

ANNUAL REPORT

2021s

PROMON 

In the present report, we will bring together the main highlights of activities pertaining to the companies composing the Promon S.A. holding company's asset portfolio (Promon Engenharia and Logicalis Latin America Holding S.A.) and of the Promon Social Welfare Foundation (FPPS), sponsored by the holding company and its member companies, for the fiscal year ending March 31, 2021.

The material contained within the report will include information about strategies, advances, achievements, and results registered during the period in question as reported by the companies making up the group as well as the FPPS. The period, marked by the challenges posed by the Covid-19 pandemic, demanded the adaptation of our business activities to the new context, including a number of measures which will be detailed in the following pages.

One of the highlights of the year was the strengthening of practices associated with corporate governance, in line with efforts to promote continuous improvement in the operations of all the group's companies. The group's corporate governance structure, growing more and more robust and mature with time, has contributed, in turn, to the strengthening of our ESG (environment, social, and corporate governance) tripod, a key strategic directive across all of our holdings.

The publication of the present report, which includes presentations of financial balance sheets for the year as audited by KPMG, reinforces the commitment of Promon S.A. to transparency before our shareholders and all other publics of interest.

To obtain more information about the content of the report or to send suggestions, contact "Investor Relations" via e-mail servicos-acionistas@promon.com.br.

Enjoy!

PROMON 

promon
engenharia

 **LOGICALIS**
Business and technology working as one

Fundação Promon de
Previdência Social 

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// LETTER FROM THE ADMINISTRATION

The period covered by the present report on the evolution of--and the results obtained by--our business extends from April 2020 to March 2021. It coincides, therefore, with the rise of the Covid-19 threat in Brazil. The pandemic, which affected many of our decisions during the period, was declared by the World Health Organization (WHO) only three weeks before the beginning of the new fiscal year.

Our business and strategic plans, broadly debated and already decided upon, had to be altered in the face of the new, unprecedented reality. It was necessary to make a series of complex decisions, and to do so in record time, in order to preserve the health and safety of our employees while, at the same time, guaranteeing continuity for our business operations; decisions on these two fronts defined our priorities.

In the face of all these challenges, I believe the word that best describes our approach is “learning.” All of the decisions, and their consequences, have happily shown themselves to be the correct ones, a state of affairs which has strengthened our convictions as well as our commitments before our employees, clients, and all other publics with which we have relations.

One characteristic of our work is collaboration, an aspect which proved fundamental during this period of uncertainty. Both Promon Engenharia and Logicalis Latin America knew how to join forces, bringing together professionals of different specialties, expertise, and experience to form committees able to provide the necessary impetus for decision-making and execution. A number of contingency committees were set up, focusing on people and actions needed to meet the crisis and mitigate effects of the new realities on our business operations.

Within the space of just two days, 100% of our administrative personnel were already operating via home office arrangements. This transition to remote work was undertaken in a way both natural and swift. This was possible because we already use collaborative technologies in our daily work routines. I would also highlight our increased use of internal communications and dialog as a way to offer support to our employees during a period of uncertainty. We accomplished this through various initiatives in the areas of both physical and mental health. Professionals working in the field, especially those assigned to construction sites, suffered greater exposure to possible

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Carlos Pingarilho
CEO of Promon S.A.



transmission of the virus; these received special attention based on specific protocols designed to guarantee overall wellbeing.

The pandemic, at the same time, accelerated a process of change already in course. At Promon Engenharia, transformations originally initiated in 2017 were intensified. These were designed to update operations in line with the new reality of the marketplace, which is increasingly digital. Today, we are more dynamic and streamlined than ever and we can boast of an even stronger commitment to the use of technology as a key differential when it comes to competition, client service, and efficiency.

In a parallel development, the company has consolidated its activities in sectors of strategic importance for the country, such as infrastructure, energy, and mining, a strategy which allowed us to post results better even than those obtained before the pandemic.

Logicalis Latin America suffered, during the first months of the pandemic, a slowdown in business, with the suspension, renegotiation, and postponement of a number of contracts. Fortunately, this situation, the direct result of the climate of uncertainty, was reversed in the second half of the year. Technology has made all the difference when it comes to continuity in business activities for many companies. This, in turn, has led to increased demand for services related to

digital transformation, including consulting services. The company has concluded a lucrative period as it helps its clients, throughout Latin America, prepare for their own digital transformations.

The pandemic also brought changes on the financial front. These caused the Promon Social Welfare Foundation to respond diligently to the challenges posed by the crisis. The strategy originally adopted in 2019, diminishing exposure to fixed-income portfolios, was maintained, permitting an even greater diversification of resource allocation. The effectiveness of this strategy translated into net gains for both of the retirement funds administered by the FPPS.

Issues related to the environment, social responsibility, and corporate governance, subjects covered under the ESG aegis, have gained a new emphasis in recent times. They continue as a key element in our strategy and occupy ever expanding scope within our planning. When it comes to the environment, I can cite as examples the participation of Promon Engenharia in projects and activities designed to reduce the environmental impact of our operations, while, in the case of Logicalis, the company has made a huge contribution to compensating for greenhouse gas emissions through development of a blockchain platform designed specifically for this purpose.

As to social responsibility, we have advanced on questions such as gender equality and inclusion, in both the

engineering segment and in IT. We have adopted metrics for tracking indicators for diversity in our work teams as we strive to continually address this issue. In the realm of corporate governance, we are conducting our business in line with the best marketplace practices, based on the principles of ethics, integrity, transparency, and continuous improvement which have always guided our activities.

Firm in our convictions, we will continue working to support our task forces as they traverse this time of uncertainty in the belief that, shortly, we will be able to resume normal operations based on new routines reflecting new realities. In addition to our commitment to business continuity, the administration is also focused on quality, competition, and profitability, pursuing the objective of expanding our business portfolios. We are ever open to new opportunities and new ways of generating resources to support our growth.

Bolstered by clear priorities, we move forward in the hope of better news to come in the year at hand, with widespread vaccination and control over the pandemic. At a time such as ours, fraught with difficulties, we can only be thankful to our employees in adapting to the changes that were imposed on them and to the confidence deposited in us by our shareholders, clients, and business partners regarding the decisions taken and the strategies adopted.

// PROFILE

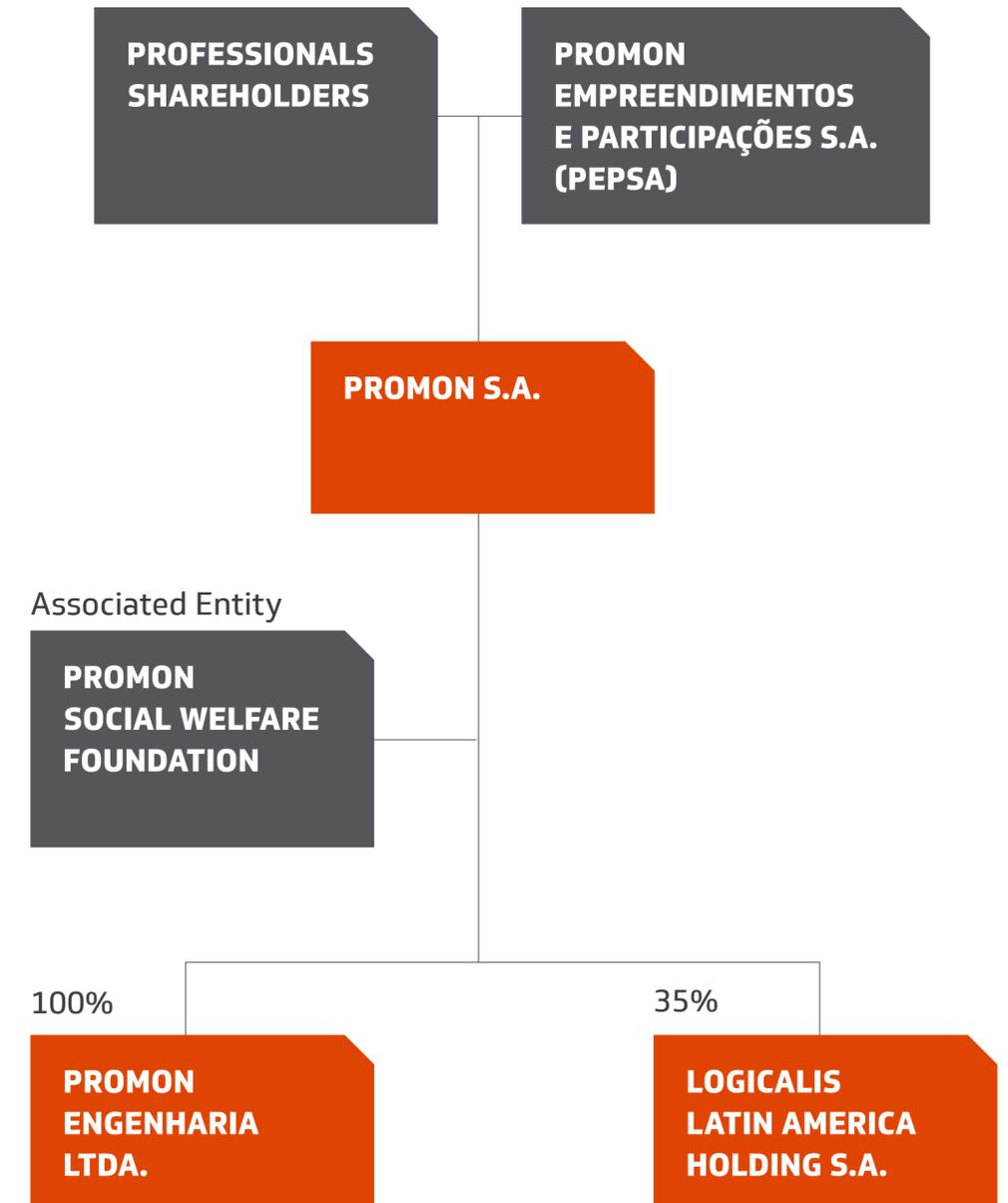
Promon S.A. is an investment holding company, with a portfolio composed of companies with a strong bent toward technology in the development of their activities. Based in the city of São Paulo, the corporation administered, during the relevant period, assets composed of two operating companies:

Promon Engenharia. Marking its 60th anniversary in 2020, Promon Engenharia is a company dedicated to excellence in engineering and project management, boasting a critical differential when it comes to the use of latest generation technologies in the services it offers. The company is active in various fields, such as energy, manufacturing, infrastructure and logistics, mining and metallurgy, oil and gas, and chemicals and petrochemicals, among other. The company offers a wide range of services—consulting, engineering, digitization, management, and integrated solutions—covering the entire life cycle of projects, from conception to operation. Promon S.A. holds a 100% stake in the company.

Logicalis Latin America Holding S.A. A business technology company with a focus on services and customized solutions for the digital transformation required by clients. Active in 11 countries throughout Latin America, it operates in the areas of cyber security, the Internet of Things (IoT), analytics, and big data, as well as artificial intelligence and management services. It is the result of a joint venture established in 2008 with British company Logicalis Group Limited. Promon S.A. holds a 35% stake in Logicalis Latin America.

Promon S.A., along with its operational companies, sponsors the **Promon Social Welfare Foundation**, a supplemental retirement fund created by Promon 45 years ago to administer retirement plans for professionals working at the group’s companies.

Signatory to the Global Compact, an initiative led by the United Nations to engage companies in initiatives aimed at social responsibility and corporate sustainability, Promon S.A. is guided in its conduct by the principles underpinning business ethics and respect for human rights and environmental protection.



// BELIEFS

A company is a living organism, part of the broader social, economic, and natural ecosystem with which it interacts and upon which it depends and for which it is co-responsible.

Knowledge is the instrument for human and social achievement when used in a manner which is both conscious and shared.

// PURPOSE

Promon is a community of professionals based on knowledge and identified through its capacity to innovate based on the pursuit of excellence and guided by the following concepts:

- // Provide and manage solutions for infrastructure development that add value for clients as well as other interested parties;
- // Create conditions for professional and human development among its professionals;
- // Act as a change agent for processes involved in social development and preservation of the natural environment.

Community means holding something in common, understandings that are shared and which transcend the individuals who compose the enterprise. Community implies a disposition for the observance of certain principles and rules, but it also implies a form of voluntary collaboration that is all the richer for being unplanned. Collaboration is not altruism. It emerges among people who share a common cause, and who feel they are a part of a common destiny. A community can be described, and it can even be mapped out in formal terms, but it will always present an emotional dimension, a feeling of being part of something larger than oneself. Communities have a body, but they also have a soul.

// VALUES

INTEGRITY – Full, complete dedication. Acting ethically, consistently, and professionally.

RESPECT – Taking into account the motivations of others, understanding divergent viewpoints, listening to different opinions, building consensus.

CONFIDENCE – Deem yourself capable, understand your own potential and your limitations, always seek to surmount barriers. Believe in yourself and in others, contribute to the group effort.

DIGNITY – See yourself in the light of dignity and self-respect. Spread respect, build up a sense of authority based on knowledge and experience.

EQUALITY – Understand that each is a part of the whole; recognize the contributions made by each person. Combat any form of discrimination, including those originating from prejudices involving race, religion, gender, and sexual orientation.

JUSTICE – Give everyone what is theirs by right and understand the impact on others of your decisions. Take positions based on knowledge, courage, and generosity.

