

# COMMUNICATION ON PROGRESS (COP) BERACA SABARÁ



 BERACA

## PRESIDENT MESSAGE

After 03 (three) years as part of this initiative, we are gratified to participate in a program of a such comprehensive integration between companies seeking to move and build a different future based on respect, welfare, development, equality, justice, ethics and moral as some of its main values, capable of transforming everyday actions in a commitment for a better world and a harmonious, fair and solidarity society although it is not easy, takes time and must be achieved step by step.

Although Beraca is in the market for more than 53 years and having experienced different processes for growth and adaptation to the market in which it operates, just in recent years, the quest for excellence and quality within an ethical and sustainable growth challenges have become our main goals.

In our business practices, we are driven to adopt the principles of the Global Agreement as part of our strategy, culture and daily operations, implementing social values of work, investing heavily in job security and training of its employees, creating a healthy working environment and robust to meet the growing challenges of global competition, valuing family and motherhood.

In this particular, Beraca assembled a competent and highly encouraged team that applies its talent and potential in company development growing together on the practices of the ten principles.

Within this vision, Beraca, through their activities and products, besides providing recovery of water resources and increased access to safe drinking water, practice sustainable management of natural resources, which, in the final analysis and within a broader concept of biodiversity conservation, provides protection and species conservation and means to improve the life quality of local communities.

As social consequences of our actions we see, among others, a visible collaborative reduction of social inequalities that catalysis economic growth, income generation with consequent reduction of social inequalities, promotion of human dignity and the recovery and enhancement of cultural identity of local communities where they are.

In order to disseminate the Global Agreement initiative to our different costumers and replicate our practices associated with their principles, we published our first Sustainability Report, based on GRI criteria, in 2008, making it available to the general public, as well as, customers, suppliers, associations, governments, scientific institutions, universities, employees and other players in the third sector, through our website.

In 2009, we also acquired the media campaign produced by the Brazilian Committee of the Global Agreement to promote the awareness and engagement of new signatories.

However, it is necessary to go further and in this particular, The Global Agreement program has been a strong basement to improve our governance practices, strengthening our performance under the pillars of ethics and transparency.



Marco Antonio Matiulli Sabará / Ulisses Matiulli Sabará  
Presidents



Pacto Global  
Rede Brasileira

BERACA



## WHO WE ARE

Beraca is a Brazilian company, operating in over 40 countries around the world. The company's specializes in developing technologies, solutions and high-performance raw materials for the water treatment, animal nutrition and health markets, and for the cosmetics, food and beverage industries.

With a history spanning more than 50 years, Beraca is a genuinely Brazilian company, recognized for its capacity for innovation and adaptation. For three generations, Beraca has overcome challenges and stands out in its market. It has a commitment with the well-being of people around the world and it goes beyond offering innovative products and services. Its activities take future generations into consideration, focusing on solutions that assure sustainability.

Product development is supported by 100 per cent Brazilian know-how and technology, a factor that contributes to make Brazil a reference in the development of products for a sustainable world.





## Commitment

Respect the individuality and dignity of people

## Policies, Systems, Processes and Programs

- Human Resources

## Actions

- Life Quality Program
- Immunization against Influenza Program
- Food and Health benefits and Group Life Insurance
- Scholarship Program
- Foreign Language Course Program
- Prevention of Environmental Risks Program
- Control and Occupational Health Program

## Performance

- Conducting Lectures, Health Tips, Labor Gymnastics
- Encourage physical activities and actions of well-being, as well as preventive treatment of cases that require medical care.
- Allowance of 80% of the meals to 100% of employees.
- 100% of employees have medical, dental and life insurance, extended to dependents.
- Representative increase of academic level with inclusion of graduates in different specialties and postgraduate students and teachers in our workforce.
- Conducting periodic medical examination.
- Quantitative/Qualitative working environment evaluation, seeking to guarantee the employee physical integrity.
- CIPA (Internal Accident Prevention Commission), with completion of internal accident prevention week, with the completion of 38 speeches focused on reduction of accidents and occupational diseases.



#### Principle 2

### Avoid complicity in human rights abuses.

#### Commitment

The company is committed to preventing complicity and human rights abuses in all its business units

#### Policies, Systems, Processes and Programs

- Human Resources
- S.A 8000
- Prodir
- Mão Certa (Right Hand) Program

#### Actions

- Internal Census
- Volunteer
- Social Responsibility Policy
- Security and Employee Health Policy
- Holding lectures to the staff and professional associations (Abiclor)
- Encourage Bioma Amazon suppliers to settlement of tax and administrative cases, through the formation of associations/cooperatives of those communities
- Adequacy of facilities for accessibility to people with special needs.

