

# UNITED NATIONS GLOBAL COMPACT

Communication  
on Progress 2014

Advanced Level

 BERACA



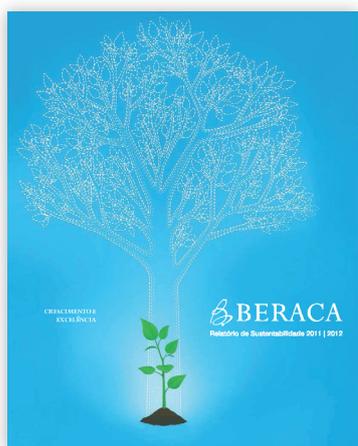
# COMMUNICATION ON PROGRESS

## About this Document

The document presented by Beraca is a result of a systematic work from its Sustainability area, which acts in a transversal format and which is fully integrated with the company’s Presidency and Director Board, signatory of the United Nations Global Compact since 2007. Beraca’s previous edition of the Communication On Progress was published in 2011, two years after the release of the first Sustainability Report following the criteria of the Global Reporting Initiative (GRI).

This time, besides the format, the company brings information about a larger number of criterias, demonstrating a constant evolution of its results. For the stakeholders who wish to know more about the company’s activities and achievements, it’s indicated to read the most recent Sustainability Report, which covers the years 2011 and 2012.

Beraca’s Sustainability Report can be accessed through [www.beraca.com/rs](http://www.beraca.com/rs).



Sustainability Report



Communication on Progress

## COMMUNICATION ON PROGRESS

### Beraca Institutional

Beraca is a Brazilian company with seven domestic sites, one in France and one in the USA. Covering the entire national territory and with distribution networks in more than 40 countries around the world, the company stands out for their specialized development of high-performance technology, solutions and raw materials for the water treatment, cosmetic, animal nutrition and food & beverage industries.

Based on a Triple Bottom Line, which balances out the environment, the human being and the economic aspect, the company's results have been recognized in Brazil and other countries. Among the recent highlights, it's worth to mention that in 2014 Beraca was recognized as one of the Global Growth Company by the World Economic Forum, and also the most sustainable company in Brazil on the Chemical Sector by the Guia Exame de Sustentabilidade, promoted by the Exame Magazine from Editora Abril – one of the most recognized Brazilian publishers.

For additional information, please access [www.beraca.com](http://www.beraca.com)



## COMMUNICATION ON PROGRESS

### Statement of Continued Support

To believe and to value the transformation power of the Human Being. This is the daily commitment of almost 300 professionals who make Beraca a reference in the market in which it operates. Among our activities, we always promote a closer look not only to the economic and financial progress, but also to the human being development in a levelheaded way. We are committed to enhance and to promote the sustainable usage and management of the natural resources - especially water and biodiversity.

For this reason, **Sustainability** is not only comprehended as a simple corporative trending. In fact, for many years Sustainability is what guides all the activities of the company, occupying a central position since the strategies definition steps, until the results mensuration. Actually, a clear evidence of this is the fact that once again we decided to publish the Communication on Progress with the purpose of demonstrating our engagement with the criteria sustained by the United Nations Global Compact agenda.

Due to a combination of investments and continuous effort, we have conquer considerable

achievements in some topics, such as: Corporate Governance, Compliance, Traceability of biodiversity raw material, International Strategic Alliances, and Results Evaluation. We can proudly say that, we have intensified and amplified the number of connections with the society, the Academy, the Government and Independent Organizations, which have the important role of overseeing and promoting the advancement of some topics that are often viewed as sensitive by specific sectors.

We know that there is still a lot to be done, however, as we said earlier, we have the most important asset to continue on our evolution path: the belief that the human being can be the protagonist of his own history.

On behalf of Beraca we want to say thanks to the support of our stakeholders and we reinforce the commitment to move forward in the pursuit of practices increasingly responsible, smart, efficient and in the pursuit for Sustainability.

**Marco Antonio Sabará and Ulisses Sabará**  
**Presidents of Beraca**

# COMMUNICATION ON PROGRESS

## Summary

Following below it's possible to evaluate Beraca's position to the guidelines proposed by the United Nations Global Compact Communication On Progress.

The company offers the email sustentabilidade@beraca.com to support its stakeholders in case of questions or interest for additional information.

