

Communication on Progress (COP) from Crisotila Brasil

The Letter will adhere to the 10 global principles grouped into four issue areas - human rights, labour standards, environment, anti-corruption.

We list below each principles and describe the activities implemented by Crisotila Brasil (Instituto Brasileiro do Crisotila) to advance these principles.

Instituto Brasileiro do Crisotila

Name: **Crisotila Brasil**

Country: **Brazil**

Sector: **Business Association Local**

Title of the Communication on Progress: **Communication on Progress (COP)**

Reported Period: **May 2007 to May 2009**

Name and post of the member of the Board of Directors in charge: **Marina Júlia de Aquino, Chief Executive Officer**

Contact person and position: **Marcondes Braga de Moraes, Communication Coordinator**

Contact details: marcondes@crisotilabrasil.org.br

Message from the Chief Executive Officer

For Instituto Brasileiro do Crisotila-IBC, 2007 became a landmark year in the institution's history, when the Institute joined the UN Global Compact. By making this commitment, Crisotila Brasil, as the institution is also known, made public its engagement to the 10 social principles established by the Global Compact, which have become our own permanent goals, serving not only to guide our initiatives, but also to assign value to individual diversity and ethics in our working relationships.

Crisotila Brasil is a Civil Society Organization of Public Interest (OSCIP), and has been recognized as a center of knowledge and a reliable source of information on chrysotile asbestos. As an institution, it is composed of workers, government and corporate representatives. The Institute promotes actions related to occupational health and safety for workers in the asbestos industry with an aim to achieve sustainable use of chrysotile and products containing this raw material. Our keen awareness of the need for environmental preservation and the knowledge of the important role that chrysotile asbestos plays for the sustainable development of our planet has made Crisotila Brasil decide to become an active participant in community life, both in Brazil and abroad.

Transparency is one of the key principles followed by Crisotila Brasil in every communication directed to the institution's stakeholders. We are constantly reasserting our commitment to promote the 10 principles of the Global Compact, to respect and disseminate them in every IBC initiative, in keeping with our philosophy that calls for social and environmental responsibility.

Marina Júlia de Aquino
Chief Executive Officer
Instituto Brasileiro do Crisotila

Communication on Progress (COP)

Human Rights (*Human Rights*)

PRINCIPLE 1 - Respect and protect human rights			
<i>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;</i>			
Commitment	Systems, Processes and Programs	Actions	Performance / Results
Crisotila Brasil commits itself to promote respect for human rights, in every initiative sponsored by the institution, on the basis of the current legislation and domestic and international agreements. The focus will always be the recognition of individuality and diversity within the framework of society.	Personnel Management	Employees are given extra benefits.	<ul style="list-style-type: none"> - Subsidized language courses - Full company support and opportunities for qualification courses - Medical plan for staff members and their immediate family - Life insurance - The possibility to receive a 50% advance on their Christmas bonus along with their vacation pay
		Assessment made directly by the Chief Executive Officer	Assessment of the corporate environment done by the Chief Executive Officer, personally
	Social and environmental responsibility	Sambaíba Program - Handicraft in Serpentine Rock	The company has signed partnership agreements and supports an arts and crafts project using serpentinite rock. Crisotila Brasil supports the "Arts and Crafts Course", along with SAMA S/A Minerações Associadas. The program is geared towards low-income families, juvenile delinquents and drug users, with the goal of providing these individuals with professional skills and the opportunity for generating income as artisans.
		Sambaíba Program - Handicraft with banana tree fibers	Along with SAMA S/A Minerações Associadas, IBC supports arts and crafts courses that teach local inhabitants to process and use banana tree fibers. The program is geared towards low-income families, as well as the hearing and visually challenged.
	PSQ Crisotila	Sector Quality Program – PSQ	In 2007 and 2008, IBC implemented the Sector Quality

		Crisotila	Program, also referred to as PSQ – Chrysotile. The program encompasses our associate members and seeks to achieve sound chrysotile management in the corporate environment and industrial processes. Based on the ISO 14001, 9001 and OHSAS 18001 certification standards, the system ensures that employees are working in a healthy environment. Audits are performed every year to check if the strict standards and controls related to ore management have been implemented. It is in this sense our employees and affiliated institutions can rest assured that their right to a healthy life is guaranteed
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PRINCIPLE 2 - Businesses should make sure that they are not complicit in human rights abuses

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Commitment	Systems, Processes and Programs	Actions	Performance / Results
Instituto Brasileiro do Crisotila policies establish that human rights should be respected at all times and every effort is made to prevent the violation of these rights, in its relationship with staff members and affiliated institutions.	Personnel Management	Monthly Meetings	The Chief Executive Officer holds monthly meetings with staff members. During these meetings everyone has the opportunity to raise their concerns, clear any pending doubts and learn about the Institute and about ongoing activities and educational campaigns. A report of these meetings is prepared and submitted to the Board Council.
		Internal Knowledge Transfer Program	Every employee who attends training sessions in other institutions is responsible for passing along the newly-acquired knowledge to other members of the team and interested staff members.
		Staff contracts	The institution complies with Brazilian labor laws, as stated in the Consolidation of Labor Laws of Brazil (CLT), as applicable to these employees
	Relationship with suppliers and preferred contractors	Specially qualified suppliers	The Institute prioritizes legally established suppliers, working in compliance with domestic and international laws.

