



United Nations Global Compact
Communication on Progress 2007





Message from the Chief Executive Officer

Promon is a Brazilian company whose principal characteristics include the fact that it is entirely owned by its staff. Its vigorous and authentic organizational culture is the result of the experience garnered by generations of professionals in surmounting challenges during its 47-year history. Values such as integrity, trust, respect and equity are central to its corporate culture and character, which innovatively harmonises business goals with human needs, capital with labour, value creation for clients with effective contributions to social development, and competitiveness with the professional and human fulfilment of its people.

We therefore believe that in pursuing socio-environmental sustainability organisations can and should go beyond the indispensable adoption of policies and practices aligned with the principles of corporate social responsibility, by including the requirements of sustainability among the fundamental elements that define their culture and inserting these requirements into their goals and strategies.

By continuing to support the Global Compact we publicly reaffirm and express the principles and values in which we believe and which have always been present ever since our foundation.



Luiz Ernesto Gemignani
CEO

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights			
Commitment	Systems	Actions	Performance
Ethics are at the core of everything Promon does. In striving to harmonise the interests of its staff, clients, suppliers and other stakeholders, and prioritising respect for the human being in every relationship, Promon recognises its role as an agent of social development.	Ethical guidelines	A statement known as the “Campos do Jordão Charter” sets out the principles, beliefs, values and goals on which Promon’s ethical guidelines are based.	The Charter was written in 1970 by a group of business leaders who reassembled in 2000 to update the document’s language and adapt it to contemporary circumstances. The result is expressed in a document entitled “Vision, Mission & Values”.
	Instituto Razão Social (IRS)	The IRS is a nonprofit institution founded by Promon and other companies to help improve the quality of public education in Brazil. It is currently funded by Gerdau and Instituto Camargo Corrêa as well as Promon.	In the last three years Promon invested more than R\$800,000 in the activities of the IRS, which benefited 480 schools and about 450,000 schoolchildren until 2006. In 2007 Promon invested some R\$390,000, benefiting 1,112 schools and more than 190,000 schoolchildren.
		Gestão para o Sucesso Escolar	“Management for School Success”, developed by Fundação Lemann with methodology and content structured by Instituto Protagonistês, is a course based on distance learning for public school principals emphasising best practices as a routine part of school administration, and the use of assessment tools to diagnose learning processes and develop an action plan to address issues raised by the diagnosis. It also aims to influence public policy in education. In 2007 the programme benefited 20 schools and some 15,000 schoolchildren.
		Programa Além das Letras	“Beyond Letters” is a programme that includes a set of prizes awarded to outstanding initiatives in literacy teaching all over Brazil. The winners are invited to join the first Virtual Network of Literacy Instructors, sharing experience and disseminating didactic content and teaching methods with the support of Instituto Avisa Lá. In 2006, the programme was present in ten states, 13 municipalities and 339 schools, benefiting more than 32,000 schoolchildren. In 2007, its scope was extended to cover 14 states, 31 municipalities and 520 schools, benefiting more than 92,000 schoolchildren.
	Programa Formar em Rede	The “Network Training” programme is an initiative of the IRS and Instituto Avisa Lá, in collaboration with Instituto Camargo Corrêa, Instituto C&A, Grupo Gerdau and Natura as well as Promon. Its aim is to enhance the quality of early education for Brazilian children. In 2007, the first year of operations, the programme was present in 13 states, 30 municipalities and 572 schools, benefiting 83,400 schoolchildren.	
Promon Culture	Human Relations Promon’s Accident Prevention Committee, in partnership with the organization’s Department of Occupational Health & Safety, assures the provision of a safe and healthy working environment and minimises occupational accidents.	Present in Promon offices and at all worksites, covering some 900 employees. Promon is certified by OHSAS 18001.	

