

**COMUNICAÇÃO DE ENGAJAMENTO (COE)
MODELO BÁSICO**

Período que abrange a sua Comunicação de Engajamento (COE)

De: Para:

1. DECLARAÇÃO DE APOIO CONTÍNUO DO PRESIDENTE OU EQUIVALENTE

São Paulo, August 26th, 2017

To our partners,

It is with great satisfaction that ÁPICE reaffirms its support for the United Nations Global Compact and confirms that it will continue its mission to promote corporate sustainability in the areas of Human Rights, Labor, Environment and Anti-Corruption. ÁPICE associates have a global business model and the Association is in favor of implementing the principles of the Global Compact throughout the chain of sporting goods industry, from the manufacturer to the retailer.

In this Engagement Communication we demonstrate our activities to continually support and disseminate the Global Compact and its principles with the goal of ensuring our engagement with the initiative. We also commit to share this information with our partners through our main communication channels.

Best Regards,

Marina Carvalho
President Director

2. DESCRIÇÃO DAS AÇÕES

Description of ÁPICE activities carried out between 2015 and 2017 that supports the
UN Global Compact and its Ten Principles

As a non-corporate entity, ÁPICE is within the group of organizations which has specific suggested activities to devote efforts of engagement. ÁPICE is within the Business Associations organization and should, therefore, put efforts on the following group of specific activities:

➤ **Attract new participants to the UN Global Compact through their outreach efforts and awareness raising.** ÁPICE understands that a feasible way to attract new participants is to disseminate the principles throughout the Brazilian community and there would be a natural path for adherence of new members. For this reason, APICE has implemented the following communication strategy of the Ten UN Principles:

- i. **Transparency Promotion Material.** As a way of stimulating and disseminating the Ten Principles of the Global Compact and in accordance to the transparency objective of ÁPICE, the entity believes that the principles represent a model for companies worldwide and should be widely disseminated in Brazil. In addition, the entity values ethical and constructive conduct in the development of its activities. To this end, the Association has produced exclusive communication material with the Ten UN Principles and its Letter of Transparency and disseminates it to its partners and stakeholders, encouraging them to adhere to the proposal.
- ii. **Book of the Sporting Goods Sector.** In addition to the above-mentioned exclusive material, ÁPICE disseminates and promotes the Ten UN principles in the communication material of the sector biannually prepared and distributed to all partners, stakeholders and new interlocutors.
- iii. **ÁPICE's Website.** Another way that ÁPICE seeks to disseminate and promote the UN Global Compact and the Ten Principles is through its website www.apicebrasil.org.br

➤ **Organize learning and dialogue events, workshops and training for their members on the UN Global Compact and specific topics relevant to corporate sustainability.** As an association that represents global companies in the sporting goods sector, it is of great interest of the group to have sustainable actions within the whole production chain. Therefore, ÁPICE supports programs aiming to increase ecological, economic, political and cultural dimensions of sustainability. Below we present some initiatives developed by the association:

i. **Best Practice of the Sector Materials.** ÁPICE is concerned with the development of best practices and therefore follows a policy of transparency and good governance, which is based in national and international standards. With this aim, ÁPICE has developed and made available best practices materials on sustainable use of water and energy management during production process of sports materials. (available online at www.apicebrasil.org.br – only in Portuguese).

For higher management effectiveness, APICE advocates for sustainable programs of water preservation and management, consistent with amounts and costs of the water consumed. These programs should promote the continuous reduction of water consumption in production and obtain savings in disposal costs, treatment and resource disposal. Business partners are expected to progressively reduce pollutants, assess the impact of their manufacturing processes, identify and act on the potential for improvement.

In the sustainable management of energy production, to achieve a better result of related activities, ÁPICE recommends the creation of an internal energy committee and short and periodic meetings with officials regarding the subject. It is important to formalize an internal team in the organization that captures these initiatives and to communicate this team to managers and to all employees about efficiency policies and projects. In addition, it is responsible for identifying opportunities and enabling the implementation of actions aimed at reducing energy use.

ii. **Solid Waste Management Program.** The Waste Management Program constitutes the institutional support of ÁPICE's team to suppliers of sports products. It was developed guidelines and training programs to be implemented in the suppliers manufacturers, in order to solve doubts and assist in the implementation of the Program. The benefits of the Program consist of:

- Preparing the supply chain to operate and thrive in a world with increasingly limited resources;
- Attending the guidelines for the integrated management and solid and hazardous waste management of the National Policy on Solid Waste.

- Reducing risk;
- Attending the expectations of consumers, shareholders and stakeholders;
- Maximizing the value of waste;
- Reducing environmental impact; and
- Reducing the risks of third party service providers.

The program is accessible online at www.apicebrasil.org.br – only in Portuguese.

➤ **Engage their members in collective action efforts on Global Compact related issues.**

ÁPICE has been working actively in fields directly related with the Ten Principles. There were specific actions and programs developed by the association which interacts and deals with the Global Compact Issues. Below we address some of them:

CORPORATE SUSTAINABILITY PARTNERSHIP PROJECTS

- i. **Reverse Packaging Logistics.** A sectorial project was developed among ÁPICE's members to implement and improve systems for the selective collection of packaging waste, resulting at the end of the life cycle of the products and consumer goods produced and marketed by them. The project encompassed a diagnostic phase for the individual initiatives ÁPICE's members; design and validation of portfolio of innovative initiatives for the sector and collection proposals.

