one from each of: social, economic, and environment. | | Report fully on a minimum of any 20 performance indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility. | | Respond on each core and Sector Supplement* indicator with due regard to the materiality principle by either: a) reporting on the indicator or b) explaining the reason for its omission. | |

* Sector supplement in final version.

GRI CONTENT INDEX

The following table presents the location of the performance indicators according to the Global Reporting Initiative (GRI) Guidelines.

PROFILE

| 1 – STRATEGY AND ANALYSIS | | |
|---------------------------|--|---------------------------|
| Item | Description | Location in report |
| 1.1 | Statement from Promon S.A.'s CEO | "Promon in 2012" |
| 1.2 | Description of key impacts, risks, and opportunities | "Strategy and Management" |

| 2 – ORGANIZATIONAL PROFILE | | |
|----------------------------|---|---|
| Item | Description | Location in report |
| 2.1 | Name of the organization | "Profile" |
| 2.2 | Primary brands, products, and/or services | "Profile" |
| 2.3 | Operational structure of the organization | "Profile" |
| 2.4 | Location of organization's headquarters | "Profile" |
| 2.5 | Countries where the organization operates | "Profile" |
| 2.6 | Nature of ownership and legal form | "Profile" |
| 2.7 | Markets served | "Profile" |
| 2.8 | Scale of the reporting organization | "Promon in 2012" "Business Activities" |
| 2.9 | Significant changes during the reporting period | "Profile" |
| 2.10 | Awards received in the reporting period | "Commitments and Awards" |

3 – REPORT PARAMETERS

| Item | Description | Location in report |
|------|--|---|
| 3.1 | Reporting period | “About this Report” |
| 3.2 | Date of most recent previous report | “About this Report” |
| 3.3 | Reporting cycle | “About this Report” |
| 3.4 | Contact point | This GRI Content Index |
| 3.5 | Process for defining report content | “About this Report” |
| 3.6 | Boundary of the report | “About this Report” |
| 3.7 | Scope of the report | “About this Report” |
| 3.8 | Basis for reporting | “About this Report” |
| 3.9 | Data measurement techniques and the bases of calculations | “About this Report” |
| 3.10 | Effect of any re-statements of information | This is the second report published according to the GRI Guidelines. |
| 3.11 | Significant changes from previous reporting periods | This is the second report published according to the GRI Guidelines. |
| 3.12 | Table identifying the location of the Standard Disclosures in the report | This GRI Content Index |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report | “About this Report” Promon declares this Report complies with the “ A ” Application Level of the GRI Guidelines 3.0. The non-financial indicators were not verified by a third party. |

4 – GOVERNANCE, COMMITMENTS AND ENGAGEMENT

| Item | Description | Location in report |
|------|--|---|
| 4.1 | Governance structure of the organization | “Governance” |
| 4.2 | Chair of the highest governance body | “Governance” |
| 4.3 | Members of the highest governance body that are independent and/or non-executive members | “Governance” |
| 4.4 | Mechanisms to provide recommendations or direction to the highest governance body | “Governance – Top Management’s Internal Processes” |
| 4.5 | Linkage between compensation and the organization’s economic, social and environmental performance | “Strategy and Management” |
| 4.6 | Processes to ensure conflicts of interest are avoided | “Governance” |
| 4.7 | Qualifications of the members of the highest governance body | “Governance” |
| 4.8 | Mission and values, codes of conduct and internal principals | “Reason for Being and Organizational Culture” “Strategy and Management” |
| 4.9 | Procedures of the highest governance body | “Governance – Top Management’s Internal Processes” “Strategy and Management” |
| 4.10 | Evaluation of the highest governance body’s own performance | “Governance – Top Management’s Internal Processes” “People” |
| 4.11 | Precautionary approach or principle | “Governance – Risk Management” |
| 4.12 | Charters, principles and other initiatives | “Commitments and Awards” |
| 4.13 | Memberships in associations | “Commitments and Awards” |
| 4.14 | List of stakeholder groups | “Strategy and Management” “About this Report” |
| 4.15 | Identification and selection of stakeholders | “About this Report” |
| 4.16 | Stakeholder engagement | “About this Report” |
| 4.17 | Stakeholders’ key topics and concerns | “Strategy and Management” |