#### Performance

- The company has in its workforce: 69% men, 31% women, of that total, 11% are over 45 years.
- Of the women in our group of employees, 18% are in leadership
- The education level of our workforce is composed as follows:
  - o Elementary - 12%
  - o High school - 33%
  - o Technical Education - 2%
  - o Incomplete college education - 18%
  - o Complete College education - 29%
  - o Post Graduation - 5%
  - o Doctorate - 1%
- We invest in healthcare institutions in support of children and adolescents in communities around our plants.
- Encouraging volunteering with the surrounding community - Christmas Outreach
- Extension to the productive chain of commitment against slavery and the exploitation of child labor
- 70% of suppliers are meeting in association with others.
- Improved accessibility for people with special needs



Principle 3

**Ensure the right of association and effective recognition of the right to collective bargaining.**

### Commitment

The company defends the freedom of syndical association of its employees

### Policies, Systems, Processes and Programs

- Human Resources
- S.A 8000
- Collective Agreement
- Reward policy extended to the entire company
- Apply the pricing of raw materials from Brazilian biodiversity, based on PGPM - Minimum price guarantee program

### Actions

- Disclosure of the internal policy of social responsibility
- Total adoption of trade agreements reached between representatives of employers (economic class) and employees (professional category) established in Collective Agreement
- Implementation of Profit Sharing and Results – PLR
- Purchase of biodiversity products

### Performance

- 100% of employees are represented by syndical associations of chemical segment, also secured by our social responsibility manual (Chapter 1)
- Currently Beraca has 01 syndical leader in its staff. The company, when required, provides exemption to the leader, without discount the day of his remuneration, to provide services to his professional association.
- The syndicate has a representative that participates in the commission to discuss company's Profit Sharing Program.
- Encouraging to selling Amazon products at a fair price by the suppliers (communities), providing higher value added and assistance of extra income to the economic family standard.



Principle 4

**Eliminate all forms of forced or compulsory labor.**

### Commitment

The company does not admit any form of forced or compulsory labor, either on their premises or in any business relationship with customers, partners or suppliers.

### Policies, Systems, Processes and Programs

- S.A 8000
- Organic Certification

### Actions

- Registration and approval of suppliers, public and private clients
- Internal audits to highlight the policies laid down and implemented in SA 8000
- Do not employ persons below eighteen years of night work, dangerous or unhealthy and does not employ minors sixteen
- Social Responsibility Policy
- Monitoring of Social Work, developed by communities on the basis of payment for product.

### Performance

- Business restriction with companies that use any form of forced labor.
- 33% of suppliers Beraca proved the legality of their practices against forced labor, slavery and using child labor.
- Support the volume of product purchased to community satisfactorily.
- Statement of compliance with the law 9854, 27/10/1999 in our commercial offers that we have not minors in our staff.



Principle 5

**To effectively abolish  
child labor.**

### **Commitment**

The company does not admit any form of child labor, either on their premises or in any business relationship with customers, partners or suppliers.

### **Policies, Systems, Processes and Programs**

- Social Promotion and Community Development
- S.A 8000
- Organic certification
- Joining the Ethical Union Biotrade Program

### **Actions**

- Financial contribution to the ongoing care institutions in the states of Pernambuco, Ceará and São Paulo
- Dissemination through the Internet of the social responsibility policy
- Collective instructions to communities that supply the Amazon raw material and not allow to child labor in collection activities.
- Adherence to Mão Certa (Right Hand) Program (educational work for carriers against the sexual exploitation of children on the roads).

### **Performance**

- Effective actions for development and children and adolescents well-being
- Protection against child labor in our supply chain and in our internal workforce
- Since 2002, Beraca is member of Abrinq Foundation for children rights.
- Involve children in school activities, as well as family planning to communities' collectors, in implementation of their financial resources to purchase school supplies for their children.
- Raise awareness that our service providers (carriers) are signatories of Mão Certa (right hand) Program.





Principle 6  
**Eliminate employment  
discrimination.**

### **Commitment**

Respect the individuality and dignity of people, not tolerating in your work environment any form of discrimination

### **Policies, Systems, Processes and Programs**

- Human Resources
- S.A 8000
- ONGINTEGRARE
- Statement of company values

### **Actions**

- Job description Plan and Evaluation System of Individual Performance
- Internal and external communication of social responsibility policy and values statement
- Apprentice Program
- Social Inclusion Program
- Research SA 8000
- Valuation of products from minority groups such as blacks, Indians and people with special needs

### **Performance**

- Hiring and promotion based on job performance through Performance Evaluation System
- Explicit repudiation of all forms of discrimination
- Inclusion of youth to labor market
- Inclusion of people with special needs
- Data of Employees in 2009: 61% white, 2% yellow and 37% black
- Support to NGO focused on minority groups



