

2016
MRV SUSTAINABILITY
REPORT

2017
• year base 2016 •



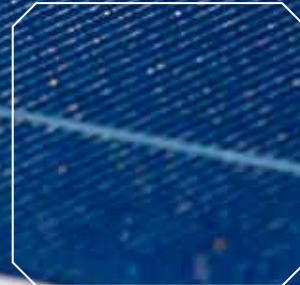


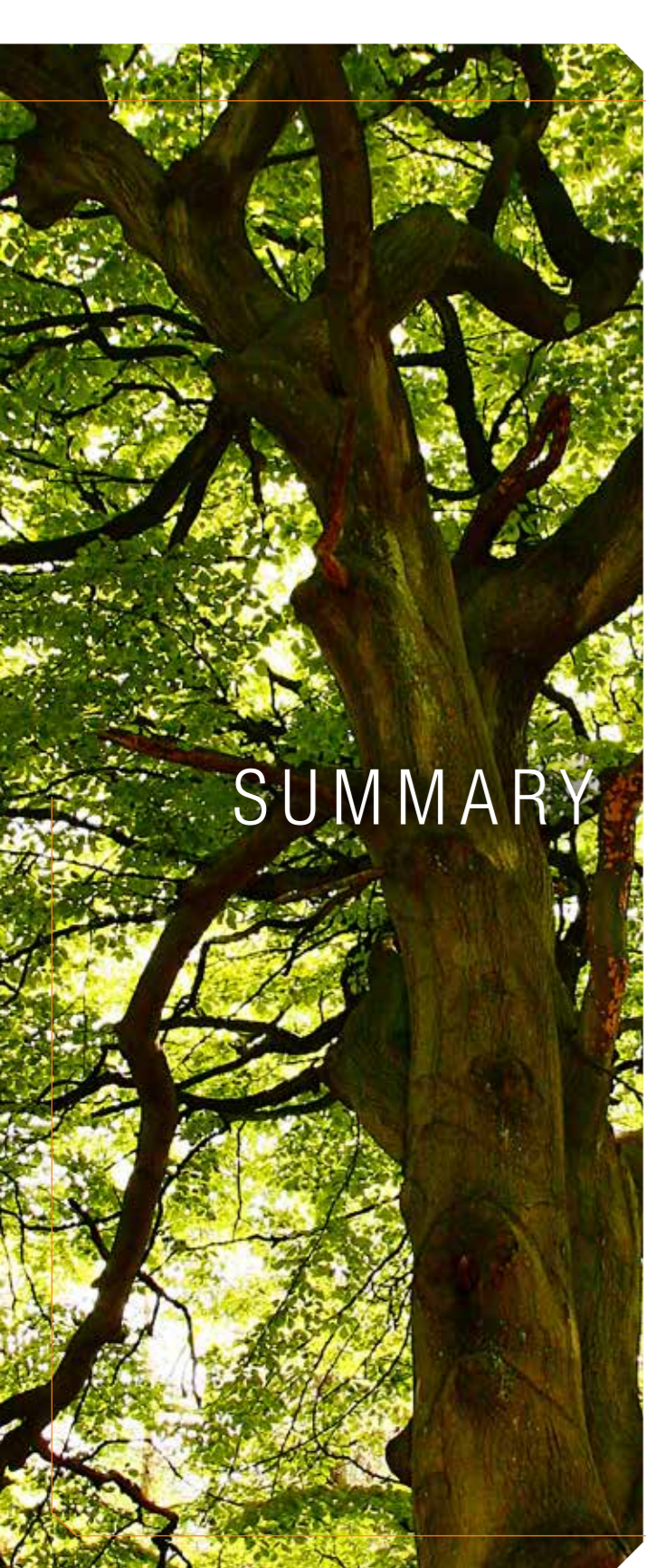
INTRODUCTION

The MRV Sustainability report, now published for the sixth consecutive year, presents a balance of the main results achieved in 2016 regarding finance, environmental and social performances. MRV bases all its activities on the sustainability concept, which guides the company's businesses and its relationship with stakeholders. This is the reason why MRV has systematically invested in innovative solutions, assuring that the company's operations and deliveries will always be in line with the best corporate practices.

For the third consecutive year, the report has followed the Global Reporting Initiative (GRI) G4 version guidelines in confirmation of the company's commitment to transparency, respect and excellence in every single feature of its activities and in its relations with interested parties.

The 2016 report, in addition to adopting the GRI-G4 methodology, establishes relations between the themes addressed and the UN Global Compact principles – of which MRV is a signatory, and the Sustainable Development Goals (SDG). Whenever deemed necessary, each chapter will feature the GRI indicators regarding Global Compact principles and the Objectives with which MRV is in line. Along the report icons indicate the themes dealt with.





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60 PARTNERSHIP AND TRUST



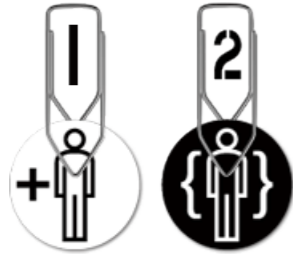
66 SOCIO-ENVIRONMENT COMMITMENT



80 MRV INSTITUTE

LEARN MORE ABOUT THE GLOBAL COMPACT PRINCIPLES AND THE SUSTAINABLE DEVELOPMENT GOALS:

HUMAN RIGHTS



1. Companies must support and respect the protection of internationally recognized human rights; and
2. Ensure the company does not participate in violations of these rights.

THE ENVIRONMENT



7. Companies must support a preventive approach to deal with environmental challenges;
8. They must develop initiatives to promote a greater environmental responsibility; and
9. Foster the development and the insemination of environment friendly technologies.

WORK



3. Companies must support freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced or compulsory work;
5. Effective banning of child labor; and
6. Elimination of discrimination in employment and occupation.

AGAINST CORRUPTION



10. Companies must combat all forms of corruption, including extortion and bribery.



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Rafael Menin

Eduardo Fischer

MESSAGE FROM THE CEOS / PRESIDENTS

In times of crises, being challenged to do even better, we seek to renovate ourselves every day, expanding our investments in innovation and in our chain of value to make sure that the company's efficiency is constantly increased in our operations. And it was by creating this culture of ongoing improvements – all the way from the office to post-sale activities, and in relationships with partners, suppliers and construction enterprises – that we remained loyal to our mission to make the homeownership dream come true among Brazilians.

We perform to construct a truly innovative culture, from the offices to post-sale activities, including relations with partners, suppliers and constructions. We foster our suppliers to work with us in our projects implementing ever more sustainable technologies. Keeping the focus on sustainability, we joined the UN Global Compact, thus remaining in line with good corporate practices recognized around the world. As a result of all these efforts, MRV was listed in the ISE – BM&FBOVESPA Corporate Sustainability Index that is composed by stock market companies that present the best sustainable practices. It was a great achievement for the entire MRV team, the product of a long history of hard work. Moreover, we won 32 awards in several different areas that highlight MRV's commitment to stakeholders, and to society.

Our sales figures have remained at the same level over the last years. A process of simultaneous sales has been fully implemented, which guarantees our clients enjoy a healthier and safer finance model. 38,863

keys have been delivered and our cash flow generation ensured a return for our investors, in addition to generating and retaining 14.673 job positions.

In 2016 alone, we invested R\$ 192 million in infrastructure constructions for the communities where MRV operates. We adopted 11 parks and 33 squares aiming at improvements in the quality of life of our clients and of those living in areas surrounding our projects. With regards to corporate responsibility, 2016 was also a crucial year for the MRV Institute. In its second year of existence, the institute benefited more than 65,000 people, both directly and indirectly, through its projects and partnerships. The MRV Volunteer program, which involves MRV's collaborators in all initiatives of the Institute, has grown and enjoyed the participation of 1,300 volunteers in a series of initiatives undertaken along the year.

After our 37 years of existence we go on thinking about the future. Those years represent extremely important times that have enabled MRV to be prepared for the next leap of growth. We are ready to increase our production levels up to 50,000 units a year, and we shall keep working hard to, in a very near future, achieve the goal of 60,000 units.

Of course that all that is steered by the highest governance standard that features the sustainability of our business as the main guideline for our activities.

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MRV IN FIGURES

	2016	2015	2014
Net Revenue (R\$ million)	4.249	4.763	4.186
EBITDA (R\$ million)	637	669	862
EBITDA Margin	15%	14%	20,6%
Net profit (R\$ million)	557	548	720
Taxes paid (R\$ million)	384	397	338
Liability index 5.4%	5,4%	10,4%	24,2%
Added Value (R\$ million)	1.902	2.072	2.179
Contracted sales (R\$ million)	5.259	5.497	6.005
Contracted sales (units)	34.082	35.782	41.325
Launches (R\$ million)	3.987	4.705	4.336
Launches (units)	26.366	31.871	29.386
Finished units	37.459	37.540	35.328
Ongoing constructions	214	223	251
Number of employees	14.673	16.550	22.605

MATERIALITY

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The 2016 Sustainability Report was produced based on the 2015 Materiality Matrix and updated in the same year with the support of outsourced consultants. The topics and subject matters were expanded and rearranged so as to highlight what is of utmost importance to both MRV's stakeholders and the market.

The highlighted topics were identified in conversations with the CEOs and staff members. Consultations were also made with trade union members, suppliers, clients, shareholders and investors. The study also utilized MRV's documents and construction industry data.

MATERIAL THEMES



TOPIC	VALUE CHAIN	GRI G4 ASPECTS AND INDICATORS	PAGE
Waste generation and management	MRV suppliers (investors, collaborators, contractors, surrounding community)	Effluents and Waste Residues (G4-EN23)	31-32
Water consumption and management	Suppliers MRV Clients Surrounding Community	Water (G4-EN8, G4-EN10, G4-CRE2- Intensity of water use for building)	29-30
Rational consumption of materials	Suppliers MRV Clients	Materials (G4-EN1, G4-EN2)	28-30
Respect for labor practices and human rights	Suppliers MRV	Employment (G4-LA2); Occupational Health and Safety (G4-LA6, CRE6 – Percentage of the organization operating in conformity with an internationally recognized health and safety management system); Diversity and equality of Opportunities (G4-LA12); Remuneration equality for men and women (G4-LA13); No discrimination (G4-HR3); Freedom of association and collective negotiation (G4-HR4); Forced or analogous to slave labor (G4-HR6); Assessment of impacts connected with human rights (G4-HR9)	49-56
Training and capacity building of workers	Suppliers MRV Surrounding Community	Training and education (G4-LA9, G4-LA10, G4-LA11)	53-56
Impacts and investments in areas surrounding the projects	Suppliers MRV Clients Surrounding Community	Indirect economic impacts (G4-EC7, G4-SO1); Local Communities (G4-SO2)	34-37
Supplier Management**	Suppliers MRV	Purchase practices (G4-EC9); Environmental Supplier Assessment (G4-EN32, G4-EN33); Labor Practices Supplier Assessment (G4-LA14, G4-LA15); Human Rights Supplier Assessment (G4-HR10, G4-HR11); Suppliers Social Impacts Supplier Assessment (G4-SO9, G4-SO10)	61-62
Client relationship and satisfaction	Suppliers MRV Clients	Labeling of products and services (G4-PR5 – Results of client satisfaction surveys)	41-46
Users' health and well-being	Suppliers MRV Clients	Clients' Health and Safety (G4-PR1, G4-PR2)	42-44
Quality and conformity of projects	Suppliers MRV Clients	Labeling Products and Services (G4-CRE8); Compliance (G4-PR9)	23 e 33

G4-18, G4-20, G4-21, G4-27

WHO WE ARE

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In its 37 years of experience, the MRV Group comprises 5 companies: MRV Engenharia, Log Commercial Properties, MRL Engenharia, Prime Incorporações e Construções, and Urbamais Desenvolvimento Urbano. Learn more about each company [<http://www.mrv.com.br/institucional/grupomrv>] and follow the timeline of MRV Engenharia's history [<http://www.mrv.com.br/institucional/historia>].