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	Engagement in civil society initiatives	Signatory of National Compact to Eradicate Slave Labour in Brazil	Signatories of the Compact, based on a report by the International Labour Organization (ILO), undertake not to acquire goods whose production chain involves slave labour.
		Participant of Compromisso Todos pela Educação	The "All for Education Commitment" is an alliance of civil society, business, social organizations, educators and public administrators in education to guarantee basic schooling of high quality for all by 2022, when Brazil celebrates its independence bicentennial.
		Sponsor of "Movimento Nossa São Paulo: Outra Cidade"	"Our São Paulo: Another City" is a movement comprising hundreds of civil society organisations, inspired by a spirit of belonging and change. Its aim is to build a political, social and economic force through comprehensiveness, representativity, credibility, commitment and effectiveness that will engage society and successive governments with an agenda and a set of targets to offer a better quality of life to all inhabitants of the city. The movement is independent of all political parties and organised religions. It brings together leaders of many other movements but has no central committee or presidency. Membership is open to all organisations and businesses. It is a network and will continue to expand by networking. Promon participates in the technology working group.
	Casa do Zezinho	Programa Fim de Semana com Arte	"Weekend With Art "provides weekend leisure activities and cultural education to engage young people from poor families and develop income generation projects. The programme benefits 1,200 poor children and adolescents aged between 6 and 21 who live in neighbourhoods near its head office and attend 67 public schools in the region.

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Ethics are at the core of everything Promon does. In striving to harmonise the interests of its staff, clients, suppliers and other stakeholders, and prioritising respect for the human being in every relationship, Promon recognises its role as an agent of social development.	Ação Comunitária do Brasil	Ação Comunitária is a nonprofit organization that since 1967 has run programmes in education, culture and citizenship to advance social inclusion for people in situations of social vulnerability. In 2007 it focused on capacity building and networking for community leaders, providing legal support for the creation of neighbourhood associations, and mobilising residents.	In 2007, projects with Promon's participation benefited 5,445 children and adolescents.
		Projeto Som, Ritmo e Movimento	"Sound, Rhythm & Movement" ran cultural activities in music, dance and other performing arts, as well as sport and capoeira, for more than 5,000 children, adolescents and young adults in 22 benefited organisations in 2007.
		Projeto Crê-Ser	"Growing & Becoming" aims to help schools network with families and communities to protect children and defend their rights, while enabling them to experience high-quality education in such areas as reading and writing, visual and plastic arts, music, games, and developing study habits. In 2007, Promon benefited some 120 children enrolled in the project.
		Programa de Preparação para o Trabalho	"Work Readiness" helps young people develop the knowledge, skills and attitudes that enhance their employability and social inclusion. In 2007, Promon welcomed a group of 37 young adults enrolled in the programme to its São Paulo office, where they watched presentations and took part in group dynamics led by Promon professionals on self-development, employability, the organisation's selection process, how to draft a CV, and how to prepare for an interview.
	Projeto Saitá	Promon Voluntary Service Programme Supports volunteering initiatives by recognising, encouraging and publicising the activities of staff, retirees and service providers, especially in working with public schools to improve the quality of basic education.	The programme's first activity, in 2007, was the signature of a partnership agreement with Junior Achievement. Currently Promon supports primary education projects in three public schools located near the São Paulo and Rio de Janeiro offices, involving some 370 schoolchildren and 60 volunteers.
		Promon Voluntary Service Programme Associação Junior Achievement	Junior Achievement is an organization dedicated to educating children about work readiness, entrepreneurship and financial literacy through experiential, hands-on programmes while they are still at school. Its main goal is to stimulate personal development, help them build a clear vision of the world of business, and facilitate access to the labour market.
		Promon Voluntary Service Programme Programa Introdução ao Mundo dos Negócios	"Introduction to the World of Business" presents concepts and basic principles of business management through games and other fun activities in five one-hour classes on one day each week. The idea is to help students develop awareness while acquiring skills and practical knowledge of the way business is done in a free-market society. It also aims to help them understand the importance of education and regular school attendance.
		Promon Voluntary Service Programme Programa Nosso Mundo	"Our World" is an educational programme comprising five one-hour classes on one day each week to teach children about the basics of countries' economic interdependence, imports and exports, benefits, complexities and others aspects world trade. Activities include games and the development of a small international marketing project.

