



# ANNUAL REPORT **2013**

## TABLE OF CONTENTS

<b>PROMON IN 2013 .....</b>	<b>4</b>
PROFILE .....	9
REASON FOR BEING & ORGANIZATIONAL CULTURE .....	13
GOVERNANCE .....	15
STRATEGY & MANAGEMENT .....	18
COMMITMENTS & AWARDS .....	20
<b>CHARTS .....</b>	<b>22</b>
<b>BUSINESS ACTIVITIES .....</b>	<b>26</b>
ENGINEERING .....	26
PROMON ENGENHARIA .....	26
PROMON MEIO AMBIENTE .....	33
PROMON INTELLIGENS .....	36
INFORMATION AND COMMUNICATIONS TECHNOLOGY .....	39
PROMON LOGICALIS LATIN AMERICA .....	39
TRÓPICO .....	46
BUSINESS DEVELOPMENT .....	49
P2BRASIL .....	49
ASSOCIATED ENTITY .....	52
FUNDAÇÃO PROMON DE PREVIDÊNCIA SOCIAL .....	52
<b>ADDITIONAL PERFORMANCE INDICATORS .....</b>	<b>54</b>
PEOPLE .....	54
KNOWLEDGE AND PROCESSES .....	65
CLIENTS .....	69
PARTNERS AND SUPPLIERS .....	70
SOCIETY AND THE ENVIRONMENT .....	72
SOCIO-ENVIRONMENTAL IMPACT .....	72
COMPETITION AND PUBLIC SPHERE .....	77
HUMAN RIGHTS .....	78
SOCIAL INVESTMENT .....	79
<b>ANNEXES .....</b>	<b>83</b>
ABOUT THIS REPORT .....	83
REPORTING PARAMETERS .....	83
GRI APPLICATION LEVEL .....	87
GRI CONTENT INDEX .....	88
GLOBAL COMPACT .....	102
<b>MANAGEMENT TEAM .....</b>	<b>104</b>

## PROMON IN 2013

The year of 2013 showed signs of recovery on the global economic scenario and marked a return to moderate growth in developed countries and good performance of a number of emerging economies, including in Latin America. In Brazil however, anyone who foresaw a more promising year had his expectations frustrated, with a low GDP growth of just 2.3% caused by structural problems. If on the one hand the infrastructure sector, one of Promon's fields of activity, continued to present challenges which must essentially be overcome for the country's development, on the other hand it showed positive signs, given by the government, by establishing new conditions where investments can proceed more dynamically.

Although important points remain unresolved which could complete the virtuous cycle leading to a renewal and expansion of different segments of the country's infrastructure, such as the definitions of regulatory frameworks in railroads, ports and mining, the return to the concession and privatization process opens the door to the necessary investments, gains in efficiency and productivity and the improvement of services offered to society.

Backed by over half a century of both technical and management experience and knowledge accumulated in projects of significant importance for Brazil, Promon is well placed to take part in this movement, which tends to drive the main vectors of development of the country, and also to attend the growing demands resulting from the evolution of the socioeconomic profile of the population in recent years. In addition to the sectors of oil and gas, mining, transportation and urban mobility, ports and airports, broadband and innovative communication systems, connectivity and electrical power are numerous other sectors that can count on the expertise of Promon which, through its companies, contributes knowledge and technology to the offer of efficient solutions for the development of enterprises in a fresh context.

In 2013, revenues of all the businesses under management of the Group, regardless of their respective shareholder participation, totaled R\$2.3 billion, an increase of 13% over the previous year. Net profits, after profit-sharing paid out to employees and managers, represented 5% of net operational revenue. Promon S.A. retains a solid situation in terms of both equity and liquidity.

**TOTAL OPERATING REVENUE FROM BUSINESSES  
MANAGED BY PROMON S.A.**

in millions of reais



Source: Management Reports

**PromonLogicalis Latin America**, a Group company dedicated to systems integration in the market of Information Technology and Communication (ITC) and a joint venture with the British firm Logicalis, saw revenues jump 26% in 2013, driven by the investments of corporations in its technological infrastructure and the telecommunications companies to meet growing demand for broadband coming from, among others, the expansion of 3G and 4G installations, from increased data traffic as a consequence of the intensive use of mobile devices and from innovative solutions for cable channels that offer customers videos on demand.

In its five years of operation, the company has become the biggest ITC solutions integrator in Latin America and recorded numbers which bear witness to its vitality and potential. Since 2008, revenues have shown an average annual growth rate of 30%, net profits rose 36% yearly and its staff of professionals has more than doubled. The operation in the Andean Region, still in its infancy, is already showing considerable results in countries such as Bolivia, Peru and Ecuador, as well as great potential in Colombia. In the Southern Cone, the economic situation of Argentina has brought important challenges, in contrast with the exceptional results of the other countries in the region. In 2013, the company's presence in Latin America was bolstered by the installation of a branch in Mexico.

Although **Trópico Sistemas e Telecomunicações**, a Group company which develops software and hardware for the corporate and Telecommunications market, in 2013 won disputed contracts with big international suppliers, the withdrawal of the investments of traditional clients led to a drop in revenue. The company, a joint venture between Promon, the CPqD Foundation and Cisco Systems, has its signaling systems installed in 90% of the national network of landlines and attends the main operators of this service in the country. Always innovative in the offer of technological solutions, in 2013 Trópico brought a new product to the market in virtual architecture, which opened up space for the sale of commuting systems based on the concept of cloud computing.

The new investments in infrastructure have enabled diversification of the portfolio of **Promon Engenharia**, a full subsidiary of the Group which is active in the market of engineering and integrated solutions in infrastructure. Even with the advancement of this process and the reduction of Petrobras investments, the market for Oil and Gas still accounted for much of the sales in 2013. Revenue recorded a drop of 6% in the period. Civil infrastructure projects being installed in other areas in the country have reflected positively within the company and come to represent a growing percentage of its sales.

The company is fulfilling important contracts in the field of urban mobility. A groundbreaker in Brazil in engineering projects for metro systems, the company is operating in the metro of Salvador and on Line 4 of the Rio metro. It is consolidating a more active share in the port segment and has participated in the development of MIP's (Demonstrations of Interest of the Private Sector) which should turn into projects in the format of public-private partnership (PPP's). During the year, Promon Engenharia has diversified its offer of professional services, such as technical and economic feasibility studies of new investments and asset evaluation in its various fields of activity, stressing its capacity to operate throughout the cycle of developing business ventures. In mining its operations with junior mining companies have expanded its client base, which already consists of the major mining companies established in the country.

Where international activities are concerned, Promon Engenharia, which has a history of developing a number of overseas projects, announced it was opening an office in Peru, a country that is experiencing intensive investments in mining, and other areas of interest to Promon.

**Promon Intelligens** provides a consulting platform, which is complemented by the competencies of the other companies in the Group, for the diversification of offers combining knowledge, innovation and experience. Set up with the differentiated proposal in the sector to offer support to organizations in strategic decision-making in complex environments, such as those that involve the selection and implementation of technological routes, the company carried out studies and projects in the areas of urban and real estate planning, sugar-alcohol industry, energy and consumer goods in its first year of operation. Among these projects, the development of a reverse logistics business model is especially noteworthy, because of its high innovative content, since it was conceived to become a benchmark from the socio-environmental standpoint. The consultancy also offered technical knowledge and contributed by generating ideas for an initiative for an important reurbanization project in the city of São Paulo.

**Promon Meio Ambiente**, a company created by Promon in keeping with its proposal to make socio-environmental sustainability one of the central pillars of the Group's businesses, intensified process integration and strategy sharing with Promon Engenharia and Promon Intelligens, so as to be able to offer its clients a package of new solutions. In 2013, Promon Meio Ambiente increased its participation in the capital of Brandt Meio Ambiente, TerraVision Geotecnologia and Verti Ecotecnologias, and became the controlling shareholder of these companies.

Another important direction of Promon's activities can be seen in its role managing investment funds targeted for ventures in the areas of its technical competency, through **P2 Gestão de Recursos (P2Brasil)**, a joint venture between Promon and Pátria Investimentos. Its first fund, P2Brasil Infraestrutura, put together a portfolio of six companies from different sectors, ranging from the logistics of agribusiness to the infrastructure of mobile telecommunications and including river transport and navigation services for the sector of offshore gas and oil exploration. At the end of the period, P2Brasil began to raise capital with foreign and Brazilian institutional investors of a second fund, also for investment in the area of infrastructure.

At the end of 2013, the Group staff numbered over two thousand four hundred highly qualified professionals, five hundred of whom were based in other countries of Latin America. To adapt to the growing demand for fresh proposals and new sectors, the companies made adjustments in the profile of their professionals, seeking to align the required competencies. The quality of the organizational climate has remained at high levels where the satisfaction and pride to belong of its professionals are concerned.

Well aware that a company which considers knowledge and the pursuit of innovation to be its fundamental input and goals, Promon has renewed its training programs every year. During the period, our professionals dedicated almost fifty thousand hours to training – nearly twenty-five hours per employee. As well as specialized courses, the company promoted an extensive program of innovation and entrepreneurship, intended to stimulate the community to become more engaged and informed to face the challenges of the organization.

Indicators of occupational health and safety and those of client satisfaction of the Group companies, always kept at benchmark levels, reached record levels during this period.

Loyal to its principles and values, which put the environment and society as vectors for evaluating its business, the Promon Group is engaged in initiatives to build a better, more just and balanced society. Volunteer programs are organized by the Group with the communities where its companies are operating. The organization is also associated with various movements and institutions promoting corporate social responsibility and is a signatory of the United Nations' Global Compact, in which it is an active participant by way of its Brazilian Committee.

As in previous years, its position in regard to socio-environmental issues, management of people, project management and excellence in professional performance, as revealed in client satisfaction surveys, have earned public acknowledgement and awards from important organizations and national media vehicles.

Promon recognizes the short-term challenges in fundamental sectors of the Brazilian economy, in both the macroeconomic and the regulatory field, to enable Brazil to realize its full potential. The increased competitiveness of Brazilian companies and the establishment of new standards in availability and quality of public services offered are essential to meet the demands of Brazilian society adequately and for the country to become a major player in the global economy.

The company regards Brazil from an optimistic standpoint, believing it will manage to overcome obstacles and consolidate a favorable climate not only for investments of companies expanding their production capacity and improving productivity but also for building up its infrastructure. With the experience of 53 years' activity as well as recognized competencies in these areas and always ready to meet new challenges, Promon will continue to make a significant contribution to Brazilian progress.

Luiz Ernesto Gemignani  
Chairman of the Board

Luiz Fernando T. Rudge  
Chief Executive Officer

## PROFILE

The Promon Group is controlled by the holding company Promon S.A., home to the organization's strategic and executive coordination. With headquarters in São Paulo and comprising companies with physical presence in nine other countries of Latin America, its only shareholders are the professionals linked to the Group.

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 Estratégia e Tecnologia Ltda. make up a group of entities through which the organization's principal business is conducted, each managed autonomously but always aligned with the overall strategy, policies and guidelines laid down by the Group.

Promon Engenharia, a fully-owned subsidiary of Promon S.A., is operative in the market of engineering and integrated solutions for infrastructure, focused on the strategic sectors of Electrical Power, Process and Manufacturing Industries, Infrastructure and Special Buildings, Environment, Mining and Metallurgy, Oil and Gas, and Chemicals and Petrochemicals.

Promon Meio Ambiente was created as a part of the Group's strategy to make sustainability a decisive axis of its activities. The company, which, in the previous year, held a 30% share of the capital of Brandt Meio Ambiente Ltda., TerraVision Geotecnologia e Geoinformação Ltda. and Verti Ecotecnologias S.A., through the holding company Ozônio Empreendimentos S.A, took control of 52.7% of the three companies' capital as of February 2013.

PromonLogicalis Latin America is a joint venture between Promon S.A, with participation of 40% in its capital, and the British company Logicalis Group Limited (60%). Dedicated to systems integration in the Information and Communications Technology market, it is present throughout Latin America. Promon is fully responsible for its administration.

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

P2 Gestão de Recursos Ltda. (P2Brasil) is a joint venture between Promon S.A., with a 40% share of its capital, and Pátria Investimentos (60%) and specializes in private equity investments in infrastructure. Its administration is shared by both partners.

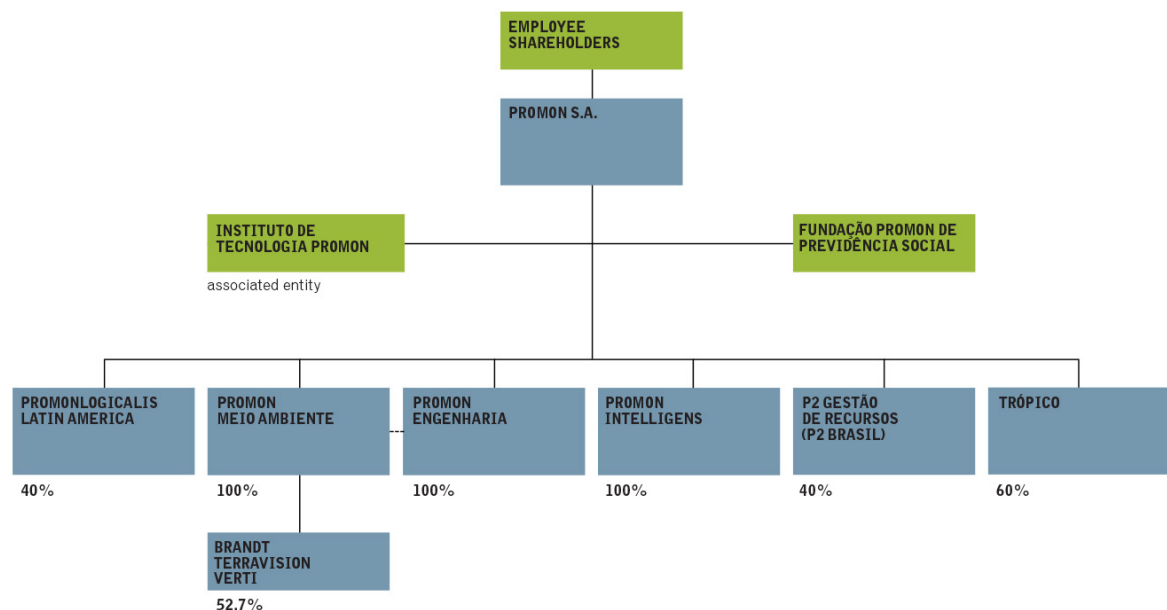


Promon Intelligens, a full subsidiary of Promon S.A., was established at the outset of 2013 with the mission to offer consulting services on strategic, technological and management matters to organizations that are undergoing complex dynamics of transformation and are seeking a viable, consistent, systemic approach to ensure efficiency and results in their business.

Promon Novos Negócios, a division of the holding company Promon S.A., has the mission to help the Group's entrepreneurial vocation grow in a structured, consistent manner, with the support of the organization's competencies and relationship networks, in order to stimulate development of new ventures in infrastructure-related sectors.

Completing the corporate structure are Fundação Promon de Previdência Social and the Instituto de Tecnologia Promon.

## CORPORATE STRUCTURE OF PROMON GROUP\*



\*as at April 2nd, 2014, General Meeting of the Shareholders in Promon S.A.

## INSTITUTO DE TECNOLOGIA PROMON

The purpose of the Instituto de Tecnologia Promon (ITP), a non-profit entity, is to serve as a hub to anticipate and prepare for the future by generating and disseminating technological knowledge throughout the sectors considered by Promon to be strategic.

In the field of technology prospection, 2013 was marked by the progress in the “Technological Observatories”, networks which bring young talent and senior specialists from Promon together to analyze specific topics. The studies dedicated to the topics of biotechnology and advanced bioproducts were merged into one and the same network. In addition, a new observatory was created to study shale gas. Work is going ahead with the other observatories dedicated to health and wellness and smart grids. Proposals for possible business opportunities are submitted to a feasibility analysis by the Group’s new businesses area. During the period, ITP launched an internal newsletter and also promoted events and presentations by researchers and leaders of start-up companies in their areas of interest.