Labour Standards(Labour Standards)

PRINCIPLE 3 - Support freedom of association and the right to collective bargaining

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

Commitment	Systems, Processes and Programs	Actions	Performance / Results
IBC provides full support to chrysotile workers' initiatives, including freedom of association and assistance in drafting of labor agreements.	Tripartite policies	Employees are part of the Board of Directors	- The IBC Board of Directors includes members of the Workers Union and of the National Committee of Asbestos Workers – CNTA
	Support policies for workers in this industry	Signatory to the CNTA Agreement	- IBC is one the parties that signed the multi-party agreement calling for the safe use of chrysotile asbestos
	Permanent Support Program for Asbestos Workers	Partnership agreements Workers Unions	- IBC and CNTA promote joint activities to advance the use of chrysotile. They also support initiatives sponsored by regional unions
		Plant Committees	- IBC fosters internal the creating of plant committees whose members enjoy job stability and autonomy within the work environment
	Social and environmental responsibility	Cooperatives	- IBC supported the creation of COOPEMIN, a cooperative congregating artisans trained at the Handicraft Center, where they learn how to work with serpentine rock and banana tree fibers.

PRINCIPLE 4 - Eliminate forced and compulsory labour

Principle 4:Businesses should uphold the elimination of all forms of forced and compulsory labour;

Commitment	Systems, Processes and Programs	Actions	Performance / Results
Instituto Brasileiro do Crisotila is committed to creating work	Support policies for workers in this industry	Signatory to the CNTA Agreement	- IBC is one of the parties that signed the multi-party agreement among companies and workers establishing safe working conditions, in compliance with international

environments that are free from any form of threats or coercion and is not complicit with any type of forced labor in the plant or in facilities run by affiliated members or partner companies.			safety standards and national and international labor laws, thereby ensuring that workers are guaranteed their rights
	Social and environmental responsibility	Adhesion to the Global Compact	The Institute joined the Global Compact in 2007 and encourages affiliated institutions to abide by the 10 principles that have been proposed and established. During the orientation given to new members they are also encouraged to make the same commitments, regarding slave labor

*Note: IBC contracts will include a clause indicating that the institution repudiates slave labor and any type of coercion. The 2010 project for IBC affiliated institutions and their partner companies will call for a total eradication of any form of slave labor.

PRINCIPLE 5 - Abolish child labour

Principle 5: Businesses should uphold the effective abolition of child labour;

Commitment	Systems, Processes and Programs	Actions	Performance / Results
Our labor policies do not contemplate the use of child labor. We work in strict compliance with Brazilian legislation and with national and international agreements regarding this issue. Instituto Brasileiro do Crisotila encourages affiliated institutions and partner companies to eradicate any form of child labour, in keeping with our commitment to respect Human Rights.	Policies aimed at supporting workers in this industry	Signatory to the CNTA Agreement	- IBC is one the parties that signed the CNTA Agreement, executed by and among companies and workers. Clause 9 of the agreement prohibits adolescents under the age of 18 to be hired by this industry, as per the Brazilian labor law and ILO Convention 182
	Personnel Management	Staff and Trainee hiring practices	- Staffing policies prevent the Institute from hiring underage individuals, in accordance with Brazilian labor laws

*Note: IBC contracts will include a clause indicating that the institution repudiates child labour and degrading working conditions

PRINCIPLE 6 - Eliminate discrimination in the workplace

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Commitment	Systems, Processes and Programs	Actions	Performance / Results
Relationships established by Instituto Brasileiro do Crisotila are founded on principles that favor equal job opportunities without any discrimination on the basis of race, social class, religion, physical handicap, sexual orientation, union membership, political affiliation or any other form of diversity.	Personnel Management	Staff and trainee hiring practices	- Employees are hired on the basis of specific job descriptions and personal qualification.
		Anti-smoking campaign	- Every IBC affiliated institution is engaged in annual and permanent anti-smoking campaigns which include specific programs aimed at encouraging employees to stop smoking. These institutions, however, do not discriminate against qualified individuals who are smokers. Statistics indicate that smokers currently represent 5 to 8% of the work force in our affiliated institutions
	Social and environmental responsibility	Sambaíba Program - Handicraft in Serpentine Rock	The selection process implemented by IBC for the Artisan program and skill-building course privileges young men and women from low-income families, including juvenile delinquents and drug users, as a mean to expand their range of career options, and to give them an opportunity to generate income
	International Participation Program	Participation in international conferences	- IBC participated in the Committee on Gender during the ILO 2009 International Labor Conference.