Principle 2: Businesses should make sure they are not complicit in human rights abuses			
Commitment	Systems	Actions	Performance
Promon is committed to avoiding complicity in human rights abuses by all business units of the organization.	Engagement in civil society initiatives	Signature of National Compact to Eradicate Slave Labour in Brazil	Signatories of the Compact, based on a report by the International Labour Organization (ILO), undertake not to acquire goods whose production chain involves slave labour.
		Membership of Brazilian Global Compact Committee	The Brazilian Global Compact Committee, a representative cross-section of organisations and companies, provides guidance for signatories and encourages others to join the Compact and develop programmes relating to the 10 Principles. The committee works with the Global Compact Network to draw up an annual agenda for the Compact in Brazil.
		Participation in Global Compact Leaders Summit 2007	Promon was one of a select group of companies and institutions that took part in the world's most important summit meeting on corporate social responsibility, held at UN Headquarters in Geneva, Switzerland.
	Promon Culture	Human relations processes	Promon does not permit discrimination on grounds of age, gender, colour, race, creed or sexual preference in recruitment and selection, training, pay, promotion, transfer or any other workplace-related process.
	Ownership structure	Equity ownership and election of executives is available to all employees without exception.	About 78% of its staff own equity in Promon. All profit is used for the benefit of employees, as follows: - a semiannual profit sharing programme covering all staff (1/3) - dividends paid to shareholders, all of whom are Promon employees (1/3) - reinvestment in the business, which in turn sustains the share price (1/3).
	Projeto Saitá	Supplier management Policies for selecting and evaluating suppliers, including specific criteria to measure social responsibility in areas such as prohibition of child labour and appropriate workplace relations.	Social responsibility requirements based on SA 8000 are included in supplier selection and evaluation procedures. Staff in Human Relations, Legal, Procurement, Administration and HSE take SA 8000-based internal auditing course.
		Supplier management Inspections and feedback reports on CSR issues observed.	Pilot project in 2007 involved three inspections of suppliers to different areas of Promon.
		Socio-environmental awareness Education and training in sustainability and related issues.	In addition to initiatives designed to reduce social inequality and lack of information in the community, raising the awareness of all employees and contractors is key to progress in stakeholders relationship.

Principle 3: Businesses should uphold freedom of association and effective recognition of the right to collective bargaining				
Commitment	Systems	Actions	Performance	
Promon respects the right of employees to join the associations of their choice, values other forms of voluntary association by its staff, and encourages suppliers to do the same.	Professional associations and trade unions	Promon respects the right of employees to join professional associations and trade unions and engage in collective bargaining, always in compliance with Brazilian law.	100% of Promon's employees are represented by trade unions and/or professional associations.	
	Ownership structure	Equity ownership and election of executives is available to all employees without exception.	About 78% of its staff own equity in Promon.	
	Promon Culture	Human relations processes Self-proposed salaries	Staff can propose their own salary using a standard procedure with a justification for the parameters used. After analysis and assessment by discipline leaders, including interaction with the employee, the results of the salary review are communicated to each professional.	
	Projeto Saitá	Supplier management Policies for selecting and evaluating suppliers, including specific criteria for dialogue with employee representatives	Supplier management Inspections and feedback reports on issues observed relating to freedom of association and effective recognition of right to collective bargaining.	Social responsibility requirements based on SA 8000 are included in supplier selection and evaluation procedures. Staff in Human Relations, Legal, Procurement, Administration and HSE take SA 8000-based internal auditing course.
				Pilot project in 2007 involved three inspections of suppliers to different areas of Promon.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour			
Commitment	Systems	Actions	Performance
Promon will not tolerate worker exploitation under any circumstances and has no business or contractual relations with organisations that use any form of forced or compulsory labour.	Engagement in civil society initiatives	Signature of National Compact to Eradicate Slave Labour in Brazil	Signatories of the Compact, based on a report by the International Labour Organization (ILO), undertake not to acquire goods whose production chain involves forced or compulsory labour.
	Projeto Saitá	Supplier management Undertaking included in supplier contracts	All contracts signed by suppliers of goods and services include a clause repudiating and prohibiting the use of any form of forced labour or child labour throughout the supply chain.
		Supplier management Required documentation	Supplier selection is based on documents proving their market activities are legal.
		Supplier management Policies for selecting and evaluating suppliers, including specific criteria assuring the elimination of all forms of forced or compulsory labour.	Social responsibility requirements based on SA 8000 are included in supplier selection and evaluation procedures. Staff in Human Relations, Legal, Procurement, Administration and HSE take SA 8000-based internal auditing course.
		Supplier management Inspections and feedback reports on issues observed relating to evidence of forced or compulsory labour.	Pilot project in 2007 involved three inspections of suppliers to different areas of Promon.