OUR BUSINESS OPERATIONS

ALAGOAS:

Maceió

BAHIA:

Camaçari, Feira de Santana, Lauro de Freitas, Salvador, Vitória da Conquista

CEARÁ:

Fortaleza, Eusébio, Maracanaú

DISTRITO FEDERAL:

Águas Claras, Ceilândia, Gama, Planaltina, Taguatinga

ESPÍRITO SANTO:

Cariacica, Serra, Viana, Vila Velha, Vitória

GOIÁS:

Aparecida de Goiânia, Goiânia, Valparaíso de Goiás

MARANHÃO:

São José do Ribamar, São Luís

MATO GROSSO:

Cuiabá, Várzea Grande

MATO GROSSO DO SUL:

Campo Grande

MINAS GERAIS:

Belo Horizonte, Betim, Contagem, Juiz de Fora, Lagoa Santa, Montes Claros, Nova Lima, Santa Luzia, Sete Lagoas, Uberaba, Uberlândia, Vespasiano

PARANÁ:

Arapongas, Araucária, Cambé, Colombo, Curitiba, Londrina, Maringá, Ponta Grossa, São José dos Pinhais

PARAÍBA:

Campina Grande, Cabedelo, João Pessoa

PERNAMBUCO:

Cabo de Santo Agostinho, Camaragibe, Caruaru, Jaboatão dos Guararapes, Olinda, Paulista, Recife

PIAUÍ:

Teresina

RIO DE JANEIRO:

Belford Roxo, Campos dos Goytacazes, Duque de Caxias, Itaboraí, Macaé, Niterói, Resende, Rio das Ostras, Rio de Janeiro, São Gonçalo

RIO GRANDE DO NORTE:

Natal, Parnamirim

RIO GRANDE DO SUL:

Canoas, Caxias do Sul, Gravataí, Novo Hamburgo, Porto Alegre, São Leopoldo, Sapucaia do Sul

SANTA CATARINA:

Itajaí, Jaraguá do Sul, Joinville, Palhoça, São José

SÃO PAULO:

Americana, Aparecida, Araçatuba, Araraquara, Araras, Barretos, Bauru, Birigui, Botucatu, Cajamar, Campinas, Campo Limpo Paulista, Catanduva, Cotia, Ferraz de Vasconcelos, Franca, Guarulhos, Hortolândia, Indaiatuba, Itapevi, Itaquaquecetuba, Itatiba, Itu, Jacareí, Jundiaí, Limeira, Marília, Mauá, Mirassol, Mogi das Cruzes, Mogi Guaçu, Ourinhos, Paulínia, Pindamonhangaba, Piracicaba, Poá, Presidente Prudente, Ribeirão Preto, Rio Claro, Salto, Santa Bárbara D'Oeste, Santo André, São Bernardo do Campo, São Carlos, São José do Rio Preto, São José dos Campos, São Paulo, Sertãozinho, Sorocaba, Sumaré, Suzano, Tatuí, Taubaté, Votorantim

SERGIPE:

Aracaju, Barra dos Coqueiros

TOCANTINS:

Palmas

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GOVERNANCE

SDGs - 6,8,10,11,12,13,16
GLOBAL COMPACT - 7,8,9,10





7 MEMBERS OF THE BOARD OF DIRECTORS, AMONG WHICH FOUR ARE INDEPENDENT AND THREE ARE FROM THE CONTROLLING GROUP.

H I G H L I G H T S

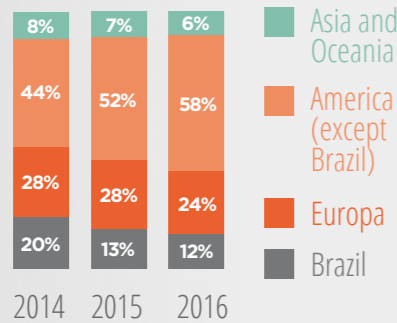
MAIN INITIATIVES IN 2016:

MRV was listed in the ISE (Corporate Sustainability Index – BM&FBovespa)
Signatory of the UN Global Compact



SHAREHOLDERS AS PER COUNTRY

% of shares made available for free float



SHAREHOLDING STRUCTURE

35,9%
Rubens Menin
Teixeira de Souza

2,4%
Board and
Executive Office

0,6%
Treasury
Stock

49,5%
Other
shareholders

444.139.684
stocks traded in the stock market

7 ADMINISTRATIVE CONTROL COMMITTEES

- Risks and Compliance Committee
- Governance, Ethics and Sustainability Committee
- Human Resources Committee
- Commerce and Credit Committee
- Real Estate Development Committee
- Production Committee
- Communications Committee (established in 2016)

MRV CONFIDENTIAL CHANNEL 0800.888.2833 canalconfidencial.com.br/mrv



The operationalization of the confidential channel is conducted by an outsourced company – a guarantee of reliability and security.



Registering complaints via the Confidential Channel – complaints are forwarded to the Ethics and Sustainability Committee



Registered complaints are analyzed and dealt with case-by-case, in accordance with the development of the investigation / resolution.



Complaints must be proven truthful and those that fail to comply with the Code of Conduct are liable to discipline measures and punishments.

An effort was made to publicize the MRV Confidential Channel among all stakeholders. Different types of means of communication were adopted, while holding campaigns in the media to divulge knowledge on the tool.

CORPORATE GOVERNANCE

2016 left two marks in MRV's history in the corporate governance realm. In November, we were selected and listed by ISE – the BM&FBovespa Corporate Sustainability Index. The index lists Brazilian publicly traded corporations that meet the requirements and feature sustainable practices in line with SDG – Sustainable Development Goals. The indicator is indeed rigorous 10 and assesses corporations based on their economic efficiency, environmental balance, social justice and corporate governance. This achievement proves our commitment and the priority given to sustainability in all our fields of activities.

Another mark left in our history that also proves our commitment to ethics was the voluntary adherence to the UN Global Compact. This initiative will mobilize the corporate business community all around the world with regards to internationally recognized values and practices in human rights, work relations, the environment and combat to corruption, based on ten principles:

Our company's Code of Conduct, which fully governs our relationships with stakeholders, was reviewed in 2015 following the respect for these 10 principles as a base, showcasing MRV's transparency and alignment with the best international corporate sustainability practices.

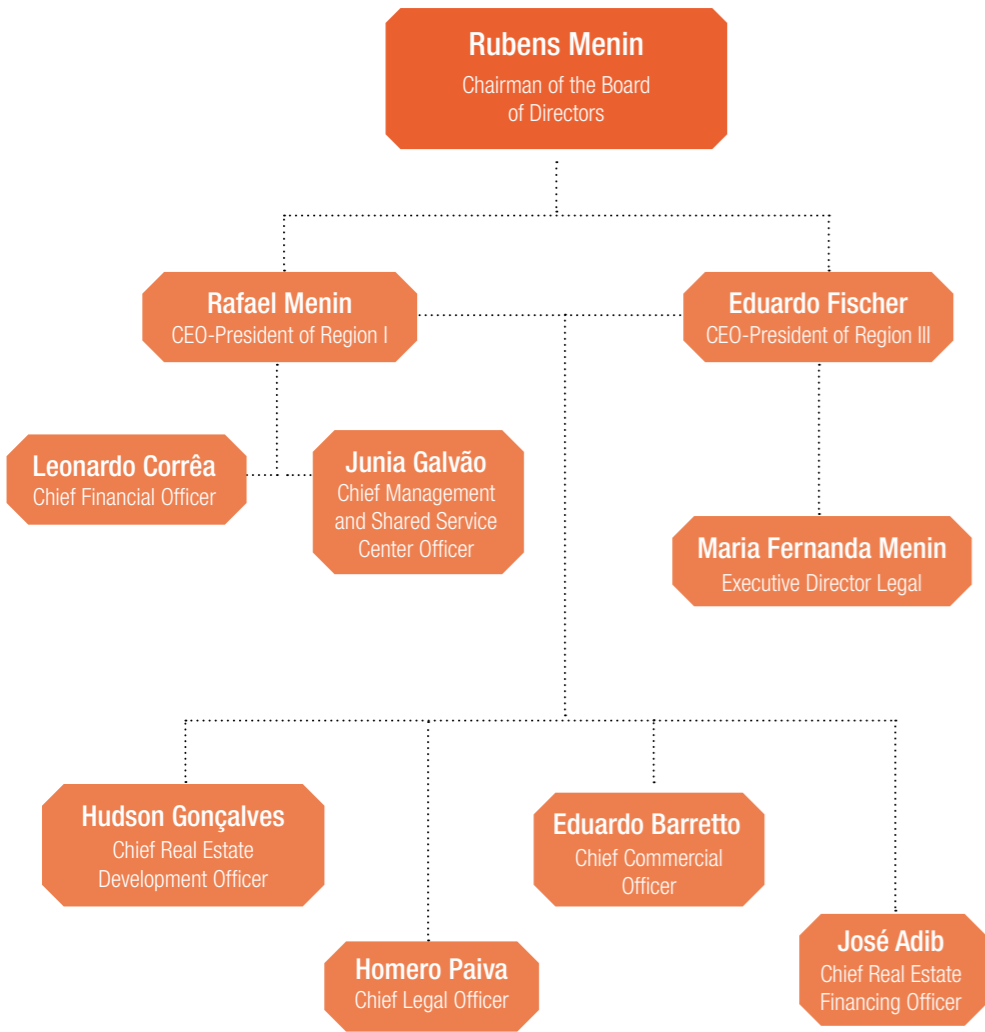
MRV is listed in BM&FBovespa Novo Mercado (New Market), with stocks being traded in the securities exchange since 200, which, in itself, requires compliance with strict corporate governance rules and demands transparency and ethics are demonstrated through the disclosure of clear and complete data on our economic and financial performance. By being listed in ISE we reiterate our commitment to excellence and sustainability.

The following were also updated: Sustainability Policy, Corporate Ethics Policy, Supply Policy – all focusing on compliance and climate change.

We have also been, since 2011, a signatory of the Self-Regulation and Good Practices Code held by ABRASCA (Brazilian Association of Publicly Traded Corporations). It features rules and guidelines to improve corporate governance actions.



UPPER MANAGEMENT



Board of Directors - Standing from left to right: Rafael Menin, Paulo Eduardo Brant, Marcos Alberto Cabaleiro Fenandez and Marco Aurélio de Vasconcelos Caçado.
Sitting, from left to right: Levi Henrique, Rubens Menin and Fernando Henrique da Fonseca

ORGANIZATIONAL STRUCTURE



BORDER OF DIRECTORS

Seven members, of which four are independent and three are from the controlling group.

FUNCTIONING:

quarterly and extraordinary meetings are held when called by the president or two board members. Members are elected by the company's shareholders during General Assembly meetings.

ATTRIBUTIONS:

The Board determines strategic and commercial policies; elects the executive board; monitors and supervises management processes; and analyzes critical and crucial issues to MRV.

7 MANAGEMENT COMMITTEES

Compliance and Risks; Governance, Ethics and Sustainability; Human Resources; Commerce and Credit; Real Estate Development; Production; and Communications.

ATTRIBUTIONS:

The Committees support the Board of Directors providing alternatives and solutions to increase the company's efficiency.

EXECUTIVE BOARD

Composed of nine executive officers designated by the Board of Directors

ATTRIBUTIONS:

The Executive Board is in charge of corporate management.

FUNCTIONING:

Two-year term with reelection permitted. All members of the Board of Directors and the Executive Board are Brazilian, contracted and live within the areas where the company holds activities.

LEARN ABOUT
THE ROLES
AND THE
COMPOSITION
OF EACH
COMMITTEE.

<http://migre.me/wCtB>



COMITTEES

The Committees are directly linked to MRV's Board of Directors, providing for an independent management model. Each committee is responsible for debating themes concerning their functions and furnishing directives for decision making in the executive areas and on day-to-day activities. The Risks and Compliance committee, for example, maps the business risks and produces contingency plans before a possible materialization.

Each committee has its own agenda, accordingly to actions required to deal with every single demand.

In 2016, the Communications Committee was established to join the other six corporate committees.

SCOPE

MRV's scope of activities is within Brazilian borders. However, the company appeals to investors' interest from several around the world, mainly in the Americas.

CODE OF CONDUCT AND ANTICORRUPTION POLICY

The time period herein reported coincidentally comprises the consolidation of MRV Group's Code of Conduct. The document was fully reviewed and updated in 2015, the year in which the company's Anticorruption Policy was implemented. Both documents comply with the directives of the UN Global Compact and provide guidelines that steer relationships with stakeholders, including collaborators, shareholders, clients, partners, competitors, suppliers, communities, trade unions, the press, public entities and government bodies.

Both the Code and the Policy seek to inhibit any form of corruption, fraud or illicit acts, thus preserving the company's reliability in the market and credibility in society. All themes dealt with and the approaches adopted are in tune with the best corporate practices in the fields of ethics, governance and sustainability and fully hold our values.

In order to expand our collaborators' understanding and involvement, the Code of Conduct was published in different editions, including an illustrated edition displayed on construction sites, and made available for consultation.

In 2016, a great part of MRV's own collaborators were trained on the Code and their knowledge was tested before they signed compulsory term of acknowledgement and commitment. At the offices, the training was conducted via e-learning, and at construction sites via in-class courses. Additionally, the Code has become a part of training programs, providing knowledge on business environment to new collaborators.

Several different initiatives were carried out to reinforce the importance of respecting the company's precepts and values. This work has contributed to the centralization and consolidation of information on the subject of behaviors that must be adopted by the MRV team. It has also enhanced the understanding of corporate policies and rules.

The publicity also reached suppliers, whose contracts were reviewed and, when deemed necessary, made compliant with the new documents. Third-party collaborators trained at construction sites were given support with materials that were specifically produced for that purpose.

One of the main results achieved through this endeavor was the expansion of the confidentiality channel of complaints that is operated by an outsourced company and is available for registering breaches of the Code of Conduct and corruption in the company. The number of complaints registered by the channel increased by 121% in 2016. The complaints about corruption or breach of conduct are analyzed by the Ethics Committee, in which members of the Board of Directors and the Executive Board participate.



THE PATH TO SUSTAINABILITY

Sustainability is an integral part of MRV's business. Ever since the beginning of our activities in the 1970s, we have been guided by an environmental, social and economically responsible performance able to add values to all those involved. Reaffirming our commitment in 2010 sustainability became one of the formal pillars of our business, powerfully becoming also an integral part of our organizational culture.



EVOLUTION OF SUSTAINABILITY IN MRV



Ever since its foundation, MRV has produced sustainable and solid buildings for the Middle Class (Class C) making mortgages viable through our own financing system or through banks, consequently reducing the enormous housing inequality faced in Brazil. The company, starting with the offer of economically accessible real estates, enables thousands of Brazilians to realize their homeownership dream.



By undertaking its Initial Public Offering on BMF&Bovespa securities exchange in July 2007, MRV definitely incorporated sustainability in its business. The company's projects from then on featured sustainable landscape designs regarding areas surrounding the projects. MRV also previously constructs perimeter fences and walls at the worksites, thus improving accessibility and adding value to the real estate enterprise's neighborhood and generating benefits for clients and returns for investors.