INDEPENDENCE – Use knowledge to help develop the best solutions, always acting impartially. Decide your own destiny.

// ESG-BASED MANAGEMENT AND STRATEGIES

Respect for the natural environment and socially responsible actions are part of our commitment to seeking constant improvement in our company's corporate governance; these are the elements that sustain the conduct of our business at Promon S.A. and at the companies it controls and they have been in place since the group's founding in 1960.

This tripod – identified by the acronym ESG – stands for environment, social responsibility, and corporate governance. It constitutes a strategic directive across all of our holdings. To bring this vision to fruition, garnering knowledge related to the impact of our activities on society and on the natural environment is a high priority for management because it allows the company, based on such findings, to develop ways of potentializing positive trends while mitigating effects of negative ones, thereby contributing to sustainable development.



ESG and SDG

Activities developed by Promon S.A. seek to build on practices that support the 2030 Agenda; these, in turn, emphasize engagement with employees, other companies, and government in efforts to meet the sustainability goals as outlined in the 17 Sustainable Development Goals (SDG).

ESG goals, then, are set by the holding company and implemented by the constituent units in the following manner:

Environment

To minimize the negative impact of our operations on the natural environment is one of the principles guiding our companies. In this area, one of the highlights is sustainable engineering, as practiced by Promon Engenharia, which seeks to prioritize solutions that reduce environmental impacts at construction sites. Such practices, during the period, accounted for 43% of our operations, representing important contributions to SDG 7 (Clean and Accessible Energy) and SDG 9 (Industry, Innovation, and Infrastructure) goals. Among such solutions, highlights include, for example, the reuse of sawdust for cleansing of oil, the production of biogas from sugarcane residues, and co-generation of power from sugarcane bagasse developed via new industrial applications such as production of biomass pellets used as a substitute for coal, among others. Another highlight is support for agribusinesses as they develop automation and digitization of their field operations, increasing their yields and reducing risks through integration of appropriate technologies and

software. By offering solutions for digital transformation and use of the Internet of Things (IoT), we can bring about a greater degree of automation to such operations while reducing real-time risks.

There are, in our current business portfolio, projects featuring low-environmental impact, such as clean energy generators, among others. The technological tools used in our work routines also help cut waste from building materials and, when used in the context of virtual or collaborative work, make it possible to reduce the need for travel and physical presence, thereby cutting down on emission of greenhouse gases.

Helping clients to neutralize carbon is one of the Logicalis goals. To that end, the company has developed a platform based on blockchain technology to aid client companies in reducing their emissions. The tool was developed in partnership with a company called Block C.

TO MINIMIZE THE NEGATIVE IMPACT OF OUR OPERATIONS ON THE NATURAL ENVIRONMENT IS ONE OF THE PRINCIPLES GUIDING OUR COMPANIES.



Social

To act in a manner which is socially responsible in business relations includes initiatives involving the communities surrounding our operations as well as the broader public. In the first case, the biggest impact is felt when it comes to SDG 8 (Decent Work and Economic Growth) goals. The operations of all the companies in our Group promote job creation and income generation covering 60% of Brazil's states and this includes the activities of partner companies.

Promon Engenharia has developed simple landscaping and urbanization projects as part of a contribution to a huge undertaking aimed at helping eradicate poverty (SDG 1). Located in the North, the project seeks to promote sports, leisure, and education, among other things, with a view toward improving the quality of life of the communities in the surrounding area.

When it comes to supporting social projects, one highlight is a series of investments under the Fiscal Incentives Act: Caring Connections (the Health and Wellbeing SDG 3), and the School of Sight Project (SDG 4, Education). With the aim of aiding patients hospitalized with Covid-19 and minimizing the impact of social isolation on mental health, the first project connects hospital patients with family members. Promon Engenharia was the first company to

support the program, which, during the year, brought together some 2,781 patients and 7,523 family members while involving more than 17,000 health professionals. The School of Sight Project consists of photography workshops in public schools, offering youth the chance to reflect on current realities and future possibilities in line with the SDG mandate.

As for employees, social responsibility offers an opportunity to promote personal growth. Through a variety of actions, our professionals can engage as volunteers with causes championed by the company. On another front, that of human resources management, there has also been progress through the promotion of work-friendly environments and ever greater diversity and inclusion. Directives in the area of social responsibility include the following:

▮ **Diversity and inclusion:** The businesses held by the Group are advancing toward a more mature consideration of this theme by monitoring relevant indicators as a way to promote and manage measures aimed at racial and gender equality as well as inclusion of other minorities present in our business environment, such as people with handicaps. This commitment is reinforced through our membership in the Racial and Gender Coalition and

through the Human Rights and Business Charter. We also have a group of professionals dedicated to working constantly to raise awareness among our internal public regarding this issue.

▮ **Social investments:** Currently focused on social actions and projects supported by fiscal incentive laws.

▮ **Promon Voluntary Program:** Seeks to facilitate voluntary social initiatives among employees; such actions are also important as an instrument of professional development. The program includes fund-raising campaigns as well as campaigns to provide food, clothing, or toys to the needy, among others, with such donations going directly to social institutions.

Governance

Business strategies for the holding company as well as directives to be followed by member companies all come from the **Administrative Council** of Promon S.A., a group of five members representing shareholders and elected for three-year terms. Among the attributes of this board-of-directors is the naming of three members to the Administrative Council of Logicalis Latin America Holding S.A., one of the companies in which Promon S.A. holds a minority stake.

In addition, there are two other bodies which compose the holding company's corporate governance structure:

▮ **General Assembly.** The forum for shareholders, who deliberate on major business topics such as approval of balance sheets and election of Administrative Council members, among others.

▮ **General Administration.** Co-ordinates the execution of strategic plans as approved by the Administrative Council. It is responsible for management of the holding company and closely follows the performance of subsidiary companies. It is formed by three executives: a CEO, and two executive directors named by the Administrative Council.

One of the improvements made in 2020, in relation to corporate governance, was the addition of a new element to the company's structure: the Strategy and Innovation Committee. Set up to advise the Administrative Council and to analyze key decisions related to new business, it is made up of five members, including Promon S.A. executives and council members.



Ethics and Compliance

Two principles are fundamental when it comes to doing business at Promon S.A. and its subsidiary companies: ethics and transparency. To disseminate this philosophy and engage employees with the best practices related to it, Promon S.A. maintains a **Compliance Program**, which aims to keep company activities within the strictures mandated by law and by best practices as defined in the marketplace. The program works on three different fronts:

Norms of Conduct. The company maintains a Code of Conduct, policies and norms which must be understood and observed by employees and business partners. Examples of issues addressed by the Promon S.A. Code include these: Conflict of interest; Procedures for Acceptance of Meals, Fringe Benefits, Gifts, Entertainment, and Hospitality; Procedures for Sponsorship of Philanthropic Donations.

Training. The company maintains a training agenda that reinforces the ethical determinations mentioned above. Because of the new context created by the pandemic, training exercises were largely conducted online, with specific content based on trainee profiles. By the end of the fiscal year in March 2021, 94% of employees had taken part in training exercises.

Ethical Conduct Channel. As a way for employees and other interested parties to report suspicious activities as outlined by the Code of Conduct and by internal policies and procedures, Promon S.A. has created a specific channel of communication. In line with best marketplace practices, the

channel is managed by an independent outside contractor and assures the anonymity of those using it. Accusations, in turn, are investigated in a secure fashion and evaluated by the Ethics Committee. Composed of four executives, the committee is responsible for making recommendations to the CEO on corrective and disciplinary measures as applicable on a case-by-case basis.

ETHICAL CONDUCT CHANNEL

- /// 0800 721 0780 or www.canaldecondutaetica.com.br/grupopromon
- /// Open 24 hours a day, 7 days a week, in Portuguese, Spanish, and English.

In addition to these initiatives, others developed in the area of Compliance include the following:

Supplier due diligence. Evaluations are made before contracting and establishment of business partnerships. In this stage, the method of evaluation is based on the nature of the services offered or the characteristics of the business in question.

Monitoring of conflict-of-interest situations. A continuous routine of information gathering involving all employees, including members of the Administrative Council, as a way to guarantee compliance by all professionals.

Institutional ESG Commitments

In order to reinforce our commitment to best ESG practices, Promon S.A. takes its place as part of both local and global movements related to this vital subject, and has done so since 2006:

- /// In order to reinforce our commitment to best ESG practices, Promon S.A. takes its place as part of both local and global movements related to this vital subject, and has done so since 2006:
- /// Signatory to the Global Compact, an initiative sponsored by the United Nations to engage companies in the adoption of practices contributing to the 10 Universal Principles of Human Rights, Work, Environment, and Anti-Corruption, as well as the 2030 Agenda.
- /// Member of the Ethos Institute for Social Responsibility: an initiative whose aim is to mobilize, raise awareness, and aid companies in managing their activities in ways which are socially responsible. In this context, Promon S.A. is also a signatory, since 2017, to the public commitments listed below:
 - /// The Human Rights and Business Charter and the promotion of decent working conditions
 - /// The Business Coalition for Racial and Gender Equality
 - /// The Business Movement for Integrity and Transparency

// LONG-TERM VISION

With a view toward long-term business prospects, the management of subsidiary companies is conducted on the basis of strategic planning as defined by the holding company for each annual cycle. The process involves the leading figures at Promon S.A., Promon Engenharia and Logicalis Latin America, and takes into consideration an analysis of scenarios and opportunities as well as a keen appreciation of prevailing trends.

With the creation of value for all of its relevant publics and the long-term sustainability of its business operations as guiding principles, strategies are developed based on nine pillars: clients, knowledge of processes, organizational culture, economic performance, people, partners and suppliers, business portfolios, society at large, and the natural environment.



// NEW BUSINESS

Expanding and diversifying Promon S.A.'s investment portfolio, while creating value for shareholders, are objectives ever present in the company's business dealings. In order to accelerate the scope of expansion and diversification, the company has created a Strategy and Innovation Committee, a group charged with identifying and developing investment opportunities in new business areas.

While remaining broadly within the areas in which Promon S.A. traditionally works and based on characteristics common to the companies in which it already invests –typified by a strong affinity for technology– the search for new business opportunities focuses on innovation and the establishment of synergies with existing operations. In this manner, the company has been drawn to industries such as energy –with a strong focus on alternative energy sources –infrastructure, and technology, among others, with activities similar to Promon's own and in which the company can exercise a key role in the development and management of opportunities through application of the know how already obtained in such areas or acquired through partnerships with other investors. When it comes to the opportunities developed

by Promon S.A., the company always seeks to leverage its knowledge, its track record, and its network of existing relationships in the areas under evaluation.

When it comes to the energy sector, two initiatives deserve to be highlighted, both related to de-carbonization and both in line with the company's ESG priorities. The first has to do with the structuring of an investment platform focused on development, implementation, and operation of projects aimed at renewable energy generation. Created in partnership with capital market investors, the platform will feature a portfolio of generating projects from clean energy sources such as solar, wind, bio-mass, and others, as well as projects involving de-carbonization. The other initiative refers to the creation of a new business realm focused on offering energy-efficient management solutions and services to corporate clients combined with technological solutions aimed at optimum efficiency in energy consumption, generation, and contracting.

Also in the area of energy, the New Business unit acts to develop the company's existing projects. Some examples:

- ▄ **UHE Telêmaco Borba**, projeto de usina hidrelétrica, no rio Tibagi, Paraná, que em 2019 foi incluído no Programa de Parceria de Investimentos (PPI), do Governo Federal. Atualmente, estão sendo desenvolvidos estudos para obtenção de licença prévia com o órgão ambiental.
- ▄ **UTE Sul Bahia**, projeto de usina termoelétrica a gás natural, em Eunapólis, Bahia, que possui licença ambiental prévia e no qual a Promon S.A. vem avançando nas negociações de suprimento e transporte de gás, visando participação em futuros leilões de energia. As termoelétricas a gás natural possuem papel fundamental na viabilização de uma matriz elétrica cada vez mais limpa, na medida em que constituem suprimento firme de energia, trazendo maior segurança energética para o Sistema Interligado Nacional (SIN) e, assim, habilitando o crescimento das fontes limpas intermitentes, tais como solar e eólica, de forma equilibrada na matriz energética.



**Services in consulting, engineering,
management, and integrated
solutions, backed by technology
customized to the needs of its clients**

promon
engenharia

// PROFILE

Promon Engenharia offers a wide range of services in consulting, engineering, management, and integrated solutions, backed by technology customized to the needs of its clients. The company is active in various fields, including energy, infrastructure, logistics, mining and metallurgy, chemicals and petrochemicals, manufacturing, and oil and gas.

Headquartered in São Paulo (SP), Promon Engenharia has accumulated experience through the development of more than 3,000 different projects in diverse fields and in more than 40 countries. With a wide ranging portfolio, shaped during 60 years of operations as of 2020, the company has distinguished itself through constant innovation, underpinned today by its use of digital and virtual engineering technologies at every stage of project development.