Principle 5: Businesses should uphold the effective abolition of child labour			
Commitment	Systems	Actions	Performance
Promon will not tolerate under any circumstances the exploitation of children and young people under legal working age, and has no business or contractual relations with organisations that use child labour in any form.	Projeto Saitá	Supplier management Undertaking included in supplier contracts	All contracts signed by suppliers of goods and services include a clause repudiating and prohibiting the use of any form of child labour throughout the supply chain.
		Supplier management Required documentation	Supplier selection is based on documents proving their market activities are legal.
		Supplier management Policies for selecting and evaluating suppliers, including specific criteria assuring the elimination of all forms of child labour.	Social responsibility requirements based on SA 8000 are included in supplier selection and evaluation procedures. Staff in Human Relations, Legal, Procurement, Administration and HSE take SA 8000-based internal auditing course.
		Supplier management Inspections and feedback reports on issues observed relating to evidence of child labour.	Pilot project in 2007 involved three inspections of suppliers to different areas of Promon.
	Engagement in civil society initiatives	Signature of National Compact to Eradicate Slave Labour in Brazil	Signatories of the Compact, based on a report by the International Labour Organization (ILO), undertake not to acquire goods whose production chain involves child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation			
Commitment	Systems	Actions	Performance
<p>Promon is committed to human relations policies geared to justice, transparency, impartiality and professionalism. No form of discrimination based on race, gender, sexual orientation, colour, religion, age, ethnic origin or any other factor is allowed in any business processes or in the workplace.</p>	Ownership structure	Equity ownership and election of executives is available to all employees without exception.	About 78% of its staff own equity in Promon.
	Projeto Saitá	Supplier management Policies for selecting and evaluating suppliers, including specific criteria assuring the elimination of all forms of discrimination in respect of employment and occupation.	Social responsibility requirements based on SA 8000 are included in supplier selection and evaluation procedures. Staff in Human Relations, Legal, Procurement, Administration and HSE take SA 8000-based internal auditing course.
		Supplier management Inspections and feedback reports on issues observed relating to evidence of discrimination in respect of employment and occupation.	Pilot project in 2007 involved three inspections of suppliers to different areas of Promon.
	Promon Culture	Human relations process Hiring	All applicants take part in all stages of the selection process regardless of function or professional level. Direct relatives of directors may not be hired.
		Human relations process Pay & Benefits Policy	The same benefits, including pay, medical care and retirement plans, are available to all professionals regardless of hierarchical level, function, gender, ethnicity, religion and age.
		Human relations process Promotion Policy	Promotion strictly by merit, with no discrimination based on hierarchical level, function, gender, ethnicity, religion or age.
		Human relations process Training & Education Policy	Professional development programmes are offered to all staff regardless of hierarchical level, function, gender, ethnicity, religion and age.

Principle 7: Businesses should support a precautionary approach to environmental challenges			
Commitment	Systems	Actions	Performance
<p>Promon acts to protect the environment wherever it does business. It uses natural resources rationally, preferring recyclable materials wherever possible and taking other steps to mitigate pollution of the air, water and soil as well as noise and visual pollution.</p>	<p>Management system</p>	<p>Promon is certified by ISO 14001, the most widely recognised international standard for environmental management.</p>	<p>The system's key component is the identification and preventive treatment of potential causes of damage to the environment, society or property, in full compliance with ISO 14001. Promon has received no environmental notices in the last three years.</p>
	<p>Projeto Saitá</p>	<p>Socio-environmental awareness</p>	<p>Among other activities, the project calls for conservation or substitution of non-renewable resources and minimisation of the use of renewable resources, both in management of the organisation's facilities and in the supply of products and services to clients and at worksites. Recycling of paper, plastic cups and fluorescent bulbs, use of recycled paper, collection and proper disposal of batteries used in offices, office furniture made of certified wood and reduction of electricity and water consumption are some of the preventive measures taken to address environmental challenges.</p>