Implementation of waste management at worksites was started

First inventory of Gas Emission and Sustainability Report.



Creation of the Escola Nota 10 (Top School) program



The year of Sustainability in MRV

Plant the Future campaign for the distribution of seeds

ISO 14001 and OHSAS 18001

Sustainability Championship

Establishment of MRV Institute



Creation of MRV's sustainability certification seals

Adherence to GHG Protocol

- Adherence to UN Global Compact
- Adoption of Sustainability Goals for VPs (Executive Officers) and CEOs/Presidents
- Raising awareness of 100% of employees and key-suppliers about climate change issues
- Adherence to Fundação Getúlio Vargas's GVCes – Sustainability Studies Center
- Outsourced verification of certification seals MRV+Verde (MRV Greener) and Obra Verde (Green Building)
- Gas compensation process and MRV Sustainable website
- Outsourced verification of the Gas Emission Inventory
- Adherence to the Gold Seal of GHG Protocol
- Adherence to the Carbon Disclosure Program (CDP)
- Adherence to São Paulo State Climate Protocol
- MRV was listed in ISE - the BM&FBovespa Corporate Sustainability Index

SUSTAINABILITY GOALS

The sustainability goals became an integral part of the variable remuneration of MRV's upper management as of 2016 and have, since then, been fully achieved.

They are:

1. Reduce by 5% the use of dumpster units at the company's construction projects;
2. Guarantee that the respective water and energy consumption in MRV (as per housing unit) is reduced by 2%;
3. Maintain all company's certifications (OHSAS 18001, ISO14001);
4. Reduce by 1% Scope 1 Greenhouse gases emissions (as per constructed unit).

Goals are analyzed and drive the efforts of all teams as they are now included in their activities.

REALIZING DREAMS

MRV works, on a daily basis, with the goal to make its clients' homeownership dreams come true. Guided by its Mission, Vision and Values, the company offers an excellent cost-benefit ratio in housing units constructed with the global market's best sustainable practices. The units are a product of massive investments made in innovations so as to build greater benefits for the company's stakeholders. For the fourth year in a row, we have been acclaimed the 'Largest Construction Company' in Brazil by ITC – Corporate Intelligence in Construction.

In 2016, our sales proceeds were fully completed through the Simultaneous Sale process. With this system the real estate sales register is done at the moment the buyer's credit is approved by the financing organization. This means greater security and reliability for the company, and for clients and partners. In 2015, 90% of the sales were made through this process.



HIGHLIGHTS:

- 38,863 KEYS DELIVERED
- 100% OF SALES MADE THROUGH THE SIMULTANEOUS SALE PROCESS
- 214 CONSTRUCTION SITES
- 398 UNITS ON AVERAGE AT EACH WORKSITE



BUSINESS

Real estate development, construction and sale of housing units.

MISSION

To materialize the homeownership dream offering clients real estate units with the best cost-benefit ratio.

VISION

Be the best corporation in real estate development, building and sales of affordable construction projects in Brazil.

VALUES

- Ethics and transparency
- Thinking like our client
- Generating values to shareholders
- Committed team
- Success sharing
- Sustainability

COMPLIANCE WITH NORMS

In 2016, MRV delivered its first 1468 units in full compliance with ABNT (Brazilian Technical Norms Association) Building Performance standards. Multidisciplinary studies were conducted and improvements were made to enable the company to work 100% in conformity with norms and standards, producing units focused on client-wellbeing without increasing construction costs.

Compliance with the Norms was a fundamental attitude to foster innovations in MRV and suppliers' production processes. New methodologies and processes, and innovation materials and products enabled meeting the demand for quality, thermal and acoustic comfort, and durability, among other items established by the standards.

The Norm ranges from the choice of land to technical assistance and evaluation of suppliers, also dealing with real estate development, production performance and contracts, sustainable management of inputs and construction waste.

MINHA CASA MINHA VIDA (MY HOME, MY LIFE)

Despite all challenges faced by our country in 2016, MRV sales remained at the levels achieved in 2015, delivering 38,863 housing units in 2016. The real estate units offered by the company in the market are electable to Minha Casa, Minha Vida Program rankings 1.5, 2 and 3. Resources from FGTS (Fundo de Garantia por Tempo de Serviço) continue to be our clients' main financing funds. Among all launches, 100% used FGTS funding, that is, 26.366 sales processes were completed through this system.

All the knowledge accrued along years constructing affordable housing units, along with our renowned performance in real estate financing, guarantee MRV is the main partner of the federal banks Caixa Econômica Federal and Banco do Brasil. MRV's real estate financing team works hard to make financing processes feasible and also takes part in projects so as to increase chances that clients will successfully purchase real estates, for example, providing financings concerning saving account amounts.

AMRV wants to increase the reference level of its launches, sales and production

from 40,000 units to 60,000 units a year, even though a date for the achievement of such goal has not yet been determined. In order to be prepared to respond to this challenge the company has invested R\$ 726 million in land purchases over the last three years, aiming at balancing its Landbank mainly in state capitals and cities within metropolitan regions. The stock corresponds to General Sales Figures totaling R\$ 41,1 billion.

Nas 143 cidades onde atua, a empresa considera que possui um volume equilibrado de empreendimentos em 115 delas e potencial para elevar o número de lançamentos nas demais, impulsionando o crescimento da companhia.



**Minha Casa
Minha Vida**



7

INNOVATION FOR SUSTAINABILITY

SDGs - 6, 9, 12, 7
GLOBAL COMPACT - 7, 8, 9





REAL ESTATE PROJECT INSTALLED WITH PHOTOVOLTAIC ENERGY



BIM – BUILDING INFORMATION MODELING



FIRST MRV CONSTRUCTION PROJECT WITH CASA AZUL (BLUE HOUSE) SEAL

Innovations have remarkably driven changes and evolution in practices and processes in MRV. 2016 left several marks in this direction. By incorporating an innovation mind in all its areas of activities and in its production chain, the company has experienced several leaps toward sustainability. Among the results achieved by these practices are the use of new technologies at construction sites, cost reductions and increased quality of construction projects, contributing for a rational use of resources, environmental protection and ongoing governance improvements.

In order to disseminate throughout the entire company all innovative processes developed at different regional units, a mapping of good practices at construction sites was produced. Based on a continuous monitoring, well-succeeded initiatives are identified, described and, then, implemented at regional construction sites across Brazil. The objective is to expand the industrialization of the projects, making them ever more efficient and upgrading the quality delivered.

The company was listed in 2016 as one of the '100 Most Innovative in the Use of Information Technology in the Construction Industry' Category in the 16th edition of the ranking produced by IT Mídia in partnership with Price Waterhouse Coopers (PWC).

INNOVATIVE PROJECTS

- MATERIAL SPECIFICATION

In order to standardize materials and equipment acquired by the company, material specification documents are being developed. They feature technical specifications that must be followed, including those regarding sustainability aspects at the moment of acquisition. The main risks and problems of every type of material are identified so as to avoid compromising events. Therefore, by diminishing the waste of materials and reducing time in acquisition processes an ongoing process improvement is established.



- **BIM – BUILDING INFORMATION MODELING**

MRV enduringly works to be in the state-of-the-art of best practices, incorporating innovations to all process stages. An example of efficiency and sustainability-oriented innovation in construction is the implementation of BIM - Building Information Modeling – an integrated management concept focused on construction.

It enables the centralization of information from a project conception and design, dealing with budget, monitoring and control, all the way to the performance of units after they are delivered. The tool is part of the construction site automation process from beginning to end, and is in fact being adopted as 12 of our projects are already using BIM.

- **REAL ESTATE DEVELOPMENT APPLICATION – MRVDI/LAND**

A technological platform was created by MRV in 2016 to manage property search and land acquisition. Through automation, it standardizes the process stages all the way to acquisition and registering – an integrated solution built with state-of-the-art technology. In this platform the acquisition agent enters data concerning the mapped land, verifies the viability of acquisition on-site and sends the information for approval to technical areas, all done in a dynamic and optimized manner. Consequently, the manager is given a clear land banking view, which enables real-time monitoring of processes in all regional offices. The application also furnishes greater efficiency to the document management system.

The platform has added knowledge management, practicability and mobility to the entire process, providing for a quicker and more efficient decision making. In addition, it has played a remarkable role in team management as once the information is recorded it is possible to monitor the employees' individual results and productivity, leading to a greater operational efficiency and cost reduction.

- **REAL ESTATE DEVELOPMENT WITH PHOTOVOLTAIC ENERGY**

A milestone in 2016 linking innovation to sustainability is the delivery of the first MRV real estate development project able to produce its own electricity – the Spazio Solar do Parque, in Salvador (BA), totaling 360 units. This is MRV's pilot project aimed at developing an energy compensation system with energy utilities.

Photovoltaic cells installed at the top of the building towers will convert solar energy into electric energy, which will be transmitted to the electricity distribution system of the local energy utility. At the end of the month, the energy generated by the cells furnishes discounts or full payment of the condo's energy bills, thus generating remarkable savings for our clients and contributing to a more sustainable quality of life.

It is estimated that the system implemented at the construction project will be able to generate 83,332 thousand KWh in a year, thus being able to compensate for the whole electric energy consumed in the common areas of the condominium.

In alliance with pioneer initiatives and with the company's sustainability strategy, in the next coming years MRV will launch more than 40 real estate development enterprises with this system in several different regions in Brazil. Some of them will also generate enough energy for consumption in the apartments, promoting greater economies and benefits to the environment.





• MRV'S FIRST ENTERPRISE WITH A BLUE SEAL

MRV conquered, for the first time, the Caixa Econômica Federal Environmental Sustainability Casa Azul (Blue House) Seal. The certified construction project, which boasts 380 units, is Liberdade, located in the For Life Complex Project in Fortaleza (CE). The seal, assessed by Caixa, is guided by criteria based on the following themes: urban quality; design and comfort; energy efficiency; preservation of material resources; water management; and social practices. Once assessed, the enterprise was verified to be in line with the Casa Azul Seal in the Gold Category, confirming the capacity implemented in the project to reduce environmental impacts and to promote the rational use of natural resources, as a reflection of improvements made to housing quality. Therefore, the characteristics of the enterprise and the economic benefits furnished to those living in the units will substantially further increase our clients' satisfaction. Over the next years other MRV construction projects will be applied for assessment by the Casa Azul (Blue House) Seal certification.





