



DECLARATION OF CONTINUOUS SUPPORT

by MPD Engenharia Ltda

Relative to the period from 01.01.2013 to 12.30.2013.

São Paulo, February 01 2014

To our participants.

I am glad to confirm that MPD Engenharia Ltda is hereby reaffirming its support to the ten principles of the United Nations Global Pact in the areas of Human Rights, Work Rights, Environment, and the fight against corruption.

In this annual communication about our progress, we describe our actions to continuously improve the integration of the Global Pact and its principles into our business strategy, culture, and daily operation.

We are also committed to share this information with our participants, who use our main communication channels.

Sincerely,

Mauro Piccolotto Dottori

President-Director

HUMAN RIGHTS PRINCIPLES

MPD Engenharia has the strong commitment to defend ONU's Universal Declaration of Human Rights and particularly because it is a private company, on the following articles:

Article I: "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood".

Article IV: "No one shall be held in slavery or servitude; slavery and the slave trade shall be prohibited in all their forms".

Article XVII: "Everyone has the right to own property alone as well as in association with others".

Article XXIII: "Everyone has the right to work, to free choice of employment, to just and favorable conditions of work and to protection against unemployment. Everyone, without any discrimination, has the right to equal pay for equal work. Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. Everyone has the right to form and to join trade unions for the protection of his interests".

Article XXIX: "Everyone has duties to the community in which alone the free and full development of his personality is possible".

The Internal Regulation of MPD Engenharia, concerning Human Rights and the prevention of potential abuses, records:

Hiring and work contract, Article 1 – The criteria for hiring will be meeting the basic requisites of each role, according to predetermined criteria and goals. There will be no discrimination by religion, philosophical or political conviction,

nationality, origin, gender, skin color, sexual orientation, marital status, or physical or mental disability.

MPD Engenharia has too a policy demanding that business partners and suppliers also adopt the Human Rights principles. On all contracts between MPD Engenharia and service providers there are specific clauses demanding that all employees of these companies are hired according to the law and receive all benefits.

Also, all principles and values of MPD Engenharia are also demanded from the contracted service providers:

Internal Regulation – Preamble – The directives on this internal regulation apply to all employees and when applicable, to all those only with a contractual connection to MPD Engenharia.

For 2014 one of the main goals of Human Resources is to keep MPD Engenharia on the “150 Best Companies to work in” (in Brazil) list, according to Exame/Editora Abril magazine, the most important Brazilian business’ magazine, as it was achieved in 2013.

The fact that this company is among these 150 shows the commitment of MPD Engenharia in front of its employees to uphold norms and procedures for hiring, evaluation, payment, benefits, and recognition of the people who work at MPD Engenharia without any kind of discrimination.

MPD Engenharia fulfills completely the hiring quota of people with disabilities in its construction sites and offices.

The leadership receives training and coaching on the best practices for team management.

It is the Human Resources Directors’ task to accomplish the customary awareness activities to impress on employees the importance of Human Rights, as well as other training and personal development activities.

As such, the skills training activities on different levels of the company are the space for actions focusing on respect for Human Rights. In employees' internal Learning & Development activities, MPD Engenharia reinforces the need to respect human rights.

The internal regulation, the benefits regulation, the hiring per competency, payment policies, and the team development courses on construction sites and offices are aligned to the Vision of MPD Engenharia: to be a national Reference in construction and incorporation, recognized by the respect for customers and employees, with innovation, sustainable growth, and financial solidity.

For six years, there is a performance evaluation process in MPD Engenharia, both for administrative employees as for the operational ones.

Two years ago, the electronic process was put in place and thus the managers receive the evaluation sheets from the previous year, as well as the goals previously negotiated, to evaluate performance and results achieved.

In this process, the manager gives feedback, both positive and constructive, and outlines a development plan together with the employee on what needs to improve.

On the form itself, the manager indicates any promotion or pay raise, if appropriate.

Besides, MPD Engenharia keeps suggestion boxes in all its offices and construction sites to gather complaints, criticism, or suggestions from employees regarding upholding Human Rights within the company. It is also possible to give feedback using the Human Resources e-mail and a direct phone line, Fala aí, 2149-0010.

When there is a specific complaint, the situation is analyzed by the Human Resources Directors of MPD Engenharia so that corrective or punitive measures can be taken together with the line manager of the department or activity area in which the complaint came from.

WORK ETHICS

Towards the relevance of rights at work for MPD Engenharia, the company follows entirely the norms of the 1988 Convention 167 of the International Labor Organization, regarding security and health in construction.

Going beyond, the following article is part of the internal regulation of MPD Engenharia: “Article 16 – It is the company’s duty to make sure that the necessary measures are taken to guarantee hygiene and security at work, and it is the employee’s responsibility to follow the regulations that follow them. To not follow these rules constitutes transgression”.

Also on MPD Engenharia internal regulation, the Chapter 1 says explicitly that the company is committed to hiring employees based on competencies and not any discriminatory factor.