DIVERSITY OF OPERATING MARKETS



Energy



Infrastructure / logistics



Manufacturing



Mining and metallurgy



Oil and gas



Chemicals and petrochemicals

+60 YEARS
OF EXPERIENCE

+3,000
PROJECTS

+40
COUNTRIES WITH
COMPLETED PROJECTS

// MISSION

Our reason to exist

To promote the creation of value for our clients and for society at large through unique services and solutions in the fields of engineering and management, acting always with a view toward the highest standards of ethics, transparency, and sustainability based on knowledge, innovation, excellence, technology, and an outstanding community of talents.

// VISION

Where we are headed

To be the first choice of clients, partners, and employees when it comes to services and solutions in the areas of engineering and management in Brazil.

// VALUES

Our guiding lights

- / INTEGRITY
- / CONFIDENCE
- / RESPECT
- / JUSTICE
- / EQUALITY
- / INDEPENDENCE
- / DIGNITY
- / GOODWILL

SERVICES

The company is active on many fronts. Promon Engenharia can help clients in different sectors of the economy by developing solutions customized to their needs at every stage of an enterprise, from conception through maintenance.

// CONSULTING

- // Technical and economic studies – project structuring
- // Management consulting (Project Execution Planning (PEP, CAPEX and Risk Analysis))
- // Due Diligence (Technical analysis)
- // Independent engineer (Lender's – project finance)

// ENGINEERING

- // Conceptual Engineering
- // Basic Engineering
- // Detail Engineering
- // Project Quality Control (PQC)
- // Proprietary Engineering

// MANAGEMENT

- // Supply chain management
- // Management of disputes
- // Project management
- // Management/oversight of worksites
- // CAPEX management and OPEX maintenance
- // PMO structuring and operation
- // Project Quality Control (PQC)

// INTEGRATED SOLUTIONS

- // EPC (engineering, procurement, and construction)
- // EPCM (engineering, procurement, construction, and management)

// DIGITAL

- // Consulting on digitization
- // Integrated digital solutions
- // Creation of digital assets

// BUSINESS STRATEGY

Gains in productivity and in scale are objectives which guide business strategies at Promon Engenharia. In that light, the company has intensified efforts to scale up in a number of sectors in which it is already a recognized presence such as infrastructure, energy – including both generation and transmission – mining, agribusiness, and oil and gas. Emphasis has been given to professional services covering areas such as engineering, planning, consulting, and EPCM (engineering, procurement, construction, and management).

The use of execution technologies, increasingly present in the company's daily operations, has brought with it gains in operational efficiency and has created a real differential when it comes to aggregating client value. Digital engineering, for example, has gained a foothold in work routines. This approach, which uses specific technologies for the generation of data about a given project, allows professionals to employ client-supplied information throughout the entire life of the assignment. The rapid expansion of digital technologies is a result of investments made in this area over a number of years and confirms the success of a strategy based on innovation as a way to create a competitive differential.

ESG-based initiatives

Business strategies, as with overall company management, are intimately linked with ESG practices, i.e., those aimed at Environment, Social Responsibility, and Corporate Governance. Some of the highlights of company actions in these three areas during the past year include:

Environment

Promon Engenharia initiatives on this front are related to sustainable engineering practices, developing projects in ways that have minimal impact on the environment and which generate clean energy. The intensive use of technology in engineering practices itself contributes to environmental sustainability. Whether by reducing waste and generating fewer solid residues through more careful calculation, or by eliminating travel by professionals and thus cutting down on greenhouse gas emissions (GGEs), project development undertaken with the use of hi-tech tools and virtual cooperation has brought major benefits from the viewpoint of environmental protection.



Social

The health and safety of employees is one of the highest priorities of Promon's management. Within the context of the Covid-19 pandemic, a series of additional initiatives were developed, beginning with the migration of workstations from offices to remote locations; this was accomplished within just two days. The new safety measures were also extended to workers at construction sites and included continuous testing for Covid symptoms, among others.

With the imposition of social isolation, voluntary activities, traditionally promoted by the company, were no longer conducted in person; these were also migrated online. The new format made possible increased engagement between workers and the company, with participation shooting up from 20% to 50% among employee professionals. Actions also included a campaign against the economic impacts of Covid-19 on society. Among them were food-basket donations and distribution of toys manufactured by small-scale firms and artisans, helping to produce income for some and support and wellbeing for families on the receiving end.

Another subject receiving attention during the period was management of diversity and inclusion. Promon Engenharia, in line with its commitment to create inclusive and diverse working environments, has been developing procedures in

this area for a long time. These have included involvement with a number of outside endeavors in partnerships with civil society organizations such as these:

Ethos Institute: Promon Engenharia has contributed to the development of an extensive list of best practices when it comes to human rights, built up from a base of solid experience by our company and all the other companies which are part of the Institute. In addition, Promon detailed, for the benefit of other Ethos Institute members, its Volunteers Program based on the UN's Sustainable Development Goals. In specific discussions organized by the Institute, the company's experience in introducing and structuring the program was cited as a reference point for voluntary corporate action in general.

Caring Connections: a project created during the pandemic to promote connections between hospital patients and family members, thus helping ameliorate the impact of social isolation. Promon Engenharia was the first company to sponsor such an initiative, opening the door for 50 other companies to make similar efforts. The Caring Connection was organized by a group called ImageMagica (IMM).



Governance

The Covid-19 pandemic brought with it a series of management challenges when it comes to continuity in business operations. To meet these challenges, we swiftly created two committees composed of Promon Engenharia executives:

- ▮ Contingency Committee, charged with taking actions in the realm of personnel management and following up with oversight of respective initiatives.
- ▮ Business Committee, dedicated to monitoring and evaluation of operations and identification of initiatives to mitigate negative impacts from the pandemic.

Parallel to the emergency actions, there was also an effort at maintaining continuity in the drive to bolster corporate governance and management. Completing a process originally initiated in 2017, the composition of the company's top administrative tier was altered.

Another highlight came in the area of Compliance, giving continuity to company efforts to assure strict observance of ethical values and directives, the company Code of Conduct, corporate policies regarding adherence to legislative requirements, and, via corporate governance mechanisms, the highest standards of ethics and transparency.

The company's Compliance Unit maintained the training programs which are fundamental when it comes to prevention of ethical breaches and promotion of ethical conduct. The unit quickly adapted itself to the new home-office reality and began offering training sessions online.

With the support of the Systems Unit, the company developed a new training module called "Improper use of Software," with the objective of strengthening Information Security and Electronics Means Use functions as specified by Promon Engenharia norms.

Procedures for due diligence as applied by the Compliance Unit to third parties were optimized via use of a new tool, reducing average analysis time by 50%, which has contributed to greater mitigation and prevention of compliance risks in contracting outside suppliers.

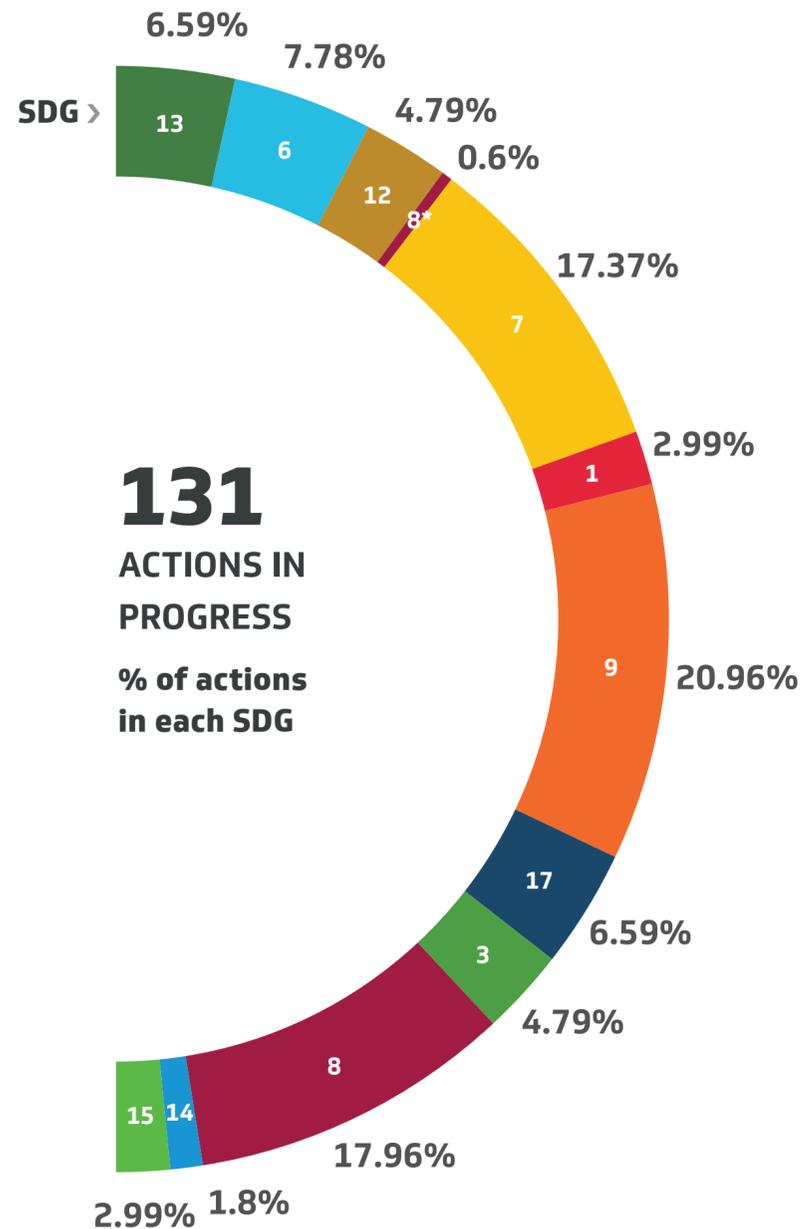
With swifter completion of reports, by both the Compliance Unit and the Human Resources Department (in relation to the Code of Conduct), it became possible to launch additional, and more effective, measures for mitigation and remediation. Any abuses are rapidly detected and dealt with, thus precluding greater consequences.

During the past year, Promon Engenharia took part in a group coordinated by the United Nations Global Compact and the Ethos Institute with the aim of organizing collective action in the fight against corruption in the engineering and construction industry, culminating in creation of the Movement for the Integration of the Engineering and Construction Sectors (MISEC) in partnership with other companies in the industry. The movement seeks to make a contribution toward strengthening of best practices when it comes to integrity, compliance, and corporate responsibility through every stage of the value chain, doing so through dissemination of knowledge, sharing of best practices, and development of specific capabilities for all companies working at each stage of value creation.

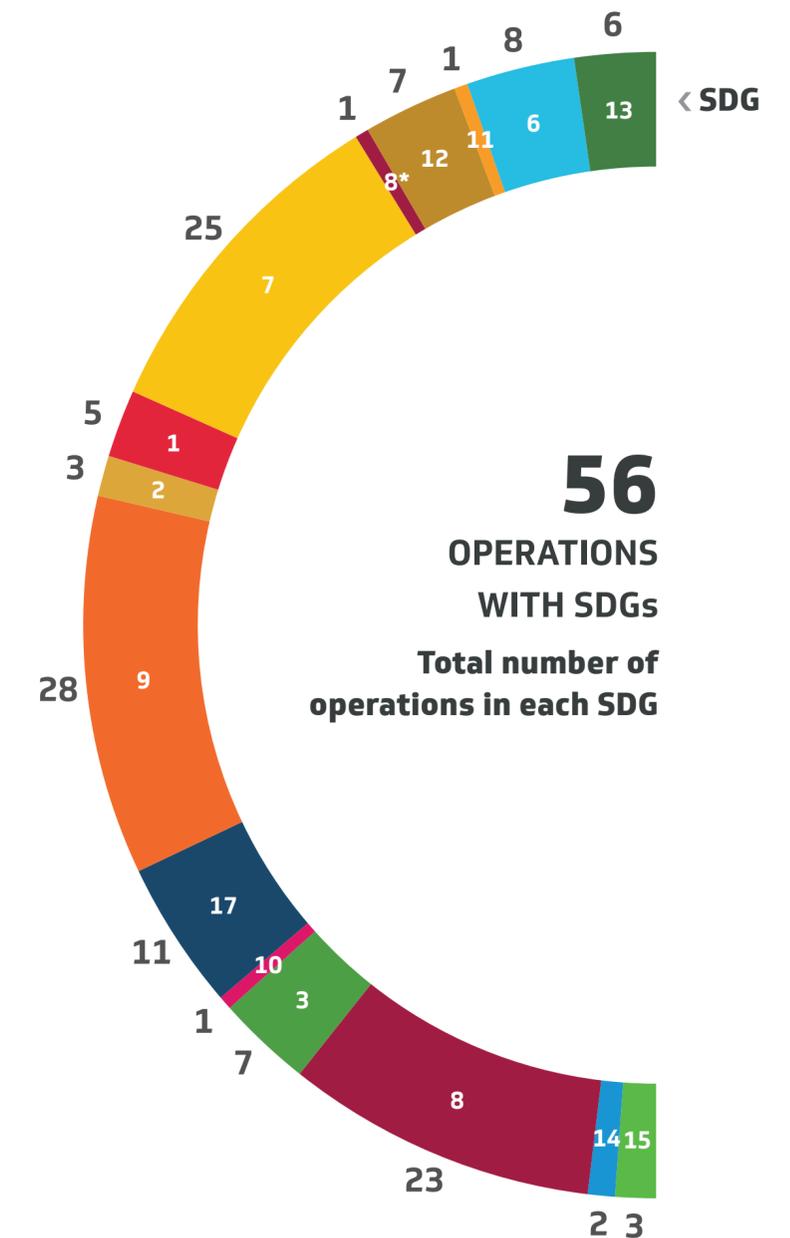
Compliance initiatives are part of the United Nations Sustainable Development Goals (SDGs) to which Promon is a signatory, especial when it comes to SDG6 (Peace, Justice, and Effective Institutions) and SDG17 (Partnerships and Other Channels for Implementation).