The main initiative of a second work front of ITP, that of technology capacity building, is the Trajetórias Program, developed in conjunction with Promon Engenharia. In 2013, the procedures to create training modules were revamped and a fresh technological basis was adopted to allow an increased number of participants in the program.

## INSTITUTO RAZÃO SOCIAL

The Instituto Razão Social, a non-profit entity to promote improvements in public education in Brazil, brought to a close a cycle of over ten years of significant achievements and terminated its activities at the end of 2013.

The Institute, a joint initiative between Promon and Gerdau, which included a technological partnership with IBM Brazil, was set up to promote the development of teaching staff and administrators in public schools through actions on various fronts. Throughout its history, it applied an original model: instead of its own projects and programs, it formed networks with partners and added technology solutions to transform third parties' initiatives into actions that could be replicated at low cost, thus giving them indispensable broad coverage, considering the territorial size and diversity of Brazil.

The Institute's participation in various projects made it possible to use digital technologies in a number of learning processes. The following initiatives are some of the most outstanding in recent years:

- *Além das Letras* and *Além dos Números*: projects which were focused on improving teacher training in municipal school systems in the teaching processes of reading and writing and maths received support from Razão Social for their technological coordination, planning and administration.
- *Formar em Rede*: project for ongoing education of teachers in municipal school systems working with child education, involved over six thousand teachers and administrators in recent years.
- *Progestão Online*: course of school administration set up by the National Council of Secretaries of Education, the contents of which were transcribed to online media by Razão Social and which received assistance from the Institute in the quest for additional sponsorships to apply it on a wide scale. Nearly eleven thousand teachers took part in the program in the last three years.
- Social Mobilization for Education: program run in the municipality of Araucaria, Paraná state, which sought to arouse awareness of the community neighboring one of the Camargo Corrêa – Promon Engenharia Consortium works in regard to the importance of encouraging and monitoring the education and school life of local children. The program implementation model, which mobilized over twelve thousand people, was acknowledged by the Ministry of Education to be one of the most successful actions in the region.

The cycle now coming to an end recognizes the maturity acquired by organizations promoting third sector projects regarding the productive use of new digital media and efficient management procedures in this kind of project, innovative factors ten years ago when the Instituto Razão Social was created. Promon understands, therefore, that the Institute has fulfilled its role in promoting the introduction of the most suitable technological resources in each case and that the sector will continue to use these resources in the most commendable way on behalf of improvements in Brazilian public education.

## REASON FOR BEING & ORGANIZATIONAL CULTURE

Promon is a knowledge-based community of professionals, identifiable by its capacity to innovate which, with the pursuit of excellence as its basic tenet, aims to undertake and provide infrastructure solutions that add value for clients and other stakeholders; to offer its employees conditions for professional and personal realization; to be an active agent in the process of developing society and preserving the environment.

Community means having things in common, shared agreements which transcend the divisions of the company. Community implies a willingness to observe principles and rules, but also implies voluntary collaboration, much richer and less programmed. Collaboration is not altruism; it arises when people share a cause, feel they are part of a common destiny. A community may be described, may be mapped in formal terms, but it also has an emotional significance, a feeling of belonging, of union. Communities have a body, but also a soul.

The culture of a community or group of people is the true and profound expression of their beliefs, values and common purpose, which works as a substrate from which the practices and standards of behavior accepted and considered appropriate by the group in question may emanate. The organizational culture of Promon is a matrix which defines the format and content of the relationship of the organization with its stakeholders.

The starting point to comprehend its basic elements is the *Campos do Jordão Charter*, written in 1970, and containing the principles that express values, ideals and a vision of the world, particularly where the role of a knowledge-based company in Brazilian society is concerned. The pursuit of excellence in every aspect, appreciation for people from their personal and professional standpoint, a strict, ethical standard in all its relationships are some of the principles which comprise the declarations summarized in the Charter. Its complete text can be found on the page of the Organizational Culture of the Promon Group, at [www.promon.com.br](http://www.promon.com.br).

These principles, which in many respects exceed simple compliance with legal and contractual requirements, are conveyed in the internal documents which define the values and beliefs of the organization. In addition, the document *Promon Corpo e Alma* ("Promon Body & Soul"), distributed to all the professionals, presents the attitudes which have been consecrated throughout its existence in relations with clients, partners and suppliers, professionals, shareholders, the competition, the public sphere, society and the environment.

The degree of the professionals' adherence to Promon culture is continuously assessed. The results of the last years' organizational climate surveys, conducted by an independent organization, indicate that the satisfaction levels of professionals with the organization remain high.

Some indicators related to internal communication and the training of its professionals showed a slight drop in recent years, as a result of the natural expansion of the staff and the accelerated development of new business in the Group during this period. In spite of the fact that they continue to be considerably positive indicators when compared with external benchmarks, actions to improve them are being taken.

Promon is the expression of its professionals' worth and its culture is both its essence and its identity. It is, most probably, its greatest asset.

## GOVERNANCE

Promon has been continually improving its corporate governance in recent years. The concepts and practices adopted are fully concordant with the principles of transparency, fairness, accountability and corporate responsibility divulged by the Brazilian Institute of Corporate Governance and other institutions.

Grounded in the values and ideals of Promon, leadership is practiced in the organization by encouraging and showing appreciation for all the professionals to participate in company life, in an effort to arouse in everyone a sense of belonging to the Promon community.

The decision-making process obeys the following logic:

- The values and ideals of Promon must be present in every decision and at every level.
- The decision-making procedures, indicating those responsible and those affected, are part of the processes, systems and routines and lend credibility to decision taking.
- The results and actions arising from the decision-making process must be recorded, identifying the people responsible, and those involved, deadlines and the origin of resources, whenever appropriate.
- All those involved, including stakeholders, must be taken into account in the process. The decision making should give priority to the quest for consensus.
- Collective interests should prevail over individual interests.

## BOARD OF DIRECTORS

The Board of Directors of Promon S.A., the organization's highest authority, is responsible for the definition of the goals and general orientation of the business, and is elected by shareholder employees for tenures of three years. Its members, besides the requirements prescribed in law, must have proven experience in business and company administration and furthermore, in the case of the Members of the Board who are not considered independent, adhere unquestionably to the values and principles of the organization.

Performing a ritual of many decades, the shareholder employees were summoned to elect the Members of the Board for the term of 2013/2016, at the Annual General Assembly in April 2013.

Luiz Ernesto Gemignani, with thirty-five years at Promon, was reelected for the second time running Chairman of the Board. Luiz Fernando T. Rudge, Gilson Galvão Krause and Luiz Gonzaga Marinho Brandão, professionals who were already members of the Board in the previous term (2010/2013), were reelected for the new period. José Rodrigo Parreira and Wagner Tirolli, professionals who are very well acquainted with the organization, also joined the Board.

The Board of Directors of Promon S.A has Committees to support its activities. They have no deliberative functions and report their activities and recommendations periodically to the Board.

The Bylaws of Promon S.A. stipulate that the members of the Board of Directors should avoid all and any situation of effective or potential conflict of interest regarding the organization. It is up to the Member who finds himself in this situation to withdraw from discussions on subjects which represent a conflict, abstaining from any comments, manifestation or vote. The Board of Directors meets, under ordinary circumstances, every two months and, in extraordinary circumstances, whenever necessary.

## EXECUTIVE COMMITTEE

The Executive Committee of Promon S.A. is responsible for formulating and proposing to the Board of Directors the general strategy of the Promon Group, for the administration of the businesses, investments and strategic projects as well as for the appraisal of results, in all their perspectives (see “Strategy and Management”).

It consists of, since April 2010, CEO Luiz Fernando T. Rudge, thirty-two years in the organization and member of the Executive Committee since 2001; and of Executive Directors Felipe Alceu Amoroso Lima, Gilson Galvão Krause and Ivo Godoi Junior. All the members of the Executive Committee were confirmed in their positions for the new tenure 2013/2016 by the members of the Board of Directors elected at the Annual General Assembly in April 2013.

## LEADERSHIP RENEWAL

During the year in August 2013, the transition process was concluded, in which Felipe Alceu Amoroso Lima succeeded Gilson Galvão Krause at the head of Promon Engenharia, in a process coordinated by both Directors. On the occasion, Gilson began to act in a more general manner in the business of the Promon Group, assuming responsibility for the New Businesses area.

At the Fundação Promon de Previdência Social, the period was also marked by renewing the composition of its Deliberative and Fiscal Boards, as well as its Executive Directors, all of them with mandates until 2016.



## STRATEGY & MANAGEMENT

The short- and long-term strategies of the Promon Group are drawn up based on the annual cycles of strategic planning, an exercise involving the main leadership of each company in the organization.

Since 2005 the systemic vision disseminated by the companies in the Group has formally entailed eight strategic perspectives, which represent the principal stakeholders and main elements of its value creation dynamics and amply cover economic, social and environmental aspects. These are: clients; economic performance; knowledge and processes; organizational culture; partners and suppliers; people; society and the environment.

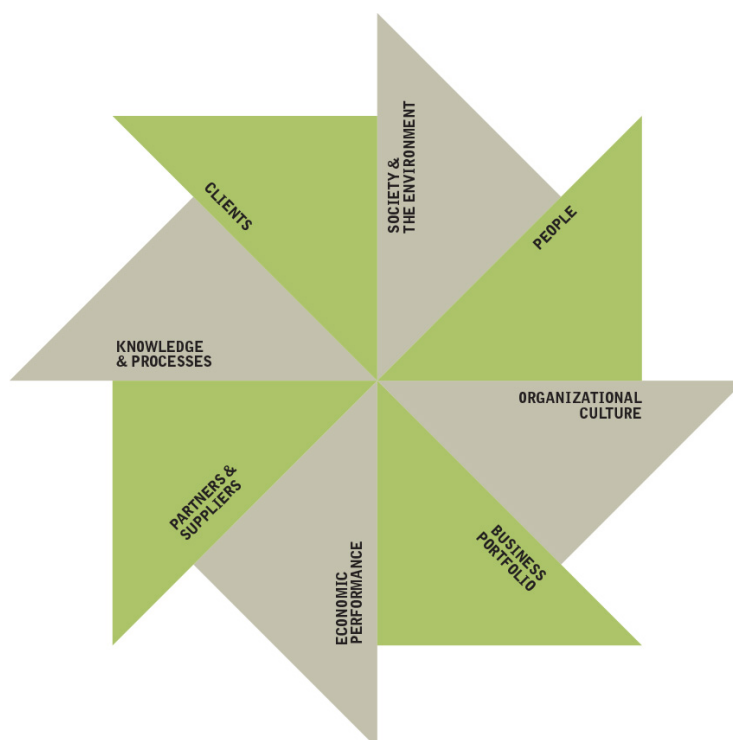
The dynamics of unceasing renovation introduced in Promon have induced it periodically to conduct more profound and wider-ranging exercises of trends and macro scenarios. One of these projects, the goal of which was to define a view of the future and possible scenarios for the current decade, took place in 2010, and its conclusions and orientation have been accompanied and re-analyzed in the annual planning exercises. This project was named “Promon 2020” and exposed over one hundred professionals from the organization to major issues faced by the world and by sectors in which it operates. In this way, it endeavored to establish the main strategic choices for the company.

This exercise led to the confirmation of the eight strategic perspectives mentioned above and the ambitious elaboration of macro-objectives for each one, expressing both simply and directly their interdependence and importance. More than objectives in the conventional sense, they express the aspirations of Promon for the coming years and were ratified during the strategic planning cycle in 2013.

Specific, detailed objectives for each one of the perspectives are defined or revised annually for each company of the Group, in the light of a balanced analysis of internal factors and of the stakeholders’ interest. These objectives, the status of the action plans made to accomplish them and the evolution of corresponding indicators are monitored monthly by the leadership of every company, in accordance with the management systems introduced by them. The causes of eventual deviations are also analyzed and corrective actions determined, when pertinent.

The annual performance of the companies in each one of the strategic perspectives, linked with the individual performance of each professional in both behavioral and occupational aspects, determines the amount of variable remuneration to be paid out to the individual professionals. The process involves the leadership of the companies and the highest body of governance at 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

The organization has been a signatory to the United Nations' Global Compact since 2006 (see "Global Compact"), of the National Pact for the Eradication of Slave Labor and of the Corporate Pact for Integrity and Against Corruption ("Clean Company" Pact). In May 2013, it signed the Letter of Commitment "Companies for the Sustainable Management of Solid Wastes" by which companies have committed themselves publicly to actions to accelerate the sustainable management of solid wastes in Brazil, considering it to be a unique opportunity to create a fresh development model for the country.

Promon is associated with the following movements and institutions: GIFE (Group of Institutes, Foundations and Companies); Akatu Institute for Conscious Consumption; Ethos Institute of Business and Social Responsibility; Competitive Brazil Movement and the All for Education Movement.

Promon is also a sponsoring member of the Fundação Nacional da Qualidade, a non-governmental organization dedicated to research and disseminate the fundamentals of management excellence, in which Promon S.A.'s CEO is a member of its Curator Council and the Chairman of the Board participates in the Council of Notables.

The companies of the Group are members of entities representing market segments where they are operating, such as ABEMI (Brazilian Association of Industrial Engineering) and ABDIB (Brazilian Association of Infrastructure and Primary Industry), in the case of Promon Engenharia; ABINEE (Brazilian Association of Electrical and Electronics Industry) in the case of Trópico and of PromonLogicalis; TELEBRASIL (Brazilian Association of Telecommunications) also for Trópico; ABRAPP (Brazilian Association of Closed Entities of Complementary Pensions) and APEP (Association of Pension Funds of Private Enterprises) in the case of the Fundação Promon de Previdência Social.



Its ongoing commitment to the introduction of socio-environmental issues in its business activities and the evolution of actions in this field have won Promon recognition from *Exame* magazine for the eighth year running, as one of the Country's model companies in corporate social responsibility, and where Promon Engenharia earned special mention in the category of "Consultancy, Management and IT".

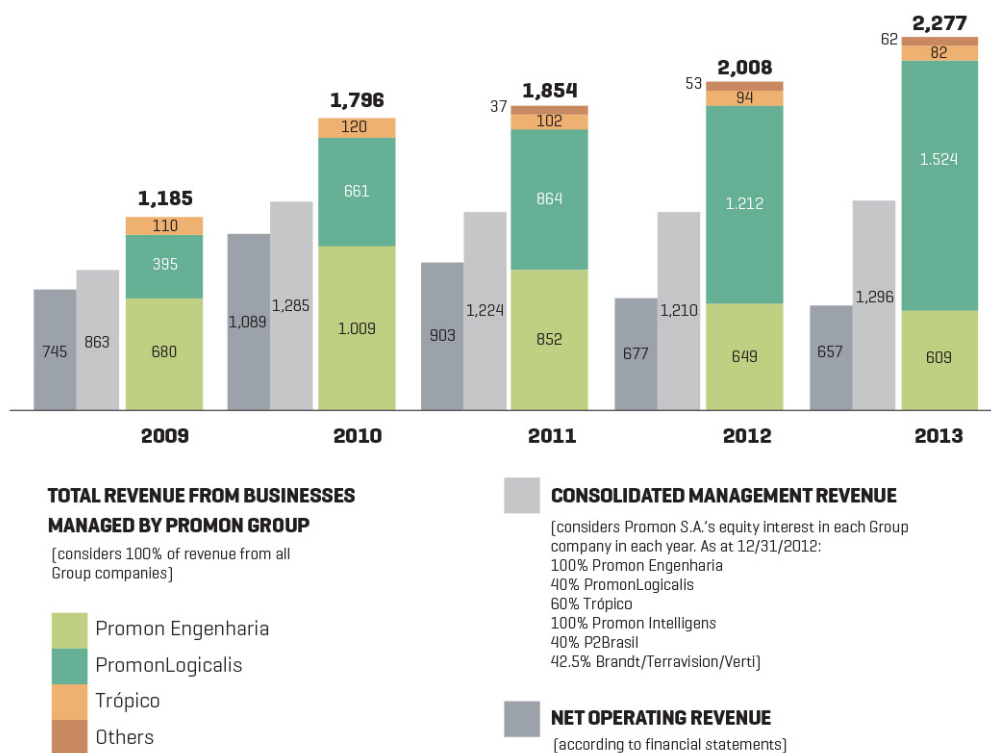
In a study conducted for *Exame* magazine by Merco, a specialized Spanish consulting firm, in partnership with Ibope, Promon ranked among the one hundred companies with the best reputation in Brazil, and Promon Engenharia one of the two only companies mentioned in the segment of the construction industry. Made for the first time in the country and based on interviews with executives, financial analysts, third-sector organizations and in a survey with one thousand consumers, this indication makes it an exceptional conquest, since the business model of the Group's companies does not fit into the traditional consumer mold.