PERFORMANCE AND RIGHTS IN CONDUCT ISSUES

- ii. **Elaboration of ÁPICE's Code of Conduct.** The Association has tools to share best practices and actively involve Association's members to work in a grounded manner on shared values and principles. ÁPICE aims to share knowledge and facilitate dialogue. It aims to contribute to a better adoption of best practices, complying with rules, standards and compliance procedures, as well as avoid, detect and treat any deviation or nonconformity that may occur. ÁPICE implements these rules in both institutional and corporate terms. The entity does not allow conduct in disagreement with its Code of Conduct, which should be followed by all associates and interlocutors, as well as by

those who work, represent or act on behalf of the Association, including employees, directors, contractors, consultants and third parties.

- iii. **Elaboration of the Transparency Letter.** Following the transparent management and governance guideline, ÁPICE and associates have prepared and signed a Letter of Principles, which reflects the institution's performance and reinforces its commitment to transparency, integrity and development of the national sports market. Available at www.apicebrasil.org.br – Portuguese only.

PROJECTS AGAINST ILLEGALITY, IMPROVAL OF THE THE BUSINESS ENVIRONMENT AND PROMOTION OF SPORTS

- i. **Projects Against the Illegal Market of Sporting Goods.** ÁPICE acts in a unique way in the promotion of the legal market of the sports sector and in the repression of illegality. ÁPICE's committee on Brand Protection is compromised to the achievement of preventive and repressive measures. Between 2015 and August 2017, APICE assisted authorities in 11 counterfeit product seizures, nine capacity programs of Brazilian authorities for the identification of illegal products, organized one event that brought together authorities and institutions to discuss the problem of counterfeit in Brazil and is part of three Legislative Fronts aiming to contribute to the improvement of Brazilian regulations in this area.
- ii. **Projects that aim at improving the regulatory environment of the sporting products sector.** ÁPICE participates and contributes to projects aimed at granting legal certainty to the regulatory environment and developing the business environment for sporting goods, such as:
 - Participation in Due Diligence Training in Human Rights offered by the group of Human Rights and Work of Brazilian Global Compact;
 - Draft Bill of Law on Industrial Chemical Substances. ÁPICE collaborated with the Public Consultation of the Draft and followed the debate to assist in the flow of information necessary for its implementation. The preliminary Draft on the registration, evaluation and control of industrial chemical substances was prepared by a Working Group (WG) set up under the National Chemical Safety

Commission (CONASQ) of the Ministry of the Environment. It aims to discuss and propose strategies, institutional arrangements, and the draft legislation to establish control over the universe of industrial chemicals that are placed on the national market without assessing their risks to the environment and to human health.

- Norms of Brazilian Association of Technical Standards (ABNT). ÁPICE collaborates with the development of the ABNT Norms for Textile Chemical Safety, UV Protection in apparel, High Visibility Apparel, Cadmium and Lead concentration limit on Jewelry and Bijouterie and Footwear Labeling. ÁPICE participated in the meetings that debated and elaborated norms that guarantee the safe use of end products of the textile and footwear chain. We collaborate by mapping and providing information on the international standards of those subjects, as well as analyzing the feasibility of the implementation to the Brazilian context. These standards are the most demanding and enable the conformity of imported products, conformity to the domestic industry products intended for export, and provide adequate safety for end consumers.
- Production Chain within the scope of FIESP. ÁPICE is a member of the Sporting Production Chain Committee (CODE) and the Superior Sports Council (CONDESPORTO), both belonging to the Federation of Industries of the State of São Paulo (FIESP). In them, ÁPICE collaborates with the development of the chain through regulation, such as the Brazilian Tax Incentives Law, General Sports Law and sports product quality standardization.

- iii. **Physical and Sports Activities Report and National Human Development 2016/2017.** The President of the Council of ÁPICE was invited by the UNDP / UN to participate on the Advisory Board for the development of the Brazilian Human Development Report on Physical and Sports Activities. APICE was invited to be an institutional partner of the Report. The document is the first Human Development Report around the world to focus on the role of physical and sports activities in improving the living conditions of a country's population. The

United Nations Development Program (UNDP) has set up advisory council to assist in the preparation of the report.

3. MENSURAÇÃO DE RESULTADOS

ÁPICE has qualitatively measured the results of its actions in the last two years. Follow below.

- 1) Improvement in the transparency and governance of the Association with the elaboration and dissemination of materials that provide information about the principles and conduct that guide and rules the work of ÁPICE and the choice of its partnerships;
- 2) Dissemination of best practices in corporate sustainability. The best practices materials in the sustainable management of water and energy use have enabled improved access to information from players in the sports products chain and provided assistance in the implementation of these measures. The waste management program provided for a joint learning of the brands associated with ÁPICE and subsequent introduction of the program to its suppliers and stakeholders. This has led to an increase in the number of companies engaged in this issue and an improvement in the quality of the use of these resources;
- 3) In the Reverse Packaging Logistics Project, companies were able to map the amount of packaging that is not reused and / or does not have a correct destination. This made it possible to take appropriate corrective measures or to elaborate projects that mitigate this problem, thus acting to improve the preservation of the environment;
- 4) The activities of ÁPICE, associates and partners in promoting a legal market provide an environment with less corruption and illegal acts. Thousands of counterfeit sports products have been withdrawn from the market whose health damage to the consumer has been proven. The capacities that ÁPICE organizes

and participates are resources that the association makes available to authorities that identify fake sports products and can use the information to identify such products and respective accountable parties for illegal production.

- 5)** The standardization work with ABNT has already made textile production available such as the rules for the best use of seven chemical substances that are considered to be hazardous and may eventually harm the final consumer. It also provided a better understanding on how to share information on the production of sports footwear to the consumer market. In addition, it provided an improvement in the use of UV protection factors in textile production, ensuring that the consumer is protected when acquiring clothing with these characteristics.