The company does not hire minors due to security regulations on the sites.

MPD Engenharia maintains the Menor Aprendiz Project offering the opportunity of a first job on the office’s administrative areas.

There is too an internal document, known by every new and older employee, called “Benefit regulation”.

The policies of performance evaluation, roles and pay grades, training and hiring at MPD Engenharia can be found on “Construmanager”, an integrated management system for the company provided by an online Project and Architecture, Engineering Constructions platform.

And, the following item, among others, integrated the hiring instruments of third-party companies which participate on MPD Engenharia constructions: “The contractor must meet all the obligations mandated by law towards its employees, according to the current labor laws, in particular the registration of Work Contracts and labor safety.

It must also respect and make their workers and contractors respect the regulation for security and labor medicine. In case the contracted company fails to meet any of the regulations above, it will be subjected to a cumulative fine for infraction made by each employee or contractor, which will be imposed by MPD Engenharia.

To accomplish the risk evaluation related to labor on the industrial sector of operation, MPD Engenharia uses an integrated management process – PGI 09, with a plan for security and health management at work.

MPD Engenharia is certified by the OHSAS 18.001 regulation for meeting the work security procedures requisites.

MPD Engenharia also adopts PCMSO (Programa de Controle Médico e Saúde Ocupacional, Occupational Health and Medical Control Program), PCMAT (Programa de Condições e Meio Ambiente de Trabalho na Indústria da Construção, Conditions and Work Environment Program at the Construction Industry), LTCAT (Laudo Técnico das Condições Ambientais do Trabalho, Technical Report of Work Environment Conditions), and PPRA (Programa de Prevenção de Riscos Ambientais, Environmental Risk Prevention Program).

MPD Engenharia also uses the Golden Seal Program, which awards employees of the month, who have shown commitment to security by giving them a gift certificate and a golden seal for their cap.

The specific goals for the Work Rights area for the next year are a continuation of the action of 2013 and include:

- All MPD Engenharia hiring for all employees and third parties respect the current regulation of the Brazilian labor law.
- All employees hired by MPD Engenharia go through the integration dynamics of the company and get to know the security regulations.

- In all construction sites of MPD Engenharia, there are daily dialogs on security before the start of the work so the workers are prepared to accomplish their tasks with the best quality and security procedures.

With the intention to implement all this work policies, MPD Engenharia adopts: Integrated Management Procedures PGI08 (Identificação e Avaliação de Perigos e Danos SST, Identification and Evaluation of Dangers and SST Damages) and PGI09 (Plano de Gestão de Segurança e Saúde do Trabalho, Work Security and Health Management Plan). And there is a Work Security video on every integration dynamic activity to instruct and assure health and security of each employee.

MPD Engenharia makes efforts to prevent every kind of discrimination and guarantees equal pay for equal jobs. The roles and pay policy of MPD Engenharia assures just payment, according to market levels, and the hegemony among job roles with similar responsibilities.

The performance evaluation policy of MPD Engenharia allows the professional development, guiding employees towards better performance, recognizing, and valuing those who stand out in their accomplishments.

The responsibility of making sure that work rights are upheld is of MPD Engenharia's Human Resources area.

And internal regulation, benefits regulation, hiring policy, job roles and pay policy, training policy, and performance development policy support work principles.

And MPD Engenharia makes part in work union agreements, as Union of Workers on the Civil Constructions of São Paulo, Itapevi and Barueri, Praia Grande, Porto Alegre, and Mogi das Cruzes.

RESULT MEASUREMENTS

MPD Engenharia monitors and evaluates performance through performance evaluations made each year.

According the last evaluation, the numbers are:

Employees: 728, being 706 legal full time employees according to CLT Brazilian law, 17 interns and 05 minors who are apprentices.

Leadership: Men: 87%, Women: 13%.

Age range: 17% up to 25 years old, 18% from 26 to 30, 30% from 31 to 40, 19% from 41 to 50, 13% from 51 to 65, and 02% older than 65 years.

Gender: 86% male, 14% female.

Time on the company: 36% one year, 26% two years, 17% five years, 11% ten years, 10% over ten years.

To deal with incidents of work right violation, MPD Engenharia maintains suggestion boxes in all its offices and sites to gather complaints, criticism or suggestions from employees regarding Human Rights within the company. It is also possible to receive feedback using the Human Resources Directors email box and a direct phone line, Fala aí, 2149-0010.

MPD Engenharia follows and make other follow labor laws, respecting the rights of the workers.

If one of its subcontractors fails to observe any legal norm, MPD Engenharia intensifies supervisory checks and demands the necessary changes. In case the subcontractor fails to adjust, then they are cut off from working with MPD Engenharia.

And every semester there are meetings with the MPD Engenharia's responsible engineers in which the Legal Department

indicates the recurring issues on labor judicial processes so that the necessary attitudes are defined to adjust internal processes.