A number of important acknowledgements arose from its distinctive approach to the area of people management. It received already in 2011 the title of *hors-concours* from the directory "The 100 Best Companies to Work for in Brazil", of the *Great Place to Work/Época*. In 2013, it held onto its outstanding place in the directory "The 150 Best Companies for You to Work For", of *Você S/A-Exame*, in which it has been present since the first edition. It was acknowledged once again by the directory "The Best Companies to Start a Career In", also of *Você S/A* magazine, which appraised the working climate and management practices of people directed to younger professionals. It was also indicated as one of the companies which most generate value for its employees, according to a survey made in 2013 by the consultants DOM Strategy Partners for *Consumidor Moderno* magazine.

## CHARTS

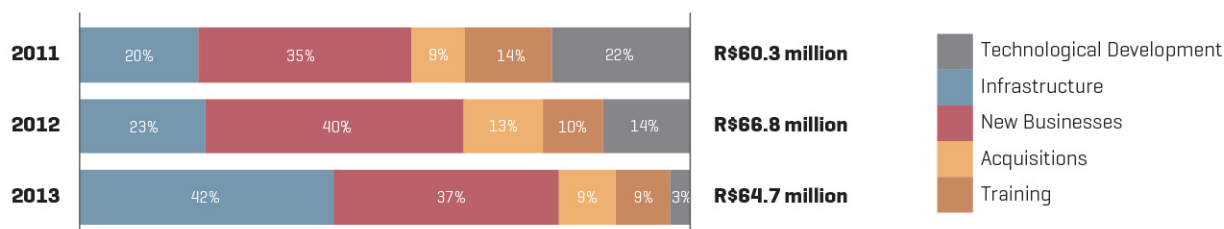
### REVENUE

in millions of reais



Source: Management reports and financial statements

### PROFILE OF GROUP COMPANIES INVESTMENTS

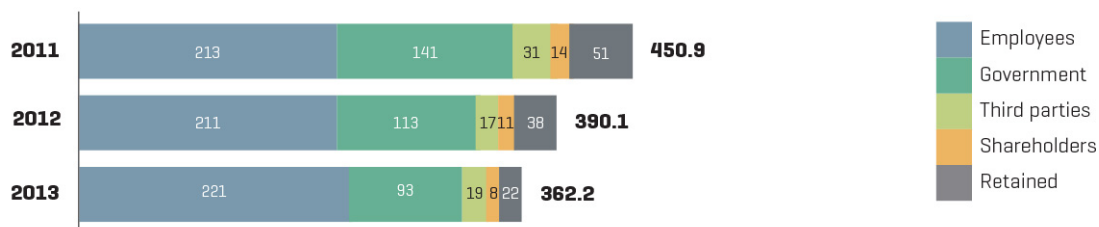


Amounts invested by all Group companies regardless of Promon S.A.'s equity interest.

Source: Management Reports

### BREAKDOWN OF VALUE ADDED

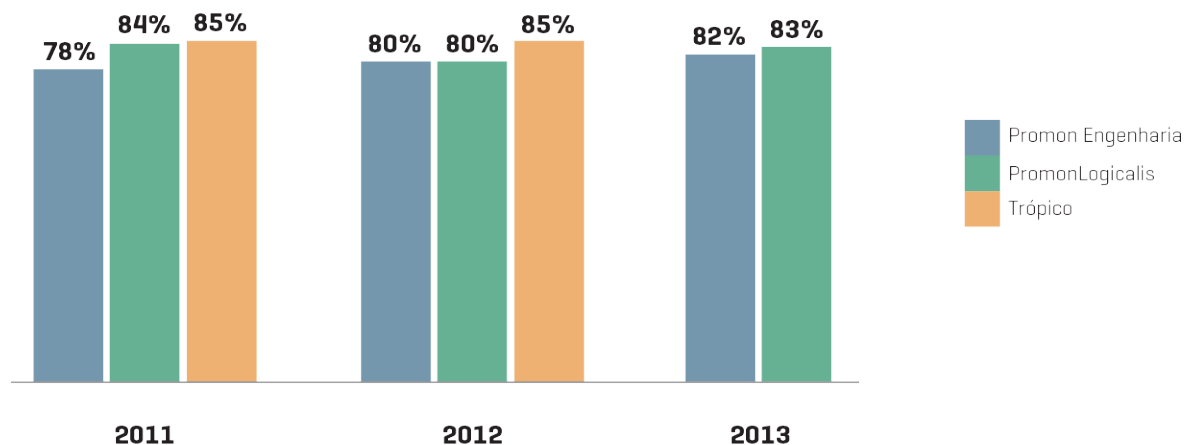
in millions of reais



Source: Financial Statements

## CLIENT SATISFACTION

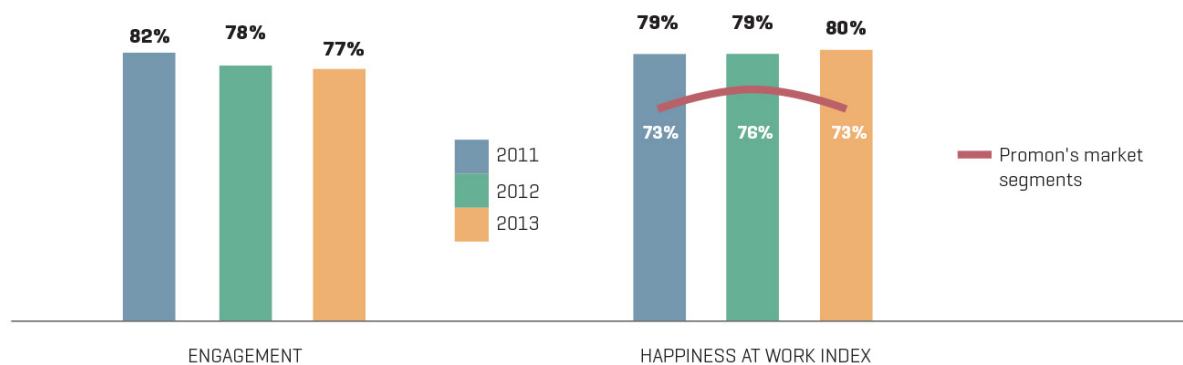
percentage of clients satisfied with the services delivered by Promon



From 2012, Trópico began to conduct the survey on biannual basis.

Source: Client satisfaction surveys [Omni Marketing]

## ORGANIZATIONAL CULTURE

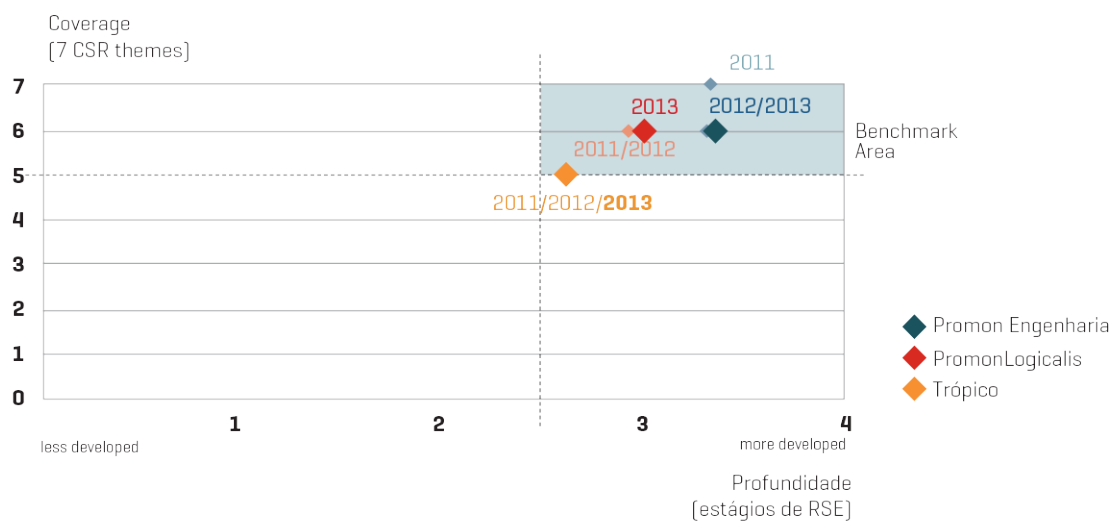


ENGAGEMENT: Percentage of professionals who are also shareholders.

HAPPINESS AT WORK INDEX: Overall satisfaction level of professionals from the best companies to work for, according to an independent survey.

[\*] Source: Management reports and the Você S/A Guide of the Best Companies to Work For in Brazil

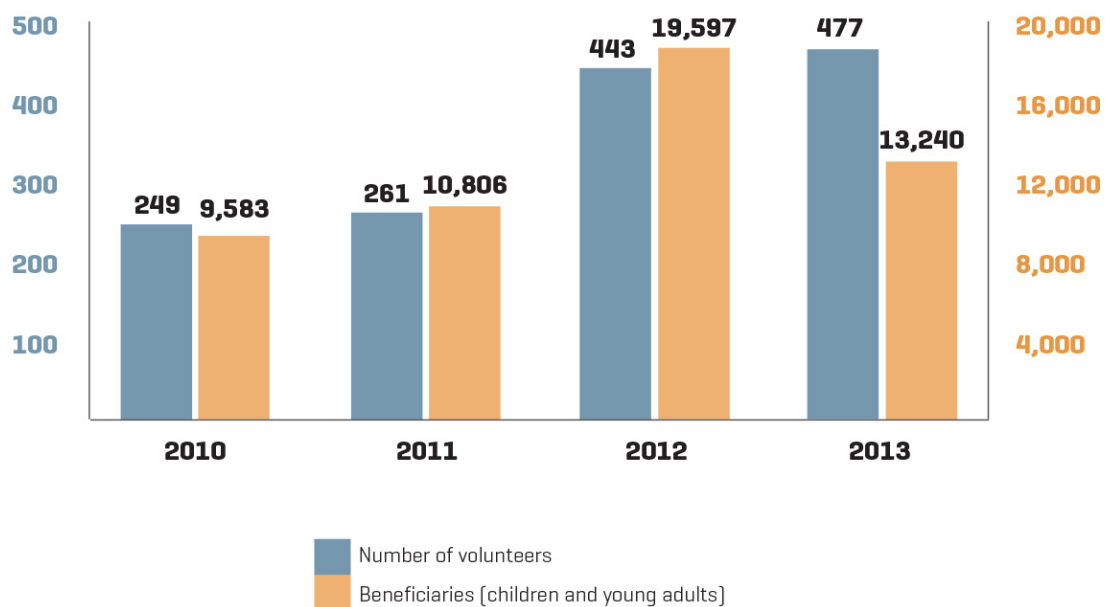
## DEGREE OF CORPORATE SOCIAL RESPONSIBILITY

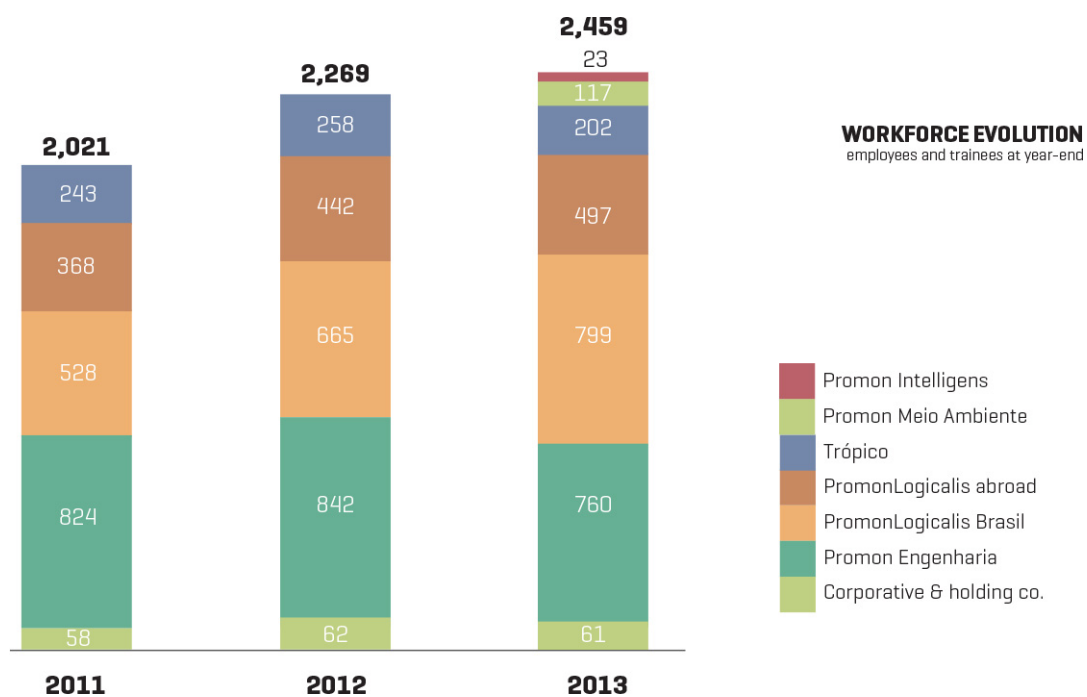


The Instituto Ethos indicators cover the following seven CSR themes: Values, Transparency & Governance; Workforce; Environment; Suppliers; Consumers & Customers; Community; Government & Society.

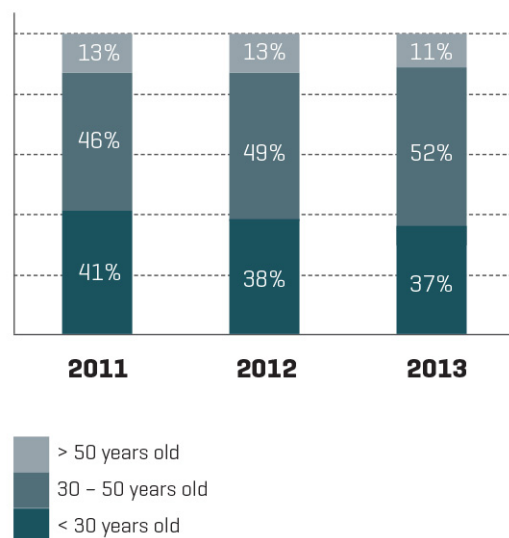
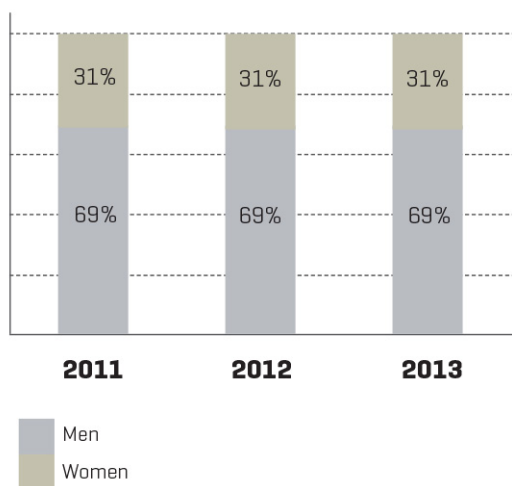
Source: Instituto Ethos de Empresas e Responsabilidade Social

## SOCIAL INVESTMENT: MAGNITUDE OF PROMON'S VOLUNTARY SERVICE PROGRAM





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





## BUSINESS ACTIVITIES | ENGINEERING

### PROMON ENGENHARIA

Infrastructure projects flourished in the spectrum of Promon Engenharia's activities in 2013 in contrast to the Oil and Gas market, which saw a slowdown of investments. Despite the fact that it still represented the biggest share (60%) of sales during the period, the slow pace or postponement of investments in this area impacted revenues, which came to R\$609 million in 2013, a drop of 6% in comparison with the previous year. In the period, the company executed relevant projects in the field of urban mobility, especially for the metros of Rio de Janeiro and Salvador. It also diversified its activities and adjusted the number of professional staff to the necessary competencies in order to meet the growing demand for professional services and consulting for asset appraisals.