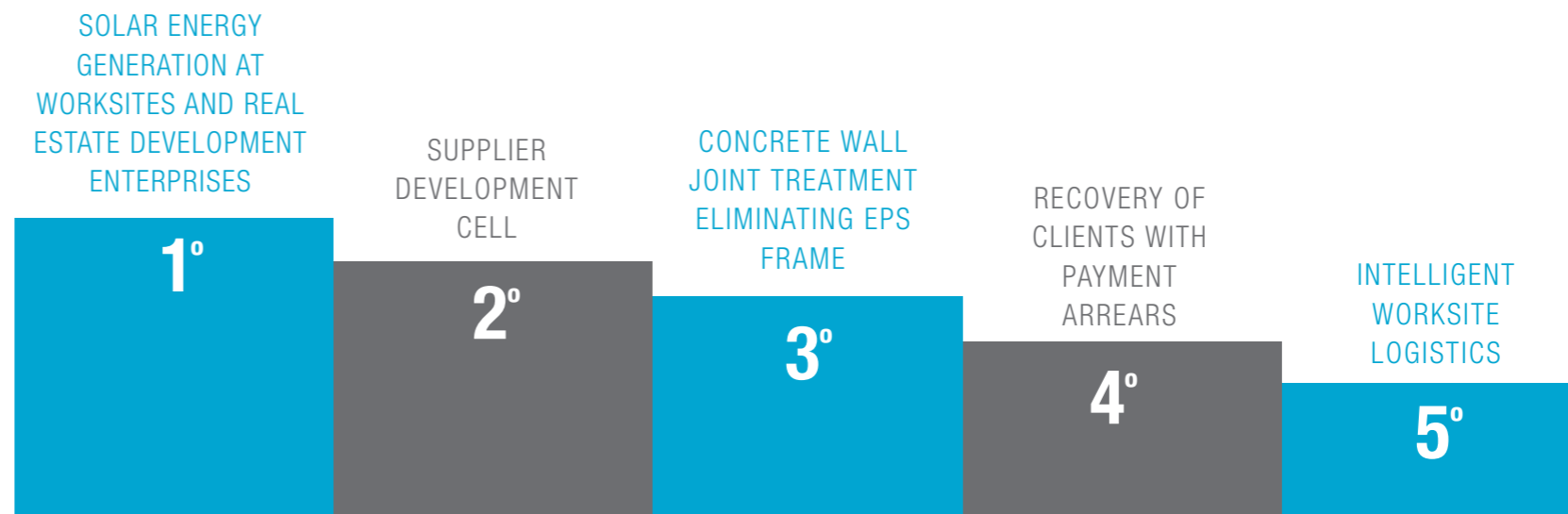
INNOVATIVE CULTURE

• A MARATHON OF IDEAS

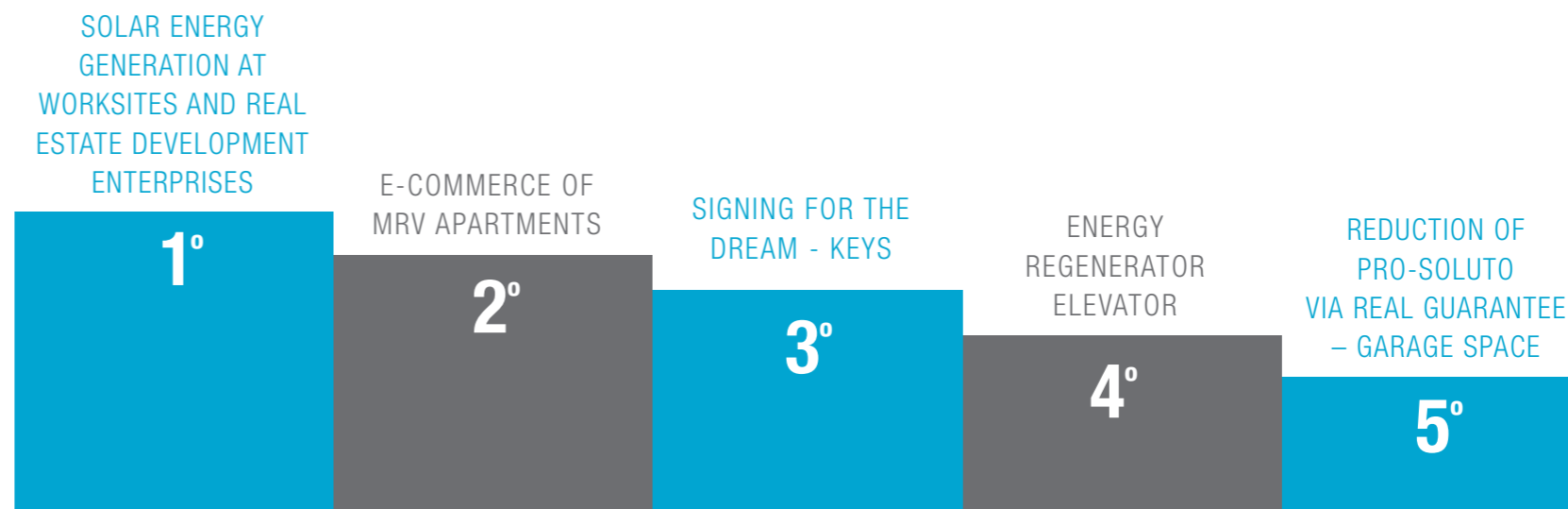
In order to foster the culture of innovation and multidisciplinary thinking, MRV held the Marathon of Ideas contest. Teams formed with at least 3 and up to 6 collaborators from all MRV regional offices were invited to apply projects that proved to be innovative and creative; that provided increased returns and cost-reductions; and produced increases in productivity.

The project proposals had to be original, not having been tested or implemented elsewhere. Overall, 149 projects were applied. 62 projects were selected for the second stage of the contest, being assessed by the technical committee. 15 of them were listed for the final stage, when they presented their ideas to the CEOs/Presidents and the Executive Board. Finally, five projects were given prizes. The one, elected to first place by popular votes, was the same selected by the Executive Board and the CEOs/Presidents. The winning projects will be implemented as of 2017.

FINAL RESULTS



PRIZE POPULAR VOTES



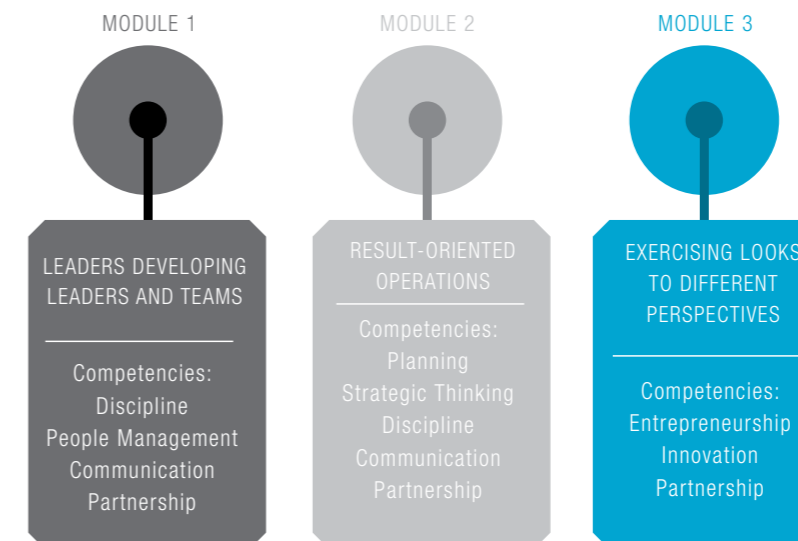
PROJETOS VENCEDORES:



• ACADEMY OF LEADERS

Throughout 2016 MRV conducted the Academy of Leaders program, which was held in partnership with Fundação Dom Cabral, to develop essential capacities for a good leadership practice in our company. 25 professionals holding positions like directors and managers took part in the program's three stages enhancing the development of fundamental competences for the company and preparing people to step into higher complexity positions in the future

One of these modules was focused exclusively on innovation as a basis to understand and determine the best processes to conduct innovation in the company. Bases were created to proceed with the innovation process inserted in the collaborators' daily routine. Funding innovation initiatives – based on the area's budget or external funds – was one the themes dealt with.



MRV was awarded the 21st CBIC 'Innovation and Sustainability' Award in an event held by CBIC - the Brazilian Chamber of Construction Industry. We conquered the 1st place in 'Information Technology in Construction' with our Technical Assistance Palma da Mão (In the Palm of Your Hand) Project, which enhanced information technology in the entire process of client services, providing online scheduling of technical visits. The adoption of tablets in the process also enabled the registration of all the information regarding the client's request.

The initiative to use slag aggregates from iron and steel production in asphalt pavements in MRV's residential construction projects conquered the 2nd place in the 'Materials and Components' category. The Technical Assistance Palma da Mão (In the Palm of your Hand) Project was also ranked 3rd in the 4th Ranking of 'Sustainable Technologies and Products' Award held during the 9th edition of Sustentar – the International Forum on Sustainable Development.

8

RELATIONSHIP WITH CLIENTS

SDG-12
GLOBAL COMPACT: 8





RELATIONSHIP WITH CLIENTS

- ACTIVE CLIENTS: **300.000**
- SERVICES ON SOCIAL NETWORKS: **2.405**
- PERCENTAGE OF FULLY SERVICED CALLS: **97,38%**
- TECHNICAL ASSISTANCE REQUESTS SERVICED WITHIN 30 DAYS: **98,37%**
- CALLS RESPONDED BY CLIENT ASSISTANCE SERVICE (CAS): **583.285**
- SATISFACTION INDICATOR IN CAS **8,23** (91,44%)
- ONLINE COMMUNICATIONS AND ON THE RELATIONSHIP PORTAL: **330.294**
- ACCESSES TO CONTENTS MADE AVAILABLE (VIDEOS ETC) **7.243.337**



MAIN INITIATIVES:

- De-judicialization
- Dream Delivery
- Services rendered to publics
- Meu Decorado (My Decorated Residence) Project
- Digital Invoicing
- Meu Mundo Melhor (My Better World)

'THE MOST VALUABLE IN THE INDUSTRY' AWARD BY CONSUMIDOR MODERNO MAGAZINE

MRV was ranked as the 'Most Valuable Company in the Engineering and Construction Industry' according to its MVP (Value Added) Index – a multidimensional assessment method created by DOM Strategy Partners that is exclusively published by Consumidor Moderno Magazine.

The index reports on the value of a company under several different aspects, beginning with the evaluation of documents and indicators. Results, balance sheets, reports, investments, awards, publications and repercussions are monthly monitored and, at the end of the period, the winners are elected.

DE-JUDICIALIZATION

MRV seeks to relate with its clients as directly as possible with full transparency. That is why this year a great effort was made to conciliate and solve conflicts with no judicial participation, whenever possible. Conciliation is a brief consentient method that seeks to effectively enhance social harmony and restoration of social relations between parties within possible limits, promoting reductions for both parties in response time and costs.

Conciliation campaigns were held in several different localities following a broad mapping of complaints made with PROCONs, which enabled a partnership with the entity. Improvements were made in customer service processes, producing an increased number of conflict solutions out of the judicial realm.

DREAM DELIVERY

A 38,863 keys to new units were delivered to their owners in 2016. 14,033 keys were delivered at the Dream Delivery – a fraternization event where owners and clients are rendered customized services and participate in activities that bring together new neighbors. At the event clients are also furnished access to the Owner's Manual, which features virtual floor plans, explanatory videos





about the electrical and hydraulic installations, in addition to tips for preventive maintenance of the constructions and other important information on apartment maintenance. The Manual is also available on the Relationship Portal. During the Dream Delivery event, clients also answer questions to an opinion research that assesses their satisfaction all the way from the moment of acquisition. All opinions collected through this tool generate inputs for the company's ongoing process improvements. The percentage of keys handed on or prior to the key-delivery date was of 71.81%, demonstrating the optimization of the company's processes and our commitment to client satisfaction.

RELATIONSHIP WITH PUBLICS

MRV values transparency in communication with our publics and, for that reason, we have several different service and communication channels to boost capillarity and provide for a quick response to any type of request. In 2016 the company won the CONAREC Award, based on the study 'A Panoramic View of the Client Relationship Sector in Brazil', in which MRV was top-ranked in the 'Construction Companies and Real Estate Developers' category, once again reinforcing our commitment to clients.

Our client Relationship Portal is an exclusive channel where clients are provided access to several different services. Some examples are the Owner's Manual – containing specific information on the real estate such as: warranty periods; required preventive maintenance; Meu Decorado (My Decorated Residence) (HYPERLINK); digital invoice request (HYPERLINK); and technical assistance request. Videos from Conexão MRV (MRV Connection) produced to respond to clients' frequently asked questions when purchasing preconstruction real estates. New themes dealt with in 2016 led to the production of updated videos that will be publicized in 2017.





Social media are important client service channels that also reach other publics in general. Requests and complaints are dealt with, and doubts are clarified. This modality was increased in 2016 with work automation, which enables the monitoring of requests and citations made on these channels. In addition to providing contact options between the company and clients – through which direct responses are quickly given, the system also features a mapping system organizing the prevention of critical situations. Over the year, 10% of the services rendered by the company were requested through social media.

MEU DECORADO (MY DECORATED RESIDENCE) PROJECT

The Meu Decorado Project – where Architecture students are guided by professors in the creation of sustainable décor designs in MRV apartments – had its second stage successfully concluded in 2016.

As the initiative was evaluated by clients in the satisfaction research, improvements such as reducing costs in décor designs and making it easier to access the portal were implemented based on their suggestions. The project's website enjoyed 114,261 views in 2016, while the décor designs were rated 3.9 out of 5.

A project expansion goal is expected for 2017, featuring new organization methods.

DIGITAL INVOICING

The use of digital invoices is a novelty that not only brings benefits to our clients, but also displays sustainability. As of 2016 our clients on the Relationship Portal are entitled to choose to receive billing electronically or to continue receiving printed invoices. Resulting from this initiative, 53.5% of our active clients opted for the e-invoicing, consequently leading to a reduction of 420,000 in printed invoices.

MY BETTER WORLD

After about 2 years, the My Better World campaign – which tells real stories of MRV's clients that acquired their first apartment – finished at the end of 2016. Over the year, three new videos were produced and launched telling stories about clients from across the country. During the campaign, the channel achieved 7,039,484 views and 49.731 interactions on social networks including likes, comments and shares.

WATCH THE VIDEOS CLICKING ON THE FOLLOWING LINKS:

<https://www.youtube.com/watch?v=Kn1DqOzNOh4&list=PLb3gDO5T-BUPwwPhKkvjp85RsmEb793Mh>



9

PEOPLE

SDGs - 3, 4, 8
GLOBAL COMPACT - 1,2,6





9 EXECUTIVE DIRECTORS

44 DIRECTORS

173 MANAGERS

333 ENGINEERS

23.450 OWN EMPLOYEES AND
OUTSOURCED WORKERS



19.717 people trained

140 in-class training courses

18.430 hours of Distance Learning training
courses

19.776 total training hours (DL and in-class)



MAIN INITIATIVES

- Conclusion of Top 11 making available the Distance Learning modules]
- Implementation of the Managerial Formation Program for salespeople
- Improved performances in occupational health and safety; reduction in the number of accidents
- Expansion of OHSAS 18001 certification system

SAFETY AT FIRST PLACE

MRV holds safety as a primordial value and invests in actions and initiatives to guarantee the work is done under safe and adequate conditions adopting the best practices, while innovating towards ongoing improvements in its processes. Safety is in our list of priorities and the investments in this area remained stable with no cuts or expressive changes, despite the economic challenges faced in 2016.

In 2016 MRV held 22 awareness-raising campaigns on themes regarding occupational safety and health, environment and climate changes regarding workplaces, strengthening the concepts disseminated during SIPAT – Occupational Accident Prevention Internal Event Week.

Several lectures and workshops were produced addressing themes deemed fundamental for collaborators' life care and wellbeing such as ergonomics; good health and STDs (sexually transmitted diseases); the environment; sustainability; workplace norms, among others. Commuting accidents was an outstanding theme dealt with in the campaigns, which involved more than 10,000 own employees and outsourced workers.

Safety Championships were also held in 2016 and constructions that reached exemplary performances regarding Regulatory Norms and featured the best workplace safety conditions were awarded prizes. Monthly assessments are made by internal audits. The construction sites that present rates lower than 85% are handed an action plan for immediate implementation to eliminate non-conformities.