PERFORMANCE INDICATORS

| ECONOMIC | | |
|--|--|--|
| Policy and Management | | Location in report |
| Organization-wide policy that defines the overall commitment related to the economic aspects | | “Reason for Being and Organizational Culture” “Strategy and Management” |
| Management approach | | “Promon in 2012” “Governance – Risk Management” “Strategy and Management” |
| Item | Description | Location in report |
| ECONOMIC PERFORMANCE | | |
| EC1 | Direct economic value generated and distributed | “Promon in 2011” “Business Activities” “Financial Statements” (only in the Portuguese version) |
| EC2 | Financial implications and other risks and opportunities due to climate change | “Governance – Risk Management” “Strategy and Management” |
| EC3 | Coverage of the organization’s defined benefit plan obligations | “Fundação Promon de Previdência Social” The supplementary pension fund covers all Group companies’ employees. |
| EC4 | Significant financial assistance received from government | In 2012, Promon Engenharia received funding in the amount of R\$1.1 million, aimed at a technological innovation project developed by the company. |
| MARKET PRESENCE | | |
| EC5 | Range of ratios of standard entry level wage compared to local minimum wage | “People” |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers | “Partners and Suppliers” |
| EC7 | Procedures for local hiring | “Partners and Suppliers” |

| INDIRECT ECONOMIC IMPACTS | | |
|---|---|--|
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit | <p>“Instituto Razão Social”</p> <p>“Society and the Environment – Social Investment”</p> |
| EC9 | Understanding and describing significant indirect economic impacts | <p>“Instituto Razão Social”</p> <p>“Society and the Environment – Social Investment”</p> |
| ENVIRONMENTAL | | |
| Policy and Management | | Location in report |
| Organization-wide policy that defines the overall commitment related to the environmental aspects | | <p>“Reason for Being and Organizational Culture”</p> <p>“Strategy and Management”</p> <p>“Commitments and Awards”</p> <p>“Global Compact (principles 7, 8 and 9)”</p> |
| Management approach | | <p>“Promon in 2012”</p> <p>“Strategy and Management”</p> <p>“Governance – Risk Management”</p> <p>“Society and the Environment – Socio-Environmental Impact”</p> <p>ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) and ABNT-ISO 14001 (Promon Engenharia) certifications</p> |
| Item | Description | Location in report |
| MATERIALS | | |
| EN1 | Materials used by weight or volume | “Society and the Environment – Socio-Environmental Impact” |
| EN2 | Percentage of materials used that are recycled input materials | “Society and the Environment – Socio-Environmental Impact” |
| ENERGY | | |
| EN3 | Direct energy consumption by primary energy source | “Society and the Environment – Socio-Environmental Impact” |
| EN4 | Indirect energy consumption by primary source | “Society and the Environment – Socio-Environmental Impact” |
| EN5 | Energy saved due to conservation and efficiency improvements | “Society and the Environment – Socio-Environmental Impact” |

| | | |
|---------------------|--|---|
| EN6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives | “Society and the Environment – Socio-Environmental Impact” |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved | “Society and the Environment – Socio-Environmental Impact” |
| WATER | | |
| EN8 | Total water withdrawal by source | “Society and the Environment – Socio-Environmental Impact” |
| EN9 | Water sources significantly affected by withdrawal of water | “Society and the Environment – Socio-Environmental Impact” |
| EN10 | Percentage and total volume of water recycled and reused | “Society and the Environment – Socio-Environmental Impact” |
| BIODIVERSITY | | |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | The organization does not own, lease or manage protected or not protected areas of high biodiversity value. Promon Engenharia’s contracts are concentrated in industrial areas owned or managed by clients. |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas | In 2012 there were no cases of relevant impact in areas of biodiversity value due to services performed by the Group companies. |
| EN13 | Habitats protected or restored | Not applicable to the organization (see EN11). |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity | There is no specific strategy for the management of impacts on biodiversity. Action plans are established according to the analysis of the criticality level of all environmental aspects and impacts of the engineering projects, a standard procedure carried out by Promon Engenharia. |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk | There were no IUCN Red List species and national conservation list species with habitats in areas affected by operations. |