ESG and SDG

Our commitment to social and environmental responsibility became even more closely integrated with our business strategy during the past year. Procedures for inserting the UN's Sustainable Development Goals into work routines were further refined. One example was the mapping of actions contributing to the achievement of the SDGs, an advance which in itself helps create more robust services and operations. Such actions became the objects of meetings called specifically to control for SDGs on projects. During the period, SDG analysis involved 56 projects, at which 131 separate actions were identified in line with the Goals. Such initiatives contributed to advances in the case of 15 out of the 17 UN-identified goals, under the organization's 2030 Agenda.



15 SDGs REACHED VIA COMPANY INITIATIVES



*Good Jobs and Economic Growth

// OPERATIONAL PERFORMANCE

Promon Engenharia signed a number of major contracts during the period, with billing up 20% compared with the previous year. The company participated in 107 different operations, of which 63 were delivered¹, ending the year with 44 contracts in its portfolio. Together, these are 65% higher than the total value of the company's contract portfolio at the end of the 2020 fiscal year.

Among the contracts developed through the course of the year, 80% were related to engineering and consulting tasks. The sectors highlighted within this particular client portfolio focused on the areas of infrastructure – ports, terminals, railroads, highways and mass transit – mining, and fertilizers. There were also projects in the areas of energy generation and transmission, and agribusiness.

Some of the highlights of specific projects are listed below.

- Line 6 of the São Paulo subway system (ACCIONA): Promon Engenharia was chosen by ACCIONA for resumption of work on execution of the engineering

project for one of the four subway stations identified by the company as “high priority” in the first phase of the return to work on Line 6.

- Rio Verde Multi-Purpose Terminal (RUMO): Promon Engenharia has acted as a partner with Rumo since 2019, when the basic conceptual project for the Rio Verde Terminal was first developed. Promon Engenharia also took part in the evaluation and identification of properties for implementation of the project as well as worksite management, among other stages.
- The Serra do Salitre Mining and Industrial Complex (YARA): management of civil construction and electro-mechanical assembly for implantation of Phase II of the Serra do Salitre Mining and Industrial Complex (CMISS), including areas for ammonia storage (spheres), utilities, chemical plants (sulfur, sulfuric acid, phosphoric acid, and storage tanks), and fertilizer plants (acid treatment, granulation, mixing, storage, and loading).

- Project for exploration, development, and operation of gold mines (AURA): project 100% based on digital engineering with loading of all procedural parameters into 3D modeled data base and utilization of AWP (Advanced Work Packaging) technology from conception through integration and modeling of plant and execution of project. In addition, all management parameters related to the project were loaded onto control dashboards so that the client could track the main project indicators in real time.

107

OPERATIONS DURING THE YEAR

61 NEW CONTRACTS

63 OPERATIONS DELIVERED

44 PROJECTS IN PORTFOLIO AS OF THE END OF 2021

¹ Considering operations ended in 2021 or with 95% or more of physical structure in place.

// INNOVATION

Promon Engenharia's operations have been permeated by digital engineering technologies for quite some time; this is a concept that allows for integration of all the disciplines involved in project development from engineering through construction, connecting every link in the value chain throughout the entire project cycle. Through the use of such technologies, Promon Engenharia brings agility, consistency, quality, and transparency to its clients, who are able to track project development in real time.

Throughout the year, marked by the Covid-19 pandemic, technologies were fundamental in assuring and boosting productivity, maintaining safety for employees, and guaranteeing quality in delivery of final products. Highlights among the work-routine initiatives adopted include collaborative tools such as Microsoft Teams, an application that keeps work teams connected to one another, and BIM 360, a cloud-based management and construction platform that enhances productivity in the delivery of project results. Through BIM, it was possible to manage infrastructure projects 100% remotely, contributing to employee safety and promoting engagement among internal work groups, suppliers, and partners so that all could obtain the same

elevated level of productivity despite the challenges imposed by the pandemic.

In addition to these solutions, there were also advances in innovation designed to optimize and aggregate internal procedures, with an emphasis on analytic capabilities. Examples include the following:

- ✓ **RPAs** (Robotic Process Automation). Automation of procedures, designed to eliminate repetitive manual operations. By using this technology, it is possible to increase workforce productivity, directing it to functions involving intelligence and analysis, rather than allocating it to the collection of routine information.
- ✓ **Promon Plus Management System (SPG+)**. This tool, already in use for some years by the company, continues to be refined. During the past year, the company incorporated innovative technologies and updated models, generating even more internal efficiency and client value. With functionality equivalent to that of digital engineering in terms of process integration, the SPG+ management platform is data centric. One of the

innovations during the past year was introduction of dashboards allowing clients to monitor results covering the entire range of worksite indicators. Clients are thus able to follow, in real time and in an easily accessible manner, the progress of their projects.

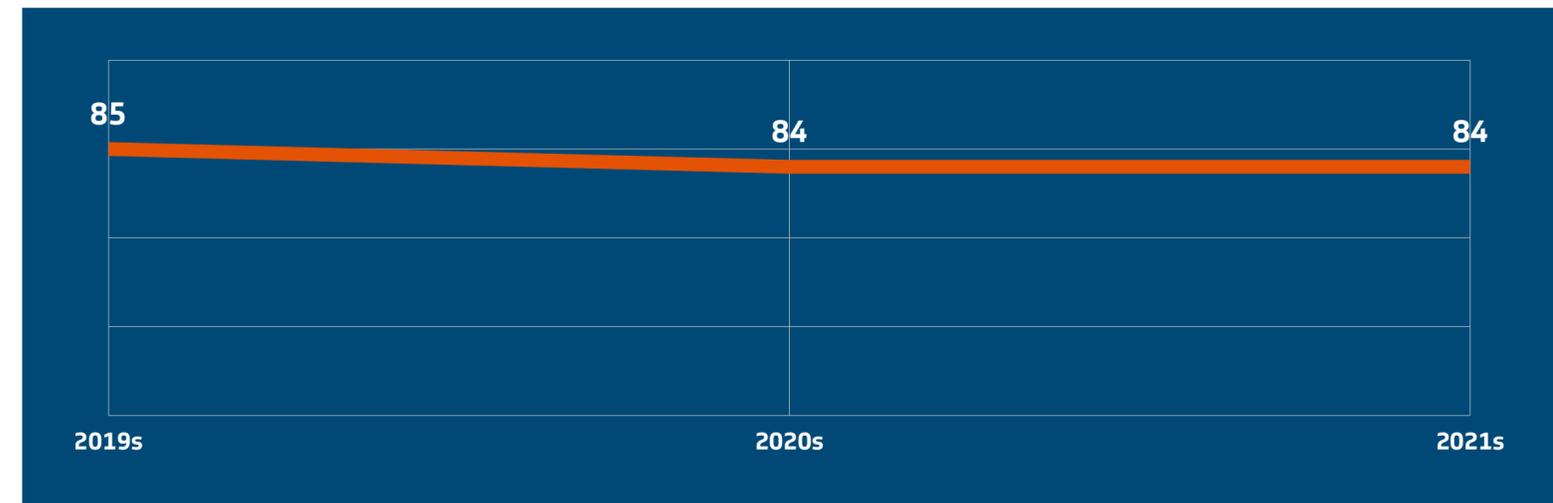
- ✓ **Agile processes:** this particular work format, which has evolved from year to year, was consolidated in 2020 to become the predominant methodology for task development throughout the company. More than 20 employees, scattered among various company departments, obtained certificates in agile processes during the past year.
- ✓ **OKR Methodology:** an approach designed to define goals and metrics so that pre-determined objectives can be met. OKRs (Objectives and Key Results) bring greater transparency and agility to management since they tend to embrace interaction among multidisciplinary work groups, with results monitored periodically. During the year, 100 OKRs were completed, helping the company to revise its procedures and implant new operations as well as generate value for services rendered to clients.

// QUALITY

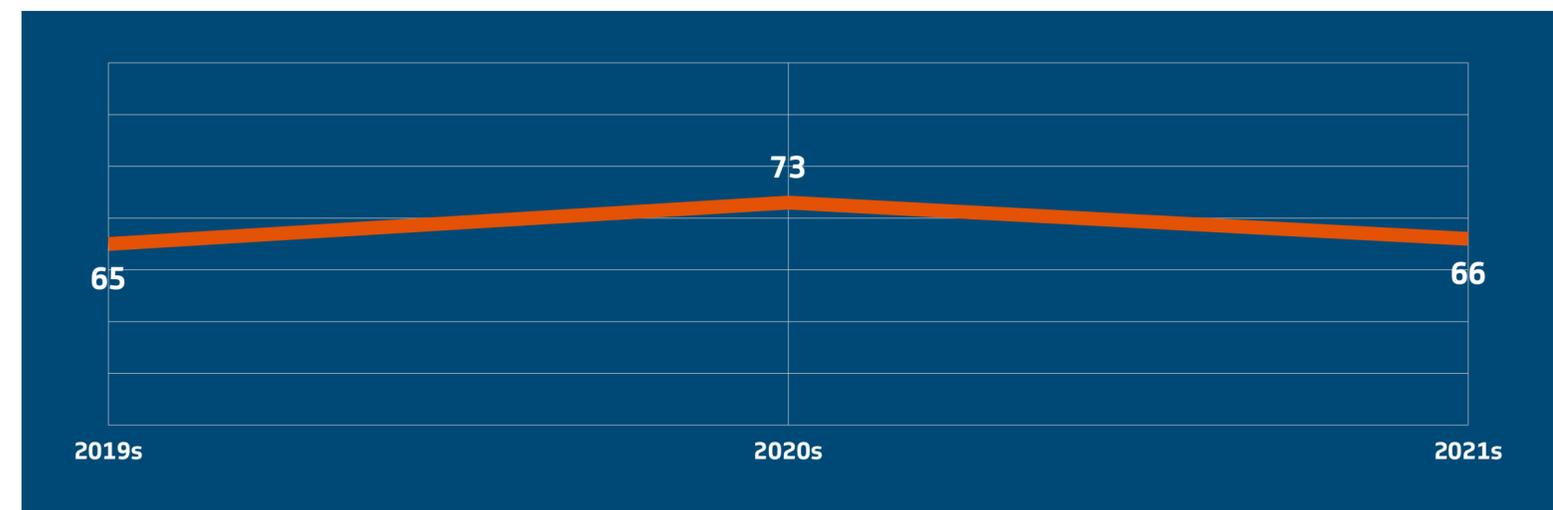
Quality is one of the central pillars of the company’s corporate culture, as set forth by Promon Engenharia in its Campos do Jordão Statement, a document written in 1970 which, through the years, has served as guidance for the Company’s corporate culture as well as its operational activities.

In line with established directives, the quality mandate was extended to assure excellence in international deliveries. It is measured every year through client surveys conducted by an independent company chosen for the purpose. In 2021, the general client satisfaction score was 84, on a scale of zero to 100, in line with past years’ performance. Another closely monitored indicator is the NPS (Net Promoter Score), which measures client loyalty to the company’s brand name and client willingness to recommend the company to others. This year’s NPS score was 66%, higher than the company’s established goal.

GENERAL CLIENT SATISFACTION



NET PROMOTER INDEX



Technology has had a major impact on efforts related to service quality. In order to standardize and facilitate services developed in the field, Promon Engenharia, since 2019, has utilized a **mobile device for application of a list of quality-control measures**. The digital tool can be used remotely, enhancing the quality, speed, and efficiency of services. The app was developed by teams from the Quality and the Systems divisions in conjunction with Argo, a company client, to facilitate Promon Engenharia's work on various transmission line projects.

During the course of the year, some 250 quality-control lists were developed for use by the app, all of them made immediately available to quality management personnel and project managers via the web.

**Promon Engenharia,
since 2019, has
utilized a mobile
device for application
of a list of quality-
control measures**



// HEALTH AND SAFETY

Issues related to the health and safety of employees are at the top of management's priority list. The company has always affirmed a strong commitment to maintaining a safe and healthful working environment, meeting all legal requirements and managing all risks related to this vital question. To meet such needs, the company has developed a System for the Management of Health, Environment, and Safety (SGSMS) which brings together a number of HES principles as a guide to meeting SDGs under the UN's 2030 Agenda.