In the year reported, the Ministry of Labor and Employment undertook 100 inspections at worksites and offices, 82% of which did not result in notifications (in 2015, this percentage was 77%). The events registered were dealt with and shared, thus reinforcing the ongoing improvement regarding occupational safety processes. However, in spite of the regular campaigns



to raise awareness on transit care, a fatal commuting accident involved MRV employees. The company followed the investigations and provided the family with support.

The performance of CIPAs – Internal Committees for Accident Prevention at construction sites, offices and company headquarters – in addition to the DSSMA – Occupational Health and Safety and Environment Dialogues, all held at MRV construction sites also helped to raise awareness among collaborators regarding safety issues and the best practices for reducing accident risks. We won the 4th SECONCI-SP ‘Occupational Health and Safety’ Award in the ‘Health Control at Construction Sites and Environmental Management in Construction Surroundings’ Category. The award assesses construction companies with the purpose of enhancing the best practices in Occupational Health and Safety at construction sites in the State of São Paulo.

We were also presented, for the second year in a row, with the XVIII° Sindusco-MG/Seconci-MG Occupational Safety Award as ‘the Best Basic-Needs Area at Construction Sites’ in Belo Horizonte and in the region.

THE OHSAS 18001 CERTIFICATION THAT DEFINES THE MINIMAL PRACTICE REQUIREMENTS REGARDING OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT WAS AMPLIFIED AT CONSTRUCTION SITES IN THE FOLLOWING CITIES: LAGOA SANTA (MG), BETIM (MG), SANTA LUZIA (MG), VIANA (ES), SERRA (ES), FORTALEZA (CE), NATAL (RN), SÃO GONÇALO (RJ), JOINVILLE (SC), SOROCABA (SP), UBERLÂNDIA (MG), RIBEIRÃO PRETO (SP), AND RIO DE JANEIRO (RJ).



HEALTH

MRV carries out internal actions to promote good health and quality of life among its collaborators in accordance with NR-7 Regulatory Norm established by the Ministry of Labor and Employment.

Several health-focused campaigns were held among collaborators. Some of the campaigns made focused on breast and prostate cancer prevention.

The campaign to combat the *Aedes aegypti* – a mosquito that can spread dengue fever, chikungunya and Zika fever – was conducted in January and February 2016 by MRV at all its projects. The campaign relied on partnerships with Municipal health secretary offices from the cities where we operate, with communities surrounding the projects and with our construction site workers.

At MRV headquarters the Vida Ativa (Active Life) MRV program was established to carry out initiatives focused on good health and wellbeing. Of note initiatives in the program are: the implementation of the Gympass for collaborators; lectures about health; and promotion of the Fruit Day, among others. On the internet, a webpage with specified publications on eating habits, metabolism and healthy habits was created.



Another project implemented at MRV's headquarters was Meu Doutor (My Doctor) focused on disease prevention. Based on the data provided by the health insurance plan, collaborators who have a recurrent utilization of the benefit are monitored by a doctor, who works at MRV offices. Consequently, it is possible to provide for the prevention of diseases and improve the quality of life of people who work at our company.

SUPPORTING COLLABORATORS AND CONTRACTORS

In 2016, the Employee Support Department (DAE) was given the status of department with coordination and management. From then on the department started to provide collaborators and contractors with administrative support at construction sites, functioning as a personnel department and guaranteeing the adoption and standardization of employment procedure rules. The department also provides support to the legal area adding greater reliability to contract documents and organization to third-party processes, in addition to reducing costs..

TRAINING

A 2016 milestone was the consolidation of Distance Learning (DL) as the main platform of training programs offered by MRV. This modality of education guarantees the capillarity required to reach collaborators – regardless of the regional office where they are located. Collaborators are provided with important contents that promote the integration of the company's culture and the understanding of our mission, vision and values, and increase work execution knowledge with the standardization of practices and processes. The main areas enjoying the training programs are production, commercial, real estate development and credit. The courses are produced in accordance with strategic business objectives and contribute to the accomplishment of specific goals. The initiatives taken to execute this program required investments on the order of R\$300,000.

The Top 11 course modules made available for collaborators on the online Construir (Constructing) platform were concluded in 2016. The course addresses technical and legal instructions to be followed in the main stages of a construction, aiding professionals at the construction sites and guaranteeing that standards are met in all regional offices. Technical seminars were held involving leaders, coordinators, managers, construction supervisors and engineers to reinforce the themes. The initiative definitely contributes to knowledge management in the company, organizing and sharing tactical knowledge of professionals. The executive director and supplies area representatives participated in the editions.

Other courses offered in 2016: Credit Norms; MRV Commercial; Client's Purchase and Sale Contract; Code of Conduct; Supplies Processes; Time Management; and Self-Development. These themes exerted positive impacts on people management and retention, increasing the quality level of deliveries, and contributing to the reduction of costs and technical assistance requests.

MANAGEMENT TRAINING PROGRAM

The training program for new sales managers was fully reformulated in 2016. After being hired, the managers go straight to the regional office where they will work. There, their capacity will be built by local multipliers based on matrix themes, which provide newly hired professionals opportunities to learn about the company's systems, and the main issues to be dealt with on a daily basis. After two months, they will spend a week at MRV headquarters taking an institutional training course. Over the year two training program editions were held for 40 new managers empowered by this capacity building model.



TRAINEE PROGRAM

In 2016 MRV carried out its 7th Trainee Program, one of the main strategies to attract and develop talents for the company. This 12-month program comprises moments of formation, learning of behavioral and technical skills along with practicing. Structural changes were made in the 2016 program edition so as to enable the participation of 18 newly hired trainees in two different regional offices, further extending the program's business view beyond the headquarters.

Currently the MRV team boasts 74 professionals hired through this program and will have another group of 13 trainees in 2017.

OPEN DIALOGUE

MRV leaderships remain close to each other and connected with collaborators in all areas of activities. At construction sites the Roda de Prosa (Chat Circle) Program, which was started in 2015, is a moment of dialoguing and clarifying doubts among construction site collaborators and engineers in charge. Whenever it is not possible to answer the collaborators' questions in the event, the engineers will have to produce an answer in 10 days. In 2016, 44 meetings were held

At the offices, Café com Líder (Coffee with Leaders) meetings are held promoting a close relationship between leaderships and their teams. Over 2016, 31 events were held totaling 273 attendants.





ESCOLA NOTA 10 (TOP SCHOOL)

Aiming at contributing to the eradication of illiteracy and enhancing qualifications at construction sites, MRV has, since 2011, carried out the Escola Nota 10 (Top School) Program. The program is held in partnership with city halls, SESI/SENAI and trade unions involving own employees and outsourced collaborators in educational activities at construction sites. 46 schools were created in 2016, teaching courses on information technology, literacy, math and professional courses (construction foremanship, electrician and blocking). Escola Nota 10 is included in the coordinators' and managers' goals that require that at least one school must be established under their supervision.

The Escola Nota 10 (Top School) Project was deemed an 'Outstanding Socio-Environmental Responsibility' Program by FIESP – Federation of Industries of the State of São Paulo – due to its contribution to sustainable development.

Click on the link below and learn about stories of program's participants: <http://migre.me/wCtCE>



HOUSING

In tune with the strategy of prioritizing local labor, the number of collaborators accommodated in workers' dormitories was reduced by 36%. Overall, 3,200 own employees and outsourced collaborators used dormitories offered or managed by MRV in 2016, as opposed to 5,000 in 2015. In partnership with SINE – National Employment System and other recruiting bodies, the company seeks workers from the cities hosting our construction projects, hiring collaborators from other regions exclusively when no local alternatives are found.

Consequently, there was also a reduction in the total number of dormitories, which are now implemented in central areas of the localities where the projects are being constructed. The designs of dormitories comply with labor norms NR-18 and NR-24. All collaborators accommodated in the dormitories receive training, including in the TOP 11 that is specifically about relationships of people living in dormitories.

BENEFITS

MRV collaborators enjoy several different benefits with extended dependent coverage. Among these are: medical and dental services coverage; agreements with drugstores; collective life insurance; meal vouchers; transport vouchers; and a basket of food staples. For those working in the administrative areas at MRV offices and construction sites the benefits also include an annual Profit Sharing payment.



10

RELIABILITY AND PARTNERSHIP

SDGs - 6,7,8,12,13,16
GLOBAL COMPACT - 3,8,9,10





PAYMENTS EFFECTIVELY MADE
TO MORE THAN **8.500** SUPPLIERS

AT EVERY 26 SECONDS

GOODS ARE DELIVERED AT A CONSTRUCTION
SITE ACROSS BRAZIL

INSERTION OF SUSTAINABILITY

REQUIREMENTS IN SUPPLIERS' REGISTRY
FORMS AND CONTRACTS

DEFINING OBJECTIVE **CRITERIA**
FOR THE IDENTIFICATION AND MAPPING OF
CRITICAL SUPPLIERS

RESTRUCTURING THE **ASSESSMENT**
OF SUPPLIERS IN THE MRV CONSTRUCTION
SYSTEM

LAUNCHING THE SINE SUPPLIER SUSTAINABILITY PROJECT

DE SUSTENTABILIDADE DE FORNECEDORES SINE

"REALIZAÇÃO DE 17 EVENTOS "MRV COM
VOCÊ", COM O OBJETIVO DE APRESENTAR
A MRV, AS INFORMAÇÕES INSTITUCIONAIS
DA EMPRESA, SUA TRAJETÓRIA E OS
BONS RESULTADOS ALCANÇADOS, COM A
PARTICIPAÇÃO DE 4000 PESSOAS".

SUPPLIERS

For holding operations in more than 140 Brazilian cities, the Management of Suppliers is of paramount importance for MRV.

An efficient and well coordinated work is required to guarantee that all materials and inputs are daily delivered at our construction sites for the production of almost 40,000 annual units. That is why at every 26 seconds goods are delivered at one of MRV's construction sites.

In 2016, MRV spent around R\$1.5 billion in the acquisition of materials, equipment and in hiring services via Suprimentos (Supplies), of which 80% were acquired from local or regional suppliers, fostering the growth of regional economies, generating jobs and incomes at the localities where the company operates. By doing so, we guarantee a more efficient and lower cost logistics system, because as we reduce the average distance of transport to construction sites, we are consequently reducing Greenhouse gases emissions.

In order to ensure this system works, MRV establishes partnerships with more than 8,500 suppliers who, in 2016, contributed to the accomplishment of MRV's production figures.

These partnerships are based on the General Supply Conditions, the Supplier Relationship Policy and on the Code of Conduct, which altogether assure that all commercial relations are guided by sustainability practices and, chiefly, by ethics and transparency in business.

The selection of suppliers follows strict criteria of legislation, such as prohibition of discriminatory practices, slave or child labor. Another determination is that self-employed and outsourced employees must have the same working conditions, including food, housing and careful management of health and safety. In case of noncompliance with the law, the contracts provide for penalties that include, even, the breaking of the contract. In 2016, no human rights violation or negative occurrence in relation to work practices was recorded.



SUSTAINABLE PROCESSES

MRV seeks the development of more sustainable products and processes by driving innovation and technological advancements among suppliers. Initiatives aimed at this objective were undertaken in 2016 asking suppliers to produce projects focused on sustainability.

Several themes presented evolution potentials to be implemented by the company, such as: water resources management; reverse logistics; use of renewable energies; emission compensations; proper reutilization and destination of waste; transparency in disclosure of practices; and rules of origin for goods and products; among other important aspects that make MRV deliveries sustainable.

In 2016, 17 sustainability projects produced by suppliers were presented to MRV. 15 of those were transformed into business plans. At the moment, six projects are concluding testing stages prior to implementation. The initiatives are focused on the development of sustainable products and solutions that generate less waste, enable material recycling and reduce costs.

TRADE UNIONS

MRV's relationship with trade unions cares for transparency and seeks dialogue. All collaborators enjoy freedom to associate and our company makes available spaces for trade union members to use the company's common areas for workers to join their organizations. No records of events compromising this principle were registered in 2016.

Collective bargaining processes and agreements made with trade unions from every single state where the company operates afford MRV guidelines on occupational health and safety, occupational medicine and workplace hygiene. The regulating norms also steer management programs such as Occupational Medical Care and Prevention of Environmental Risks.

INVESTORS

The management of returns for investors, one of MRV's priority publics, integrates the company's Values. In 2016, 62% of MRV initiatives were focused on the company's relationship with Brazilian and foreign investors, which requires a close and frequent contact with analysts and financial sector representatives through conferences, meetings and visits. MRV, listed in BM&FBOVESPA Novo Mercado (New Market), makes available clear information in conformity with legal regulations and financial market rules. Upholding such principle, MRV periodically updates the investor-oriented section on our website providing financial data, legal information, quarterly and annual reports and business news.

GOVERNMENT

The maintenance of a close and transparent relationship with government and public entities to deal with themes regarding the company's activities and sustainability is of utmost importance for running MRV's businesses. For that reason, we take part in discussion groups dealing with matters of interest as, for instance, labor legislation and financings based on FGTS resources. We also actively participate in deliberations on construction sector influential issues. For matters dealt with at municipal level, direct contacts are made with city halls. Matters involving both state and federal governments are dealt with in partnership with nationwide employer organizations, such as the SINDUSCONs – Civil Engineering Construction Industry Syndicates; ABRAINC – the Brazilian Association of Real Estate Developers; and CBIC – the Brazilian Chamber of Construction Industry.