| EMISSIONS, EFFLUENTS AND WASTE | | |
|--------------------------------|--|--|
| EN16 | Total direct and indirect greenhouse gas emissions by weight | “Society and the Environment – Socio-Environmental Impact” |
| EN17 | Other relevant indirect greenhouse gas emissions by weight | “Society and the Environment – Socio-Environmental Impact” |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved | “Society and the Environment – Socio-Environmental Impact” |
| EN19 | Emissions of ozone-depleting substances by weight | “Society and the Environment – Socio-Environmental Impact” |
| EN20 | NOx, SOx and other significant air emissions by type and weight | “Society and the Environment – Socio-Environmental Impact” |
| EN21 | Total water discharge by quality and destination | “Society and the Environment – Socio-Environmental Impact” |
| EN22 | Total weight of waste by type and disposal method | “Society and the Environment – Socio-Environmental Impact” |
| EN23 | Total number and volume of significant spills | There were no significant spills in 2012. |
| EN24 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally | “Society and the Environment – Socio-Environmental Impact” |
| EN25 | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization’s discharges of water and runoff | There was no significant impact on water bodies and related habitats due to Group companies’ discharges of water and runoff in 2012. |

| PRODUCTS AND SERVICES | | |
|---|--|---|
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation | “Business Activities” “Society and the Environment – Socio-Environmental Impact” |
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category | The Group companies do not consider material the packaging material of products eventually incorporated in their service offerings. However, Trópico and PromonLogicalis, aiming to explore more deeply the impacts resulting from the installation of telecommunication equipment in their clients’ premises, are looking for new practices related to reverse logistics and packaging disposal. |
| COMPLIANCE | | |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations | There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations in the last three years. |
| TRANSPORT | | |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organization’s operations, and transporting members of the workforce | There is no sufficient information to quantify impacts beyond the ones related to greenhouse gas emissions resulting from air travel, staff commuting and chartered vehicles used by Group companies (see EN18). |
| OVERALL | | |
| EN30 | Total environmental protection expenditures and investments by type | “Society and the Environment – Socio-Environmental Impact” |
| SOCIAL: LABOR PRACTICES AND DECENT WORK | | |
| Policy and Management | | Location in report |
| Organization-wide policy that defines the overall commitment related to the labor aspects | | “Reason for Being and Organizational Culture” “Strategy and Management” “Commitments and Awards” “Global Compact (principles 3 to 6)” |
| Management approach | | “Promon in 2012” “Strategy and Management” “Governance – Risk Management” ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) and OHSAS 18001 (Promon Engenharia) certifications |

| Item | Description | Location in report |
|---------------------------------------|--|--------------------|
| EMPLOYMENT | | |
| LA1 | Total workforce by employment type, employment contract, and region, broken down by gender | "People" |
| LA2 | Total number and rate of employee turnover by age group, gender, and region | "People" |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation | "People" |
| LABOR/MANAGEMENT RELATIONS | | |
| LA4 | Percentage of employees covered by collective bargaining agreements | "People" |
| LA5 | Minimum notice period regarding operational changes, including whether it is specified in collective agreements | "People" |
| OCCUPATIONAL HEALTH AND SAFETY | | |
| 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 | "People" |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender | "People" |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases | "People" |
| LA9 | Health and safety topics covered in formal agreements with trade unions | "People" |

| TRAINING AND EDUCATION | | |
|--|--|--|
| LA10 | Average hours of training per year per employee by employee category | "Knowledge and Processes" |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | "Knowledge and Processes" |
| LA12 | Percentage of employees receiving regular performance and career development reviews | "Knowledge and Processes" |
| DIVERSITY AND EQUAL OPPORTUNITY | | |
| LA13 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity | "People" |
| LA14 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | "People" |
| SOCIAL: HUMAN RIGHTS | | |
| Policy and Management | | Location in report |
| Organization-wide policy that defines the overall commitment related to the human rights aspects | | "Reason for Being and Organizational Culture" "Strategy and Management" "Commitments and Awards" "Global Compact (principles 1 to 6)" |
| Management approach | | "Promon in 2012" "Strategy and Management" "Governance – Risk Management" ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) and OHSAS 18001 (Promon Engenharia) certifications |
| Item | Description | Location in report |
| INVESTMENT AND PROCUREMENT PRACTICES | | |
| HR1 | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening | "Partners and Suppliers" |