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## IMPLEMENTING THE TEN PRINCIPLES

### CRITERION 1 - The COP describes mainstreaming into corporate functions and business units

<p>Place responsibility for execution of sustainability strategy in relevant corporate functions (procurement, government affairs, human resources, legal, etc) ensuring no function conflicts with company's sustainability commitments and objectives</p>	<p>The model of sustainability management is executed transversely with actions performed by multipliers and executive decisions taken by the committee. In this model, the committee has the figure of a sponsor, which has the role to validate the decisions of the sustainability and planning committee, giving visibility and priority within the organization's programs, and present the demands of the presidency for the management and execution of the committee. Nowadays, sponsors are Beraca's presidents, also future members of the Board of Directors, with high political and decision-making power within the company hierarchy. 4.</p> <p><b>GRI Sustainability Report</b></p>
<p>Align strategies, goals and incentive structures of all business units and subsidiaries with corporate sustainability strategy</p>	<p>"Beraca conducts business that adds value not only remunerating its shareholders, but also promoting human development and the preservation of environmental goods essential to life on earth. Thus, Beraca adapted the tripod to this reality.</p> <p>Economic: pillar was turned into Adequate Profitability. Beraca's business may not be profitable only in the present but also in the future. This means monetize the entire value chain, respecting its values and policies, paying appropriate prices to suppliers, paying employees at market value and delivering additional benefits to customers.</p> <p>Environment: pillar was changed to Water Conservation and Biodiversity. Beraca's business must preserve its sources of raw materials and use them sustainably. Thus, Beraca assumes tangible commitments with its surroundings and its stakeholders. Because of its business character, it is essential that the water and biodiversity subjects are prioritized, without prejudice to other environment issues.</p> <p>Social: pillar was changed to Human Development in a balanced way. Beraca's business should contribute to the development of all human being and should be focused on health, nutrition and beauty which are essentials items for balanced human development. Thus, Beraca seeks to contribute to that people may develop through education, sports, culture and health. More importantly, Beraca understands that its business exists only because it is made of people and believes that investing in people also means investing in its business.</p> <p>A fourth element operates throughout the tripod, defining how the different levels are related with. For Beraca, the relationship between all the elements should be conducted based on ethical and transparent precepts".</p> <p><b>GRI Sustainability Report</b></p>

### CRITERION 2 - The COP describes value chain implementation

INDICATORS	ANSWERS
<p>Analyze each segment of the value chain carefully, both upstream and downstream, when mapping risks, opportunities and impacts</p>	<p>In the past two years, Beraca established important connections within its production chain, approaching the end customer and government authorities to supplier communities. Transparently, Beraca puts interested end customers and institutions in direct contact with the communities that have their partnership opportunities expanded. Beraca also make itself available to act as a bridge for future negotiations and support. This approach is possible because of the traceability that Beraca supports in its productive chain, generating benefits for all involved.</p> <p><b>GRI Sustainability Report</b></p>

**ROBUST HUMAN RIGHTS MANAGEMENT POLICIES & PROCEDURES**

**CRITERION 3 - The COP describes robust commitments, strategies or policies in the area of human**

<p>Statement of policy stipulating human rights expectations of personnel, business partners and other parties directly linked to operations, products or services</p>	<p>Beraca invests in guidance and scheduled audits to prevent the occurrence of child labor in supplier communities. The subject also includes contractual clauses that inhibit the practice. At 2012 Beracom, held in Belém, a representative of the Social Accountability International in Brazil spoke about it with more than 50 community leaders, reinforcing the company’s commitment to the abolition of child labor.</p> <p><b>GRI Sustainability Report</b></p>
<p>Statement of policy publicly available and communicated internally and externally to all personnel, business partners and other relevant parties</p>	<p>Starting in 2010, Beracom - Beraca Dialogue, Community Leaders and Partners in Amazon - was born as an intensive training workshop for leaders of the supplier communities and it was consolidated as one of the main tools of engagement with this audience. The second and third editions of the event were held in 2011 and 2012 in Belém, Pará The event now has over three days, with a significant increase of attendees. There were about 50 in 2011 and about 80 in 2012.</p> <p><b>GRI Sustainability Report</b></p>

**CRITERION 4 - The COP describes effective management systems to integrate the human rights**

<p>On-going due diligence process that includes an assessment of actual and potential human rights impacts.</p>	<p>Beraca is committed to respect Human rights. Our SocioBiodiversity Enhancement Program policy enhances this commitment with the supplier local communities by respecting their culture, complying with International Labor Regulations and promoting a sustainable relationship with all its stakeholders. Our SocioBiodiversity Enhancement program.</p> <p><b>SocioBiodiversity Enhacenment Program Policy</b></p>
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**CRITERION 5 - The COP describes effective monitoring and evaluation mechanisms of human rights integration**