Efforts to minimize risks as well as negative environmental impacts from company activities were developed with a permanent focus on preventative actions, allowing Promon Engenharia, during the year, to post the following results:

5,449.6

MAN/HOURS WORKED
UNDER SGSMS

~2,794

AVERAGE WORKFORCE
UNDER THE MANAGEMENT
OF HEALTH, ENVIRONMENT,
AND SAFETY NET (HES)

18

ACCIDENTS WITH
LEAVE (3.30 TFCA)

35

ACCIDENTS WITHOUT
LEAVE (6.42 TFSA)

One of the advances notched, during the year, in the area of health and safety was introduction of a new module for management documents. Under the new system, procedures pertaining to field operations are tracked more closely and implemented with greater agility. For example, at a solar park worksite in the city of Pereira Barreto (SP), a total of 1,500 variables were controlled by the new tool. Some examples of what is covered include:

- // Meeting minutes
- // Preliminary risk analyses
- // Training registrations
- // Investigation of accidents/incidents
- // Fieldwork check lists
- // Programs for protection against environmental risks
- // Programs for medical and occupational health controls
- // Occupational Health Certificates
- // Licenses

Training

Directives covering the areas of occupational health and safety are revised annually based on a review of occurrences registered during the previous year. In 2020, the exercise underwent a complete overhaul in order to confront the Covid-19 pandemic but without giving up previously won gains, which included training in defensive driving and overall transportation safety. The geographic diversity of Promon Engenharia's operations means that many of the company's projects are located in the country's interior, including localities which are often quite remote and lacking in paved highways or signage; given this context, transportation safety is an especially crucial factor for the company. Consequently, in addition to defensive driver training, made available in a game format, the company also adopted a system of remote tracking for rental cars used by employees at client worksites.

Defensive driver training, along with other initiatives undertaken in the areas of occupational health and safety, absorbed 73,000 man/hours during the year, including both in-person classes and remote learning – a format which gained favor because of the restrictions imposed by the Covid-19 pandemic –, and involved the participation of more than 2,500² employees.

² Not including Covid-related training, regulatory norms (NR10, NR35, NR20) and defensive driving.

Certifications

For the 16th consecutive year, Promon Engenharia maintained certification for its Health, Environment, and Safety Systems (HES), in accordance with ISO and OHSAS norms. In addition, the company updated its health and safety management systems to the ISO 45.001 version, passing certification auditing procedures covering a full scope of factors including “furnishing of complete engineering services and integrated solutions for infrastructure projects encompassing management, project engineering, procurement, construction and assembly, as well as commissioning, pre-operations, and operations for industries such as oil and gas (production and refining), chemicals and petrochemicals, mining and metallurgy, energy, manufacturing and public works.”

For the 16th consecutive year, Promon Engenharia maintained certification for its Health, Environment, and Safety Systems (HES)

ISO 9001

QUALITY MANAGEMENT SYSTEM

ISO 14001

ENVIRONMENTAL MANAGEMENT SYSTEM

ISO / IEC 27001

INFORMATION SECURITY

OHSAS 18001

OCCUPATIONAL HEALTH AND SAFETY

// PEOPLE

Management of people had to be swiftly adapted during the course of the year to the new realities imposed by the Covid-19 pandemic. With employee health and safety as high priorities, it was necessary to take a number of steps. Among them was the shift to home office work. As far back as 2013, the company had adopted a policy of allowing professional employees to work from home 20% of the time; in 2020, that shifted to 100% and was accomplished without losses to productivity.

The new framework for administrative functions will migrate to a hybrid format after the pandemic; employees will be better able to conciliate work from home with periodic visits to their offices. Office space, meanwhile, is now being reconfigured to become more of a business hub than a set of workstations, with rooms set aside for meetings and events involving both clients and company employees.

When it comes to procedures for human resources management, two actions should be highlighted: the shift to virtual HR routines, and the creation of indicators to measure gender diversity. As part of this approach, the

company initiated a learning process, identifying gender profiles among all professional employees, especially those in leadership positions. Based on the data obtained, the company was able to devise a strategy to promote equality and inclusion. Monitoring is being undertaken by both the HR Division and the Social Responsibility unit; the issue is a permanent priority for the company's directors.

In parallel, the HR Division has also created a number of initiatives designed to promote dialog and offer employee support during the period of isolation:

// **Taking Care** – internal program of lectures aimed at preventing the spread of Covid-19 and sharing information related to general health and wellbeing, especially among those who work at project sites and who are, therefore, more exposed to possible consequences of the pandemic. Through the program, 100% of employees have undergone remote medical examinations and professionals in high-risk groups have been shifted to remote work.

// **Transformations** – a series of conversations conducted by specialists dealing with subjects related to emotional consciousness such as loss, grief, anxiety, time management under pandemic conditions, emotional intelligence, and lessons learned after a year of living with the Covid-19 threat.

Development and qualification

Online formats also extend to training programs, which are now 100% virtual. Reaching all employees, classes are presented live, transmitted by virtual tools, or asynchronous using a tool called Trajetórias, an app for distance learning adopted by the company several years ago.

Technical training has also become a priority as a way of sharing knowledge and frameworks for development of more agile methodologies. For example, training in Scrum technology, a project management method, reached approximately 50% of staff.

Promon Recognition

We continued to consolidate, during the year, our program for the recognition and development of company professionals holding auxiliary and coordinating positions under the banner **Promon Recognition**. The initiative, inaugurated the previous year as a pilot program, evolved during this past year to become a whole new version based on two distinct cycles. In the first cycle, the company undertook formal evaluations, subjecting the results to feedback loops. Subsequently, the company highlighted employees who showed outstanding performance and conduct beyond the call of duty. The program is still being revised, with employees submitting suggestions for improvement, and will likely emerge in its final form in 2022.

Internal Communication

The communications agenda with employees intensified during the course of the year, reflecting the company's desire to maintain strong links between professionals and management even in the face of the social isolation imposed by the pandemic. Among initiatives, the following deserve to be highlighted:

Let's Talk / Between us. Event led by the company's Director-President, open to all employees. At the beginning of the pandemic, it became a weekly affair.

Strategy 360°. Quarterly event featuring the presentation of business results, strategies, and other relevant announcements. Conducted by company leadership, the event is an opportunity for dialog and for sharing of essential information among work teams.

Business Meetings. Monthly events promoted by the Marketing Department in which the company's marketing strategy is shared and discussed; also includes discussion of future prospects for other sectors of the company.

Attention was also given, during the year, to online actions disseminating information about Covid-19, addressing both health and safety issues related to work routines as altered by the pandemic. The use of corporate social media, such as the PromonConnection, was enhanced by the prevalence of remote work.

Management of Knowledge

The collaborative atmosphere which characterizes the Promon Engenharia workplace is reinforced by sharing of experiences and learning; such knowledge fuels the quest for constant improvement while contributing to an ever more mature workforce of professionals. To that end, the company has taken a great many steps toward the objective of "Knowledge Management," including a series of specifically designed actions. This proposition, in turn, is increasingly in line with Promon Engenharia's overall strategy as it

helps in the definition of professional roles and responsibilities. Here are a few examples of initiatives developed during the past year:

- / **Trajectories.** Platform for distance education which has become the chief instrument for the company's Professional Development Program (PDP).
- / **Events for Sharing.** Intensification of the overall agenda, with more than 120 separate events during the course of the year, among them Disciplinary Meetings, Meetings with Project Leaders, Technical Reference Meetings, and Engineering Meetings.
- / **Delivery Meeting.** Consolidation of an initiative that brings together top leaders of different administrative and operational divisions of the company. The agenda seeks to update executives on management advances in all areas while also discussing and promoting solutions to problems as a way to aggregate client value.
- / **Lessons Learned.** The first edition of the Lessons Learned week, an event which has become quarterly.
- / **Steve.** A strategic project designed to revise procedures by taking into account new work technologies.
- / **Promon Challenge.** Opportunity for interns to create and structure innovative projects or suggest improvements in Promon Engenharia practices.

// PROSPECTS

After a period marked by the challenges and uncertainties inherent in the Covid-19 crisis, Promon Engenharia looks with confidence toward the future development of its business. Given the fact that it operates in various sectors, the Company is prepared to develop opportunities as they present themselves while pursuing expansion in several areas, such as mining. When it comes to mining, higher international commodities prices and a favorable exchange rate are powerful incentives for new investments.

In the area of infrastructure, opportunities present themselves when it comes to privatization of ports, railroads, highways, and airports, as well as urban mass transit; these latter are extremely important projects for society as a whole as they offer alternatives for mobility in urban settings and reflect directly on the quality of life for the general public. In the area of energy, power generation from renewable sources is expanding, a unique opportunity to take advantage of Brazil's abundant natural resources. Diversification, in this area, is especially needed in order to reduce our dependence on hydroelectric and thermal power and minimize the risk of shortages.

With a strategy focused squarely on the client, based on customized solutions, and armed with engineering expertise, project execution know-how, deep management experience, and a client-friendly mindset, Promon Engenharia will continue to concentrate on making a difference for its clients in all of its business activities while also contributing to the development of the country.



One of the leading Information and Communication Technology (ICT) solutions and services companies in the region, it is a full-service partnership for the acceleration of digital transformations at client companies

 **LOGICALIS**

Business and technology working as one

// PROFILE

Logicalis Latin America Holding S.A. is a full-service partnership for the acceleration of digital transformations at client companies. A leader in consulting on digital business solutions, it furnishes solutions and manages services, including cybersecurity, cloud computing, the Internet of Things (IoT) and data analytics.

This ample portfolio allows the company to outline, support, and execute digital transformation projects for contracting businesses, using technologies that generate business results for some 800 clients representing many different sectors. Headquartered in Brazil, Logicalis Latin America Holding S.A. is active in 11 Latin American countries and handles accounts for many of the biggest companies in the region when it comes to Information and Communications Technologies (ICT). The company resulted from a joint venture established in 2008 with Britain's Logicalis Group Limited in which Promon S.A. holds a 35% stake. The global presence of the Logicalis Group, in turn, includes operations in North America, Continental Europe, Africa, and the Asia Pacific region. Strategic partnerships have resulted in shared competencies, interchanges, and knowledge development, making it possible for the company to meet demands of a wide range of multinational clients.

// LATIN AMERICA

11 countries

3,000+ employees

800+ clients

US\$ 451 million
in net revenue

31% of global billing, the largest of any region

60% of revenue from clients with operations in more than one country in the region

89% of regional Gross Domestic Product (GDP) covered

98% reach among the 500 largest companies in Latin America

// BRAZIL

1,400 employees

R\$ 1.4 billion in net revenue



// MISSION

To be a change agent for Latin American society through the application of information and communications technologies in the day-to-day operations of companies and people. We believe that technological solutions have the power to bring enhanced quality of life, reduce environmental damage, and improve human relations, in both professional and personal life.

// VISION

To be the best company in Latin America for Information and Communications Technology services and solutions by means of innovation, quality, and the commitment of our professionals to the needs of clients and of society at large.

// VALUES

- // **INTEGRITY** - promote an environment of honesty, transparency, justice, and high moral standards.
- // **INNOVATION** – we embrace change and creativity in our search to deliver the best possible results.
- // **EXCELLENCE** – we strive to exceed expectations and to be the best we can be, always maintaining the highest standard of quality.
- // **PARTNERSHIP** – we build strong relationships and alliances with the aim of securing long-term success.
- // **EMPOWERMENT** – we offer incentives to those who show initiative and opportunities to all.

// RECOGNITION

By business partners:

Cisco Partner Summit. Logicalis, one of the five global Cisco Gold partners, was a highlight of the summit, coming away with 16 awards for its Latin American operation, recognized in categories including Transformation/Innovation, Customer Experience, Software, IoT, and Enterprise Networking & Cloud.

Cisco Global Partner Innovation Challenge. The company placed second with the development of a bio-metric solution for a multi-factor authentication function.

Microsoft Solution Assessment Partner of the Year for Latin America and the Caribbean. The Solution Assessment category offers a prize to partner companies that use advanced technologies in the collection and evaluation of data and--based on the results--are able to aid clients in understanding relevant scenarios and possibilities with the aim of improving their own work environments. The objective is to help clients obtain the best possible return on their IT investments, while minimizing risks and maximizing aggregate value.

By associations or media groups:

RIAOP 100 best companies for outsourcing. Recognition received in the category "Leaders," the prize's most important. The company obtained the highest marks on four fronts: client references, which highlights the value seen by the most relevant public, proving the dedication of the company's professionals and their zeal in delivering complete, high-quality services; awards and certifications, including those received by company professionals as individuals and those received by the company as a whole; programs aimed at innovation, focusing on those which add value for clients; and, social responsibility, highlighting the company's involvement in campaigns aimed at aiding the community, labor practices, human rights, operational practices promoting justice, and actions designed to reduce impacts on the natural environment. The IAOP prize is one of the most important in the industry and recognizes outsourcing companies committed to the highest standards of excellence in providing services. It is conferred by the International Association of Outsourcing Professionals® (IAOP). A complete list can be found on the Association's website.

Época Negócios 360 (2020). Fourth place among companies highlighted in the area of Technology—Services and Software.

Anuário Telecom 2020. Chosen as highlighted company for Network Management.