| | | |
|---|--|---|
| HR2 | Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken | “Partners and Suppliers” |
| HR3 | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained | “Society and the Environment – Human Rights” |
| NON-DISCRIMINATION | | |
| HR4 | Total number of incidents of discrimination and corrective actions taken | There were no discrimination incidents in the last three years. |
| FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING | | |
| HR5 | Operations identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights | “Society and the Environment – Human Rights” |
| CHILD LABOR | | |
| HR6 | Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor | “Society and the Environment – Human Rights” |
| FORCED AND COMPULSORY LABOR | | |
| HR7 | Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor | “Society and the Environment – Human Rights” |
| SECURITY PRACTICES | | |
| HR8 | Percentage of security personnel trained in the organization’s policies or procedures concerning aspects of human rights that are relevant to operations | The security services of Promon Group’s offices are provided by a specialized subcontracted firm. All of their personnel are trained annually in aspects related to human rights. |
| INDIGENOUS RIGHTS | | |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken | There were no incidents of violations involving rights of indigenous people in the last three years. |

| SOCIAL: SOCIETY | | |
|---|--|---|
| Policy and Management | | Location in report |
| Organization-wide policy that defines the overall commitment related to the society aspects | | “Reason for Being and Organizational Culture” “Strategy and Management” “Commitments and Awards” “Global Compact” |
| Management approach | | “Promon in 2012” “Strategy and Management” “Governance – Risk Management” ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) certification |
| Item | Description | Location in report |
| COMMUNITY | | |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting | “Society and the Environment – Socio-Environmental Impact” |
| CORRUPTION | | |
| SO2 | Percentage and total number of business units analyzed for risks related to corruption | “Governance – Risk Management” “Society and the Environment – Competition and Public Sphere” |
| SO3 | Percentage of employees trained in organization’s anti-corruption policies and procedures | “Society and the Environment – Competition and Public Sphere” |
| SO4 | Actions taken in response to incidents of corruption | There were no reported incidents of corruption in the last three years. The organization determines that eventual incidents be formally treated by the professional responsible for the issue, together with the Human Relations unit of the involved company and the Internal Audit unit of Promon S.A. Corrective actions must be validated by Promon S.A.’s Executive Committee. |

| PUBLIC POLICY | | |
|--|---|---|
| SO5 | Public policy positions and participation in public policy development and lobbying | “Society and the Environment – Competition and Public Sphere” |
| SO6 | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country | No financial and in-kind contributions to political parties, politicians or related institutions were committed in the reporting period. |
| ANTI-COMPETITIVE BEHAVIOR | | |
| SO7 | Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes | “Society and the Environment – Competition and Public Sphere” There were no legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes in the last three years. |
| COMPLIANCE | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | There were no significant fines or non-monetary sanctions for non-compliance with laws and regulations in the last three years. |
| SOCIAL: PRODUCT RESPONSIBILITY | | |
| Policy and Management | | Location in report |
| Organization-wide policy that defines the overall commitment related to the product responsibility aspects | | “Reason for Being and Organizational Culture” “Strategy and Management” “Commitments and Awards” |
| Management approach | | “Promon in 2012” “Strategy and Management” “Governance – Risk Management” ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) and ISO/IEC 27001 (Promon Engenharia) certifications |
| Item | Description | Location in report |
| CUSTOMER HEALTH AND SAFETY | | |
| 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 | “Society and the Environment – Socio-Environmental Impact” |

| | | |
|-------------------------------------|---|--|
| PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes | There were no fines or incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services in the last three years. |
| PRODUCT AND SERVICE LABELING | | |
| PR3 | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements | Not applicable: The services provided are developed according to the needs of each client company. There is no relationship between the Group and final consumers. |
| PR4 | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes | Not applicable: The services provided are developed according to the needs of each client company. There is no relationship between the Group and final consumers. |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction | "Promon in 2012" "Clients" |
| MARKETING COMMUNICATIONS | | |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship | There is no relationship between the Group and final consumers. Thus, the few actions related to marketing communications are institutional-based and usually targeted to business audiences through specialized publications of the sectors in which the Group companies operate. |
| PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes | There were no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, in the last three years. |
| CUSTOMER PRIVACY | | |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data | There were no complaints regarding breaches of customer privacy and losses of customer data in the last three years. |
| COMPLIANCE | | |
| PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | There were no fines or incidents of non-compliance with laws and regulations concerning the provision and use of products and services in the last three years. |

The report boundary, unless otherwise indicated, includes the operations of the Promon Group in Brazil from January to December 2012. Questions and suggestions regarding the content or process of preparing the report may be forwarded through the email: faleconosco@promon.com.br.