<p>Monitoring drawn from internal and external feedback, including affected stakeholders.</p>	<p>Beraca runs every year employees performance surveys covering several themes including human rights.</p> <p>Beraca’s Compliance Manual covers topics that supports the internal implementation of human rights.</p> <p><b>Compliance Manual</b></p>
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**ROBUST LABOUR MANAGEMENT POLICIES & PROCEDURES**

**CRITERION 6 - The COP describes robust commitments, strategies or policies in the area of labour**

<p>Reference to principles of relevant international labour standards (ILO Conventions) and other normative international instruments in company policies</p>	<p>All suppliers and subcontractors are required to comply with the Group's General Terms of Purchase and Payment, which include respect for the Fundamental Conventions of the International Labour Organization and local legislation, particularly in terms of the minimum wage, working time, health and security.</p> <p><b>Compliance Manual</b></p>
<p>Reflection on the relevance of the labour principles for the company</p>	<p>Beraca respects the individuality and dignity of the people, this is directly reflected in the policies of the company.</p> <p>Beraca do not abide any behavior which could be construed as a violation of labor regulations, whether committed by employees or other parties with whom it interacts. The company do not tolerate t the use of child labor or forced labor in any related activity of the supply chain. Beraca also do not accept any type of discrimination or prejudice related to age, ethnicity, race, color, disability, nationality, politics, religion, marital status and sexual orientation.</p> <p><b>Compliance Manual</b></p>
<p>Written company policy to obey national labour law, respect principles of the relevant international labour standards in company operations worldwide, and engage in dialogue with representative organization of the workers (international, sectoral, national).</p>	<p>It is explicit stated on Beracas Compliance Manual the expectation for employees and other related parties to comply with national and international regulations that promote:</p> <ul style="list-style-type: none"> <li>• Support and respect for human rights</li> <li>• Freedom of association and the effective recognition of the right to collective bargaining</li> <li>• Relationships guided fair competition by prohibiting corruption in all its forms, including extortion and crime.</li> </ul> <p><b>GRI Sustainability Report / Compliance Manual</b></p>

**CRITERION 7 - The COP describes effective management systems to integrate the labour principles**

<p>Internal awareness-raising and training on the labour principles for management and employees</p>	<p>In 2014, Beraca has undertaken to organize training and workshops for its employees covering all policies stated in its Compliance Manual. The compliance manual cover topics related to human rights, anti-corruption, stakeholders relationship, competition principles, labour rights.</p> <p><b>Compliance Manual</b></p>
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**CRITERION 8 - The COP describes effective monitoring and evaluation mechanisms of labour principles integration**

<p>System to track and measure performance based on standardized performance metrics</p>	<p>Performance Evaluation: Conducted every year with all the company's employees, the evaluation involves three categories - operational, administrative and leadership. The tool aims to promote the identification of development needs, allowing employees to make the diagnosis, evaluate and improve their individual performance.</p>
<p>Process to positively engage with the suppliers to address the challenges (i.e., partnership approach instead of corrective approach) through schemes to improve workplace practices</p>	<p>Beraca recognizes the importance of understanding its stakeholders and its expectations, therefore the company invests quality time engaging and building sustainable relationships and partnerships with this public.</p>