A prominent initiative in 2013 was the opening of an office in Lima, Peru. Over and above the attraction of a booming mining sector, which is experiencing particularly dynamic circumstances, and the prospect for new business in other areas, this initiative is yet another step in building an international platform geared to countries on our continent. With regard to the organization, a new model based on business units has been created to improve the integration of professionals from the operational and commercial areas. The indicators of occupational health and safety, as well as those of client satisfaction, have been the best in recent years.

### BUSINESS PORTFOLIO

In a year when the economy of Brazil performed below its true potential Promon Engenharia saw traditional and important clients pull back or put off their investments. This scenario, together with greater dynamism in some sectors, has lent impetus to the diversification process of the portfolio and clients which began in 2012.

The highlight of this movement was the company's return to the civil infrastructure market, with major conquests in urban mobility, especially with the projects of Line 4 of the Rio de Janeiro metro and the Salvador metro.

On Line 4 of the Rio de Janeiro metro, Promon Engenharia is carrying out consultant engineering services for CBPO Engenharia, to install the Nossa Senhora da Paz, Jardim de Alah and General Osório II stations on the line which will connect Ipanema to Barra da Tijuca. The studies entail the consolidation of the basic projects; the elaboration of the executive projects of track geometry, structures, rock excavations and auxiliary systems; and technical supervision of the construction.

Execution of Salvador's Metro System began within a framework of PPP (public-private partnership), signed between the state government and CCR (Companhia de Concessões Rodoviárias), which includes the conclusion of Line 1 and the installation of Line 2 that will connect the city center to the Luís Eduardo Magalhães International Airport. The entire project includes fifteen stations (eleven new ones, three already built and one to be extended), thirty-four kilometers of permanent track, six connecting terminals (three new ones and three to be extended) and four public parks. Promon Engenharia was contracted, in this context, to execute the basic and detailed design.

In this sector, besides urban mobility, the company has put itself in a position to offer solutions in engineering design and management in the areas of Ports, Airports, Railroads, Urban Development and Special Buildings.

Even with this diversification, the biggest contribution to the projects portfolio still comes from ventures in the EPC (Engineering, Procurement and Construction) format from the onshore Oil and Gas sector. In this area two projects are worth mentioning.

One was the contract for the UDAV Plant (Atmospheric Distillation and Vacuum Plant) in the petrochemical hub of Rio de Janeiro (Comperj) – in a consortium also composed of Skanska and Engevix. This project entered a phase of hibernation to readjust its schedule, since the start-up of the plant was postponed until 2016 by Petrobras.

Another venture underway is the Cabiúnas Terminal – TECAB, of Transpetro, in Macaé (Rio de Janeiro state). The project consists of the installation, in the EPC format, of plants onsite, offsite and interconnections. TECAB, which has been operating since 1982, is today one of the biggest hubs for processing natural gas in Brazil.

In the offshore Oil and Gas sector, the projects for Keppel FELS Brasil are worthy of special mention. Promon Engenharia is responsible for the engineering design for construction of the new FPSO's (Floating Production Storage and Offloading) for Petrobras. For Sete Brasil, the company became responsible for the development and installation of the management model for a PMO (Project Management Office), a platform offering the client support managing the construction program of twenty nine drilling platforms to be delivered to Petrobras in coming years.

In Mining, the diversification of clients was brought about by joint activities with junior mining companies. An example to illustrate this strategy is the contract in the EPCM (Engineering, Procurement, and Construction Management) format to install a vanadium pentoxide production plant for the Canadian company Largo Resources in the municipality of Maracás (Bahia state). This project was considered to be the highlight of 2013 in Latin America on winning the award “Project Finance Deal of the Year”, in the category “Latin American Mining Deal of the Year”, granted by *Euromoney* magazine. In addition to participating in the services provided since the basic project phase, in 2011, Promon Engenharia played an important role interacting with investors and structuring the plant financing with financial institutions.

Also highlights in this area are the engineering integration project for Vetria Mineração and basic engineering studies for the Fosfatar projet for Rio Verde Minerals. The diversification strategy also involves prospecting initiatives and projects in various commodities such as tin, zinc and gold.

Furthermore, Promon Engenharia was prominent in exclusive technical advisory actions for large merger and acquisition transactions. It gave technical assessment to EIG Global Energy Partners in appraising the assets of Porto do Açu, during the decision-making process of the client on assuming shareholder control of LLX Logística SA. In addition, the company provided its services in technical due diligence for Mitsui, which led to this company's acquisition of a 20% share in the consortium Energia Sustentável do Brasil, comprising the French group GDF Suez, Eletrosul and Chesf.

## **CLIENTS, PARTNERS & SUPPLIERS**

The competence and the differentials of Promon Engenharia's services have ensured extremely positive results in client surveys, which revealed an average satisfaction rate of 82% in 2013, the highest level in the last five years. This is even more significant considering the growth in the portfolio of new clients during the period.

Among its traditional clients, such as Vale and Petrobras, Promon Engenharia is still regarded as a paragon and proof of this are the invitations to give presentations on topics like constructability, project automation and knowledge management; also the benchmarking meetings requested by organizations of the caliber of the Brazilian Navy, Petrobras, Petrocoque; not to mention the invitations to debate cases at events in Brazil and overseas.

The company fosters partnerships that add value to its offers and client assistance with great care. In addition to traditional partnerships with many Brazilian construction companies, it continually seeks new alliances which make it possible to absorb complementary competencies, to share the management of risks and to enable access to new business models, such as public-private partnerships.

The purpose of the partnership formed with Scottish firm Xodus, for instance, is to exploit opportunities in the subsea Oil and Gas segment more intensely. Xodus is recognized worldwide for its capacity to provide integrated solutions in engineering services for the sectors of Oil and Gas and renewable energy, as well as to offer technical support in offshore projects.

## PEOPLE, KNOWLEDGE & PROCESSES

One of Promon Engenharia's permanent objectives is to maintain highly qualified and motivated teams. With this in mind, the company is continually investing in training and development and in actions to ensure a stimulating organizational climate which favors innovation and the generation and dissemination of knowledge.

One of the relevant programs is *Trajetórias*, developed in conjunction with the Instituto de Tecnologia Promon. These are training modules prepared and arranged by senior professionals of Promon Engenharia and are made available as a tool for distance learning. From the start in 2008 until December 2013, the *Trajetórias* Program has accumulated over ninety modules, prepared and made available to the entire staff of the company, and represents some twenty-five thousand hours of training.

Since project management is a strong component of its services, excellence in this discipline is crucial to the success of its clients' ventures. As a consequence, throughout the years Promon Engenharia has endeavored to make sure its professionals are well trained in this subject. In 2013, thirty-four professionals obtained PMP (Project Management Professional) certification, raising the number of certified professionals to nearly eighty, representing almost 10% of the company's total staff. During the period the goal was also maintained to have 10% of the staff enrolled in Masters', PhD and specialization courses, through the educational credit program.

The structure, methodologies and good practices generated by project management have yielded recognition for the organization, which was a finalist in the “2013 Project of the Year” awards presented by the *Mundo PM* magazine for the UDAV project. In a decade of existence, the PMO of Promon Engenharia accompanied and gave support to two hundred projects, of which over thirty in the EPC format, which implies a higher degree of complexity and risks.

The Strategic Innovation Project, a program to encourage, attract and introduce innovative ideas, started with a diagnosis of the topic in Promon Engenharia and began to be disseminated in 2013.

In keeping with its continual efforts to keep in step with the times, the company adopted a system of remote work in its administration. The experimental project, involving eighty professionals, helped to increase productivity and well-being. This successful experiment will be gradually extended to other sectors of the company. Another important activity in the human relations area in 2013 was the evolution of the Trajectory Map, which reveals the paths that the professional’s career may follow. Interactivity will facilitate access to simulations of career possibilities.

Also worthy of mention is the quality of health and safety management, borne out by the excellent results obtained throughout the year. When all the company’s activities are taken into account – offices and worksites – the accident frequency rates prove to be much lower than those of market benchmarks, such as those given out by ABEMI (Brazilian Association of Industrial Engineering). These are very positive records, bearing in mind the nature of the activity and the number of contracts underway – about thirty at the end of 2013. The total number of hours worked under company administration exceeded twelve million, which represents an average staff of six thousand professionals.

## SOCIETY & THE ENVIRONMENT

Socio-environmental sustainability is a theme which pervades the activities of Promon Engenharia – from strategy to worksite. One of the most conspicuous actions addressed to communities is the Social Mobilization Plan for Education in Araucaria (Paraná state), started by Promon in 2010, which has been given the status of a municipal law. In conjunction with local entities, Promon Engenharia endeavored to influence local leaders in favor of quality in education, establishing alliances with various networks so as to maximize the company's contribution to the development of the town. With the success of the initiative, which mobilized twelve thousand people during the execution phase of the project, the plan's activities were adapted and replicated in other company ventures.

In addition to its support for education, Promon Engenharia has a presence in actions for sustainable development through its backing of non-governmental organizations, such as the Ethos Institute of Business and Social Responsibility, of which it has been a member since 2002. In 2013 it joined the Ethos Indicators Benchmark Group, comprised of companies which obtained the ten first places out of a universe of nearly fifteen hundred, and became a member of the institute's Technical Committee.

Promon Engenharia's practices of social responsibility have also been acknowledged by its clients. The company was invited to participate in the 1<sup>st</sup> Forum of Communication and Social Responsibility, promoted by Petrobras. The practice it presented was CRS (Corporate Social Responsibility) management in the lodgings of the SPS Consortium, consisting of the companies Promon, Skanska and Setal, and their subcontractors, referring to the verification of compliance with the code of conduct and observance of guidelines and norms of Safety, Environment, Health, Communication and Social Responsibility in the TECAB project.

Promon Engenharia also joined the ABEMI Subcommittee of Social Responsibility in 2013, promoting an exchange of experiences and dissemination of this topic among companies from the sector.

## CHALLENGES & PROSPECTS

In the business sphere, the main strategic focus in 2014 is on promising opportunities in infrastructure projects. The continuation of works on the Rio de Janeiro and Salvador metros and the positive prospects for operating in new projects in São Paulo are further strengthened by the willingness of the federal government to meet the emerging demands of the population, made possible by greater participation of the private sector via concessions and PPP's (public-private partnerships). It is from this sector, already responsible for one third of the company's sales in 2013, which Promon Engenharia expects to reap its biggest share of sales growth.

In the sector of Oil and Gas, expectations still prevail that in 2014 the most extensive investment plan ever made by Petrobras, the principal player in the sector, which should include bottlenecks in the refining operations, will finally take off. If this prospect materializes, then excellent opportunities for new projects should arise.

In the Mining area, which is still awaiting approval of its regulatory framework, the focus of the company will be on thriving segments such as iron ore and fertilizers. Prospecting for business in Peru, where Promon Engenharia began operating with its own offices in 2013, will be accelerated. It serves as an international platform for business, having started because of attractive mining business, but will not be restricted to this area. There are prospects as well for demands for engineering solutions in ports and urban mobility.

Where the organization structure is concerned, the changes in the company will be consolidated in 2013, with the intention of placing emphasis on client relationships and thus anticipating the cycles of investment maturity, ensuring an active role in the project evolutionary chain, from their conception up to their execution.

This year the integration with Promon Meio Ambiente and Promon Intelligens, the youngest Group companies, will also be strengthened, from a knowledge-sharing angle as well as in the preparation of joint offers that aim to look at the clients' challenges in a more complete form.

## **PROMON MEIO AMBIENTE**

In keeping with the Promon Group proposal to make socio-environmental sustainability the fundamental driver of its businesses, Promon Meio Ambiente, established in 2011, assumed shareholder control of Brandt Meio Ambiente, TerraVision Geotecnologia and Verti Ecotecnologias in February 2013, by raising its participation from 30% to 52.7% of the capital.

The revenue of R\$18.6 million in the period, slightly over that of 2012, was driven by the realization of the integration process that made joint actions with Promon Engenharia and Promon Intelligens possible, which intensified synergies, diversified and amplified the offer of services, thus meeting the new demands in environmental consultancy. Brandt, a company with extensive experience in programs and studies in the environmental area for the mining industry, sought to diversify its market, in order to partially offset the decline of investments in the sector in the period.

## **BUSINESS PORTFOLIO & CLIENTS**

During the period, Brandt consolidated its offerings, with a strong emphasis towards sustainability management. This development has already begun to bear fruit in the form of a more diversified portfolio in different sectors of the economy. Services with increasing demand and higher added value stand out, such as speleology, archeology, closure plans and environmental due diligence. It is worth noting an important development in water resources management, achieved through a partnership with Kisters, a Franco-German company.

TerraVision signed a partnership with ESRI, leading software developer for geoprocessing, thereby acquiring new competencies from the utilization of the ArcGIS online platform. This involves a system of geographical information via web with high-resolution satellite images, permitting cartographic data bases to be shared and business intelligence and client relationship management software to be integrated.

In 2013, TerraVision also expanded its mapping project, which it had been running with The Nature Conservancy, including new states like Minas Gerais, São Paulo, Rio de Janeiro and Bahia for the Rural Environmental Registration and Producers of Water projects, targeting the protection of springs and water sources.



The year was marked by strong structuring of knowledge and project management systems in the constituent companies of Promon Meio Ambiente, enabling Verti to take on a full offer to a client, which included the technological development for a specific demand, aid in the raising of start-up funds for innovation and the implementation of the program until the technology comes on stream.

In conjunction with the Federal University of Minas Gerais, Verti initiated a project, which consists of developing technologies to treat hazardous effluents. Another project was started with the Development Center of Nuclear Technology, for research and development of alternative applications for waste from iron ore production. In its final stages and worthy of note is Verti's completion of the pilot phase of the production process of fuels from polymer wastes with a system of slow continuous pyrolysis.

The integration process between Promon Meio Ambiente and Promon Engenharia was stepped up with participation by both companies in the strategic planning process and in specific commercial efforts. Integration was similarly stepped up in the innovation process and in financial and administrative management. Among integrated offers which materialized in 2013, the most important were the preliminary study to define the site of an industrial plant complying with environmental parameters and legislation and a survey to analyze the adequacy of a project in Africa.

## **KNOWLEDGE & PROCESSES**

The business model of the company addresses the importance of a good management of an extended knowledge network, which entails the eventual hiring of specialized professionals in areas of specific activities. Its consolidation was studied at length, in order to create a new model of cooperation: an extended network with value-sharing. The proposal involves the research departments of universities and will make it possible for the knowledge generated in them to have its use, handling and sale accessible to companies such as Promon Meio Ambiente.

In 2013 the Competency Centers were also consolidated, a concept of knowledge management implemented in other Group companies. They were broken down into five areas: Physical Environment (geology), Biotic Environment (plants and animals), Anthropoc Environment (sociological aspects), Environmental Engineering, Forest Engineering (related to felling, deforestation or reforestation), Archeology and Speleology.

The challenge to provide clients with a comprehensive value proposition brought with it a new conception for project management, with integration of processes previously spread over various levels and departments, and now given a matrix format. It implies joint responsibility from the project conception and incorporates competencies from several companies of the Promon Group, under one single administration and commitment both regarding costs and also rationalization of the resources employed.

## **CHALLENGES & PROSPECTS**

In 2014, Promon Meio Ambiente will pursue significant growth in revenues from new offers and a more intense activity in the infrastructure segment, from the opportunities envisioned in conjunction with other Group companies. The structuring of processes which took place these past two years has provided a healthy support for this growth and gives greater comfort to clients, since the systemic view adopted by Promon Meio Ambiente allows the environmental and technical approaches in their projects to be considered and addressed in an integrated way.