11

SOCIO - ENVIRONMENTAL COMMITMENT

SDGs - 3,6,7,9,11,12,13,15,16
GLOBAL COMPACT - 7,8,9





PLANTING TREES:

2015: 118.000

2016: **123.000**

R\$ 3.665.619 INVESTED IN
RENOVATIONS OF PARKS AND SQUARES

R\$ 4.178.481 INVESTED IN
WASTEWATER TREATMENT SYSTEMS

R\$ 1.043 MILHÃO
IN SAVINGS THROUGH SUSTAINABLE
MANAGEMENT OF WASTE



MAIN INITIATIVES

- Compensating for 100% of Scope 1 and Scope 2 GHG emissions
- All MRV's construction projects, offices, stores and worksites and MRV Sustentável (MRV Sustainable) are certified with the Amigo do Clima (Climate Friends) Seal
- Joining UN Global Compact
- Adherence to CDP – Carbon Disclosure Program
- Obra Verde (Green Building) and MRV+Verde (MRV Greener) Seal Certification Audits done by BVQI

A COMPACT FOR THE ENVIRONMENT

The Global Compact, which MRV joined in 2016, holds the environment as one of its four main frontlines. We understand that three of its main principles are: companies must support a preventive approach to environmental challenges; they must develop initiatives to enhance greater environmental responsibility; and must foster the development and the dissemination of environment friendly technologies. In tune with these principles, MRV innovates every single day to bring more efficiency and optimization in the use of operational resources.

As a notable example, we cite the partnerships held with universities aimed at developing waste management projects, which in comparison with 2015, MRV established almost three times more partnerships in 2016. By doing so, the company seeks to ally research and development focused on solving problems in practices and to be on the cutting edge of responsible constructions. Also of note are research projects on using renewable energy sources at the company's construction sites, which are now in pilot implementation.

Another innovative initiative undertaken is the installation of wireless intercom devices at the residential units, which reduces the consumption of copper, plastic and other materials that lead to GHG emission impacts. In 2016 XXXX% of the units delivered were installed with this type of equipment.

SEAL CERTIFICATIONS

Throughout 2016 we harvested the fruits of two seal certificates created by MRV in 2015: Obra Verde (Green Building) – which verifies the adoption of sustainable practices during the construction; and MRV+Verde (MRV Greener) – which ensures sustainability at the enterprises after construction.

Both seals were audited by BVQI and certified by the seals. The evaluation methodology adopted was developed by BVQI in partnership with MRV, focusing mainly on assessing initiatives of this nature.



The seals were also ranked 1st place in the 'Sustainable Initiatives' Category by the Sustainable Technologies, Services and Products held by Instituto Sustentare. The award recognizes well succeeded ideas of private, public and third-sector organizations.

WASTE MANAGEMENT

One of MRV's sustainability goals is to reduce by 5% the use of dumpsters at its enterprises, a result that also depends on an efficient waste management. In 2016, an economy was achieved with sustainable actions undertaken at this front, reducing the number of dumpsters by 32%. For that purpose, MRV makes the separation of materials at construction sites, diminishing the volume of what is effectively discarded and enabling the proper destination of waste materials. The process is methodically organized by a worker responsible for deciding on the proper destination of the waste, be it for recycling, reverse logistics, donation, and sale to cooperatives or, also, for effectively reutilizing it at the construction site.

The latter option has played a remarkable role and contributed to the reutilization of materials that in the past would be dumped in landfills, thus decreasing the generation of waste and reducing costs. An example of that is the reutilization of broken concrete bricks, which are then crushed to be used again. Other concrete waste debris (Class A concrete residue), such as powder, sand and crushed stones are also recycled at the construction sites, composing a by-product that is used in mortars for concrete subfloors and other similar applications.

Over the last years, MRV has strengthened its partnerships with recycling cooperatives through the donation of plastics, cement bags, metals, glasses, tin paint cans and other materials. 5.150,040 tons of materials were donated to Cooperatives. When it is not possible to donate waste materials to associations or to recycle them at the construction sites, MRV hires specialized companies that will adequately lead the proper disposal of the waste, all in conformity with technical norms approved by environmental authorities from both municipalities and states.

In 2016, MRV maintained a reverse logistics system for several types of waste, returning them to their own producers, such as waste classified as hazardous; clean waste and wood are sent to suppliers that recycle and reuse the material in their production cycle. The reverse logistics process for clean waste is part of the Company's routine, where 420 tons of waste were recycled, the gray clean waste generated at working sites were sent to our bricks suppliers, who reused the waste to produce new bricks. The Company also works with pallets and to decrease this type of waste, the reverse logistics is done with their suppliers. In 2016, 7,570 cubic meters were returned to suppliers, reducing the amount of waste buckets.

The pilot project Sustainable Business Network enables construction sites to offer leftover materials for sale on an online platform. Parties interested in acquiring the waste materials are informed on the platform what type of materials are available and can make acquisition bids through the website. The pilot project was developed in Fortaleza, in the For Life Complex project. The goal is to expand it to other sites in 2017.





COMMUNITY BENEFITS

MRV works to fully realize dreams, delivering not only the accessible housing units of high quality and infrastructure and green spaces in areas surrounding our construction projects with the purpose of providing our clients – and the community as a whole – with wellbeing and quality of life. MRV invested R\$ 192,045,939 in infrastructure improvements and urban development projects in the cities where it operates. Among a series of improvements made are: healthcare centers; schools; street paving; and the construction of wastewater treatment stations. Another one of MRV's investment fronts is making improvements that endow wellbeing and enables neighbors to mix and mingle with each other, such as landscape areas in parks, gardens and squares.

Of note are the investments – R\$ 6,1 million – made in Canoas (RS) in several different enterprises, which comprised the expansion of water supply and wastewater networks; rainwater drainage systems; gas distribution systems and public lighting; road expansion and pavements; construction of sidewalks; road signage; installation of surveillance cameras; renovation of road stretches; planting native trees and landscaping; installation of bus stop shelters; expansion of school; development of environment-oriented projects; and the construction of squares.

The investments made in the city of Betim (MG) are also noteworthy. More than R\$ 18,624,891 were invested in a new social development leverage for the city with the implementation of the Boulevard das Cachoeiras – a 2.2-kilometer road connecting the central region of the city to the BR-262 highway. Also, a new Cultural Center will be created in the city after the renovations made by MRV in the Doutor Gravatá Plant facilities.

In addition to investing in infrastructure development, MRV also diverts resources into landscaping in our enterprises and in their surroundings, recovering parks and degrading areas in all regions where the company operates.

The preservation of local ecosystems is an integral part of MRV's commitment, reinforced by agreements made between environmental authorities and our regional offices. Furthermore, MRV also releases funds for the maintenance of squares, parks and green areas in these cities. In 2016, 11 parks and 33 squares

PARA SUGESTÕES OU DÚVIDAS
SOBRE SUSTENTABILIDADE,
ENTRE EM CONTATO ATRAVÉS
DO ENDEREÇO:
sustentabilidade@mrv.com.br

were adopted by MRV, being then constructed or revitalized in different regions. Since 2010, we have planted a total of 758,028 trees – almost equivalent to the total area of 505 football fields. In 2016 alone, 123,000 seedlings were planted in common areas, squares, parks and other sites in cities all across Brazil.

RATIONAL USE OF RESOURCES

Reduction in water and electric energy consumption is such a priority for MRV that it is comprised by our sustainability goals. For that reason, the adequate use and the reutilization of resources, along with the reduction of environmental impacts, are constantly upheld as the focus of attention at MRV enterprises.

MRV starts reducing water consumption and reutilizing water as of its construction sites, where the water used at sinks is reused at urinals. Also, the water used to mix concrete, after being decanted, is used to clean the concrete mix equipment. Another notable example is the use of harvested rainwater to water gardens, wash floors and so on.

One other initiative to reduce water consumption worth mentioning is the insertion of sand-filled PET bottles in toilet cisterns installed at construction site restrooms. The bottle occupies the space corresponding to 1.2 liters – exactly the volume of water saved every time the toilet is flushed.

Another initiative undertaken focuses on promoting the essential conscious consumption of electric energy. Every single construction site costs with energy are controlled and managed so as to avoid the waste of energy. Translucent roof tiles and PET bottle lamps are also used to filter the natural light and light up indoor spaces with no use of electricity.

With the purpose of meeting all its sustainability criteria, MRV construction sites only utilize construction timber certified by FSC – Forest Stewardship Council, which assures the timber is produced in compliance with responsible forest management, protecting native species from deforestation threats.



GHG EMISSION COMPENSATION AND MANAGEMENT

MRV works all over its productive chain, especially at our offices, stores and construction sites, to reduce Greenhouse gases emissions. For that reason, the company developed the MRV Carbon Management Plan based on the National Climate Change Policy and the Climate Agenda. The project relies on the participation of several different areas of the company with the intent of implementing ongoing improvements in the compilation of the Greenhouse Gases Inventory and in its outsourced audits. Additionally, constant efforts are made to mitigate emissions, promote compensations for direct emissions and generate clean energy. A work that is also featured on our websites www.mrv.com.br and www.mrvsustentavel.com.br maintained by the Amigo do Clima (Climate Friends) Program.

Also comprised within the program's scope are training and capacity building programs for employees, outsourced collaborators and suppliers. The programs deal with: the analysis of the Carbon Cycle in our enterprises; adaptations; analysis of vulnerability; the analysis of risks regarding climate changes; carbon pricing; and the diagnosing of emission sources and processes.

Moreover, ever since 2016, 100% of the Scope 1 and Scope 2 Greenhouse Gases emissions have been compensated for. In the reported year the emissions totaled about 199 mil tons.

	Escopo 1	Escopo 2	Escopo 3	Total (tCO2e)
CO2 (tCO2e)	7.898,860197	2.830,950398	180.963,191502	191.693,002097
CH4 (tCO2e)	4.672,634175	0,000000	332,961025	5.005,595200
N2O (tCO2e)	343,081142	0,000000	1,202430	344,283572
HFC (tCO2e)	1.882,275787	0,000000	0,000000	1.882,275787
PFC (tCO2e)	0,000000	0,000000	0,000000	0,000000
SF6 (tCO2e)	0,000000	0,000000	0,000000	0,000000
Total (tCO2e)	14.796,895624	2.830,950398	181.297,354957	198.925,200979



The compensation is done through the Amigo do Clima (Climate Friends) Program. The program verifies the company's emissions and determines the projects available for carbon acquisition. All the construction projects started as of 2015 have been certified by the Amigo do Clima (Climate Friends) Seal. For more information on the Program, please visit the website www.amigodoclima.com.br.



A third-party audit was carried out by Instituto Totum, accredited by INMETRO, validating MRV's Greenhouse Gases Inventory regarding the year of 2015. Also in that year, MRV met all the requirements to be awarded the 'Gold Seal' by GH Protocol Brasil.

Besides featuring controlled consumption, all paper used at MRV's construction sites and offices is certified by FSC – Forest Stewardship Council. Certified products contribute to preserving forests, soils, wildlife and biodiversity, assuring wellbeing in communities and the respect of workers and indigenous peoples' rights.

All construction sites are installed with low consumption lamps. Also, the increased use of translucent roof tiles and light-colored paints in indoor spaces reduce energy consumption while increasing thermal control.

ADHERENCE TO CDP - CARBON DISCLOSURE PROGRAM

O CDP é uma organização sem fins lucrativos que tem como objetivo criar uma relação entre acionistas e empresas focada na geração de oportunidades de negócio decorrentes do aquecimento global, água e florestas. A instituição recolhe e compila informações sobre as políticas de mudanças climáticas, água e florestas de empresas listadas nas principais bolsas de valores do mundo. Hoje, empresas, cidades, estados e regiões de mais de 90 países divulgam dados para o CDP, que agrega investidores que combinam US\$57 trilhões sob seu controle.

ADHERENCE TO THE SÃO PAULO STATE CLIMATE PROTOCOL

In seeking to strengthen its socio-environmental performance, MRV Engenharia, the market leader in construction of popular housing units in our country, confirmed in September 2016 its adherence to the São Paulo State Climate Protocol, launched by the São Paulo State Environmental Department.

This voluntary adherence initiative was promoted by the São Paulo state government. The purpose of the entity is to promote reductions in Greenhouse gases emissions in companies. Once it is filled out, the adherence form provides for the identification of companies and entities that feature leading strategies to face climate changes and establish public policies of clean technologies to be implemented by corporations.

MRV provides them with annual data on emissions from its operations in the State of São Paulo informing: the measurement methodology; the data scope (whether they are limited to direct operations or encompass the whole value chain); verification if the data were validated by a third-party certifier; and listing the goals to be accomplished to reduce Greenhouse gases emissions.



2015
PROTOCOLO CLIMÁTICO
DO ESTADO DE SÃO PAULO



MRV has joined a series of programs held by FGV (Fundação Getúlio Vargas) Sustainability Studies Center. Among them, we cite:

- **Empresa pelo Clima (Climate-oriented Company) EPC** – A corporate platform focused on mobilizing, promoting and building links among companies to reduce GHG emissions, carbon pricing, climate risk management, while proposing public policies and positive incentives within the climate change realm.
- **Tendências em Serviços Ecosistêmicos (Ecosystem Service Trends) TeSE** – Holding the goal of co-creating solutions that provide for a strategic corporate management of ecosystem services, it aims at enabling companies to deal with their impacts, dependencies, risks and opportunities regarding biodiversity and natural capital.
- **Ciclo de Vida Aplicado (Applied Life Cycle) CiViA** – Created in 2015, it looks to the management of environmental impacts of products (goods and services) based on the analysis of the life cycle, developing a series of tools as, for instance, a system to calculate water and carbon footprints.
- **Inovação e Sustentabilidade na Cadeia de Valor (Innovation and Sustainability in the Value Chain) ISCV** – It was launched in December 2011 with the goal of promoting innovations in sustainability at small and medium-sized enterprises (SMEs) present in the value chain of large corporations. In 2012, the project had the participation of 25 large companies and was able to identify and analyze nine new cases of innovation in sustainability carried out by SMEs.
- **Desenvolvimento Local & Grandes Empreendimentos (Local Development & Large Enterprises) ID Local** – Launched in 2012 in partnership with Childhood Brasil with the intent of promoting linked deliberations in the corporate industry through meetings for reflections, knowledge transfer and the construction of corporate propositions and directives aimed at local development in the context of large enterprises. The activities are carried out in study groups and workshops that advance the exchange of methodologies and local management tools.