Besides, MPD Engenharia undergoes external audits, as:

- ISO 9000 audit made by Instituto Falcão Bauer;
- OHSAS 18000 audit made by Instituto Falcão Bauer; and
- Financial audit made by Ernest Young.

ENVIRONMENTAL PRINCIPLES

MPD Engenharia has an internal document called “Sustainable Practices Guide”.

There it is possible to find, among other things, the “Sustainable diagnosis of projects Project”:

1. SUSTAINABLE PLANNING

1.1 Start

1.2 Lifecycle analysis of construction implementation

1.3 Elements for an architectural project

1.4 Projects

1.5 Additional Projects

1.6 Sustainable landscaping

1.7 Eco-Urbanism (sustainable urbanism)

1.8 Construction management

1.9 Financial resources planning

2. PASSIVE LEVERAGE OF NATURAL RESOURCES

2.1 Natural lighting

2.2 Ventilation

2.3 Vegetation

3. ENERGY EFFICIENCY

3.1 Architectural project

3.2 Electrical Project

4. WATER SAVINGS AND MANAGEMENT
5. BUILDING RESIDUE MANAGEMENT
6. AIR QUALITY AND INTERIOR ENVIRONMENT
7. THERMALACOUSTIC COMFORT
8. RACIONAL USE OF MATERIALS
9. USE OF PRODUCTS AND TECHNOLOGIES ENVIRONMENTALLY FRIENDLY

Furthermore, the following item, among others, integrated the hiring instruments of third-party companies which participate on MPD Engenharia constructions: “The contractor in order to receive its dues, besides other mandates of this mechanism and those constants of the Summary Board, independently of any warning or request, deliver to the company the copy of the [...] “Environmental Risk Prevention Program for services within its scope - PPRA”.

In 2008 MPD Engenharia created the Sustainability Committee to disseminate sustainable attitudes in all of the companies’ activities in all construction sites (currently, February 2014, there are 21 construction sites in operation).

The Sustainability Committee is formed by employees of different departments in MPD Engenharia, in different job roles, and its actions and solutions are disseminated on an online informational bulletin and on the website www.embuscadasustentabilidade.com.br.

In compliance with that, in all internal work security and protection events at MPD Engenharia there are awareness activities on the need to protect the environment.

All construction sites and central administration of MPD Engenharia have special programs to save resources and deal with residues, as well as save energy and water.

New construction sites of MPD Engenharia use recycled material and supplies from other deactivated sites as a way to fully use materials and supplies.

All the wood in all construction sites of MPD Engenharia are certified and the reuse Waters are used for activities that do not demand drinkable water (equipment washing, water proofing tests, pools etc.).

And the material purchasing contracts, when applicable, specify the need to prove the certified origin of the material.

To ensure that, the environmental protection activities on MPD Engenharia construction sites are under the responsibility of MPD Engenharia's Development Vice-President and the Technical Directors of MPD Engenharia, and the MPD Engenharia construction sites are followed by Environmental Engineering technicians as well as work safety technicians.

ANTICORRUPTION PRINCIPLES

In the last decade, there have been important advances in Brazil when it comes to supervising, detecting and punishing cases of corruption and bribery, both in private and public institutions.

MPD Engenharia believes strongly that adopting a zero incident policy for corruption and bribery is fundamental for the economic health of nations and companies, as well as critical for the trustworthiness of professional and personal relations between employees and managers of different companies.

When it comes to the relationship with public institutions, the MPD internal regulation is explicit: "It is expressly forbidden to all MPD employees to offer gifts or benefits to civil servants, their family members or friends, whether directly or through third parties".

When it comes to the relationship with private companies, the MPD internal regulation is explicit: "The MPD employees and their families must not give or accept gifts or favors from clients, suppliers or competitors who correspond to more than US\$100,00 (one hundred US dollars). Gifts or favors over US\$100,00 (one hundred US dollars) which are received through business relationships must be communicated to the MPD Directors and, in case they are not approved, must be given back to whoever gave them with thanks and explanations".

The people responsible for applying and checking the Anticorruption Policies of MPD Engenharia are the Presidency, Vice-Presidencies, and first line Directors.

And as actions for implementing anticorruption policies, corruption risks reduction, and response to incidents, MPD Engenharia maintains suggestions boxes in all its construction sites and units to gather complaints, criticism or suggestions of employees within the company.

It is also possible to give feedback using the Human Resources Directors email box and a direct phone line, Fala aí, 2149-0010.

MPD Engenharia shows its unrestricted support to the United Nations Convention against Corruption, published by the UN on October 2003 and which Brazil has adopted on December 2003. The adoption was ratified on January 2006 after approval on December 2005 of the text by the National Congress.

MPD Engenharia watches over permanently on incidents of corruption and/or bribery on business activities, which it takes part on. The company believes that corruption and/or bribery are a threat to the sustainable good health of societies, companies, public institutions and the people who work on them.