**ROBUST ENVIRONMENTAL MANAGEMENT POLICIES & PROCEDURES**

**CRITERION 9 - The COP describes robust commitments, strategies or policies in the area of environmental stewardship**

<p>Reference to relevant international conventions and other international instruments (e.g. Rio Declaration on Environment and Development)</p>	<p>In order to enhance its commitment to an environmental sustainable development, Beraca is committed to the following initiatives and organizations:</p> <p><b>Brazilian Business Movement for Biodiversity (MEBB):</b> initiative to mobilize the business sector to make commitments and press for internal and external regulations regarding use of Brazilian biodiversity. Companies that adhere to MEBB establish their commitment to sustainable development, promotion of economic growth within the best business practices, and seek to contribute to the construction and improvement of the regulatory framework for access to Brazilian biodiversity</p> <p><b>Biodiversity in Good Company:</b> companies that adhere to the commitment promote the protection and sustainable use of biodiversity, in partnership with other stakeholders, whether political or society</p> <p><b>Union for Ethical Bio Trade (UEBT):</b> The Union for Ethical BioTrade is a nonprofit association that promotes the "supply with respect" of ingredients from biodiversity.</p> <p><b>Caring for climate:</b> is the UN Global Compact, the UN Environment Programme and the secretariat of the UN Framework Convention on Climate Change's initiative aimed at advancing the role of business in addressing climate change.</p> <p><b>Global Compact:</b> Initiative proposed by the United Nations (UN) to encourage companies to adopt policies of corporate social responsibility and sustainability. Beraca is a member of the Brazilian Committee of the Global Compact. The Compact promotes a dialogue between companies, UN, trade unions, non-governmental organizations and other partners to develop a more inclusive and sustainable global market.</p> <p><b>Environmental Policy</b></p>
<p>Written company policy on environmental stewardship</p>	<p>Beraca through its Environmental Policy seeks to implement preservation of the environment and sustainable development in all its activities and business segments.</p> <p>Our units promote actions for the rational use of natural resources seeking to minimize waste generation by setting targets for water and energy consumption; orienting employees about the importance of recycling and promoting the improvement of the environmental quality of our operations and products along the supply chain.</p>
<p>Specific commitments and goals for specified years</p>	<p><b>Energy</b></p> <ul style="list-style-type: none"> <li>• Reduce by 10% the energy use per unit of output.</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>• Reduce by 15% the use of water per unit produced or busy.</li> <li>• Use 15% of reused or rain on the total amount of water consumed water.</li> </ul> <p><b>Solid Waste</b></p> <ul style="list-style-type: none"> <li>• Recycle 30% or more of all solid waste generated in the units.</li> <li>• Reduce by 10% the total solid waste generation of non-productive.</li> </ul> <p><b>Document: Sustainability Strategic Planning</b></p>

**CRITERION 10 - The COP describes effective management systems to integrate the environmental principles**

<p>Environmental risk and impact assessments</p>	<p>Beraca's audit program assesses progress and compliance with our policies and standards, and audits are also carried out at supplier sites.</p>
<p>Assessments of lifecycle impact of products, ensuring environmentally sound management policies</p>	<p>Beraca's audit program assesses progress and compliance with our policies and standards, and audits are also carried out at supplier sites.</p>
<p>Internal awareness-raising and training on environmental stewardship for management and employees</p>	<p>In 2014, Beraca has undertaken to organize training and workshops for its employees covering all policies related to environmental and sustainable practices focusing in each specific business area.</p>

**CRITERION 11 - The COP describes effective monitoring and evaluation mechanisms for environmental stewardship**

System to track and measure performance based on standardized performance metrics	Beraca has created internal indicators with the aim of measuring performance in its different business areas, set up goals and look for constant improvement.
Leadership review of monitoring and improvement results	Environmental results are presented to the Strategy and Sustainable Development Committee of the Board.

**ROBUST ANTI-CORRUPTION MANAGEMENT POLICIES & PROCEDURES**

**CRITERION 12 - The COP describes robust commitments, strategies or policies in the area of anti-corruption**

Support by the organization's leadership for anti-corruption	<p>Beraca's Chief Executive Officer renews Beraca's commitment to the United Nations Global Compact every year which includes anticorruption.</p> <p><b>GRI Sustainability Report</b></p>
Publicly stated formal policy of zero-tolerance of corruption	<p>Beraca's Manual of Compliance publicly states a zero tolerance approach to corruption. The anti-corruption policy contained in the Compliance Manual applies to all employees, officers and directors of the Group. The company is also committed to the Business Pact for Integrity and Against Corruption and to the ten principles of the global compact which addresses compliance to anti-corruption practices.</p> <p><b>GRI Sustainability Report</b></p>

**CRITERION 13 - The COP describes effective management systems to integrate the anticorruption principle**

Human Resources procedures supporting the anti-corruption commitment or policy, including communication to and training for all employee	<p>Beraca's anti-corruption commitment is supported by Human Resources procedures via the ethical "Compliance Manual", we regularly communicate, internally and externally, on the implementation of our anticorruption policies.</p> <p><b>Compliance Manual</b></p>
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**CRITERION 14 - The COP describes effective monitoring and evaluation mechanisms for the integration of anti-corruption**