16
CISCO PARTNER
AWARDS DIRECTED
TO LATIN AMERICA

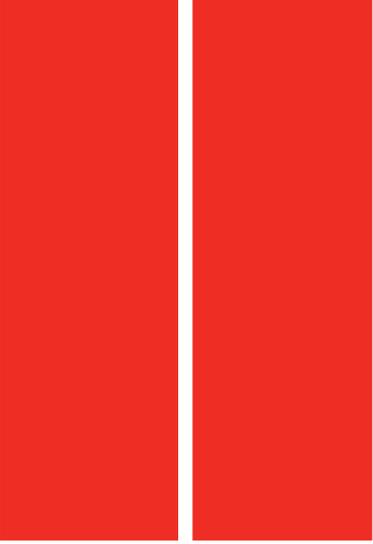
// BUSINESS STRATEGY

Training company professionals to meet client needs, from the viewpoint of both infrastructure technology and digital transformation, is a major company concern in the conduct of its business. One example of this was the decision to unify service areas for the entire Americas region in 2019. The new format has been systematically consolidated and has allowed Logicalis to support its clients at every stage of their digital transformation as well as helping to meet broader targets and objectives. The integrated approach, and a one-stop-shop experience, bring continuous service and aggregates value to the conduct of business.

Through this process of consolidation of the unified model, the company has gained heft and homogeneity by offering continuous services encompassing support, maintenance, and managed outsourcing for technology infrastructures, especially secure networks such as integrated SOC (Security Operations Centers) and NOC (Network Operations Centers), as well as innovative solutions in the areas of IoT (Internet of things), cloud computing, and data analytics.

Ever attentive to client needs, Logicalis understands that security services related to cloud computing are, at the present time, the most relevant for growth and competitive edge for any organization. For this reason, the company has focused on opportunities for investment in this area. A highlight, when it comes to this, was the acquisition of a stake in Kumulus, a company specialized in cloud computing and data management. In August of 2020, Logicalis bought a 30% stake in the startup, and, at the beginning of 2021, became the controlling partner.

This changeover, the accelerated migration by clients to cloud computing, is entirely in alignment with the company's guiding strategy, which emphasizes cloud computing operations. Kumulus has become an important agent for modernization of applications and intelligent use of analytics as a tool for management in hybrid environments.



Security services related to cloud computing are, at the present time, the most relevant for growth and competitive edge for any organization

// MANAGEMENT

The safety of employees and the continuity of operations, including the search for greater efficiency and reduced operational costs, were the highest company priorities during the period in question. The moment Covid-19 appeared on the horizon in Asia and Europe, company leaders in Latin America began preparations via a plan for business continuity. A possible pandemic scenario had already been drawn up and became part of the plan, given that, in recent years, the region had experienced significant outbreaks of dengue fever, as well as threats from yellow fever and measles.

Consequently, the 3,000 Logicalis employees – 1,400 of them in Brazil – began working from home as soon as Covid-19 hit the region, causing absolutely no interruptions for themselves or for clients.

The plan for business continuity, which guaranteed agility and success for 100% of our operations, had been drawn up two years previously and encompassed the entire scope of company procedures and technology. Some characteristics of the strategy include the following:

- // **Detailed planning** for all of the changes needed in terms of infrastructure and organizational culture in order to guarantee continuity for company operations independent of any impact from external factors. Following an analysis and an understanding of all the demands implicit in the company's digital transformation, the necessary infrastructure, and IT setups were designed and the network architecture remodeled.
- // **Implementation** of SD-WAN, a network technology that allows for prioritization in connectivity routing for all Logicalis offices and data centers. With this technology, the network becomes sufficiently intelligent to manage data traffic based on rules defined by the company and it offers employees working at home the same experience as in an office environment.
- // **Storage** of 100% of systems, applications, and documents in the cloud. In addition, in 2019, the company ordered total migration to Office 365 and the rollout of notebooks for all professionals. With the possibility of accessing information remotely, employees were able to work from home with the same ease as if they were at their offices.
- // **Expansion** in use of technology licenses for collaboration and VPNs. In addition, the company acquired 4G modems for professionals without home Internet services and developed a guide for remote access of Logicalis corporate applications.
- // **Critical** mission operations, such as SOCs (Security Operations Centers) and NOCs (Network Operations Centers), continued to function normally.

Certifications

ISO 27,001 

Information security

ISO 22,301 

Business continuity

ISO 14,001 

Environmental management

ISO 20,001 

Management of IT service quality

ISO 37,001 

System for Management of Integrity

ISO 45,001 

System for Management of Occupational Health and Safety

ISO 9,001 

Management System

Ethics and Conduct

As a global company with local operations, Logicalis Latin America conducts its business in line with laws and regulations applicable in the different markets in which it operates, always mindful of the highest ethical standards.

In order to disseminate the principles of good conduct, of which integrity in doing business and dealings with clients is a main pillar, the company has adopted a number of specific policies, directed at our internal public but also observed by suppliers, service providers, and other partners. The framework of rules is designed to assure compliance with the directives established by the Code of Conduct and other documents and to support the company in its efforts at prevention, detection, and enforcement of the prevailing regimen. The company's Judicial and Compliance Divisions are responsible for the management of such rules and act with both authority and independence. Among the chief elements composing the company's ethical directives are the following:

// **Code of Ethics and Conduct:**

based on the principles of transparency, equality, accountability, and corporate responsibility, the Code is supported by all of the main values championed by Logicalis, which are integrity, innovation, excellence, partnership, and empowerment.

// **Policy for Combating**

Corruption: defines responsibility and offers orientations helping to identify practices proscribed by law; deals with questions involving corruption in general.

// **Ethics and Conduct Channel:**

available on the Intranet and on the company's Website for each locality, the channel permits anonymous accusations of acts contrary to company policy orientations. Information obtained via the channel is verified by the Ethics and Conduct Committee preserving secrecy and absolute confidence.

// OPERATIONAL PERFORMANCE

Given the context of social isolation imposed by the pandemic, the technology of digital transformation has become the core of many companies' operations, making such technology a key differential for the future of many businesses. As such, many companies have been obliged to make a swift adaptation to the digital world, putting IT at the center of their concerns.

This trend has been made visible, at Logicalis, in the form of increased demand for consulting services related to digital transformation at client companies as well as migration by clients to the cloud. In this regard, Logicalis has consolidated its position as a services and IT provider able to support clients throughout their journeys of transformation.

Intense demand during the period meant that such professional and management services became one of the main company activities as reflected in higher billing, sales, and company profits, despite adverse conditions.

In order to meet the challenges of this situation, Logicalis worked on a number of fronts during the period:

- // Greater availability of data and management services.
- // Strengthening of business units for Security, Cloud Computing, the Internet of Things, and Data.
- // Closer partnerships to reinforce availability of cloud computing, security, and collaborative solutions, such as those established with Microsoft and AWS.
- // Acquisition of Kumulus, a startup specialized in management solutions, analytics, and modernization applications, an action which permitted greater availability of cloud computing solutions.

Professional and management services became one of the main company activities as reflected in higher billing, sales, and company profits, despite adverse conditions

Deliveries in 2020

Among the various services and solutions developed during the period, the following are highlights:

One of the largest private banks in the country initiates its journey into the cloud with AWS solutions

Within the context of the digital transformation currently in course in the financial industry, one of the country's largest private financial institutions decided to modernize its technological architecture in order to accelerate its movement into the cloud, doing so in a way that offers maximum protection for critical business data. The existing architecture of the entire banking environment was structured along the lines of the "on-premises" concept, via a discreet network which did not provide the agility necessary for the development of the bank's operations.

An AWS Landing Zone was the solution to spearhead the process of restructuring based on a hybrid architecture combining "on-premises" with a public cloud. The technology was essential to rapidly configure a secure AWS environment for various accounts while, at the same time, configuring and administering them in line with best AWS practices for data use in the public cloud.

The technology allowed the bank to manage governance and access while also opening separate environments for data flow, structured networks, the generation and implementation of computational resources, and the monitoring

and observation of everything taking place throughout the system. The cloud generated economies of scale in relation to the overall infrastructure, greater productivity, digital processing, and operational resilience.

Migration of servers into the cloud

A major manufacturer of motorcycles, active in a number of different sectors, came forward with various technological needs. The main pillar of the resulting project involved the migration of "on-premises" servers to the cloud, with the transference of 41 workloads accomplished with minimum disruption to overall operations. In addition, the company also wished to renew its Microsoft - SCE (Server and Cloud Enrollment) contract, adding some 100 Azure workloads.

Given this scenario, Logicalis was the chosen partner for planning, migration, and execution of some 88 different sub-sections included in the scope of the project. Logicalis worked with dedicated teams in the assessment of the environment, evaluating the workloads to be migrated with a focus on infrastructure, performance, security, and mapping of dependencies. The consulting teams were brought together with professionals from the Group to define business objectives and align migration strategies in accordance with the real needs of the company.

The teams used the Microsoft Azure strategy to effect the migration; this is a service which allows for the transfer of on-premises workloads to the cloud with a minimum of downtime. Thus, the physical services and virtual machinery are replicated in the cloud in fully transparent fashion.

In partnership with Kumulus, Logicalis implemented tools for 24/7 monitoring and integration with ServiceNow and acted to exchange Tickets and Chamados for a tool called MoveDesk. The company, in addition, created a system to support networking, security, and storage while establishing practices aimed at sustaining the overall environment in the cloud throughout the migration.

Logicalis utilized and consolidated its new Microsoft - SCE contract and continues operating services for technical management and support of the new architecture through a 36-month contract with the client organization.

Among the benefits of Logicalis's cooperation with the manufacturer is better operational performance occasioned by the use of cloud storage. This is a technology that allows for the establishment of high security, availability, and agility when it comes to incorporation of innovative technologies.

Centralization of data storage

In partnership with Microsoft and Kumulus, Logicalis designed a solution based on Modern Data Warehouse for data storage at one of the largest publishers of textbooks in the country. The company was using a number of different data storage systems, such that information was distributed in a variety of ways, making it difficult to call up data or to share it.

The solution, as presented, was to integrate Analysis Services tools, making it easier to find and access information. The system was developed and implemented with cloud computing resources furnished by Microsoft Azure.

For each cloud structure, there was created a data bank model to organize, and make available, the relevant information. From this base, various executive dashboards were constructed, making the entire body of data available throughout the corporate structure while observing all of its rules for authorization and security.

Full Outsourcing of technology services

In the case of a major supermarket chain, Logicalis proposed a strategy for the outsourcing of technological services to face the challenging task of managing an enormous demand for maintenance and repair of technological equipment used in stores and offices. With 800 stores all over Brazil, the existing internal communications system was inefficient and the company was having trouble dealing with service providers to the point of running the risk of inadequate services and major management problems.

The first step was creation of a service infrastructure, exclusive to the franchise, based on Service Desk. Given its great delivery capacity, Logicalis took responsibility for servicing all calls from the supermarket chain. A system of monitoring and alarms was set up to guarantee velocity and efficiency. Another routine was introduction of a 0800 number dedicated to servicing any and all technological problems at any of the chain's stores or offices.

The contract, for full outsourcing, lasts five years and confers on Logicalis the responsibility for all of the client's IT generation, including first-, second-, and third-tier demands, involving headquarters, seven central distribution centers and more than 800 outlets all over the country.

Unimed Fesp initiates the process of adaptation to LGPD

Logicalis was chosen by Unimed Fesp to develop initiatives related to corporate governance and technology in an effort to bring all of the institution's procedures for the protection of client data into line with the General Law for the Protection of Data (LGPD), which came into force in August of 2020. In the face of this challenge, which sought to guarantee compliance with Brazilian norms at all 77 of the Unimed Fesp units in the state of São Paulo, Logicalis could rely on the support of the law firm of Opice, Blum, Bruno, Abrusio, Vainzof and Associates, specialists in Digital Law and Data Protection, in the conduct of any and all legal matters.

The project involved the entire cycle of information security management from the planning stage to monitoring and support of the IT environment. In addition, Logicalis proposed the training of one hundred Data Protection Officers (DPOs) within Unimed's São Paulo operations; training sessions preparing the officers for their new role were conducted by the law firm.

// INNOVATION

A continuous search for new ways to support client businesses is one of the chief principles underpinning Logicalis's operations. This commitment includes development of diverse solutions which, in 2020, also had to take into consideration the challenges faced by companies everywhere because of Covid-19:

Digital Services Platform (DSP). This platform for the Management of Services, which is global in nature and utilized by all of Logicalis's Latin American operations, was improved in 2020. Among its new characteristics is the use of artificial intelligence resources to help prevent possible interruptions and failures, thus aiding in decision-making and in the adoption of measures to support clients. It has contributed to guaranteeing continuity in business operations and client security in all of the services offered. With client experience at the heart of all Logicalis investment decisions, the DSP has been able to deliver new and improved services based on Artificial Intelligence Operations (AIOps). By using machine learning and automation, the platform increases operational efficiency by grouping similar events, and detecting anomalies through

predictive mechanisms, with the ability to automatically correct errors before they can cause interruptions or failures in business operations, while furnishing automated services to clients.

Thus, Logicalis Services Management, through utilization of DSP technology, can offer clients more intelligent assets for decision-making:

- ✔ Client Services Portal: A component of the DSP, the Portal allows clients to obtain an integrated vision of Logicalis's operations, including monitoring of demands and an analytical window on the resulting services provided, in real time, including contract management.
- ✔ Auto-correction and automated execution of demands, with the objective of radically accelerating response and execution times.
- ✔ Optimization and consistency in the orchestration of services and solutions: with the goal of automatically identifying which services to activate, which operations

to undertake, what priorities should be defined, where to deploy resources, and at what level to activate services.

- ✔ Optimize the delivery of services in accordance with contract requirements: when a contract enters into force, all of the important operational functions are interconnected and activated automatically.
- ✔ Globalization of consistent experiences: the location is not important; clients will have a service experience that is consistent, independent of where operational centers or Logicalis engineers are located.