## **PROMON INTELLIGENS**

The newest company in the Promon Group started its activities in 2013 with a differentiated proposal: to meet the growing demand for consulting services which combine both strategic and technological approaches. The systemic view of the client's business environment, full access to innovative applied technologies and capacity to implement business ventures, three fundamental pillars of the Group developed over more than half a century, underpin the value proposition of this new consultancy, which arose with the mission to support the organizations in ever more complex environments, in which deep knowledge of technology issues can severely impact the business strategy of companies.

Among the projects developed in its first year of operation, it is important to mention those with high innovation content such as a business model of reverse logistics comprehensive from the socio-environmental standpoint. During the period studies and projects were also carried out for the sectors of real estate, sugar-alcohol, oil and gas, services and the processing industry.

## **BUSINESS PORTFOLIO AND CLIENTS**

Faced with the challenge of developing a solution for a consumer products industry, enabling it to meet the requirements of the National Solid Waste Policy covering the disposal and destination of post-consumer packaging, Promon Intelligens came up with an innovative and profitable business model, based on reverse logistics. Not only did it formulate the strategic design for market positioning, brand and partnerships, but the consultancy also structured service channels and took responsibility for operational detailing and an implementation plan for the new business.

The company also participated in the coordination of an important project in urban intervention, run by the Instituto Urbem, which led to a proposal to reurbanize an area of the city of São Paulo known as Arco Tietê, developed and sent to the São Paulo City Hall for approval in the PPP (public-private partnership) format. The project involved aspects of economy, environment, habitation and mobility. Working closely with one hundred and fifty professionals from Urbem, the consultancy contributed by elaborating a set of consistent and complementary proposals laid out in six intervention projects designed to revitalize specific areas of the city, which involve public services.

The scope of the strategic macro-plan for the next twenty years prepared by Cogen (Association of the Energy Cogeneration Industry) was identification of the main obstacles to development of distributed generation, co-generation and acclimatization with natural gas. As well as a complete X-ray, the company developed incentive schemes and formulated proposals for regulatory changes and integrated planning to make the sale and distribution of electricity and thermal energy by distributed generators and cogenerators feasible.

During the period, the consultancy also prepared joint offers with Promon Engenharia and Promon Meio Ambiente, providing customers with a complete view of their projects in order to meet their business objectives.

## **PEOPLE, KNOWLEDGE AND PROCESSES**

The access to technical and technological knowledge in the Group's universe enables Promon Intelligens to offer top quality services which result in innovative solutions for clients. This network consists, internally, of Promon Engenharia, a benchmark in engineering design and project management, with broad experience in developing business ventures; of Promon Meio Ambiente, specialized in environmental consulting, geoprocessing and development of ecotechnologies; and of PromonLogicalis, the biggest solutions integrator in information technology and communications in Latin America.

The consultancy also gets support from the Instituto de Tecnologia Promon, active in prospecting emerging technologies and in strengthening bonds between the Promon Group and the academic world. The extended knowledge network entails partnerships with national and international bodies, such as the Massachusetts Institute of Technology (MIT) and others under development in Europe and the United States.

The consulting team combines senior professionals with long history of expertise in Group companies with experts of recognized competence in consulting, recruited on the market.

## CHALLENGES AND PROSPECTS

With encouraging positive replies from clients in regard to both the proposal of a differentiated consulting model, and to services delivered during the period, Promon Intelligens will proceed in 2014 with the process of consolidating its offers in the corporate market and foresees considerable growth of business as a result of prospecting new clients. The new year has begun with a series of contracts closed in different sectors of the economy.

## BUSINESS ACTIVITIES | INFORMATION AND COMMUNICATIONS TECHNOLOGY

### PROMONLOGICALIS LATIN AMERICA

PromonLogicalis Latin America, a joint venture between Promon and the British company Logicalis, completed its fifth year of operations with numbers that bear witness to the company's vitality and potential for future expansion. During this period, the number of countries covered by the integrator rose from six to ten. Staff more than doubled, reaching nearly one thousand three hundred professionals, and revenue grew at a rate of 30% per year.

Revenue reached R\$1,523.7 million in 2013, 26% above 2012, a performance which represents more than the triple obtained by the Information and Communication Technologies (ICT) market in Latin America in the same period. The profit indicator, EBIT (earnings before interest and taxes), grew 36% a year, and reached a record level in 2013. The performance was positive in every area of the company's activities (telecommunications carriers, corporate market and government) and in the regions where it is operating, a sign of the integrator's operational capacity and excellence in processes.

In Brazil, revenues grew by 35% in 2013. In the Southern Cone, Uruguay and Paraguay were the highlights, performing well and seizing important mid- to long-term opportunities, whereas the economic situation in Argentina presented challenges for the local operation. In the Andean region, an operation still in its initial stages but with great potential, because it is integrated in high-growth economies, the annual revenue, although still small in absolute terms, grew more than 100% with special mention for Bolivia and Peru. In line with its strategy to strengthen and expand its activities in the Latin American market, the company inaugurated an office during the period in Mexico City, mainly to attend calls from Multi-Latin companies, which have operations in a number of countries on the continent.

In Brazil, business was driven by the investments of telecommunications companies and corporations to meet the growing demand for broadband coming from, among others, the 3G and 4G plants, from the greater traffic of data resulting from intensive use of mobile devices and from innovative solutions for cable channels, which offer on-demand videos to customers. Important contracts won in the area of infrastructure with special mention of those connected directly or indirectly to the World Cup in 2014 (stadiums and airports) also contributed. Furthermore there was exponential growth in recurring services, the revenue from which grew 54% in the period. Investments in an own datacenter and a more intense conquest of important clients in the area of services indicate that there is a transition underway in the business model.

## BUSINESS PORTFOLIO

In 2013 PromonLogicalis was intensely involved in the infrastructure sector and won important contracts. The company concluded a bold project for the Brazilian port sector at the end of April: the installation of technological infrastructure for the terminal of Empresa Brasileira de Terminais Portuários, Embraport, located in the Port of Santos, with an area of 800 thousand m<sup>2</sup> and over one kilometer of dock. The company was responsible for the supply of equipment and services needed for the entire IT infrastructure of the terminal, including the project, construction and configuration of two datacenters, IP telephony, physical and logistical security, as well as the supply of office equipment such as desktops and laptops. This project was modeled on definitions made by Dubai Ports World (DPW), considered to be the fourth biggest global operator of ports, with operations in over sixty terminals installed on six continents. A work, similar in scope and extremely successful, which was carried out by PromonLogicalis for DPW in the port of Callao in Lima, Peru, led the client to decide to contract the company in Brazil also.

The company was chosen by Inframérica/Engeport to supply Cisco equipment for the airport of São Gonçalo do Amarante, in Natal (Rio Grande do Norte state), due to satisfaction with the company for services previously provided in Argentina for Inframérica, Brazilian subsidiary of the Aeropuertos Argentina 2000 group. The project includes the supply of Lan, Wlan and ToIP needed to make the airport operational as well as the companies installed there. Also in the airport sector, modeled on the contract in Natal, PromonLogicalis was chosen by Inframérica/Helvix to supply equipment for the airport of Brasília. These are considerable projects, totally aligned with the strategy for the infrastructure sector, which goes to prove the success of planning made the year before.

PromonLogicalis closed a contract with Johnson Controls to supply the IT infrastructure for Arena Amazonas, in Manaus (Amazonas state), and for Arena Corinthians, in São Paulo. The company will equip the stadiums with Lan, Wlan and ToIP equipment, and also supply security and managerial services. Siemens chose PromonLogicalis to supply the complete ICT solution for the Allianz Arena venture (Arena of Palmeiras), also in São Paulo. This project, the first business with Siemens/WTorre, involves Cisco technologies of Lan Network, WiFi, HD WiFi, Security, Stadium Vision and Datacenter. With these projects, PromonLogicalis strengthened its position in the design of innovative solutions for the sporting environment and opened up opportunities to operate in other stadiums.

In the corporate market, responsible for 35% of its revenues, the year was marked by the supply of datacenter structures, revamping the telephony systems, collaboration platform and the appearance of new trends. For clients like the Bunge Group and Santander Bank, projects were implemented to migrate conventional telephone systems to IP, which increase security levels and other features and reduce the costs of calls.

A tendency which is rapidly sweeping offices, known as *Bring Your Own Device* (BYOD), also generated new business throughout the year. A survey commissioned by PromonLogicalis to Ovum Institute revealed that in emerging markets (Brazil, Russia and India, among them) 75% of the employees tend to use their own devices at work, compared with 44% of their colleagues in developed markets. They have adhered to BYOD as they see a way to progress in their careers with it.

Another technology frontier, Femtocell, began to be exploited with a project implemented in Ecuador, the first of its kind in Latin America. Created to connect broadband mobile phones to the internet, it enables expansion of the indoor coverage area with a large number of users, especially in regions with a high population density.

The Ceibal Plan, an outstanding project in Latin America run in Uruguay, started courses of English, which were made feasible through videoconference systems supplied by the company. This is a pioneering experiment in incorporating technology into education. Having completed six years and offered laptops to all the children and teachers at elementary school level and students at basic levels of secondary school, the Ceibal Plan began its second phase which consists of working to integrate technologies with education to help learning processes. With technological support from PromonLogicalis, distance courses of English were launched, given by British teachers.

The period was also marked by winning new customers outside the Rio-São Paulo corridor, especially in Paraná and Rio Grande do Sul states, examples of which are contracts with Itaipu, the RBS group and PROCERGS. There was also expansion in the public sector with new projects to modernize infrastructure for the State Secretary of Finance of Minas Gerais.



## CLIENTS, PARTNERS AND SUPPLIERS

PromonLogicalis signed a partnership with Embratel to jointly present solutions which enhance the offer of telepresence services in Full HD (High Definition). The service can easily be used thanks to intuitive controls and simple collaboration applications, concentrating an infrastructure which makes it possible, quickly and safely, to hold telepresence sessions on the client-company's premises or outside them with mobile devices. The solution integrates the supply of endpoints, connectivity, interfaces to schedule meetings, managed servers in the Embratel datacenter, operation services, and also platform supports. The target market of the new service is made up of companies with offices and branches geographically spread out, like multinationals, universities and hospitals, all of which need efficiency in their internal and external processes involving the interaction of people and teams.

Cisco remains PromonLogicalis' principal partner in Latin America, as it maintains solid relationships with organizations such as IBM, McAfee, Microsoft and Arbor. During the period, the partnerships with Hitachi, in the area of storage, and Blue Coat and F5, technology developers, all flourished.

Another partnership was signed with Ascenty, to supply a package of offers of managed services, through which Ascenty will be responsible for the basic infrastructure of the datacenter, while PromonLogicalis will supply the technological infrastructure and the first layer of software. With the agreement, the integrator became an important partner of Ascenty in the supply of equipment for networks, security, storage and data bank solutions.

The client satisfaction rating, a measure of the company's excellence, recorded a considerable increase in those who state they are "very satisfied". It is interesting to note that this evolution may be interpreted from different standpoints: general satisfaction, by market segment and client status. This is mainly due to an adjustment of internal processes to meet the increase in the variety of clients' projects.

## PEOPLE, KNOWLEDGE AND PROCESSES

With the expansion of business and the need for fresh hiring, staff grew both in Brazil and in the Latin American branches. In Brazil, 2013 ended with seven hundred and fifty professionals and almost fifty interns. Overseas, staff grew to almost five hundred professionals. Within this universe, PromonLogicalis continues to invest heavily in people – both in an increase of the professional staff and also in the development of platforms and systems which will leverage the company's regional integration.

An example is the exchange and ex-patriation programs between the countries of Latin America, which played an exceptional role in 2013. Driven by the need to integrate the Andean region, the company sent a number of professionals from Brazil and Argentina to Bogota to introduce the company's work processes and organizational culture. The program is intended to meet the needs of the business and generate career development opportunities and international experience for young talents and leaders of the companies.

As in previous years, investments in training, in both technical and commercial areas, remained a priority action. The company has adopted, for more than five years, a self-proposed model of training, that is to say, from the courses available through the Program of Corporate Education, the professionals themselves choose those which are best suited to their educational needs.

During the year, over twenty-three thousand training hours were administered to the staff, in both technical and behavioral development. A program to develop new leadership is also being set up with a focus on the support and preparation of future managers.

On a different front, and the fruit of efforts to integrate training and people management in various Latin American countries, the concept of Competency Centers has been developed in countries of the Southern Cone and the Andean region and helped to standardize, in Latin America, the matrix structure of work already used in Brazil. The objective is to form a community of professionals who can communicate and exchange their experiences, and thus to facilitate a more effective strategy of human development for the whole region.

The company encourages and supports the renewal and acquisition of certifications by its professionals. In 2013, more than one hundred and ten professionals were certified by the company in project management and in modalities developed by technological partners. With these, the company has accumulated over thirteen hundred certifications. As a consequence, PromonLogicalis earned twelve awards from Cisco in 2013, not to mention awards received from other partnerships.

## **SOCIETY AND ENVIRONMENT**

Education, culture and entrepreneurship continue to be the main focus of PromonLogicalis' social actions. Among the most significant initiatives are the programs of Junior Achievement in Argentina and Brazil, which not only get financial support from the company but also rely on the engagement of professionals who voluntarily give courses offered by the entity to youngsters. Volunteers from PromonLogicalis ran workshops with adolescents from public schools on the importance of schooling. The volunteers met with a hundred youngsters in five meetings and, using games, drew up a life plan focused on career. In Argentina, the company is also engaged in projects to concede study scholarships and support for rural schools, offering IT materials and equipment.

In the cultural area, PromonLogicalis has traditionally collaborated with initiatives of the Mozarteum in Argentina, and as of 2013 extended this partnership to Brazil as well. In 2013, it further incorporated support for the Sociedade de Cultura Artística. Seeking to organize and optimize its social practices and investments, the company is concluding a Social Responsibility Plan, which will first be applied in Brazil and later extended to other regions.

On the environmental front, the main contribution by PromonLogicalis has been through the offer of technological solutions, which help to mitigate impacts on the environment. In addition to being based on the concept of green IT, optimizing the energy consumption of equipment, solutions like telepresence and collaborative environments help to reduce travelling and trips.

## CHALLENGES AND PROSPECTS

In spite of macroeconomic uncertainties which still prevail in Brazil and in several Latin American countries, the projections for sales growth in 2014 are positive. Although the phenomenon of unequal growth between market sectors should be repeated this year, the fact that the business of PromonLogicalis is associated with clients from segments that have invested in recent years – such as telecommunications and finance – sustains this forecast. The telecommunications sector will still have big demand coming from the third and fourth generation of mobile phones in data and video traffic. In the corporate area, there is great potential for the offers of solutions for virtualized architecture and modernization of datacenters.

In 2014, the company will get its professionals involved with an initiative to improve the structure of its processes, a necessary effort to anticipate business opportunities arising from the new technological frontiers, such as SDN (Software-Defined Networking), innovative network architecture, seen as a possible watershed in the IT market.

Where technological megatrends are concerned, the so-called third platform of IT will provide leading companies like PromonLogicalis with the possibility to prepare themselves in advance to capture the services and activities of corporate clients, who will have to deal with increasing complexity, given the multiplicity of devices and diversity of networks and operational systems.

With eight hundred clients in Latin America and two hundred in Brazil, the integrator is also pursuing growth in medium-sized companies, with its offer of managed services. The idea is to prospect new clients in the areas of influence of their regional offices. For the current base of big clients, the strategy will be to add value through recurring services.

It is also a strategic priority to integrate the units in Latin America, which requires expansion and acceleration in key markets, processes and unified systems and proper utilization of the pool of regionally integrated resources.

## **TRÓPICO**

Trópico, a joint venture between Promon, CPqD, and Cisco Systems, faced adverse conditions in 2013, caused by a downturn in investments of traditional clients from the segment of landline telephony. This negative factor was partially offset by a two-front strategy adopted. It accelerated its quest for new markets, offers and clients. It consequently won its first contract with Claro, the América Móvil group (Claro, Embratel and Net). It also consolidated and increased its presence in GVT. On the internal front, it carried out a plan of adjustments in the first half, which resulted in a 30% reduction in fixed costs. Revenues totaled R\$82.4 million in 2013, a drop of 12.2% in comparison with the previous year.