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility			
Commitment	Systems	Actions	Performance
<p>Promon promotes environmental responsibility in its regular operations and through educational and rational consumption programmes.</p>	<p>Projeto Saitá</p>	<p>Recycling of materials</p>	<p>Recycling of paper, fluorescent bulbs and plastic cups, use of recycled paper, collection and proper disposal of batteries used in Promon's offices. In 2007, 100% of the fluorescent bulbs used by Promon were sent for recycling. Recycled paper consumption reached 89% of the total, up from 5% in 2005.</p>
		<p>Reduction of resource consumption</p>	<p>Continuous programme to reduce office consumption of water and electricity. At worksites waste, residue and effluent are properly collected, stored and disposed of in accordance with guidelines and specific procedures for each project. Daily water consumption per employee fell from 36 litres in 2003 to 17 litres in 2007.</p>
		<p>Socio-environmental awareness</p>	<p>HSE dialogues lasting 15 minutes daily or less are held at every worksite for Promon personnel. All new employees take an induction course that includes specific lectures on environmental management. An annual calendar of internal events includes a meeting of the entire staff to discuss environmental and other issues with senior management, regular forums called Mastigando Idéias ("Chewing Ideas"), and engineering meetings coordinated by competence centres. A technical course on the Leadership in Energy & Environmental Design (LEED) Green Building Rating System was given in 2007 to a multidisciplinary group from the Engineering Competence Centre. A workgroup on industrial ecology was set up to study environmentally sustainable alternative solutions for use in existing projects and new proposals.</p>
		<p>Supplier management Extension of environmental requirements in policies for selecting and evaluating suppliers</p>	<p>Staff in Human Relations, Legal, Procurement, Administration and HSE take a course in Environmental Legislation.</p>
		<p>Supplier management Inspections and feedback reports on issues observed relating to evidence of the environmental impact of supplier operations</p>	<p>Pilot project in 2007 involved three inspections of suppliers to different areas of Promon.</p>

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies			
Commitment	Systems	Actions	Performance
Promon is committed to developing and diffusing sustainable technologies as an intrinsic part of its business.	Projeto Saitá	On-site ecosystem conservation projects	<p>North Capixaba Terminal: Promon designed a special lighting system to assure zero impact on sea turtles nesting in the area, as well as special solutions for energy dissipation and temperature control during drainage of the site, avoiding river erosion and disturbance of the ecosystem, which supports crabbing by the local community.</p> <p>Revap Refinery, Petrobras: Promon provided eco-friendly worksite design contemplating:</p> <ul style="list-style-type: none"> - rainwater collection and confinement - water reuse and use of efficient sanitary basins - architectural design maximising natural lighting and ventilation - use of permeable paving - planting of native trees - selective collection of recyclables - use of eco-efficient materials such as non-contaminating thermal insulation, autoclaved cellular concrete blocks, metal structure, and fibre-reinforced concrete flooring.
		Design of new sustainable technologies	<p>Reduc Refinery, Petrobras: Promon designed a solution to close the refinery's cooling system using ultrafiltration for water treatment. Ultrafiltration offers many advantages over conventional treatment, including production of raw water of satisfactory quality without using chemicals.</p> <p>Revap Refinery, Petrobras: Promon's design included suggestions for environmental improvements using sustainable technology, such as:</p> <ul style="list-style-type: none"> - use of a vacuum system for diesel drying to eliminate the generation of contaminated effluent and reduce power consumption - use of a special lubrication system for centrifugal pumps (type API-53BM) to insulate seal boxes from atmosphere while lubricating and cooling seal faces (this is done by maintaining positive pressure on the seal box so that any leaks go into the pump) - use of oil mist for bearing lubrication, guaranteeing thorough lubrication of bearings while also including an ecological collector to prevent contamination of the atmosphere by oil.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery			
Commitment	Systems	Actions	Performance
Promon does not tolerate corruption in any shape or form. All business processes include instruments that explicitly prohibit professionals from accepting or encouraging inducements or favours of any kind.	Engagement in civil society initiatives	Signature of Business Compact For Integrity & Against Corruption in Brazil	The anti-corruption compact (2006) comprises a set of guidelines and procedures governing relations between government and business organisations or other types of signatory.
	Promon Culture	Ethical conduct	Promon consistently pursues best ethical practice and stakeholder engagement in all business processes. A document entitled <i>Corpo e Alma</i> ("Body & Soul") issued in 2007 summarises the history of Promon and sets out its values and beliefs in respect of business conduct.

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