Process to deal with incidents	<p>All concerns raised are carefully considered and examined, so that measures can be taken, where applicable in case of violation with Beraca's anti-corruption principles.</p> <p><b>Compliance Manual</b></p>
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**TAKING ACTION IN SUPPORT OF BROADER UN GOALS AND ISSUES**

**CRITERION 15 - The COP describes core business contributions to UN goals and issues**

Align core business strategy with one or more relevant UN goals/issues	<p>Beraca conducts business that adds value not only remunerating its shareholders, but also promoting human development and the preservation of environmental goods essential to life on earth. Beraca's sustainability triple bottom (TBL) line was designed to reflect how the company's business model has been built taking into consideration all the values proposed inside of the TBL such as: human development, preservation of the environment, ethics and corruption.</p> <p><b>GRI Sustainability Report</b></p>
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**CRITERION 16 - The COP describes strategic social investments and philanthropy**

Pursue social investments and philanthropic contributions that tie in with the core competencies or operating context of the company as an integrated part of its sustainability strategy	<p>Beraca invested 3.10% of its invoicing in Sustainability in 2012 and 3.56% in 2011. The model of sustainability management is executed transversely with actions performed by multipliers and executive decisions taken by the committee. In this model, the committee has the figure of a sponsor, which has the role to validate the decisions of the sustainability and planning committee, giving visibility and priority within the organization's programs, and present the demands of the presidency for the management and execution of the committee.</p> <p><b>GRI Sustainability Report</b></p>
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**CRITERION 17 - The COP describes advocacy and public policy engagement**

Publicly advocate the importance of action in relation to one or more UN goals/issues	<p>Beraca shows its commitment to several institutions and initiatives that promotes the importance of actions in relation to the UN goals.</p> <p>Business Pact for Integrity and Against Corruption            Brazilian Business Movement for Biodiversity (MEBB)            Biodiversity in Good Company            Union for Ethical Bio Trade (UEBT).</p> <p><b>GRI Sustainability Report</b></p>
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**CRITERION 18 - The COP describes partnerships and collective action**

Develop and implement partnership projects with public or private organizations (UN entities, government, NGOs, or other groups) on core business, social investments and/or advocacy	<p>Beraca seeks to build partnership with clients, NGOs, and other key stakeholders to create projects that enhance the lives in the supplier communities and guarantees sustainable development. One example is the PACE PROJECT In Piauí, Beraca initiated Project Água, Cidadania e Ensino (Pace), which involves the production chain of buriti oil, in partnership with the end customer and NGOs. The school is the point of reference that brings together the initiatives undertaken in the community. There, a reservoir was built so that the water may be removed and treated for the benefit of the community as a whole. The school received renovations and gained a library. Thus, the community benefits from increased economic activity in the region.</p> <p><b>GRI Sustainability Report</b></p>
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**CRITERION 19 - The COP describes CEO commitment and leadership**

CEO publicly delivers explicit statements and demonstrates personal leadership on sustainability and commitment to the UN Global Compact

Beraca’s Chief Executive Officer renews Beraca’s commitment to the 10 principles of the Global Compact every year.

**CRITERION 20 - The COP describes Board adoption and oversight**

Board establishes, where permissible, a committee or assigns an individual board member with responsibility for corporate sustainability

Sustainability decisions are taken by the committee. In this model, the committee has the figure of a sponsor, which has the role to validate the decisions of the sustainability and planning committee, giving visibility and priority within the organization’s programs, and present the demands of the presidency for the management and execution of the committee. Nowadays, sponsors are Beraca’s presidents, also future members of the Board of Directors, with high political and decision-making power within the company hierarchy.

**CRITERION 21 - The COP describes advocacy and public policy engagement**

Consult stakeholders in dealing with implementation dilemmas and challenges and invite them to take active part in reviewing performance

Started in 2010, Beracom - Beraca Dialogue, Community Leaders and Partners in Amazon - was born as an intensive training workshop for leaders of the supplier communities and it was consolidated as one of the main tools of engagement with this audience. The second and third editions of the event were held in 2011 and 2012 in Belém, Pará The event now has over three days, with a significant increase of attendees. There were about 50 in 2011 and about 80 in 2012.

The participation of government - both state and federal - was significant, generating opportunities for community leaders to discuss public policy issues for the region directly with the proper power level. In a survey conducted after the event, the participants pointed out the opportunity to exchange experiences among the leaders as one of the main advantages of this dialogue.