## **BUSINESS PORTFOLIO AND CLIENTS**

Trópico installed SBC (Session Border Controller) equipment in Claro, linked to evolution of the carrier's voice network architecture. A result of the partnership with Acme Packet, the sale of SBC equipment also facilitated entry into new clients, such as AT&T and Level 3.

In partnership with Vivo, the company prospected the corporate health market, which led to several proposals still in progress. With Vivo also, in a revenue-sharing format, Trópico tested and installed applications for use in mobile phones. British Telecom expanded its activities in the corporate market and entrusted the company to activate services for its multinational clients which operate in the country.

The VSI (Vectura Signalling Server) installed by Trópico, which are present today in over 90% of the country's landline telephony, continue to yield important revenues in regard to expansion of software licensing. In 2013, Trópico carried out installations for GVT. VSI played an important role again in the installation of a centralized solution of legal interception for Trópico's clients, which will prevent fraud and abuse against citizens.

The company continues to obtain relevant results in the process to substitute old telephone switchboards with modern IP-based solutions. In these projects, Trópico proved its capacity to develop mission-critical products, controlling the elements of access to new networks.

Among the various applications developed for Oi, the most noteworthy are the solutions targeting operational improvements and applications which comply with regulatory obligations and security. Oi also acquired traditional telephone switchboards to cover areas with new demands, such as deprived regions in the interior and hubs of more recent urbanization. In these locations, solutions based on conventional technology make the projects more competitive. In just the states of Maranhão and Ceará, sixty-six locations were attended, most of them in regions difficult to access.

The introduction of a ninth digit in mobile telephony, begun in 2012 in the city of São Paulo, brought about the need to adapt the service platforms of landline carriers which created business opportunities with expansions for the interior of São Paulo, Rio de Janeiro and Espírito Santo states. Solutions were developed for Oi, Vivo, GVT and British Telecom. The installation of this project required updating platforms in over fifty locations and executing procedures in which critical systems for the functioning of the telephone network received new versions of software.

The platform of "0800" services and televote (voting in radio and TV programs), developed in 2012 and with excellent prospects for expansion, came to be used by Oi for the authentication services of credit card purchases, sustaining over five million customer assistances per day.

In the quest to diversify business and innovative solutions, Trópico developed a Softswitch – software that controls telephone calls over the IP network – to be installed in the datacenter of Uol-Diveo in the cloud computing model. This software will allow Trópico to expand its activities by offering solutions in remote operations in the corporate and carrier markets, without the need for hardware.

## **PARTNERS AND SUPPLIERS**

During the period, the offer of unified communications solutions (videoconferencing, telepresence, instant messaging and others) advanced, made feasible by the already established partnership with BroadSoft. Another relationship which flourished in 2013 was that with Acme Packet, a North American company acquired by Oracle and a manufacturer of equipment used to enhance the security of voice networks. Trópico has become one of the Brazilian companies with the biggest sales volume of Acme Packet products in its solutions and will endeavor to expand its partnership with Oracle in 2014.

## PEOPLE, KNOWLEDGE AND PROCESSES

Faced with the need to adjust to the adverse conditions which caused a downturn in investments, Trópico promoted a restructuring program in 2013 which entailed revamping the company, as well as eliminating and merging certain activities. Staff was reduced by about 25%, in part transferred to PromonLogicalis, which absorbed the Software Solutions development area, since it was better suited to the offers from this company.

To reinforce its spirit of innovation, the company encouraged its staff to identify new ideas for applications which could be accessed from mobile devices and consequently generate recurring revenues.

Trópico's Volunteer Program, established two years ago, ran five different campaigns throughout 2013, which mobilized over one hundred and fifty volunteers among employees and their families. The Program will continue to grow in 2014 as a vehicle through which the company's employees can channel their efforts to contribute to a more just society.

## CHALLENGES AND PROSPECTS

With the goal of achieving revenue superior to that of 2013 during the coming year, Trópico has decided on a strategy to be active in those lines of business that encompass its most acknowledged competencies. The biggest slice of business should come from processes of intelligent customer service (automation of customer service), technical support, evolution of networks and applications. The platform of "0800" and televote services should be expanded and consolidated as another pillar of the company's activities in mission critical systems. Numerical portability ranks among the activities which will continue to produce opportunities for the company.

The carriers are expected to resume their investments, by focusing on efficiency of operations, through modernization of their networks' infrastructure and migration of landline services to architecture based on IP networks. In addition, landline telephones have become a platform for a range of new service applications which represent excellent opportunities for Trópico. Therefore, besides the traditional clients, the strategy envisages an approach to clients among medium-sized carriers and service providers to use cloud-computing architecture.

## BUSINESS ACTIVITIES | BUSINESS DEVELOPMENT

### P2BRASIL

P2 Gestão de Recursos (P2Brasil), a joint venture between Promon S.A. and Pátria Investimentos, merges Pátria's competence managing investment funds with Promon's knowledge of the infrastructure market and its capacity in implementation and administration. Focused on managing investments in private equity, it is responsible for the management of P2Brasil Infraestrutura Fund, which attracted R\$1.15 billion of big international and Brazilian investors. In 2013, the P2Brasil Fund reached the final stage of capital allocation in ongoing business, six companies in different areas.

Proof of the credibility of the model set up by Promon and Pátria, capital for a new fund is already being raised, with the expectation to surpass the mark of the first fund. Like the previous one, this new fund will be concentrated on companies from different segments of infrastructure, in Brazil and in selected countries of Latin America.

The six companies which make up the portfolio of the P2Brasil Infraestrutura Fund showed positive indicators in the period. Their main achievements are listed below.

### HIDROVIAS DO BRASIL

Operations of river and maritime terminals integrated with the country's big network of waterways have shown tremendous development potential. In 2013, Phase I, the Hidrovias project to execute a 25-year contract signed with Vale for transportation of minerals, progressed beyond expectations, regarding budget and timeline, and drove the acquisition of navigational equipment, in addition to the training of teams. Transportation from Corumbá to Bacia do Prata, estimated to begin in 2014, will stimulate further initiatives in this market. Furthermore, the company will make available two more grain-transporting convoys in Bacia do Prata. Hidrovias do Brasil, an operator of integrated waterway logistical services, closed two new contracts in the North of the country in 2013, making it possible to evolve to Phase II, which entails investments of R\$1.5 billion for the construction of terminals in Vila do Conde, in Belém and Miritituba (Pará state), and thus developing a new corridor to export agricultural commodities and minerals in the country.



## HIGHLINE

Supplying infrastructure for third and fourth generation telecom networks, it is the newest company in the portfolio and is active in construction of cell phone towers for leasing. It began operations in 2013, winning contracts with carriers such as TIM and SKY. Last year it installed thirty-five towers and is expecting to build nearly two hundred in 2014. Highline has centered its operations mainly on the “built-to-suit” modality and concentrated its investments in the construction of new assets for carriers, without however ruling out small acquisitions. In the middle of last year the company drew up a contract which involves the use of the optical ring structure of an electrical distribution network, which will permit construction of new towers, enabling expansion for the telephone companies.

## LATIN AMERICAN POWER (LAP)

The company, which is the outcome of an association of P2Brasil with BTG Pactual and is involved with projects of renewable energy in Chile and Peru, has focused its attention on installing small-sized hydroelectric plants and wind farms. In 2013, LAP took on projects for the generation of 300 MW and is forecasting that, with new plants operational, will reach 700 MW in 2014. Currently LAP already has an operational capacity of 70 MW and has set a target to reach an installed capacity of one thousand megawatts by 2018.

## NOVA AGRI

The company, which stores and ships agricultural production and had a static capacity of eighty thousand tons when it was acquired three years ago, began to move a volume of six hundred and fifteen thousand tons in 2013, which now ranks it as one of the main logistics operators for grains in the country. With its infrastructure strategically located in regions of major production, it has taken a significant step up by closing long-term contracts for three warehouses. The works of Tegram, a terminal specialized in grain at the port of Itaqui (Maranhão state), of which NovaAgri is one of the lessees, are forecast to be concluded in 2014. This terminal will reduce logistical costs of shipping grain production from the Central-West, North and Northeast regions. It will also make the transportation of commodities exported to China through the Panama Canal and to major European ports more efficient.

## NOVA OPERSAN

With five acquisitions concluded between 2012 and 2013, Nova Opersan ranks among the biggest companies in industrial waste treatment, water treatment and recycling with medium and large sized plants that have dedicated BOT (Build, Operate and Transfer) operations. The purchase of HZT Soluções in the second half, a company of the segment operating in states without the presence of Nova Opersan, brought the company twenty-five BOT contracts involving assets located in shopping centers and industries from varying sectors, situated in the South, Southeast and Northeast regions. Its expressive expansion last year was due to both organic growth and new clients, which contributed to geographical expansion in markets such as São Paulo, Rio de Janeiro, Minas Gerais and the Northeast. It currently enjoys a data base of over seven hundred active clients.

## OCEANA OFFSHORE

At the end of 2013, the main holding company of Oceana Navegação and Oceana Estaleiros, in partnership with Vinci Partners and with the participation of BNDESPar, concluded the acquisition of two traditional companies from the sector: Companhia Brasileira de Offshore (CBO), one of three biggest navigation companies in number of vessels and first in ranking of quality of services provided to Petrobras; and Estaleiro Aliança, with installations in Niteroi (Rio de Janeiro state). Both operate with support and services to oil drilling rigs. As a result, Oceana has significantly increased its size. With a fleet of twenty-three vessels at the end of 2013, Oceana Navegação is currently the second company in the sector. Work on construction of its own shipyard, in Itajaí (Santa Catarina state), should be concluded in 2014. The complex, which boasts one of the best teams in naval engineering, is already working on building two new vessels.

## ASSOCIATED ENTITY | FUNDAÇÃO PROMON DE PREVIDÊNCIA SOCIAL

Fundação Promon de Previdência Social (FPPS) has recorded total assets of almost R\$1.2 billion in its two pension plans at the end of 2013. Pioneer among the entities of company-sponsored complementary pensions in the private sector, FPPS has been contributing for almost four decades for its professionals to have a financially better future upon retirement.

In the period, FPPS registered an increase of 4% in the number of participants, totaling 2,776 people, 563 of whom in the BásicoPlus plan, in a defined-benefit format, which in 2005 terminated any new adhesions; and 2,213 in the MultiFlex plan, in the defined-contribution format.

The financial results of the two plans were different, due to criteria for registration of securities in the fixed income portfolio. Profitability of the MultiFlex, total assets of which came to R\$472.8 million in December 2013, went negative by 3.4%, mainly because of the mark-to-market criterion of the extensive fixed income portfolio with longer term government bonds, indexed to inflation (NTN-B), which suffered a drop as a result of the rise in interest rates. Since the end of 2012 the Deliberative Board of FPPS has adopted the criterion of recognizing their prices at market values, an important factor when dealing with a plan of quotas. It should be remembered, however, that the volatility recorded in 2013 was mitigated by the exceptional profitability of 30.2% achieved in the previous period. Year on year, FPPS has recorded a bigger volume of voluntary deposits among the participants of MultiFlex. In 2013, the voluntary contributions totaled R\$7.7 million, 15% more than the previous year.

The BásicoPlus plan on the other hand recorded expressive profitability of 17.9%, surpassing the actuarial goal of 10.9%. The applications of this plan are founded on studies of Asset Liability Management, which consists of correlating the constant assets of its portfolio with the payment flow of future commitments to its participants. In this condition, its fixed income portfolio in government bonds continues to be valued according to the curve of these bonds, which generated a positive yield of 12.2%. With the appreciation realised with the reappraisal of its real estate, in the second half, BásicoPlus came to have around 14% of its assets in this equity. With the good performance of 2013, total assets of BásicoPlus reached R\$708.9 million in December. The relation between the technical superavit, which amounted to R\$165.9 million, and the actuarial liabilities, which was already quite comfortable the year before, enabled the creation of a special reserve of R\$35.0 million in 2013. This reserve is mainly the consequence of the value reassessment of the real estate properties held by the plan.

Among the initiatives implemented in 2013, it is important to mention the start-up of the new administration system, which signifies an era of greater availability for the relationship with participants and strategic issues. Conducted internally until then, processing activities such as the payroll of benefits, issue of statements, accounting and others are now performed by Itaú Soluções Previdenciárias. This outsourcing will enable the Fundação's team to dedicate its time and its competencies to more relevant activities, such as relations with the participants, educational actions on pension plans and investment management. The launching of a new website at the end of the year, with improved tools, now allows the participant more interactivity with consultation of personal records and profitability of his equity, and other such information.

In order to stimulate reflection on the importance of planning retirement and to stress the support offered to the professionals so that they may prepare and carry out this planning, the entity started to organize an educational program on finances and pensions, to be implemented and made available to active participants in the second half of 2014.

Also in 2013, the election took place of the Deliberative Board's and the Fiscal Board's new members, with a three-year tenure, as well as the renewal of the Executive Committee. An Advisory Board without deliberative competence was also established to advise the Deliberative Board on topics such as strategies, opportunities, policies and trends. FPPS is engaged with organizations which contribute to the development of the sector, with the participation of its executives in the presidency of the Associação dos Fundos de Pensão de Empresas Privadas and in the Câmara de Recursos da Previdência Complementar, an organ of the Ministry of Social Welfare in which it represents the companies sponsoring pension funds.

Like the year before, the biggest challenges for 2014 will come from the economic-financial climate which is now indicating a combination of high inflation and rising interest rates. Such a scenario will require coexistence with eventual volatility, gradual diversification of investments, whose allocation will include cautious investments abroad, and very watchful risk management.

## 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 2013.

## 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-2013 some 77% 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.
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.

Promon Meio Ambiente's teams, by also being exposed to specific risks when performing field work, are involved in training carried out before tasks considered critical. They include, among others, items such as health and safety inspections, risk analysis of activities to be executed, proper use of personal protective equipment, safe driving of motor vehicles and care for the environment.