These initiatives led to the awarding of MRV by Época Magazine as the 'Green Company' in the 'Climate Change' category in 2016.

SUSTAINABLE HOUSING

MRV's environmental concern is not strictly limited to the period of construction works. The company delivers to its clients housing units that fully enable the inhabitants to enjoy a sustainable life style using resources and utilities in the best way and contributing to the reduction of water and electric energy consumption. At the moment the keys are delivered, clients are given the Sustainable Living Booklet featuring tips that foster the adoption of sustainable practices in their daily routines. The material is also made available online, on the client's portal.

This is the reason why all MRV enterprises delivered in 2016 were installed with economical dual-flushing systems that provide flush options accordingly to needs. The flushing system cisterns provide for economies of up to 20 liters of water as per flushing, as opposed to conventional toilet models.

CERTIFICATIONS

MRV remained certified as compliant with ISO 14001 (environmental management), and OHSAS 18001 (Occupational Health and Safety) standards. The company also increased the number of construction enterprises certified and audited by RINA. Ever since 2001, MRV has been certified by PBQP-H (Brazilian Program for Habitat Quality and Productivity) Level A norm, and since 2008, by ISO 9001 (Quality Management) standards. In 2016, the company's certification seals Obra Verde (Green Building) and MRV + Verde (MRV Greener) were verified and certified by BVQI. There was also a verification and certification process on the GHG Emissions, undertaken by Instituto Totum.



12

M R V I N S T I T U T E

SDGs - 1,4,8,11
GLOBAL COMPACT - 1,2





TOTAL INVESTMENT OF
R\$ 3,2 MILLION

65.000 POSITIVELY
IMPACTED PEOPLE, DIRECTLY AND
INDIRECTLY

1.303
COLLABORATORS
FROM ALL REGIONAL OFFICES
ENROLLED IN THE VOLUNTEER PROGRAM



MAIN INITIATIVES

- Renovation of Miguilim Project's new premises
- Construction of a music studio for the Querubins Project
- 1st Public Call for Project Proposals

MRV Institute is a non-profit organization guided by its own governance process and supported exclusively by funds from MRV, which annually renders 1% of its net profit to the Institute.

In its second year of existence, MRV Institute was endowed R\$ 3.2 million in investments, all reverted into dozens of actions and initiatives focused mainly on education. The initiatives seek to provide citizens with formation to construct a promising future. Another strategy employed by MRV Institute is its Volunteer Network composed of MRV collaborators from all regional offices that propose and operate on initiatives directed by the Institute. More than 65,000 people were, directly or indirectly, positively impacted by MRV Institutes projects in 2016.



TRANSFORMING INITIATIVES

- NEW FACILITIES FOR THE MIGUILIM PROJECT

Investment: R\$ 1.291.579,68

One of the main initiatives undertaken in 2016 was the renovation and delivery of the Castelinho da Floresta in Belo Horizonte, which is now the new facility of the Miguilim Project. The real estate – officially listed as a historical heritage – underwent a huge restoration and revitalization process, all done in tune with the history of the building. Miguilim, which is managed by the City Hall of Belo Horizonte in partnership with Adra Brasil, assists 80 children and adolescents (up to 18) who are at risk and facing social vulnerability. The entity had no facilities to develop its activities, which hampered the quality of services rendered to community. Two primordial values were delivered in this project: the restoration of a historical heritage run-down building, and the provision of a space properly installed for the Program's activities.





• QUERUBINS PROJECT

Total investment:
R\$ 406.239,90

Another milestone in 2016 was the partnership established with the Querubins Project, which hosts 150 children in Vila Acaba Mundo in Belo Horizonte. The Institute sponsored the construction and the implementation of the music studio – which will both be used by the Project, and by the community, as they can rent it and therefore generate additional funds for Querubins. The consulting services of SERVAS was also hired, affording to the Querubins Project a sustainability plan featuring the identification of revenue generation opportunities, all designed to make Querubins a self-sustainable project. With the purpose of creating links between education and sports, MRV Institute, in partnership with the Minas Gerais Basketball Federation, also conceived and carried out the Educa Esporte (Educating Sport) project that promotes sports teaching, learning and practices involving 90 children and teenagers.

- 1ST PUBLIC CALL FOR PROJECT PROPOSALS

Investment: R\$ 200.000,00

Between March and April in 2016, MRV Institute launched its 1st Public Call for Project Proposals. The event was held for non-profit organizations or individuals interested in receiving support to develop transforming education-oriented initiatives in communities. 345 applicants from Belo Horizonte, São Paulo and other metropolitan regions signed up for the Public Call. 4 projects were prized with R\$ 50,000 to fund the activities proposed. The winners were:

VIVER BASQUETE (BASKETBALL LIVING) PROJECT in Nova Lima (MG). A project that teaches sporting activities to at-risk children and youths. It positively impacted 75 children and teenagers.

APRENDIZAGEM CRIATIVA (CREATIVE LEARNING) PROJECT in São Paulo (SP) – The project worked with educators and students promoting links between sciences and arts and exploring alternative spaces and approaches beyond the classroom, with the creation of learning environments. 5,010 people were positively impacted by the project.

OPORTUNIDADE PARA BRILHAR (OPPORTUNITY TO SHINE), in Nova Contagem (MG) – The project's main purpose is to combat social vulnerability, guaranteeing that at-risk children and adolescents' rights are held and protected, positively impacting 1,067 people.

CORAÇÃO DA TERRA (HEART OF THE EARTH), Project in Belo Horizonte (MG) – Dealing with environmental education, building capacity of children and adults on the theme. 120 people were positively impacted. adolescentes e adultos sobre o tema. Foram impactadas 120 pessoas.



- VOLUNTEERS
DOING GOOD

With the goal to maximize MRV Institute's performance, we count on the commitment of our more than 1,300 collaborators enrolled as volunteers. They perform in several different initiatives undertaken in partnership with a large number of entities working towards community benefits.

Therefore, in addition to raising possibilities of engagements from the MRV team, we expanded our reach by participating in a number of different activities that can transform the reality. The Institute has also motivated collaborators to enroll in a solidarity ride system that not only improves traffic and air quality, but also promotes socialization. In 2016, we had the participation of 445 volunteers in a series of initiatives promoted by the Institute.





• MRV VOLUNTEERS

DIREITO DE SABER (RIGHT TO KNOW)

A project created to provide MRV collaborators from construction sites and offices with legal guidance and orientations. In 2016, 12 events were held by 22 volunteer lawyers, benefitting 124 collaborators.

CHILDREN'S DAY

73 volunteers carried out creative activities celebrating Children's Day, and benefits were enjoyed by more than 730 children. The initiative was held in the Criança Esperança Space in Belo Horizonte (MG), at the Fundação Eufraten in Campinas (SP) and at the José Froes Filho Municipal Children's School in São José do Rio Preto (SP).

CORRENTE DO BEM (GOODWILL CHAIN)

Pull Tab Collection sites, which rely on the participation and help of volunteers, are installed at MRV outlets in the states of Mato Grosso, Minas Gerais, São Paulo, Paraná, Santa Catarina, Maranhão, Pernambuco, Bahia, Rio Grande do Norte and Paraíba, and in Brasília. At every 140 pull-tab-filled PET bottles a wheelchair donation is made to institutions that care for children facing mobility issues or cerebral palsy.

MRV VOLUNTEERS' DAY

Establishment of a library in the Leonardo Fernandes Franco Community Child Daycare Center in Santa Luzia (MG). 37 participant volunteers organized their endeavor in building up the library and promoting recreational activities with the children.

CONHECER PARA CUIDAR (KNOWING TO CARE) PROJECT

More than 9,000 children, youths and adults were taken by MRV Institute to the Modern Architectural Set of Pampulha to learn about the Cultural Heritage Site listed by UNESCO. Among these were 1,400 children and teenage students from São Vicente de Paulo Cidade dos Meninos (Children's Town). They took part in workshops assembling models of the four premises listed in the Modern Architectural Set of Pampulha.

CAMPANHA DO AGASALHO (WINTER CLOTHES) CAMPAIGN

In 2016, 3,000 garment pieces that were collected and donated, benefitting more than 900 people. The campaign was held in a number of cities: Belo Horizonte (MG), Ribeirão Preto (SP), Campinas (SP), Curitiba (PR), Porto Alegre (RS), Joinville (SC), São Paulo (SP), Vale do Paraíba (SP) and São José do Rio Preto (SP). Donations were handed out to street people, elderly and children care centers.





BLOOD DONATION CAMPAIGN

MRV Institute brought together a number of volunteers in the cities of Belo Horizonte (MG), Ribeirão Preto (SP), Uberlândia (MG) and Araçatuba (SP) to promote blood donation, totaling 19.5 liters.

SOLIDARITY CHRISTMAS

Activities focused on raising entrepreneurship among youngsters in public schools were undertaken in partnership with the institution in the cities of Belo Horizonte and São Paulo with the participation of 47 volunteers. Personal and professional development was enhanced among the students. More than 600 students were positively impacted.



SUMÁRIO DE CONTEÚDO GRI

CONTEÚDOS PADRÃO GERAIS	PÁG./REFERÊNCIA	VERIFICAÇÃO EXTERNA
ESTRATÉGIA E ANÁLISE		
G4-1 Declaração do detentor do cargo mais graduado na organização sobre a relevância da sustentabilidade para a empresa e sua estratégia de sustentabilidade.	8	Não
G4-2 Descrição dos principais impactos, riscos e oportunidades.	8	Não
PERFIL ORGANIZACIONAL		
G4-3 Nome da organização.	12	Não
G4-4 Principais marcas, produtos e/ou serviços.	12	Não
G4-5 Localização da sede da organização.	12, 13	Não
G4-6 Número de países nos quais a organização opera e nome dos países nos quais a suas principais operações estão localizadas ou que são especificamente relevantes para os tópicos de sustentabilidade abordados no relatório.	12, 13	Não
G4-7 Natureza da propriedade e forma jurídica da organização.	17, 22	Não
G4-8 Relate os mercados em que a organização atua (com discriminação geográfica, setores cobertos e tipos de clientes e beneficiários).	12, 13	Não
G4-9 Porte da organização, incluindo: número total de empregados; número total de operações; vendas líquidas; capitalização total discriminada em termos de dívida e patrimônio líquido; quantidade de produtos ou serviços prestados.	9	Não
G4-10 Número total de empregados por contrato de trabalho e gênero; número total de empregados permanentes por tipo de emprego e de gênero; Percentual de empregados próprios e terceiros que compõem o total da força de trabalho, por gênero; total da força de trabalho por região e por gênero; relate se uma parte substancial do trabalho da organização é realizada por trabalhadores que são legalmente reconhecidos como autônomos ou consultores individuais; relatar quaisquer variações significativas nos números de empregos gerados.	9, 50	Não
G4-11 Percentual do total de empregados cobertos por acordos de negociação coletiva.	100%	Não
G4-12 Descreva a cadeia de fornecedores da organização.	62-63	Não
G4-13 Mudanças significativas ocorridas no decorrer do período coberto pelo relatório em relação ao porte, estrutura, participação acionária ou cadeia de fornecedores da organização, inclusive: mudanças na localização ou nas operações da organização, como abertura, fechamento ou ampliação de instalações; mudanças na estrutura do capital social e de outras atividades de formação, manutenção ou alteração de capital (para organizações do setor privado); mudanças na localização de fornecedores, na estrutura da cadeia de fornecedores ou nas relações com fornecedores, inclusive no seu processo de seleção e exclusão. As mudanças registradas estão relacionadas à dinâmica de concorrências, não tendo havido alterações significativas.	As mudanças registradas estão relacionadas à dinâmica de concorrências, não tendo havido alterações significativas	Não