EUGENIO Challenge Hub. DA challenge created to link developers and major companies in the creation of innovative projects involving the Internet of Things (IoT). Sponsored by Logicalis and supported by Microsoft, it had its first edition in 2020, in which cosmetics and perfumes company Natura challenged developers to create technologies able to aid in sales at brick-and-mortar stores once on-site shopping resumed. Participants in the challenge, which took place from August to October 2020, had 11 days

to mount a project utilizing the EUGENIO platform, including the use of mentors, brainstorming sessions, and sit-down review sessions with Logicalis, Microsoft, and Natura professionals. The three best projects received prizes of, respectively, R\$ 20,000, R\$ 10,000, and R\$ 5,000. EUGENIO is a platform created by Logicalis based on the IoT, combining cloud-based data center infrastructure, big data analytics, business workflow rules, and message skimming.

The New Office. As people return to corporate offices, with more flexible work routines, it will be necessary to follow numerous rules set down by governments and health organizations. To support companies in this process, Logicalis has developed a range of technological solutions. Denominated The New Office, the platform seeks to avoid unnecessary gatherings, facilitate tracing in cases of contamination, and assure the wellbeing of professionals.

The platform includes solutions designed to aid professionals from before they arrive at their offices until after they leave – and all of it subsumed under the General Law for the Protection of Data (LGPD). Some of the facilities offered by the tool including the following:

- Reserve a desk at the office, at a day and time convenient to the employee. After making the reservation, the employee will respond to a self-evaluation of possible

medical symptoms and will receive appropriate orientation via computer screen in the event of any problems.

- Control access to company premises via a display camera equipped with facial recognition technology, which will also measure body temperature and verify utilization of a medical mask. The totem will also be equipped with an alcohol gel dispenser for hand washing. In the event the professional has not scheduled an appointment or belongs to a high-risk group, then he or she will be barred from entry even if wearing a mask and showing a normal body temperature.
- Installation of sensors to mark presence at desks. When the professional, with an appointment, approaches the desk, his or her check-in will be confirmed. At the end of the work session, the sensor will emit a check-out alert so that a cleaning crew can prepare the space for the next occupant.
- Cameras equipped with sensors for environments featuring limitations on the number of occupants, such as cafeterias, are installed discreetly near doorways and are programmed to keep count on entries, occupation and exits. The figures, in turn, are made available on displays distributed throughout corporate offices so that all

professionals can know, in advance, about availability of space at common facilities, thus avoiding unnecessary circulation. In situations demanding even greater control, such as ambiances already at full capacity, entry can be further restricted by barring gateways until the number of occupants declines.

- A new application called “wearable with smart beacon” features a “smart badge” which can be used by clients, if they wish, to avoid gatherings and promote tracing among employees, as needed. Such solutions function as proximity detectors among employees and can be used to monitor individual activities throughout the day. The application includes a distancing monitor in order to maintain safe social distances, emitting an illuminated alert and/or a vibration when social distancing norms are violated. At the end of each workday, all relevant information is gathered on a dashboard, simplifying the management of professional routines in line with the health needs of each office.

// PEOPLE

In order to guarantee the health and wellbeing of our professionals, within the context of virtual tasking as imposed by the pandemic, a number of human resources management priorities were established. These include various initiatives which have been combined with actions designed to support the home-office environment.

In order to meet the challenges imposed on us, the company has created a Crisis Management Committee. Taking a multi-disciplinary approach, the committee is dedicated to structuring initiatives to assure business continuity while helping our professionals adapt to the new patterns of work imposed by the pandemic. Other measures have also been adopted to assure the company's economic sustainability. In the first three months of the pandemic (April, May, and June of 2020), the workload and remuneration of executives -- managers and up -- suffered a 25% reduction.

One highlight of the period was our Internship Program. Young people at the beginning of their careers represent 5% of total employees, with an historic rate of 90% eventually being hired full-time. With virtual work routines already in place during the period, it was possible to adapt the program to a "No Borders" framework: connected to Brazilian universities possessing

technological centers, this initiative allows for geographic diversification of professionals, going far beyond the São Paulo-Rio de Janeiro axis, which had hitherto dominated recruitment. Some 49 interns were recruited during the period, distributed over all the areas engaged in digital transformations. During the cycle, the total number of black and brown interns was nine times higher than in 2020, while the total number of women rose 27%.

At the same time, other, more traditional, management initiatives were maintained. These can be divided into five fronts: support for virtual tasking, health and wellbeing (considered within the context of the pandemic), organizational climate, training and development, and improvement in management practices.

Support for Virtual Work

Launch of HR4U

The Human Resources channel, hosted on the company's Intranet, now includes a space for HR Solicitations, which highlights housekeeping matters such as vacations, overtime,

and others. This new feature, aside from facilitating interaction with the HR Department, is especially appropriate in the context of the virtual work routines imposed by the Covid-19 pandemic, making the whole process more modern and agile.

Stay Home Kit and Kit Logicalis

The company conducted a survey to determine what equipment and resources were most needed by employees in order to improve performance from home. Based on the information obtained, the company created an ergonomic kit along with branded items such as a thermos, a water bottle, a USB hub, post-its and a Logicalis bag, all of it delivered via a drive-thru window. The initiative also allowed our professionals to opt for an orthopedic chair as well as various office accessories such as a notebook computer support, keyboard and mouse, wrist and foot supports, and others, all made easily available and linked to a statement assuming personal responsibility for the items.

Health and Wellbeing (Covid-19)

Orientation Guide for the Return to Office Work

As of November 2020, Logicalis has re-opened its offices, offering to its professionals the option of working at company facilities for periods and on days specifically chosen (such as mornings or afternoons), based on pre-scheduling with immediate supervisors. Workstations are, to a great extent, rotated and layout adapted to respect the needs of social distancing as recommended by the World Health Organization (WHO). With the aim of establishing directives consonant with current realities, the company has also created an orientation guide, the result of labors undertaken by professionals in the areas of Human Resources and Administration.

Ask for Desk and Intelligent Totem

With workstations at offices available on a rotating basis, Logicalis has made available a service called Ask for Desk so that its professionals can reserve their places on days and at times of their choosing. Whenever an employee reserves a desk, he or she responds to a brief questionnaire addressing medical symptoms, part of the company's drive to assure individual and group health. When using the service for the first time, the professional will also file a biometric registration (based on palm and facial images). In order to avoid unnecessary gatherings, Logicalis recommends that employees arrive at their desks a half hour before the appointed time.

Office Training and Preparation in response to Covid-19

In order to use a workstation at a company office, the professional must also complete an obligatory training program dealing with Covid-19. Available via Talent Connection, the program addresses the themes "Safe Return to the Office" and "Recommendations for Hygiene."

Encounters with Logicalis – Special Editions with a focus on Emotional Health and Wellbeing

As part of efforts to support our professionals during the period of the pandemic, Logicalis has prepared an agenda of specific meetings to address themes related to wellbeing and emotional health. With the participation of specialists, the web events boast average attendance of about 150 per webinar. Some examples of the themes dealt with at the webinars follow:

- Seeking equilibrium in the face of personal loss, with Valéria Tinoco, a psychologist and psycho-therapist specialized in personal loss and collective grief.
- Empathy and emotions in situations of vulnerability, with Denise Moraes, a life coach who addresses the problem of maintaining drive, adaptability, and engagement during a pandemic.
- Self-knowledge and the power of now, with the assistance of facilitator Camila Rocha and psychologist Aline Schutz, who address some of the technical aspects of "living for now," including themes such as meditation, breathing, and wholeness.

- Intelligence and Emotional Agility, with consultant Saulo Borges, who deals with the importance of emotional intelligence during the pandemic and the question of what happens next, after the pandemic.
- Pandemic: how to keep your mental health, conducted by facilitator Camila Rocha and psychologist Aline Schutz, addressing techniques for dealing with anxiety and depression, with reflections on positive attitudes toward mental, physical, and spiritual health.
- Work-Life Integration, conducted by Tiago Petreca, Director and Chief Curator of Kuratore, who offers practical insights on ways to survive by focusing on now, while showing how we can change current realities as genuine protagonists.
- Intelligent Investments, conducted by Lucas Brigato, Partner and Foreign Exchange Director of the Ethimos investment fund, who offers advice on investments designed for long-term financial health.

Psychological, Financial, and Legal Support Program

Logicalis is part of the Alelo Program for Psychological, Financial, and Legal Support, through which company professionals have access to the following facilities:

- **Psychological Support:** professional orientations by crisis specialists dealing with issues such as insomnia, depression, trauma, and violence.

- Financial Support:** help from social workers in probing the origins of personal debt, with a view toward better personal and family financial planning.
- Legal Support:** answering doubts with the help of lawyers specialized in contracts, understanding legal issues, and helping with legal problems (except those related to labor rights).

Events specifically for leaders

Team leaders were also offered assistance through specific events in efforts to help them meet the challenges brought forth by the Covid-19 changes:

- Webinar on “Innovative Culture during Uncertain Times.”** Event organized as a discussion group for team leaders to help them in virtual management of work groups.
- Conversations with Significance.** Event offering emotional support in partnership with the Four Seasons Psychological Institute.

Organizational Climate

The company’s engagement survey, traditionally taken annually, was substituted in 2020 by a new format, making the inquiry more modern and more agile. In partnership with Peakon, a global platform for collection of HR data, the new survey is weekly and tracks the level of satisfaction among company professionals. Known as the “Logicalis Pulse,” the mechanism supplies regular feedback allowing management to understand issues and map out the best possible solutions to problems, leading to initiatives and investments that align with the expectations of our professionals. All research is confidential – preserving the absolute anonymity of respondents – with each survey concluded in a matter of minutes.

In addition to the information obtained through frequent surveys, there have also been other advances allowing Logicalis to better manage the company’s organizational climate:

Latin America Best Workplaces 2020. For the third time, Logicalis was named one of the Best Companies to work for in Latin America, according to the survey undertaken by the Great Place to Work (GPTW) consulting group. In 2020, we ranked 20th.

Best Companies to Work For in Brazil. The survey conducted by GPTW among Brazilian companies also placed Logicalis among the best. For the sixth time in a row, the company figured among the top national rankings, coming

in 32nd place, nine positions higher than in the previous survey. In 2020, there were 3,000 companies in competition, with 80 considered “Large-Scale Enterprises,” a category which includes Logicalis.

Best Companies to Work For. Technology. Once again, Logicalis figured among the GPTW ranking for organizations operating in the IT field, in the category of “Companies with 1,000 or more employees,” holding on to 7th place, the same rank as in 2019. In the 15th edition of the survey, Logicalis competed against 25 other companies. The ranking reflects results of online surveys conducted among employees, who evaluate best practices within each organization.

Best Companies to Work For in the State of São Paulo. Logicalis was also recognized in the “Large Metropolitan Area” category as one of the 16 best companies to work for in São Paulo. The second edition of this GPTW survey recognized 100 companies from among the 815 included in the survey, classifying them as small, medium, or large in scale.

Training and Development

In consonance with the fact that 100% of our professionals are working virtually, training sessions have also migrated entirely to the online environment. The changeover has done no harm whatsoever to the training of the company’s

professionals, given that the technologies are inter-active, well tested, and highly successful in maintaining communications among all units throughout Latin America.

Since 2019, Logicalis has used Talent Connection as a tool for inter-action; this is a platform which is being constantly upgraded and which, in 2020, improved even more thanks to initiatives by company partners offering new training formats within a context in which technology gained a new priority.

One example was creation of Let's Rock(et), a technical and behavioral training course available on Talent Connection since 2020. Through this channel, professionals can improve their knowledge of subjects such as cloud computing, data science, and career development. In order to take part in the courses, professionals devise, in conjunction with their supervisors, an individual training plan. The plan takes into account orientations provided by the coordinator of the chosen discipline, who acts as a support in assuring the best use of the training tool in relation to professional development. During the period, some 10,000 training sessions took place.


+2,300
**TECHNICAL
TRAINING SESSIONS
(MICROSOFT
AND CISCO)**


+10,000
**TRAINING
SESSIONS
FOR LET'S
ROCK(ET)**

Improvement of management practices

Talent Connection, a platform featuring inter-active communications among work teams throughout the entire operation, has added even more functions:

- / Re-working of homepage, in order to provide a fuller experience. In its new version, homepage highlights several functionalities, such as “My Profile,” in which the employee can post his resumé as a way to take advantage of eventual internal opportunities; another is “Recognition,” in which employees publicly thank others for their work on common projects.
- / In order to better evaluate competencies, the company launched a new set of proficiency levels. Since the 2021 fiscal year, AvCom matches levels of proficiency for a set of competencies developed by Logicalis with a view toward evaluating them, in a clear manner, against the seniority and maturity of each professional. Every employee is evaluated in each of the competencies in accordance with his or her professional level.

Another work-related theme, throughout the year, was that of diversity and inclusion. In order to raise awareness among all regarding this subject, the company mounted four separate virtual events, covering the subjects of women, LGBTQIA+, PCDs, and race. The webinars attracted an average of 150 professionals each.