## Profile of Promon Group workforce

Historical evolution of workforce (including trainees and the Executive Committee)			
	2011	2012	2013
Promon Engenharia	882	904	821
PromonLogicalis Brasil	528	665	799
Trópico	243	258	202
Promon Meio Ambiente			114
Promon Intelligens			23
<b>TOTAL IN BRAZIL</b>	<b>1,653</b>	<b>1,827</b>	<b>1,959</b>
PromonLogicalis abroad	368	442	497
<b>TOTAL</b>	<b>2,021</b>	<b>2,269</b>	<b>2,456</b>

Promon S.A.'s top management						
	TOTAL	Men	Women	Under 30	30-50	Over 50
Board of Directors	6	6			1	5
Executive Committee	4	4			1	3

Breakdown of workforce by job title																		
	Total			Director			Manager			Leader/Supervisor			Technician			Trainee		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Promon Engenharia	882	904	821	44	42	35	89	86	85	78	76	73	627	627	574	44	73	54
PromonLogicalis Brasil	528	665	799	15	16	21	44	62	76	36	44	49	400	504	604	33	39	49
Trópico	243	258	202	7	7	7	13	14	10	33	32	17	179	192	158	11	13	10
Promon Meio Ambiente			114			5			1			5			95			8
Promon Intelligens			23			6			3						12			2
<b>TOTAL</b>	<b>1,653</b>	<b>1,827</b>	<b>1,959</b>	<b>66</b>	<b>65</b>	<b>74</b>	<b>146</b>	<b>162</b>	<b>175</b>	<b>147</b>	<b>152</b>	<b>144</b>	<b>1,206</b>	<b>1,323</b>	<b>1,443</b>	<b>88</b>	<b>125</b>	<b>123</b>

Breakdown of workforce by region																		
	Total			South			Southeast			Center-West			North			Northeast		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Promon Engenharia	882	904	821	60	5 <sup>(*)</sup>		811	879	797							11	20	24
PromonLogicalis Brasil	528	665	799	10	8	8	512	650	788	5	5	2	1	1	1		1	
Trópico	243	258	202				227	239	185				16	19	17			
Promon Meio Ambiente			114						113						1			
Promon Intelligens			23						23									
<b>TOTAL</b>	<b>1,653</b>	<b>1,827</b>	<b>1,959</b>	<b>70</b>	<b>13</b>	<b>8</b>	<b>1,550</b>	<b>1,768</b>	<b>1,906</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>17</b>	<b>20</b>	<b>19</b>	<b>11</b>	<b>21</b>	<b>24</b>

<sup>(\*)</sup> 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		2013		2011		2012		2013		2011		2012		2013		2011		2012		2013		2011		2012		2013		2011		2012		2013	
	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M
Promon Engenharia	589	293	592	312	541	280	39	5	37	5	31	4	70	19	68	18	61	24	57	21	50	26	51	22	398	229	403	224	367	207	25	19	34	39	31	23
PromonLogicali s Brasil	383	145	478	187	583	216	11	4	11	5	16	5	31	13	45	17	56	20	28	8	38	6	39	10	286	114	354	150	436	168	27	6	30	9	36	13
Trópico	174	69	184	74	142	60	7	0	7	0	7	0	11	2	12	2	8	2	24	9	24	8	12	5	124	55	134	58	109	49	8	3	7	6	6	4
Promon Meio Ambiente					71	43					5	0					1	0					2	3					57	38					6	2
Promon Intelligens					15	8					5	1					3	0					0	0					5	7					2	0
TOTAL	1,146	507	1,254	573	1,375	607	57	9	55	10	64	10	112	34	125	37	129	46	109	38	112	40	104	40	808	398	891	432	974	469	60	28	71	54	81	42

Breakdown of workforce by age (under 30, aged 30-50 or over 50) - 1st part																											
	Total									Directors									Managers								
	2011			2012			2013			2011			2012			2013			2011			2012			2013		
	<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
Promon Engenharia	319	369	194	334	386	184	267	393	161	-	15	29	-	15	27	-	9	26	-	46	43	-	42	44	-	44	41
PromonLogicalis Brasil	283	236	9	295	358	12	346	440	13	-	12	3	-	13	3	-	17	4	1	40	3	-	55	7	-	69	7
Trópico	68	148	27	67	159	32	41	134	27	-	4	3	-	4	3	-	4	3	-	8	5	-	9	5	-	5	5
Promon Meio Ambiente							67	42	5							-	2	3							-	1	-
Promon Intelligens							9	12	2							-	5	1							-	3	-
<b>TOTAL</b>	<b>670</b>	<b>753</b>	<b>230</b>	<b>696</b>	<b>903</b>	<b>228</b>	<b>730</b>	<b>1,021</b>	<b>208</b>	<b>-</b>	<b>31</b>	<b>35</b>	<b>-</b>	<b>32</b>	<b>33</b>	<b>-</b>	<b>37</b>	<b>37</b>	<b>1</b>	<b>94</b>	<b>51</b>	<b>-</b>	<b>106</b>	<b>56</b>	<b>-</b>	<b>122</b>	<b>53</b>

Breakdown of workforce by age (under 30, aged 30-50 or over 50) - 2nd part																						
	Leaders / Supervisors									Technicians									Trainees			
	2011			2012			2013			2011			2012			2013			2011	2012	2013	
	<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	<30	
Promon Engenharia	2	44	32	1	49	26	-	50	23	273	264	90	260	280	87	213	290	71	44	73	54	
PromonLogicalis Brasil	4	31	1	4	40	-	4	45	-	245	153	2	252	250	2	293	309	2	33	39	49	
Trópico	1	27	5	1	24	7	-	13	4	56	109	14	53	122	17	31	112	15	11	13	10	
Promon Meio Ambiente							1	4	-							58	35	2			8	
Promon Intelligens							-	-	-							7	4	1			2	
TOTAL	7	102	38	6	113	33	5	112	27	574	526	106	565	652	106	602	750	91	88	125	123	

	2011	2012	2013
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 <i>Você S/A-Exame</i> .	92.1%	94.1%	94.8%

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

Turnover rate of professionals																		
	Total			Men			Women			Under 30			Aged 30-50			Over 50		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Promon Engenharia	11.1%	11.8%	15.8%	8.7%	11.8%	15.9%	16.1%	11.7%	15.6%	13.1%	13.0%	17.4%	11.7%	7.0%	11.5%	7.2%	20.1%	24.2%
PromonLogicalis Brasil	16.8%	16.5%	15.3%	20.5%	18.1%	14.6%	7.2%	12.4%	17.2%	20.8%	23.8%	17.2%	11.0%	11.2%	13.9%	55.6%	16.7%	23.1%
Trópico <sup>(*)</sup>	5.6%	4.5%	26.0%	5.4%	2.8%	30.1%	6.1%	8.8%	16.1%	10.5%	9.3%	29.0%	3.4%	3.8%	23.1%	7.4%		37.0%
Promon Meio Ambiente <sup>(*)</sup>			27.5%			30.9%			22.0%			24.2%			35.7%			
Promon Intelligens																		
<b>TOTAL</b>	<b>12.1%</b>	<b>12.5%</b>	<b>17.2%</b>															

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.

\*The turnover rate in the two companies in 2013 reflected the adjustments in some professional profiles to match market demands.

No. of employee separations																		
	Total			Men			Women			Under 30			Aged 30-50			Over 50		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Promon Engenharia	93	98	121	49	66	81	44	32	40	36	34	37	43	27	45	14	37	39
PromonLogicalis Brasil	83	103	115	73	81	80	10	22	35	52	61	51	26	40	61	5	2	3
Trópico	13	11	50	9	5	41	4	6	9	6	5	9	5	6	31	2		10
Promon Meio Ambiente			30			21			9			15			15			
Promon Intelligens																		
<b>TOTAL</b>	<b>189</b>	<b>212</b>	<b>316</b>	<b>131</b>	<b>152</b>	<b>223</b>	<b>58</b>	<b>60</b>	<b>93</b>	<b>94</b>	<b>100</b>	<b>112</b>	<b>74</b>	<b>73</b>	<b>152</b>	<b>21</b>	<b>39</b>	<b>52</b>

Separations consider the professionals who leave the organization voluntarily or by resignation, retirement or death. 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		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
<b>Promon Engenharia</b>																					
Employees	-	0.1	0.1	-	-	-	-	0.7	0.7	-	-	-	-	-	-	-	-	-	-	-	-
Employees of consortia led by Promon Engenharia	-	1.4	(*)	-	-	(*)	-	7.0	(*)	-	-	(*)	-	-	(*)	-	-	(*)	-	-	(*)
Employees of consortia not led by Promon Engenharia	0.9	1.2	0.7	0.5	0.4	0.3	4.1	5.5	3.4	-	-	-	5.5	4.7	2.5	254.1	23.6	18.0	1	-	-
<b>PromonLogicalis Brasil</b>	0.4	-	0.2	4.3	-	-	-	-	1.0	-	-	-	0.4	-	-	2.1	-	-	-	-	-
<b>Trópico</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Promon Meio Ambiente (**)</b>	-	-	5.4	-	-	13.4	-	-	13.4	-	-	-	-	-	9.4	-	-	46.8	-	-	-
<b>Promon Intelligens</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(\*) Promon Engenharia has not participated as a leader of any consortium in 2013.

(\*\*) Promon Meio Ambiente's rates are significantly higher than the others' in absolute terms, since the number of total hours worked in that company, a component of the rate calculations (below), is significantly lower than the hours worked in other Group companies. 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 (flextime) 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			
	2011	2012	2013
Ratio of standard entry-level salary to local minimum wage	2.4	1.7 <sup>(*)</sup>	1.7 <sup>(*)</sup>
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	14

<sup>(\*)</sup> From 2012, two Group companies – PromonLogialis and Trópico – incorporated professionals with a more junior profile.

Ratio of men's to women's basic salary															
	Director			Manager			Leader/ Supervisor			Technical Professionals			Non-Technical Professionals		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
Promon Engenharia	1.11	1.09	1.17	1.09	1.07	1.15	1.30	1.26	1.27	1.08	1.04	1.11	0.98	0.96	0.99
PromonLogialis Brasil	1.48 <sup>(*)</sup>	1.37 <sup>(*)</sup>	1.20	0.98	0.97	0.99	1.33	1.24	1.34	0.89	0.78	0.87	1.02	1.04	1.02
Trópico	(**)	(**)	(**)	(***)	(***)	(***)	1.22	1.21	1.15	1.03	1.03	1.03	1.19	1.07	1.07
Promon Meio Ambiente			(**)			(**)			1.31			0.98			0.65
Promon Intelligens			1.10			(**)			(**)			1.24			(**)

(\*) 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 makes 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 PromonLogialis 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.
- Promon S.A. holds a majority stake in Promon Meio Ambiente's capital since February 2013. Thus, the data for previous years is not available for this company.
- Promon Intelligens was incorporated in early 2013. Thus, there is no data to be reported for previous years.

## KNOWLEDGE AND PROCESSES

### 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.

The Board maintained, for the 2013/2016 term, the operation of the Audit Committee, created in 2010 and dedicated to the analysis and monitoring of the business risk management process and to the supervision of the activities carried out by the internal and independent audits. This Committee, which has no decision-making role, is composed of members from the Board of Directors and the Executive Committee, as well as of professionals within the organization with proven experience and skills in each subject. Its meetings occur at least bimonthly, and the work is structured around the analysis of diagnoses and indicators, the identification of best practices and evaluation of challenges and opportunities for improvement. It proposes action plans and assists in their implementation.

With the support of the Audit Committee, as well as Internal Auditing, The Board 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, city 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.

## 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 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 Audit Committee.

## TEAM DEVELOPMENT

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 2013 included the Behavioral Skills Development Program, a special program for the development of new leaders and the continuity of Trajetórias Program, all of them at Promon Engenharia, as well as PromonLogicalis' Corporate Education Program, focused on the technical development of its staff.

Average annual number of training hours															
	Directors			Managers			Leaders/Supervisors			Technicians			Trainees		
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
<b>Promon Engenharia</b>	14	15	8	23	29	16	43	36	17	33	27	16	128	118	95
<b>PromonLogicalis Brasil</b>	2			10	6	5	17	9	10	23	16	27	79	7	9
<b>Trópico</b>	3	3	7	17	27	7	61	34	14	42	60	48	24	154	46
<b>Promon Meio Ambiente</b>												118			
<b>Promon Intelligens</b>			27			35						42			38

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.
- Promon S.A. holds a majority stake in Promon Meio Ambiente's capital since February 2013. Thus, the data for previous years is not available for this company.
- Promon Intelligens was incorporated in early 2013. Thus, there is no data to be reported for previous years.

## 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 annual surveys 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			
	2011	2012	2013
Promon Engenharia	78%	80%	82%
PromonLogicalis Brasil	84%	80%	83%
Trópico	85%	85%	(*)

(\*) From 2012, Trópico started to conduct the survey on a bi-annual basis.

## 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, Promon Intelligens 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 reduction in procurement verified in 2013 was primarily due to increased market demand for professional services at the expense of integrated solutions, a contract type that generates a higher procurement volume. As a result, the next Promon Integra will be organized when the purchasing volume shows a significant increase.

Spending on suppliers (R\$ million)						
	2011		2012		2013	
	In Brazil	Abroad	In Brazil	Abroad	In Brazil	Abroad
<b>Promon Engenharia</b>	552	8	368	11	420	6
<b>Trópico</b>	49	8	41	16	46	7
<b>TOTAL</b>	<b>601</b>	<b>16</b>	<b>409</b>	<b>27</b>	<b>466</b>	<b>13</b>

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.

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.

A significant example, in 2013, was the wastewater reuse system designed by Promon Engineering for the glassworks of Companhia Brasileira de Vidros Planos, located in Goiás, Pernambuco state. With zero effluent discharge, the entire volume of treated liquid, which traditionally would be dumped in the rivers of the region, was forwarded to the production cycle. Moreover, part of the rainwater will be used to replenish the system with minimum consumption of artesian wells. Validated by professionals Verti Ecotecnologias, a Promon Group company, the project did not involve new technologies, but the ability to integrate into a single system, to different degrees, established methodologies and processes.

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.

In May 2013, the Group signed the "Companies for Sustainable Solid Waste Management" commitments chart, through which companies publicly commit themselves to actions to accelerate the effective sustainable management of solid waste in Brazil. The company also participates in the Working Group of Companies and Solid Waste, which expands from the city of São Paulo to the national arena the discussion on this issue, contributing to the implementation of the National Policy on Solid Waste and to actions towards innovative, sustainable and responsible business.

The effort to expand the concept of social responsibility in its own business resulted in the publication of a paper at the Sustainable Management area of the Instituto Ethos de Empresas e Responsabilidade Social website. Named "Managing social impacts in projects: risks and opportunities", it is a joint effort by Promon Engenharia and Promon Meio Ambiente, depicting a methodology to manage social impacts on large engineering projects by means of a systemic vision and multidisciplinary approach.

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 and 2013, 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 previous periods.

	Consumption of materials (in tonnes)		
	2011	2012	2013
Concrete	89,195	24,611	8,737
Steel	20,067	15,096	5,737

Promon Engenharia accounts for most of the total.

	Direct energy consumption by primary energy source		
	2011	2012	2013
Biofuel	6,225 GJ / 149 tep	2,754 GJ / 66 tep	3,078 GJ / 73 tep
Petroleum products	37,932 GJ / 906 tep	35,934 GJ / 858 tep	33,767 GJ / 806 tep
Natural gas	441 GJ / 11 tep	338 GJ / 8 tep	0
<b>TOTAL</b>	<b>44,598 GJ / 1,066 tep</b>	<b>39,026 GJ / 932 tep</b>	<b>36,845 GJ / 880 tep</b>

	Indirect energy consumption by primary energy source		
	2011	2012	2013
Electricity	30,983 GJ / 8,606 MWh	24,880 GJ / 6,911 MWh	10,156 GJ / 2,821 MWh
Cooling	Not measured	Not measured	Not measured
Steam	Not measured	Not measured	Not measured
<b>TOTAL</b>	<b>30,983 GJ / 8,606 MWh</b>	<b>24,880 GJ / 6,911 MWh</b>	<b>10,156 GJ / 2,821 MWh</b>

	Total water withdrawal by source (m <sup>3</sup> )		
	2011	2012	2013
Piped water supply <sup>(*)</sup>	308,978	200,795	154,686
Ground water	2,763	10,833	25,329
<b>TOTAL</b>	<b>311,741</b>	<b>211,628</b>	<b>180,016</b>

<sup>(\*)</sup> Client or public supply.

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 2013, 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 PromonLogialis. 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 m<sup>3</sup> in 2011, 200,706 m<sup>3</sup> in 2012 and 135,303 m<sup>3</sup> in 2013. The values of ground water consumed in 2011 were reassessed during 2012.

	Total greenhouse gas emissions (tonnes CO <sub>2</sub> -e)			Total greenhouse gas emissions for entities controlled by Promon (tonnes CO <sub>2</sub> -e)		
	2011	2012	2013	2011	2012	2013
Direct emissions (scope 1, as per GHG Protocol)	2,870	2,681	2,499	100	59	77
Indirect emissions (scope 2, as per GHG Protocol)	251	501	271	172	292	260
<b>TOTAL</b>	<b>3,121</b>	<b>3,182</b>	<b>2,770</b>	<b>272</b>	<b>351</b>	<b>338</b>

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 CO<sub>2</sub> equivalent in 2011, 1,299 tonnes of CO<sub>2</sub> equivalent in 2012, and 841 tonnes of CO<sub>2</sub> equivalent in 2013. 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 1,010 tonnes of CO<sub>2</sub> equivalent. In 2011 and 2012, based on the same assumptions, the avoided emissions amounted to 845 and 1,444 tonnes of CO<sub>2</sub> equivalent respectively.