#### Principle 7

**Companies should support an approach to environmental challenges.**



### Commitment

Encourage operations that enable sustainable development and its associated values, ensuring practices that ensure respect for the environment

### Policies, Systems, Processes and Programs

- Policies and Programs PRODIR (responsible care)
- Policies and Programs ECOCERT
- Policies and Programs FSC
- Participation in the initiative called Business and Biodiversity
- Amazon Sustainable Forum
- Wood Agreement (Ethos Institute)
- Caring for Climate

### Actions

- Training for the promotion of ecological management of species and ecosystems
- Action to encourage the rational use of soil
- Action of preventive security for handling, storage and transport of chemical
- Tracing the destiny of waste disposed.
- Discussions with companies that work with biodiversity in a sustainable way
- Identification of public environmental problems
- Encouraging and awareness of Amazon preservation and conservation
- Identification and development of environmental public policies for Amazon
- Communication of a plan to protect the rainforest with companies, government institutions and organized civil society
- Awareness of Chamber of Deputies and Senate about Amazon environmental issues
- Dissemination of Wood Agreement to communities suppliers of raw materials, customers, government institutions and NGOs through workshops, dissemination through electronic way and training seminars and workshops
- Respect for products that are part of the list of CITES / FAO, avoiding any form of marketing and encouragement of forest species/endangered animal in the Amazon
- Actions to reduce emissions of greenhouse gases by: reducing the use of electricity, replacing by the solar energy in plants, encourage use of electronic communication instead of paper; replace the recycled paper (70%); use recycled packaging, containers, etc., during the manufacturing processes and increased production of organic raw material to supply the world's cosmetic industry
- Adequacy of Biotrade program principles and criteria established by FAO on company's activities for the next 5 years
- Investors partner search for reforestation of Beraca Itapissuma area, seeking recovery of native forest and oil extraction.
- Sharing with clients from dangerous products responsible for handling, maintenance and training through the provision of services Global Service.
- Exchange Policy of engines and equipment more efficient in terms of power consumption.
- Exchange of packages of chips for recyclable and biodegradable packages
- Installation of leak detectors for chlorine in all units to increase security and prevent leakage of products.
- Partnership with the City Hall to recover and maintain environmental protection area

## Performance

- Positive impact on sales of products certified ECOCERT / FSC / PRODIR
- Conquest and Expansion of access to national and international markets as a result of certifications
- Regarding the adoption of policies and programs PRODIR, there was a 25% reduction in the generation of liquid waste, 17% in power consumption and 2% of water consumption.
- Promote awareness and use of biodiversity.
- Participation in national and international events to dissemination of the principles and criteria given in the various programs mentioned above:
- Presentation of the importance of preserving non woody products and wood extractors who work as agents for the cosmetics industry customers in the U.S. (J&J; AVEDA, AVON, ESTEE LAUDER; ZOTO; LOREAL) and Europe (LOREA, The BODY SHOP, L'OCCITANE)
- Lecture about 40 different American companies during the symposium of the American Society cosmetology, eastern United States, disseminating the principles
- Training of community, entrepreneurs, technicians and professionals across the Amazon through Forest Structuring project coordinated by SEBRAE (Amazonas, Pará, Acre, Rondônia and Roraima)
- Formation of public policy for Amazon through lectures to the Strategic Affairs Secretariat of Presidency of the Republic.
- Participation in the elaboration of the National Plan of socio-biodiversity products, coordinated by the Ministry of Environment, in partnership with Ministry of Social Development, Ministry of Agrarian Development, CONAB (National Supply Company), EMBRAPA (Brazilian Agricultural Research Corporation - Embrapa , under the Ministry of Agriculture, Livestock and Supply)
- Discussion with suppliers and customers regarding the implementation of BIOTRADE PROGRAM
- Establishment of contract of sale of raw materials from the suppliers from the Amazon Forest, thus ensuring the purchase of the product
- Safety in handling hazardous chemicals.
- Customer Service in order to distribute the responsibilities and risks in the Global Service.
- Development of new suppliers of security equipment for chlorine that have higher quality, such as safety kits, flexible and valves
- Preservation of spring water in surrounding areas



#### Principle 8

**Companies should undertake initiatives to promote greater environmental responsibility.**

### Commitment

Promote respect for the environment (adoption of the Millennium Development Goals)

### Policies, Systems, Processes and Programs

- Sustainable Waste management
- CIPA (Internal Commission for Accident Prevention)
- Product certification policy based on socio-economic and environmental standards