Environment (Environment)

PRINCIPLE 7 - Support a precautionary approach to environmental challenges

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

Commitment	Systems, Processes and Programs	Actions	Performance / Results
Instituto Brasileiro do Crisotila is committed to promoting and disseminating knowledge on chrysotile ore and encouraging sustainable development in the asbestos industry.	Social and Environmental Responsibility	Adequate waste disposal	- IBC has a project that calls for adequate disposal of the waste generated by the asbestos industry
		Environmental risk assessment in affiliated institutions	- IBC encourages and supports regular environmental risk assessments in every affiliated institution, with a focus on actions whose aim is to promote environmental sustainability
	PSQ Crisotila	Sector Quality Program – PSQ Crisotila	- The PSQ Crisotila Program encourages affiliated institutions to promote environmentally sustainable practices, in keeping with ISO 14 001 standards

PRINCIPLE 8 - Promote environmental responsibility

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility;

Commitment	Systems, Processes and Programs	Actions	Performance / Results
The Sector Quality Program PSQ – Crisotila has enabled IBC to expand its sphere of influence to 98% domestic asbestos industry and helped promote sound management and environmentally responsible practices in	Social and environmental responsibility	Sambaíba Program – Waste Management	- IBC promotes the Sambaíba Integrated Management program, including the Integrated Waste Management project in the city of Minaçu. The goal of the project is to promote adequate management and destination of the waste generated by the city, by means of waste recycling and environmental preservation practices
		Air quality control in the plants	- The PSQ Crisotila Program enables IBC to determine if the quality of the air is being monitored on a regular basis in affiliated institutions
	PSQ Crisotila	Zero Waste Program	- The PSQ Crisotila Program promotes a zero waste

activities involving chrysotile.			policy in the plants of affiliated institutions. The Program calls for reusing and recycling the waste generated by processing chrysotile asbestos
		Environmental Management in the workplace	- The PSQ Crisotila Program performs regular audits to verify environmental management practices within member institutions, as per ISO 14001 standards

PRINCIPLE 9 - Encourage the development and diffusion of environmentally friendly technologies

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Commitment	Systems, Processes and Programs	Actions	Performance / Results
The mission of our institution is to promote and support scientific research on chrysotile asbestos and encourage the use of new technologies in keeping with the principles of environmental and social sustainability.	Scientific Advancement Program	Scientific studies on the degradation of fiber cement products	- The institution supports a scientific investigation on leaching from roofing sheets and the consequent environmental impact, currently underway at the University of São Paulo - USP
		Scientific study on the degradation of DBS (Sodium Dodecyl Benzene Sulphonate)	- The Institution supports a scientific investigation aimed at accelerating biodegradation of detergents (DBS) by using chrysotile asbestos. The study is currently underway at the Universidade do Porto, in Portugal
		Scientific investigation on Ethanol	- The Institution supports scientific investigations on increasing ethanol production with the use of chrysotile asbestos. The study is currently underway at the Federal University of São Carlos - UFSCAR
		FGV study on the asbestos industry	- The Institutions supports a FGV (Getulio Vargas Foundation) study on the chrysotile asbestos industry, on the role of chrysotile asbestos in civil construction and its contribution to the development of the country. The study will result in a complete picture of the domestic chrysotile industry
		Scientific investigation on the effects of chrysotile asbestos on the health of dwellers of houses covered with fiber cement	- Supported by IBC and by UNICAMP and UNIFESP professors, a joint study on the effects of chrysotile asbestos on the health of dwellers of houses covered with fiber cement roofing sheets was started in 2007, in

		roofing sheets	five of the major Brazilian cities, under the coordination of USP professors. Results obtained from medical assessments and environmental monitoring performed in these houses will be presented in 2010
	Socio-environmental responsibility	Sambaíba Program	- Handicraft in Serpentine Rock and banana tree fiber projects, included within the scope of the Sambaíba integrated waste management program makes use of safe and environmentally friendly technologies. These project have benefited from the development of new technologies, which are in keeping with sound health and environmental preservation principles

Anti-Corruption (Anti-Corruption)

PRINCIPLE 10 - Businesses should work against all forms of corruption, including extortion and bribery.

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Commitment	Systems, Processes and Programs	Actions	Performance / Results
Instituto Brasileiro do Crisotila has always upheld the principles of ethics, transparency and impartiality in its relationship with stakeholders. The institution, therefore, will not condone any attitude that indicates the granting of illicit favors, or any kind, and strongly objects to any form of extortion, bribery, or any behavior constituting a violation of the law.	Internal policies	Accounting and Financial Audits	- IBC contracts an independent third-party audit every 2 years
		Publication of the Balance Sheet	- Annual publication of IBC Balance sheet in regional newspapers
	Social and environmental responsibility	Registration in the Ministry of Justice	- Every years IBC submits an activity report and its balance sheet for the fiscal year to the Ministry of Justice
		Classification as an OSCIP- Civil Society Organization of Public Interest	- Since 2003, IBC has been classified as an OSCIP, and as such, at the end of the fiscal year, must submit its balance sheet to the Ministry of Justice
	Relationship with suppliers and preferred contractors	Contract policy	- Management policies adopted by IBC prioritizes executing formal contracts with the institute's many suppliers as well as legally established companies

Brazil - November 30, 2009