	NO <sub>x</sub> , SO <sub>x</sub> & other significant air emissions by type and weight (tonnes)		
	2011	2012	2013
Estimated emissions of sulfur in the form of SO <sub>x</sub> from combustion	1.3	1.3	1.2
Estimated emissions of NO <sub>x</sub> from combustion	61.6	61.0	57.4

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	2013
Class I (disposal: landfill or incineration) <sup>(*)</sup>	175	170	39
Class IIA & IIB (disposal: final)	3,337	1,045	1,984
Class IIA & IIB (disposal: recycling)	3,807	1,388	859
<b>TOTAL</b>	<b>7,319</b>	<b>2,603</b>	<b>2,792</b>

<sup>(\*)</sup> 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	2013	2011	2012	2013
Investment in external programs or projects	197	115	100	197	115	100
Environmental management and training <sup>(*)</sup>	3,501	4,581	3,789	1,280	1,080	1,401
Treatment and disposal of waste, effluent and emissions <sup>(*)</sup>	2,500	569	888	983	264	323
Remediation	0	0	0	0	0	0
<b>TOTAL</b>	<b>6,198</b>	<b>5,265</b>	<b>4,777</b>	<b>2,460</b>	<b>1,459</b>	<b>1,824</b>

## 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, until December 2013, through Instituto Razão Social (see "Promon Engenharia – Society and the Environment" ).

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 to bolster communication and integration among participants and facilitate the management and organization of activities. It has been active for four years in Promon Engenharia, PromonLogicalis and Trópico, and has currently more than four hundred and seventy volunteers benefiting more than thirteen thousand children and young people.

In 2013 it was developed the PerguntAção project, in partnership with Instituto Paulo Montenegro, aiming to promote a reflection on Volunteering, allowing the interaction and mobilizing stakeholders to propose social transforming actions. A group of twenty volunteers from Promon, fifteen representatives of NGOs and fifteen young people served by these NGOs in the cities of São Paulo and Rio de Janeiro participated in the project. The project won recognition as an innovative action by the Latin American Regional Conference on Volunteering, in Ecuador.

Promon's Voluntary Service Program indicators			
	2010	2011	2012
No. of volunteers	261	443	477
No. of benefited children and young people	10,806	19,597	13,240
No. of partner entities	7	12	13
No. of benefited entities	12	13	16

In addition to its activities in education, Promon also plays an important role in actions related to sustainable development, supporting non-governmental organizations such as the Instituto Ethos de Empresas e Responsabilidade Social, to which is associated since 2002. Promon participates in the development of this Institute's 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 and its social mobilization plan for education, were included in Ethos' best practices database in 2012 and 2013 as case studies on CSR actions. In 2013 Promon Engenharia's indicators led to its inclusion in the benchmark group of companies that obtained the first ten placings in a universe of about fifteen hundred companies.

Promon also supports projects in partnership with various civil society organizations such as the Associação Educacional e Assistencial Casa do Zezinho, the Ação Comunitária do Brasil/SP, the Junior Achievement Association of São Paulo and the Mozarteum (supported by PromonLogicalis).

Promon is a member of the Brazilian Committee of the United Nations Global Compact, of whose actions is actively participating in recent years. In 2013, the company was nominated to coordinate the Governance group of studies within the Committee.

	Expenditure on social investment (R\$ 000)		
	2011	2012	2013
Internal indicators			
Meals	17,782	19,344	18,967
Compulsory social charges	52,629	55,508	55,392
Private pension plans	7,950	7,850	7,850
Healthcare	8,752	10,285	10,136
Occupational health and safety	11,035	8,382	6,448
Education	328	286	337
Culture	0	0	0
Training and professional development	3,164	4,390	4,638
Daycare and childcare allowances	212	208	210
Profit sharing	18,875	9,270	13,591
Other internal investments	978	785	611
External indicators			
Education	1,046	199	388
Culture	230	228	104
Health and sanitation	0	0	0
Sports	0	0	0
Food security and combating hunger	0	0	0
Other external investments	703	204	372
Taxes excluding social charges	170,598	146,678	63,021
<b>TOTAL</b>	<b>294,282</b>	<b>263,617</b>	<b>182,065</b>

Detailed Table of Instituto Razão Social's Activities in 2013					
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.	1 city	Schools: 23 Teachers and Managers: 202 Pupils: 6,471
<i>Além dos Números</i>	Municipal education department teacher trainers	Numeracy	Improving mathematics teaching and learning in public schools.	1 city	School: 23 Teachers and Managers: 202 Pupils: 6,471
<i>Formar em Rede</i>	Municipal education department teacher trainers	Early childhood education (over 3 years)	Improving quality of early childhood education via in-service teacher training.	24 cities	Schools: 473 Principals: 294 Teachers: 2,518 Support team: 2,302 Pupils: 46,986
<i>Formar em Rede</i>	Municipal education department teacher trainers	Early childhood education (aged 0-3)	Contribute to the integral development of children 0 to 3 years via in-service teacher training.	3 cities	Schools: 19 Principals: 19 Teachers: 294 Support team: 82 Pupils: 2,435
<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



Social Actions Developed by Promon Group Companies in 2013					
Institution Supported	Project	Objetives	UN Millennium Development Goals	Beneficiaries	Activities
<b>Ação Comunitária do Brasil</b>	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	9,800 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.
<b>Associação Educacional e Assistencial Casa do Zezinho</b>	Culture in the Suburbs - Weekend with Art	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.
<b>Associação Junior Achievement de São Paulo</b>	Advantages of schooling	Presenting the benefits of schooling through activities in the classroom by volunteers with experience in business.	Goal 2: Achieve universal primary education	100 youngsters from public schools in the city of São Paulo.	Activities targeted at five different occasions, including board game, charting analysis, establishing a budget, career planning and debate.
<b>Projeto Casulo</b>	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 2013 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 1<sup>st</sup> and December 31<sup>st</sup>, 2013, 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 third 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, 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. The reduction in procurement verified in 2013 was primarily due to increased market demand for professional services at the expense of integrated solutions, a contract type that generates a higher procurement volume. As a result, the next Promon Integra will be organized when the purchasing volume shows a significant increase.

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 2013.

The followings 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 2013 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 2013"
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 2013" "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 third report published according to the GRI Guidelines.
3.11	Significant changes from previous reporting periods	This is the third 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 “ <b>A</b> ” 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	"Knowledge and Processes – 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	"Knowledge and Processes – Top Management's Internal Processes" "Strategy and Management"
4.10	Evaluation of the highest governance body's own performance	"Knowledge and Processes – Top Management's Internal Processes" "People"
4.11	Precautionary approach or principle	"Knowledge and Processes – 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 2013” “Knowledge and Processes – Risk Management” “Strategy and Management”
Item	Description	Location in report
ECONOMIC PERFORMANCE		
EC1	Direct economic value generated and distributed	“Promon in 2013” “Business Activities” “Financial Statements” (only in the Portuguese version)
EC2	Financial implications and other risks and opportunities due to climate change	“Knowledge and Processes – 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	“Instituto Razão Social” “Society and the Environment – Social Investment”
EC9	Understanding and describing significant indirect economic impacts	“Instituto Razão Social” “Society and the Environment – Social Investment”

ENVIRONMENTAL		
Policy and Management		Location in report
Organization-wide policy that defines the overall commitment related to the environmental aspects		“Reason for Being and Organizational Culture” “Strategy and Management” “Commitments and Awards” “Global Compact (principles 7, 8 and 9)”
Management approach		“Promon in 2013” “Strategy and Management” “Knowledge and Processes – Risk Management” “Society and the Environment – Socio-Environmental Impact” ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) and ABNT-ISO 14001 (Promon Engenharia) certifications
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 2013.
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 2013.
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 2013" "Strategy and Management" "Knowledge and Processes – 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 – Team Development"
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 – Team Development"
LA12	Percentage of employees receiving regular performance and career development reviews	"Knowledge and Processes – Team Development"

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 2013" "Strategy and Management" "Knowledge and Processes – 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 2013” “Strategy and Management” “Knowledge and Processes – 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	“Knowledge and Processes – 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 and Legal units of the involved company and the Internal Audit units 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	<p>“Society and the Environment – Competition and Public Sphere”</p> <p>There were no legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes in the last three years.</p>
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		<p>“Reason for Being and Organizational Culture”</p> <p>“Strategy and Management”</p> <p>“Commitments and Awards”</p>
Management approach		<p>“Promon in 2013”</p> <p>“Strategy and Management”</p> <p>“Knowledge and Processes – Risk Management”</p> <p>ABNT-ISO 9001 (Promon Engenharia, PromonLogicalis and Trópico) and ISO/IEC 27001 (Promon Engenharia) certifications</p>
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 2013” “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 2013. 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
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.	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.	HR1-9  Complementary: LA4, LA6-9, LA13, LA14, SO1, PR1-2
<b>Principle 2:</b> Businesses should make sure they are not complicit in human rights abuses.	Promon is committed to ensuring that all business units of the organization avoid complicity in human rights abuses.	HR1-9
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	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.	HR5, LA4, LA5
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labor.	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.	HR7  Complementary: HR1-3
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labor.	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.	HR6  Complementary: HR1-3
<b>Principle 6:</b> Businesses should uphold the elimination of discrimination in respect of employment and occupation.	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.	HR4, LA2, LA13, LA14  Complementary: HR1-2, EC5, EC7, LA3
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.	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.	Profile 4.11, EN26, EN30  Complementary: EC2

<b>Principle 8:</b>  Businesses should undertake initiatives to promote greater environmental responsibility.	Promon promotes environmental responsibility in its regular operations and through environmental education and conscientious consumption programs.	EN2, EN5-7, EN10, EN13-14, EN18, EN21-22, EN26-27, EN30  Complementary: EC2, EN1, EN3-4, EN8-9, EN11-12, EN15-17, EN19-20, EN23-25, EN28-29, PR3-4
<b>Principle 9:</b>  Businesses should encourage the development and diffusion of environmentally friendly technologies.	Promon is committed to developing and adopting sustainable technologies as an intrinsic part of its business.	EN2, EN5-7, EN10, EN18, EN26-27, EN30
<b>Principle 10:</b>  Businesses should work against corruption in all its forms, including extortion and bribery.	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.	SO2-4  Complementary: SO5-6

## MANAGEMENT TEAM

As at April 2nd, 2014, General Meeting of the Shareholders in Promon S.A.

### Promon S.A.

#### BOARD OF DIRECTORS

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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 Tirolli  
Member of the Board

#### EXECUTIVE COMMITTEE

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Luiz Fernando T. Rudge  
Chief Executive Officer

Gilson G. Krause  
Executive Director

Ivo Godoi Junior  
Executive Director

Felipe Alceu Amoroso Lima  
Executive Director

#### NEW BUSINESSES

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Gilson G. Krause  
Executive Director

Paulo M. A. Sobreira  
Director

#### CORPORATE

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Bruno Pires Bandarovsky  
Director, Tax Planning

Heloisa R. de Campos Mello  
Director, Legal Department

Marcia Fernandes Kopelman  
Director, Human Relations and Communications

Marcio Nieblas Zapater  
Director, Finance

Maria Cristina Varalla Mendes  
Director, Structured Projects

Newton Rafael Zuppo  
Director, Auditing

## P2 Gestão de Recursos Ltda.

### DIRECTORS

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Ivo Godoi Junior  
Director

Otavio Castello Branco (Pátria)  
Director

### INVESTMENT COMMITTEE

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Alexandre Saigh (Pátria)  
Gilson G. Krause  
Ivo Godoi Junior  
Luiz Ernesto Gemignani  
Luiz Fernando T. Rudge  
Luiz Otavio Reis de Magalhães (Pátria)  
Olimpio Matarazzo Neto (Pátria)  
Otavio Castello Branco (Pátria)

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Antonio Ricardo S. Madureira  
Director

## Promon Intelligens Estratégia e Tecnologia Ltda.

### STEERING COMMITTEE

---

Luiz Fernando T. Rudge

Gilson G. Krause

Ivo Godoi Junior

### DIRECTORS

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José Armando Krukoski  
Director, Consulting

Fabio Zaffalon Rodrigues  
Director, Consulting

Guilherme Jorge de M. Velho  
Director, Consulting

Hugo O. Brodskyn  
Director, Consulting

Patricia Cristina C. Sabinelli  
Director, Consulting

Sérgio Almeida Oliveira  
Director, Consulting



## Promon Engenharia Ltda.

### DIRECTORS

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Felipe Alceu Amoroso Lima  
Chief Executive Officer

Cícero V. F. Facciolla  
Executive Director, Operations

Fábio Bittencourt R. de Oliveira  
Executive Director, Finance and Information Systems

Moisés Falco  
Executive Director, Knowledge Management

André Martins de Martini  
Director, Strategic Management

Álvaro Bragança Júnior  
Director, Business Development, Natural Resources, Energy & Industries

Bruno Picozzi  
Director, New Businesses, Oil & Gas

Celso Pereira da Silva  
Director, Business Development, Oil & Gas

Luiz Carlos Borges Goes  
Director, Business Development, Infrastructure & Logistics

Nelson de A. Rocha  
Director, Business Development, Natural Resources, Energy & Industries

Francisco Ferraro Neto  
Technical Director, Engineering

João Augusto R. Fontoura  
Technical Director, Engineering

Jobel Freitas da Silva  
Technical Director, Engineering

Jorge Rodrigues Patrício  
Project Director

Luiza Maria B. Carneiro  
Project Director

Mauricio Sgarbi Goulart  
Project Director

Maurício Morbelli Wagana  
Project Director

Rodney de B. Faria  
Technical Director, Industrial Processes

Sérgio Luiz P. do Nascimento  
Project Director

## PromonLogicalis Latin America Limited

### BOARD OF DIRECTORS

---

Jens Montanana  
Chairman of the Board (Logicalis)

Felipe Alceu Amoroso Lima

Heloisa R. de Campos Mello

Luiz Fernando T. Rudge

Ian Cook  
(Logicalis)

Mark Rogers  
(Logicalis)

Nigel Drakeford-Lewis  
(Logicalis)

### DIRECTORS

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José Rodrigo Parreira  
Chief Executive Officer

João A. G. Albanezi  
Executive Vice-President, Business, Brazil

Carlos A. M. Pingarilho  
Vice-President, Logicalis Southern Cone

Galo Alejandro Fuentes  
Regional Businesses Director, Logicalis Andina

Cássio Ricardo de Moura  
Chief Financial Officer, PromonLogicalis Latin America Ltd.

Ana Carolina Kliemann  
Director, Legal, PromonLogicalis Latin America Ltd.

Luis Miguel Espósito  
Director, Knowledge, Processes & Systems, PromonLogicalis Latin America Ltd.

Claudio Pfiszer  
Director, Procurement

Edson do Couto Gissoni  
Director, Government Business Segment

Ernesto Schlesinger  
Director, Finance

Herbert J. Azevedo  
Director, Commercial Engineering

Julian Juniti Nakasone  
Director, IT Solutions

Lígia Senise Ferreira Bussad  
Director, PMO

Luís Minoru Shibata  
Director, Consulting and IT

Marcos Theodoro Simon Siqueira  
Director, Corporate Business Segment

Paulo Rogério Torres  
Director, Services

Reginaldo Ladvig Oswaldo  
Director, Operations

Renata de Oliveira P. Randi  
Director, Marketing & Partnerships

Riccardo Gaetano F. Modica  
Director, Telecom Carriers

Rogério Bandeira de Mello Canto e Sousa  
Director, Tax Planning

Silvana Teruko Mizono Viel  
Director, Engineering

Tânia L. Casa de Vito  
Director, Human Relations & Administration

Yukio Suehiro  
Director, Telecom Carriers

## **Trópico Sistemas e Telecomunicações S.A.**

### **BOARD OF DIRECTORS**

---

Luiz Fernando T. Rudge  
Chairman of the Board

Gilson G. Krause

Heloisa R. de Campos Mello

Maria Cristina Varalla Mendes

Cláudio Aparecido Violato (CPqD)

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Chief Executive Officer

José Fernando Carniel  
Executive Director

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Director, Administration and Finance

José Rafael Janini Ortiz  
Director, Business Development

Manoel Marcilio Sanches  
Director, Business Development

Mario de Souza  
Director, Client Support

Tomio Torii  
Director, Operations

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Felipe Alceu Amoroso Lima  
Chairman of the Board

Mauro Cesar Pereira

Moisés Falco

Wilfred Brandt

### **DIRECTORS** (Brandt, TerraVision, Verti)

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Chief Executive Officer

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Milton Lopes Antelo Filho  
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## Instituto de Tecnologia Promon

Moises Falco  
Executive Director

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