CONTEÚDOS PADRÃO GERAIS	PÁG./REFERÊNCIA	VERIFICAÇÃO EXTERNA
COMPROMISSO COM INICIATIVAS EXTERNAS		
G4-14 Relate se e como a organização adota a abordagem ou princípio da precaução.	Apesar de não adotar formalmente o princípio da precaução, a MRV busca permanentemente medidas para reduzir os impactos potenciais de suas atividades, do planejamento à conclusão das obras, prática que também é exigida dos fornecedores.	Não
G4-15 Cartas, princípios ou outras iniciativas desenvolvidas externamente de caráter econômico, ambiental e social que a organização subscreve ou endossa.	6-7, 16-17, 20, 22, 69	Não
G4-16 Participação em associações e organizações nacionais ou internacionais de defesa em que a organização: tem assento no conselho de governança; participa de projetos ou comissões; contribui com recursos financeiros além da taxa básica como organização associada; considera estratégica a sua participação.	65	Não
ASPECTOS MATERIAIS IDENTIFICADOS E LIMITES		
G4-17 Entidades incluídas nas demonstrações financeiras consolidadas ou documentos equivalentes da organização. Relatar se qualquer entidade incluída nas demonstrações financeiras consolidadas ou documentos equivalentes da organização não foi coberta pelo relatório.	Quando indicado, as informações também reportam dados consolidados das empresas Prime e MRL Engenharia. A Log Commercial Properties, empresa do Grupo MRV, divulga as informações referentes a 2015 em documento próprio.	Não
G4-18 Processo adotado para definir o conteúdo do relatório e os limites dos Aspectos e como a organização implementou os Princípios para Definição do Conteúdo do Relatório.	10, 11	Não
G4-19 Liste todos os Aspectos materiais identificados no processo de definição do conteúdo do relatório.	10, 11	Não
G4-20 Para cada Aspecto material, relatar o Limite do Aspecto dentro da organização	10, 11	Não
G4-17 para os quais o Aspecto é relevante; relate qualquer limitação específica relacionada ao Limite do Aspecto dentro da organização.	10, 11	Não
G4-21 Para cada Aspecto material, relate seu limite fora da organização, da seguinte maneira: relate se o Aspecto é material fora da organização; se o Aspecto for material fora da organização, identifique as entidades, grupos de entidades ou elementos para os quais o Aspecto é material. Além disso, descreva a localização geográfica na qual o Aspecto é relevante para as entidades identificadas. Relate qualquer limitação específica relacionada ao Limite do Aspecto fora da organização.	10, 11	Não
G4-22 Relate o efeito de quaisquer reformulações de informações fornecidas em relatórios anteriores e as razões para essas reformulações.	Alterações em informações dos anos anteriores estão explicadas ao longo do texto ou em notas de rodapé	Não
G4-23 Alterações significativas em relação a períodos cobertos por relatórios anteriores em Escopo e Limites de Aspecto.	Não houve	Não

CONTEÚDOS PADRÃO GERAIS	PÁG./REFERÊNCIA	VERIFICAÇÃO EXTERNA
ENGAJAMENTO DE STAKEHOLDERS		
G4-24 Lista de grupos de stakeholders engajados pela organização.	10	Não
G4-25 Base usada para a identificação e seleção de stakeholders para engajamento.	A MRV mantém relacionamento com empregados, clientes, acionistas, fornecedores, governos, ONGs, entidades de classe, sindicatos, instituições, comunidades e sociedade civil. Com cada um desses stakeholders, a empresa mantém fóruns específicos de relacionamento.”	Não
G4-26 Abordagem adotada pela organização para envolver os stakeholders, inclusive a frequência do seu engajamento, discriminada por tipo e grupo, com uma indicação de que algum engajamento foi especificamente promovido como parte do processo de preparação do relatório.	10	Não
G4-27 Principais tópicos e preocupações levantadas durante o engajamento de stakeholders e as medidas adotadas pela organização para abordar esses tópicos e preocupações, inclusive no processo de relatá-las; grupos de stakeholders que levantaram cada uma das questões e preocupações mencionadas.	10	Não
PERFIL DO RELATÓRIO		
G4-28 Período coberto pelo relatório (p. ex.: ano fiscal ou civil) para as informações apresentadas.	2016	Não
G4-29 Data do relatório anterior mais recente (se houver).	2016 (ano-base 2015)	Não
G4-30 Ciclo de emissão de relatórios (anual, bienal, etc.).	Anual	Não
G4-31 Contato para perguntas sobre o relatório ou seu conteúdo.	Expediente	Não
G4-32 Relate a opção “de acordo” escolhida pela organização; relate o Sumário de Conteúdo da GRI para a opção escolhida; apresente a referência ao Relatório de Verificação Externa, caso o relatório tenha sido submetido a essa verificação.	Este Relatório segue as diretrizes G4 da GRI em seu modelo ESSENCIAL, conforme sumário abaixo.	Não
G4-33 Política e prática corrente adotadas pela organização para submeter o relatório a uma verificação externa.	O Relatório de Sustentabilidade 2017 (ano-base 2016) não passou por verificação externa.	Não
GOVERNANÇA		
G4-34 Estrutura de governança da organização, incluindo os comitês do mais alto órgão de governança. Identifique todos os comitês responsáveis pelo assessoramento do conselho na tomada de decisões que possuam impactos econômicos, ambientais e sociais.	16-20	Não

CONTEÚDOS PADRÃO GERAIS	PÁG./REFERÊNCIA	VERIFICAÇÃO EXTERNA
G4-35 Processo usado para a delegação de autoridade sobre tópicos econômicos, ambientais e sociais pelo mais alto órgão de governança para executivos seniores e outros empregados.	16-20	Não
G4-38 Composição do mais alto órgão de governança e dos seus comitês	18-20	Não
G4-39 Relate se o presidente do mais alto órgão de governança é também um diretor executivo (e, nesse caso, sua função na gestão da organização e as razões para esse acúmulo).	18-19	Não
G4-42 Papéis desempenhados pelo mais alto órgão de governança e pelos executivos seniores no desenvolvimento, aprovação e atualização do propósito, declaração de missão, visão e valores, e definição de estratégias, políticas e metas relacionadas a impactos econômicos, ambientais e sociais da organização.	16-20	Não
G4-47 Frequência com que o mais alto órgão de governança analisa impactos, riscos e oportunidades derivados de questões econômicas, ambientais e sociais.	19	Não
G4-49 Processo adotado para comunicar preocupações críticas ao mais alto órgão de governança.	Temas considerados críticos ou de grande relevância para a MRV são apresentados ao Conselho de Administração pelos líderes e gestores. Eles são responsáveis por receber/identificar, avaliar e levar questões sensíveis para análise do mais alto órgão da administração da empresa.	Não
G4-50 Relate a natureza e o número total de questões críticas que foram comunicadas ao mais alto órgão de governança e o(s) mecanismo(s) utilizado(s) para tratar e resolvê-los.	Em 2016 não ocorreram situações críticas que exigissem avaliação do Conselho.	Não
ÉTICA E INTEGRIDADE		
G4-56 Valores, princípios, padrões e normas de comportamento da organização, como códigos de conduta e de ética.	20-21	Não
G4-58 Mecanismos internos e externos adotados pela organização para comunicar preocupações em torno de comportamentos não éticos ou incompatíveis com a legislação e questões relacionadas à integridade organizacional, como encaminhamento de preocupações pelas vias hierárquicas, mecanismos para denúncias de irregularidades ou canais de denúncias.	20-21	Não

INDICADORES DE DESEMPENHO

Aspectos materiais	Forma de gestão e indicadores	Pág. Referência	Omissões	Verificação externa
CATEGORIA ECONÔMICA				
DESEMPENHO ECONÔMICO	DMA	Link para demonstrações financeiras	Não	Ernest Young
	G4 – EC 1 Valor econômico direto gerado e distribuído	9 e Link para demonstrações financeiras	Não	Ernest Young
IMPACTOS ECONÔMICOS INDIRETOS	DMA	73, 74	Não	Não
	G4- EC 7 Desenvolvimento e impacto de investimentos em infraestrutura e serviços oferecidos	73, 74	Não	Não
PRÁTICAS DE COMPRA	DMA	62-64	Não	Não
	"G4-EC 9 Proporção de gastos com fornecedores locais em unidades	62-64	Não	Não
CATEGORIA AMBIENTAL				
MATERIAIS	DMA	69-70	Não	Não
	G4-EN 1 Materiais usados, discriminados por peso ou volume	69-70	Não	Não
AGUA	DMA	35, 74-79	Não	Não
	G4-EN 10 Percentual total de água reciclada e reutilizada	35, 74-79	Não	Não
	G4-CRE2 - Água na construção	35, 74-79	Não	Não
EFFLUENTES E RESÍDUOS	DMA	68, 70-71	Não	Não
	G4-EN23 Peso total de resíduos, discriminado por tipo e método de disposição	68, 70-71	Não	Não
AVALIAÇÃO AMBIENTAL DE FORNECEDORES	DMA	62-63	Não	Não
	G4-EN32 Percentual de novos fornecedores selecionados com base em critérios ambientais	100%	Não	Não

Aspectos materiais	Forma de gestão e indicadores	Pág. Referência	Omissões	Verificação externa
CATEGORIA SOCIAL				
EMPREGO	DMA	A gestão de pessoas valoriza o estímulo ao desenvolvimento do colaborador e à manutenção de um ambiente de trabalho cada vez melhor. A remuneração e os benefícios seguem as orientações do setor. Não há diferenciação de salário em função de gênero. A MRV cumpre todas as convenções coletivas firmadas com o sindicato dos trabalhadores.	Não	Não
	"G4-LA2 Benefícios concedidos a empregados de tempo integral que não são oferecidos a empregados temporários ou em regime de meio período, discriminados por unidades operacionais importantes da organização	59	Não	Não
	DMA	50-52	Não	Não
SAÚDE E SEGURANÇA DO TRABALHO	G4-LA5 Percentual dos empregados representados em comitês formais de segurança e saúde.	100%	Não	Não
	G4-LA6 Tipos e taxas de lesões, doenças ocupacionais, dias perdidos, absenteísmo e número de óbitos relacionados ao trabalho, discriminados por região e gênero	50-52	Não	Não
	G4-CRE6 Percentual da organização operando em conformidade verificada com um sistema de gestão de saúde e segurança reconhecido internacionalmente	50-52, 79	Não	Não
	DMA	50, 54-58	Não	Não
TREINAMENTO E EDUCAÇÃO	G4-LA9 Média de horas de treinamento por ano	50	Não	Não
DIVERSIDADE E IGUALDADE	DMA	A MRV contrata seus profissionais e parceiros conforme critérios técnicos, não havendo diferenciação quanto ao gênero, à faixa etária, à orientação religiosa ou sexual.	Não	Não
	G4-LA12 Composição dos grupos responsáveis pela governança e discriminação de empregados por categoria funcional, de acordo com gênero, faixa etária, minorias e outros indicadores de diversidade	16	Não	Não
"IGUALDADE DE SALÁRIOS ENTRE HOMENS E MULHERES"	DMA	A remuneração e os benefícios seguem as orientações do setor. Não há diferenciação de salário em função de gênero.	Não	Não
	G4-LA13 Proporção de salário-base e de remuneração das mulheres		Não	Não

INDICADORES DE DESEMPENHO

Aspectos materiais	Forma de gestão e indicadores	Pág. Referência	Omissões	Verificação externa
AVALIAÇÃO DE FORNECEDORES EM PRÁTICAS TRABALHISTAS	DMA	63	Não	Não
	G4-LA14 Percentual de novos fornecedores selecionados com base em critérios relativos a práticas trabalhistas	100%	Não	Não
NÃO- DISCRIMINAÇÃO	DMA	A MRV não tolera qualquer forma de discriminação na condução de seus negócios	Não	Não
	G4-HR3 Número total de casos de discriminação e medidas corretivas tomadas	não houve	Não	Não
LIBERDADE DE ASSOCIAÇÃO E NEGOCIAÇÃO COLETIVA	DMA	64	Não	Não
	G4-HR4 Operações e fornecedores identificados em situações onde o direito de liberdade de associação e de negociação coletiva pode estar sendo violado ou correndo risco significativo e medidas tomadas para apoiar esse direito.	Não houve	Não	Não
TRABALHO FORÇADO OU ANÁLOGO AO ESCRAVO	DMA	63	Não	Não
	"G4-HR6 - Operações e fornecedores identificados como tendo risco	63	Não	Não
AVALIAÇÃO DE FORNECEDORES EM DIREITOS HUMANOS	DMA	63	Não	Não
	G4-HR10 - percentual de novos fornecedores selecionados com base em critérios relacionados a direitos humanos	100%	Não	Não
COMUNIDADES LOCAIS	DMA	82	Não	Não
	"G4-SO1 Percentual de operações com programas implementados de engajamento da comunidade local, avaliação de Impactos e desenvolvimento local"	82-85	Não	Não

Aspectos materiais	Forma de gestão e indicadores	Pág. Referência	Omissões	Verificação externa
AVALIAÇÃO DE FORNECEDORES EM IMPACTOS NA SOCIEDADE	DMA	63	Não	Não
	G4-SO9 Percentual de novos fornecedores selecionados com base em critérios relativos a impactos na sociedade	100%	Não	Não
SAÚDE E SEGURANÇA DO CLIENTE	DMA	26, 79	Não	Não
	G4-PR1 Percentual das categorias de produtos e serviços significativas para as quais são avaliados impactos na saúde e segurança buscando melhorias	100%	Não	Não
	G4-PR2 Número total de casos de não conformidade com regulamentos e códigos voluntários relacionados aos impactos causados por produtos e serviços na saúde e segurança durante seu ciclo de vida, discriminado por tipo de resultado	não houve	Não	Não
ROTULAGEM DE PRODUTOS E SERVIÇOS	DMA	35, 42, 45	Não	Não
	G4-PR5 Resultados de pesquisas que medem a satisfação dos clientes	35, 42, 45	Não	Não
	G4-CRE8 Tipo e número de certificação de sustentabilidade, classificação e rotulagem de esquemas para construção nova, gerenciamento, ocupação e reabilitação.	79	Não	Não
CONFORMIDADE	DMA	A MRV trabalha em conformidade com leis e regulamentos do país e do segmento. Tal compromisso é amplamente difundido entre empregados e parceiros, de maneira a assegurar uma atuação ética e responsável em todos os aspectos do seu negócio.	Não	Não
	G4-PR9 Valor monetário de multas significativas por não conformidade com leis e regulamentos relativos ao fornecimento e uso de produtos e serviços	não houve	Não	Não

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