GLOBAL COMPACT

| Global Compact Principles | Promon Commitments | Relevant GRI Indicators |
|--|--|--|
| <p>Principle 1:</p> <p>Businesses should support and respect the protection of internationally proclaimed human rights.</p> | <p>Ethics are at the core of everything Promon 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, Promon recognizes its role as an agent of social development.</p> | <p>HR1-9</p> <p>Complementary: LA4, LA6-9, LA13, LA14, SO1, PR1-2</p> |
| <p>Principle 2:</p> <p>Businesses should make sure they are not complicit in human rights abuses.</p> | <p>Promon is committed to ensuring that all business units of the organization avoid complicity in human rights abuses.</p> | <p>HR1-9</p> |
| <p>Principle 3:</p> <p>Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p> | <p>Promon 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.</p> | <p>HR5, LA4, LA5</p> |
| <p>Principle 4:</p> <p>Businesses should uphold the elimination of all forms of forced and compulsory labor.</p> | <p>Promon will not tolerate worker exploitation under any circumstances and has no business or contractual relations with organizations that use any form of forced or compulsory labor.</p> | <p>HR7</p> <p>Complementary: HR1-3</p> |
| <p>Principle 5:</p> <p>Businesses should uphold the effective abolition of child labor.</p> | <p>Promon will not tolerate under any circumstances the exploitation of children and young people under legal working age, and has no business or contractual relations with organizations that use child labor in any form.</p> | <p>HR6</p> <p>Complementary: HR1-3</p> |
| <p>Principle 6:</p> <p>Businesses should uphold the elimination of discrimination in respect of employment and occupation.</p> | <p>Promon is committed to human relations policies geared to justice, transparency, impartiality and professionalism. No form of discrimination based on race, gender, social orientation, color, religion, age, ethnic origin or any other factor is allowed in any business processes or in the workplace.</p> | <p>HR4, LA2, LA13, LA14</p> <p>Complementary: HR1-2, EC5, EC7, LA3</p> |
| <p>Principle 7:</p> <p>Businesses should support a precautionary approach to environmental challenges.</p> | <p>Promon 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.</p> | <p>Profile 4.11, EN26, EN30</p> <p>Complementary: EC2</p> |

| | | |
|---|---|---|
| <p>Principle 8:</p> <p>Businesses should undertake initiatives to promote greater environmental responsibility.</p> | <p>Promon promotes environmental responsibility in its regular operations and through environmental education and conscientious consumption programs.</p> | <p>EN2, EN5-7, EN10, EN13-14, EN18, EN21-22, EN26-27, EN30</p> <p>Complementary: EC2, EN1, EN3-4, EN8-9, EN11-12, EN15-17, EN19-20, EN23-25, EN28-29, PR3-4</p> |
| <p>Principle 9:</p> <p>Businesses should encourage the development and diffusion of environmentally friendly technologies.</p> | <p>Promon is committed to developing and adopting sustainable technologies as an intrinsic part of its business.</p> | <p>EN2, EN5-7, EN10, EN18, EN26-27, EN30</p> |
| <p>Principle 10:</p> <p>Businesses should work against corruption in all its forms, including extortion and bribery.</p> | <p>Promon does not tolerate corruption in any shape or form. All business processes include instruments that explicitly prohibit professionals from accepting or encouraging inducements or favors of any kind.</p> | <p>SO2-4</p> <p>Complementary: SO5-6</p> |

MANAGEMENT TEAM

As at April 10th, 2013, General Meeting of the Shareholders in Promon S.A.

/PROMON S.A.