### Ações

- Placeholders for collection and separation of recyclable materials
- In partnership with EMBRAPA, 1050 copies of booklets on environmental education, health and hygiene were distributed for children supported by Assistance Institutions.
- Creation of committees in all units with members elected by employees
- Annual Performance of Prevention of Accidents at Work Week
- Annual Renewal of Control and Occupational Health Program (PCMSO) and Prevention of Environmental Risks Program (PPRA)
- Procedure for annual certification of raw materials through the establishment of standards for separation, storage, processing and selling without the use of agrochemicals
- Collection and proper disposal of packaging to customers.
- Logistics optimization of routes
- Changing the type of illumination of subsidiaries.
- Project for use of rainwater for irrigation, floor washing and toilets and faucets control use.
- Replanting of fruit tree and hedge planting
- Design for power generator installation

### Performance

- With the sale of recyclable material, there was a decrease in the generation of solid waste, the need for further exploration of minerals and forest clearing.
- Certification of organic products from 7 of 12 main line of Amazon, including 6 communities with about 3000 families
- Partnership project with the client SADIA to collection of packages for proper disposal.
- Implementation of Logistics Department and optimization program of routes reducing fuel oil consumption and consequent CO2 emissions
- Change to energy-saving bulbs and reform of civil workplace with better use of natural lighting.
- Installation of ETE for reuse and piping for use reclaimed rainwater for toilets, irrigation and floor washing and installation of taps of pressure to avoid wasting water.
- Restoration of dry tree with revitalization of foliage and fruit (cajamanga)
- Use the generator at peak times by reducing electricity consumption





### Commitment

Its mission is to promote the development of its employees by creating value for its customers, partners and shareholders through sustainable development.

### Policies, Systems, Processes and Programs

- Chlorine Dioxide Process: the investment in research in the production of chlorine dioxide allowed to incorporate into our product line a sanitizer with less environmental impact with regard to its implementation and generation of unwanted by-products in water
- Tablets Process: the development of a line of chlorine tablets to disinfect water provides results consistent with chlorine gas, with greater security while minimizing the risks to health and environment, providing access to safe drinking water to communities in remote areas
- PAC Process: the research and investments in production of poly chlorine aluminum makes it possible to offer a more efficient flocculant that minimizes environmental impacts due to lower generation of solid waste (sludge) as well as a reduction of over 50% of the concentration of aluminum in the mud.
- CTA Process: The development of performance systems for cosmetics certified organic industry.

### Actions

- Donation and Deployment of dryers seeds with the use of solar and wind power in local communities.
- Development of tests proving the effectiveness of such systems of performance in final products in the cosmetics industry.
- Start the process of adaptation of chemicals for sanitation to meet the ABNT standard of chemicals for sanitation, with the certification process and product

### Performance

- The action promoted the improvement in the quality of the raw material produced by local communities and consequent monetary gain, besides generating direct and indirect jobs
- The Chlorine Dioxide Process, Chlorine Tablets process and PAC Process, besides a greater financial gain, increased safety in handling and product application, protecting health and environment; promotes greater flexibility in water treatment, as well as better final quality.
- As an example, the application of Chlorine Dioxide Process and PAC, at Water Treatment Station in Fortaleza/CE (ETA GAVIÃO Water and Sewerage Company of Ceará), contributed to reduce the trihalomethanes (THM), with control of algae, with the elimination of pre-chlorination level and the 12% increase in the flow of treated water, providing the community throughout the city of Fortaleza, improved water quality and public health.
- Presentation of the performance systems in national and international fairs, being evaluated and approved in companies with large market share



### Principle 10

**Fighting corruption in all its forms, including extortion and bribery.**

#### Commitment

It is part of the company's mission to develop a corporate culture based on principles of fairness, transparency, ethics and moral obligations resting on the Principles of the Global Agreement and Millennium Development Goals.

#### Policies, Systems, Processes and Programs

- Good Corporate Governance practices
- Unrestricted legislation Compliance in practices throughout its value chain

#### Actions

- Signature of Business Pact for Integrity and Against Corruption, organized by Ethos Institute
- Adoption of best practices in corporate governance, such as:
  - Transformation of legal form for the model of Joint Stock Company
  - Installation of a Administrative and Audit Board
  - Installation of Advisory Committees to the Board, responsible for the following topics:
    - Strategic Planning, Management, Safety Health and Environment, Sustainability
    - Adequacy of financial reporting standard to IFRS (International Financial Reporting Standards)
    - Implementation of International Standards for internal controls, such as ITIL, COBIT, SOX
- The spread from the suppliers (communities), forming the tax culture in the most deprived areas of difficult access and reducing the high informality

#### Performance

- Promoting greater internal awareness about the issue, with the solidification of ethical conduct in company business.
- Purchase of raw material in Amazon region with the presentation of invoices, 100% of extractive suppliers
- Increased efficiency of internal processes, through the good practices implemented
- Valuation of corporate image and apparent increased of financial market ratings, enabling greater competitiveness