



2016 United Nations Global Compact Communications on Progress Report

Year: 2016

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Statement of continued support

GOVERNANCE TECHNOLOGY is pleased to submit its first report United Nations Global Compact Communications on Progress report for the year 2015. This report is the beginning of a consolidation of work that began at the creation of the company, which was designed within strict ethical standards and with a commitment to be a company with social and environmental responsibility, corporate responsibility, transparency, disclosure and accountability for all stakeholders.

We, at GOVERNANCE TECHNOLOGY, would like to express our continued support and commitment with all ten universal principles of the Global Compact in respect to human rights, labor, environment and anticorruption, because we believe, as part of our membership in the UN Global compact and our awareness of the importance of the ten principles as a secure and practical guideline to contribute to the world transformation in all dimensions: social, environmental, cultural, human and business.

We renew our pledge to the UN Global Compact and we, at GOVERNANCE TECHNOLOGY, will encourage other companies and people to embrace the ten principles, in order to create a more ethical and business environment in Brazil and around the world.

Sincerely,



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Brief description of nature of business

Governance Technology is a small company created in 2005 to become one of the main suppliers of IT solutions of internal auditing, compliance, risk management, antifraud, anti corruption and oversight and support for implementation of best practices of corporate governance.

In its commitment towards sustainable development, GOVERNANCE TECHNOLOGY devotes considerable attention towards the ethics practices, environmental and social responsibility in its business operations, through various different mechanisms:

- Disclosure to employees, customers and suppliers of values and ethical standards adopted by TECHNOLOGY GOVERNANCE projects and in conducting business.
- Incentives for employees, customers and suppliers to participate in volunteer activities to help poor communities.
- Adopt Clean Technologies: recyclable or environmentally friendly materials and computers and electronic equipment designed for energy saving.

PRINCIPLE 1 – BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

We explicitly support the United Nations' Universal Declaration of Human Rights and respect human rights in conducting our operations. Every employee at Governance Technology must adhere to our human rights policy outlined in our statement of business practice.

PRINCIPLE 2 – BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

Governance Technology respects and supports the dignity, well being and rights of Group employees, our families and the communities in which we live, as well as others affected by the Group's operations. Where those rights are threatened, we seek to have international standards upheld and to avoid situations that could be interpreted as condoning human rights abuses. We ensure that our equipment and facilities are not misused in violation of them.

PRINCIPLE 3 – BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

We recognize everyone's right to choose whether or not they wish to join a union consistent with local labor laws. We recognize the right of all employees to choose to belong to a union and seek to bargain collectively.

PRINCIPLE 4 – BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS

OF FORCED AND COMPULSORY LABOUR

We do not use or employ forced, bonded or child labor. Governance Technology requires all recruitment to be consistent with the human rights policy, equal opportunity requirements, relevant employee protection legislation and appropriate pre-employment screening.

Governance Technology adopts strict control of working hours and all overtime must be authorized by management in order to avoid work overload.

PRINCIPLE 5 – BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

Governance Technology does not hire children nor teenagers.

PRINCIPLE 6 – BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Governance Technology requires all recruitment to be consistent with the human rights policy, equal opportunity requirements and relevant employee protection legislation. We believe that diversity improves business outcomes.

Our third global employee engagement survey has been completed in Dec 2015. Engagement levels has been positive and good progress has been made on improving understanding and support of the Group's vision and values.

PRINCIPLE 8 – BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

Governance Technology uses only recyclable or environmentally friendly inputs, despite the higher cost compared to other types.

Governance Technology has a policy of reducing printing documents and reports, training and awareness of reading and exchange electronic documents. Two years after training and awareness of employees, we achieved a 73,5% reduction of paper use and 21% energy consume reduction. In 2016 we maintained reduction of paper use and level energy consume reduction, comparing to 2013, 2014 and 2015.

Energy saving policies implemented, with the following actions:

- a) Use of natural light open curtains and windows.
- b) Reduction the use of air conditioning.
- c) Shutdown of equipments in lunch breaks and weekends.
- d) Choose of equipments that save energy or use energy efficiently.
- e) Setting up equipments, personal computers and servers to consume energy efficiently.

f) Internal selective garbage collection.

g) Internal campaigns to save water.

PRINCIPLE 10 – BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Being open and transparent is a key part of the way we operate. We are committed, in principle and in practice, to maximum transparency, consistent with good governance and commercial confidentiality.

In June 2011, we revised standards and refined our guidelines for bribery and fraud prevention policies and compliance programs.

In August 2012, we had workshops, work meetings and lectures concerned to anti-bribery, anti-fraud and corruption preventions.

In July 2013, we had workshops, work meetings and lectures concerned to anti-bribery, anti-fraud and corruption preventions, with focus on government relationship.

In May 2014, we had meetings and lectures concerned to anti-bribery, anti-fraud and corruption preventions, with focus on relationship with government and private organizations, according to new Brazilian anti-corruption law number 12.846, published at 1st august 2013.

Along 2015, we have participated of Anti-Corruption and Anti-Bribery initiatives, events and workshops promoted by Governmental Agencies, such as SEBRAE (Support Services for micro and small enterprises), and Software Industry Association, such as ASSESPRO-DF (Association data processing enterprises).

In 6th November 2015 we implemented an Anti-Corruption Compliance Program. All our staff have been trained and made aware of our anti-corruption program, our principles, our code of ethics and the new Law 12,846, Law Anticorruption Business Brazilian, which entered into force on 29 January 2014, and establishes that companies, foundations and associations will respond civil and administrative whenever the action of an employee or representative cause damage to public property or violate principles of public administration or international commitments made by Brazil. All our employees, including the members and the board, have signed a personal commitment term with our anti-corruption compliance program.