BOARD OF DIRECTORS

(as at April 10, 2013)

LUIZ ERNESTO GEMIGNANI
Chairman of the Board

LUIZ FERNANDO T. RUDGE
Member of the Board

GILSON G. KRAUSE
Member of the Board

LUIZ GONZAGA MARINHO BRANDÃO
Member of the Board

JOSÉ RODRIGO PARREIRA
Member of the Board

WAGNER TIROLI
Member of the Board

EXECUTIVE COMMITTEE

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Chief Executive Officer

GILSON G. KRAUSE
Executive Director

IVO GODOI JUNIOR
Executive Director

FELIPE ALCEU AMOROSO LIMA
Executive Director

NEW BUSINESSES

IVO GODOI JUNIOR
Executive Director

CORPORATE

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Director, Tax Planning

FÁBIO BITTENCOURT R. DE OLIVEIRA
Assistant Director, Finance and
Information Systems

HELOISA R. DE CAMPOS MELLO
Director, Legal Department

MARCIA FERNANDES KOPELMAN
Director, Human Relations and
Communications

MARIA CRISTINA VARALLA MENDES
Director, Finance

MILTON LOPES ANTELO FILHO
Director, Organizational Affairs

NEWTON RAFAEL ZUPPO
Director, Auditing

/P2 GESTÃO DE RECURSOS LTDA.

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Director

OTAVIO CASTELLO BRANCO (PÁTRIA)
Director

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IVO GODOI JUNIOR
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LUIZ FERNANDO T. RUDGE
LUIZ OTAVIO REIS DE MAGALHÃES
(PÁTRIA)
OLIMPIO MATARAZZO NETO (PÁTRIA)
OTAVIO CASTELLO BRANCO (PÁTRIA)

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/PROMON SUBSEA LTDA. (under development)

DIRECTORS

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JORGE HENRIQUE DE CARVALHO JUNIOR
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/PROMON INTELLIGENS LTDA.

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Director

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MOISES FALCO
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Director, Management Systems

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Project Director

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JOBEL FREITAS DA SILVA
Technical Director, Civil Engineering

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Project Director

MAURICIO SGARBI GOULART
Project Director

MAURÍCIO MORBELLI WAGANA
Project Director

MAURO CESAR PEREIRA
Project Director

RODNEY DE B. FARIA
Technical Director, Industrial Processes

SÉRGIO LUIZ P. DO NASCIMENTO
Project Director

ÁLVARO BRAGANÇA JÚNIOR
Director, Business Development

BRUNO PICOZZI
Director, Business Development

CELSO PEREIRA DA SILVA
Director, Business Development

NELSON DE A. ROCHA
Director, Business Development

/PROMON LOGICALIS LATIN AMERICA LIMITED

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IVO GODOI JUNIOR

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IAN COOK
(Logicalis)

MARK ROGERS
(Logicalis)

NIGEL DRAKEFORD-LEWIS
(Logicalis)

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Executive Vice-President, Business, Brazil

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Vice-President, Logicalis Southern Cone

DIEGO FERNANDES MARTINEZ
Vice-President, Logicalis Andean Region

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PromonLogicalis Latin America Ltd.

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Director, Legal,
PromonLogicalis Latin America Ltd.

GASTÓN DAURAT
Regional Businesses Director,
PromonLogicalis Latin America Ltd.

LUIS MIGUEL ESPÓSITO
Director, Knowledge, Processes & Systems,
PromonLogicalis Latin America Ltd.

REGINALDO LADVIG OSWALDO
Director, Operations

RENATA DE OLIVEIRA P. RANDI
Director, Marketing & Partnerships

TÂNIA L. CASA DE VITO
Director, Human Relations & Administration

EDSON DO COUTO GISSONI
Director, Government Business Segment

HERBERT J. AZEVEDO
Director, Commercial Engineering

JULIAN JUNITI NAKASONE
Director, IT Solutions

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Director, Procurement

LUÍS MINORU SHIBATA
Director, Consulting

MARCOS THEODORO SIMON SIQUEIRA
Director, Corporate Business Segment

PAULO ROGÉRIO TORRES
Director, Services

SILVANA TERUKO MIZONO VIEL
Director, Engineering

/TRÓPICO SISTEMAS E TELECOMUNICAÇÕES S.A.

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CLÁUDIO APARECIDO VIOLATO (CPqD)

HÉLIO MARCOS M. GRACIOSA (CPqD)

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TOMIO TORII
Director, Operations

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Director, Business Development

MANOEL MARCÍLIO SANCHES
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MAURO CESAR PEREIRA

MOISES FALCO

WILFRED BRANDT

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Chief Executive Officer

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Administrative and Financial Director

/FUNDAÇÃO PROMON DE PREVIDÊNCIA SOCIAL

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Manager

/INSTITUTO DE TECNOLOGIA PROMON

RICARDO CORRÊA OLIVEIRA MARTINS
Executive Director



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