// CORPORATE SOCIAL RESPONSIBILITY

Activities on this front are undertaken so that the company can provide solutions for clients in their efforts to advance social and environmental agendas, and for the company itself. A number of initiatives deserve to be highlighted from the period:

Neutralization of greenhouse gas emissions (GGE):

In order to help companies advance in the neutralization of their greenhouse gas emissions, Logicalis developed a partnership with Block C, an online platform that simplifies the entire process. Based on blockchain technology, the strategy allows companies to neutralize their carbon footprints in a variety of ways, such as reducing electric power consumption, cutting corporate travel, improving logistics, and others, through monitoring of carbon credits and greenhouse gas emission (GGE) certificates, offering tracing, security, and transparency at every stage.

Logicalis itself has made important advances on this front over the last three years. Employing the Block C strategy,

Logicalis Brasil neutralized 2,342 metric tons of GGEs from its operations in 2018 and 2019. In 2020, another 1,678 tons were neutralized. For each such action, Block C traces the impact from the viewpoint of the Sustainable Development Goals outlined by the United Nations under the aegis of Agenda 2030, noting the objective and the action's contribution towards its realization. In 2020, a number of such actions, and the corresponding impacts on UN goals, were observed:

- ✓ **Scope 1:** carbon credits REDD+ for rainforest conservation, VCS (Verified Carbon Standard) + CCB (Climate, Community & Biodiversity)
- ✓ **Scope 2:** renewable energy certificates (RECs – Renewable Energy Certificate) GHG standard Protocol for solar source
- ✓ **Scope 3:** carbon credits for MDL (Clean Development Mechanism under Kyoto Protocol) standard in sanitary landfill

Diversity and Inclusion

- ✓ Financial support for the promotion of activities in aid of educational, social, and emotional needs to be offered in 2021, via the Chess Development Association, which meets the needs of public school children with physical or virtual disabilities, Asperger Syndrome, or Down Syndrome.
- ✓ Contracting of handicapped persons for work in operational areas. The ADEEI organization supports this initiative.
- ✓ Incentives and actions aimed at the inclusion of women in the technology market via initiatives such as support for TECHNOVATION SUMMER SCHOOL FOR GIRLS, a computer programming course promoted by the Student Group for the Exact Sciences (GRACE) of the University of São Paulo Mathematical and Computational Sciences Institute.
- ✓ Donation of recycled books published by the DARTE Foundation of Argentina, an organization whose chief objective is to help vulnerable individuals qualify for better jobs through publication of books from recycled paper.

- Financial support for three Brazilian entities which help meet the needs of children, youths, and senior citizens: Abrace, Abeuni, and Nosso Lar, respectively.
- Donation to the AACD (Association for the Assistance of Handicapped Children) based on proceeds from sales at the Logicalis Merchandising Store during the 2021 fiscal year.
- Donation of 7 iPads to the Roberto Luís de Araújo Brandão Elementary School, in Barueri, São Paulo (Brazil).
- Support for the Young Talent in Brazilian Chess Tournament (JTXB), an initiative of Young Talent in Chess of Brazil.
- Voluntary actions in countries such as Argentina, Chile, Paraguay, Peru, and Uruguay, involving donations, collection and distribution of personal grooming items, clothing, utensils, and toys, among others.





Action aimed at encouraging financial planning and the formation of retirement reserves for employees and former employees of the Promon Group

Fundação Promon
de Previdência
Social

FPPS

// PROFILE

The Promon Social Welfare Foundation (FPPS), in which employees and former employees of Promon S.A. and companies it controls take part, aims to foster financial planning and the formation of financial reserves for retirement.

As of the end of 2020, FPPS had 2,600 participants between the two investment plans it administers: Promon MultiFlex, based on a stipulated contribution, and Promon BasicPlus, based on a stipulated benefit and closed to new accounts since 2005. Total assets of the two funds amounted to R\$ 1.79 billion, up 3.6% from the previous year.

FPPS is a non-profit organization whose management is independent of the Foundation's sponsors. In 2020, it completed 45 years of operations, making it one of the oldest closed private-sector supplementary pension funds in the country. Headquartered in the city of São Paulo, the Foundation seeks to offer financial education and retirement planning and investing opportunities for its members through the ever increasing aggregate value of the portfolios it administers, always acting within the highest standards of probity, rigor, and transparency.

³ CD: stipulated contributions, BD: stipulated benefits.

PURPOSE

To institute, administer, and execute private plans for the concession of retirement benefits, based on principles of ethics, excellence, and the best possible service-oriented practices.

**45
YEARS**

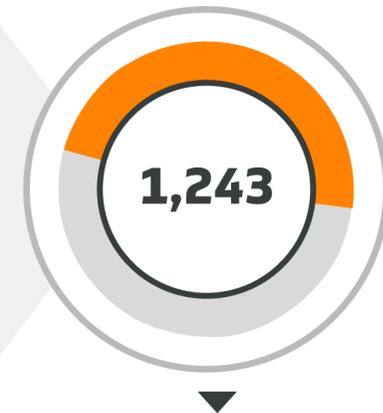
IN OPERATION

**2
PLANS**

**MULTIFLEX (CD)
AND BASICPLUS (BD) ³**

**R\$ 1.79
BILLION**

IN TOTAL ASSETS



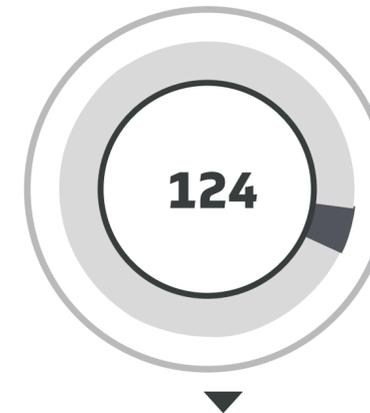
Active Participants
Employees of Promon and Logicalis.



Participants Receiving Benefits
Participants who are already retired or beneficiaries of deceased participants.



Self-Sponsored Participants
Former employees of Promon and Logicalis who, after leaving the company, opt to remain within the plan by making additional contributions in order to increase the value of their pension assets until such time as they are eligible to receive benefits.



BPD
(deferred proportional benefit) – Former employees of Promon and Logicalis who, after leaving the company, opt to remain within the plan without making additional contributions until such time as they are eligible to receive benefits.

YOUNGEST PARTICIPANT:

16 YEARS

OLDEST PARTICIPANT:

97 YEARS

AVERAGE AGE OF PARTICIPANTS RECEIVING BENEFITS:

66 YEARS
MULTIFLEX

73 YEARS
BASICPLUS

AVERAGE AGE OF ACTIVE AND SELF-SPONSORED PARTICIPANTS, AND PARTICIPANTS IN BPD:

38 YEARS
MULTIFLEX

59 YEARS
BASICPLUS

// BENEFIT PLANS

FPPS administers two pension plans:

MultiFlex

Basis: stipulated contribution



R\$ 823.7 million

in total assets

BasicPlus*

Basis: stipulated benefit



R\$ 965.9 million

in total assets

// PERFORMANCE IN 2020

Sponsored by Promon S.A., the plans are administered separately, each with its own strategy and designed in accordance with the profile and objectives laid out under the investment policies underpinning each.

The management of each plan's assets is undertaken with the aim of increasing profits and diversification, objectives which proved challenging in 2020 due to the effects, on the global economy, of the Covid-19 pandemic. In Brazil, the economy suffered a period of high internal indebtedness against a background of continuous decline in interest rates, with the Selic base interest rate ending the year at just 2.0%, its lowest level in history, after starting 2020 at 4.5%. In such a setting, asset managers were obliged to seek returns on investment outside of their normal comfort zone, which features traditional fixed-income placements, focusing instead on higher risk investments in order to obtain adequate growth in plan portfolios.

In this context, which also involved coordination of investment specialists working from home under flexible schedules adopted as a way to guarantee continuity in services while also protecting the health and safety of work teams, the

Foundation sought investment alternatives throughout the year in an effort to assure continued adequate performance for both of its investment plans. In this manner, the Foundation was able to continue implementation of a strategy first pursued in 2019, one which seeks to diminish exposure to fixed-income portfolios, shifting instead to allocation of assets in areas such as sub-classes of systemic funds, mortgage-backed funds, and private credit placements. Working remotely allowed for an intensification of investment monitoring, given the ease with which it was possible to set up online meetings, favoring dialog among chief investment officers, who were able to evaluate on an almost daily basis effects of the pandemic on investment scenarios.

The strategy adopted allowed the Foundation to register, for the year, an increase in total assets of 3.6%, ending the period with total assets under management of R\$ 1.8 billion, after having paid out during the year some R\$ 115.3 million in retirement benefits. Growth in total assets reflects, in addition to contributions from members and profits from investments, the assessment that decisions taken with regard to asset allocation were the correct ones.

OTHER RESULTS DURING THE PERIOD:

**R\$ 115.3
MILLION**

**IN RETIREMENT BENEFITS
PAID TO 761 ELIGIBLE
PARTICIPANTS**

**R\$ 20.7
MILLION**

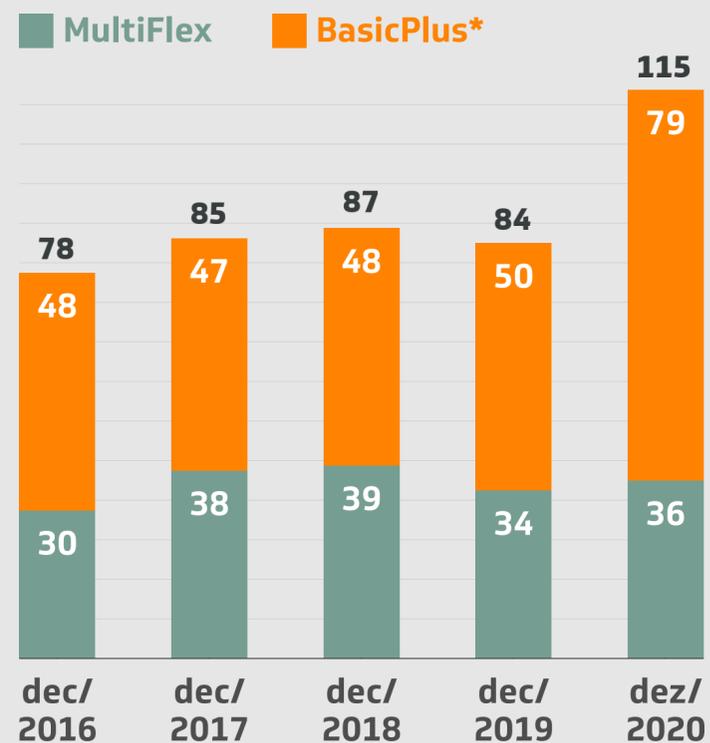
**IN CONTRIBUTIONS
RECEIVED FROM 1,243
ACTIVE PARTICIPANTS
AND 472 SELF-SPONSORED
PARTICIPANTS**

Changes in regulations

In order to make the MultiFlex plan more up-to-date and adequate to the needs of participants, several changes were made in 2020 to its regulations. Among changes – which also reflect alterations in national pension policies under a reform passed by Congress at the end of 2019 – was the introduction of a mechanism by which the plan sponsor matches contributions made by employees up to a certain ceiling. This new practice aims at stimulating participants to increase their own contributions to the plan, thus increasing their reserves against retirement. For more information see www.fundacaopromon.com.br

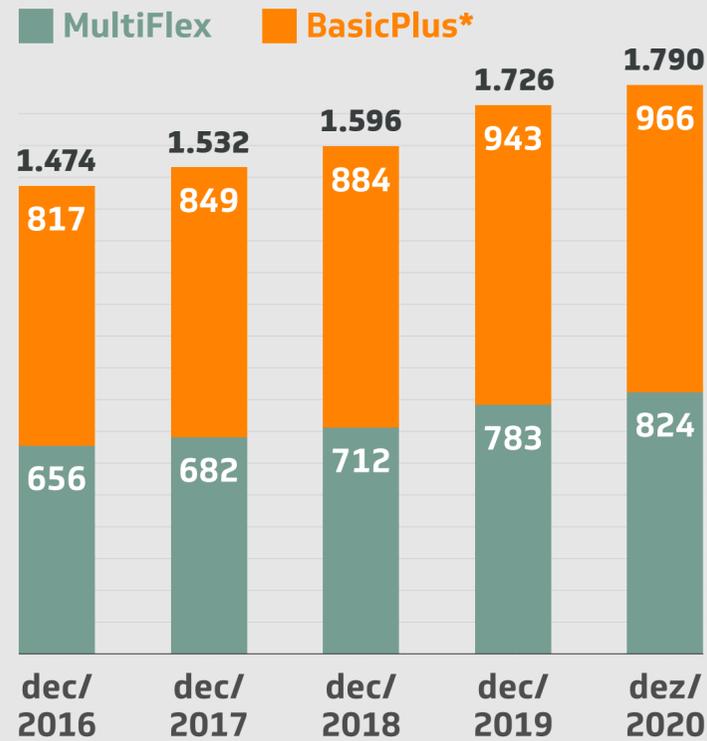
TOTAL ASSETS

Evolution of assets (R\$ millions)



BENEFIT PAYMENTS

Total layout for the year (R\$ millions)



(*) Includes payments made in 2020 under the rubric of special reserves under the BasicPlus plan

MULTIFLEX PLAN

BASIS: STIPULATED CONTRIBUTIONS

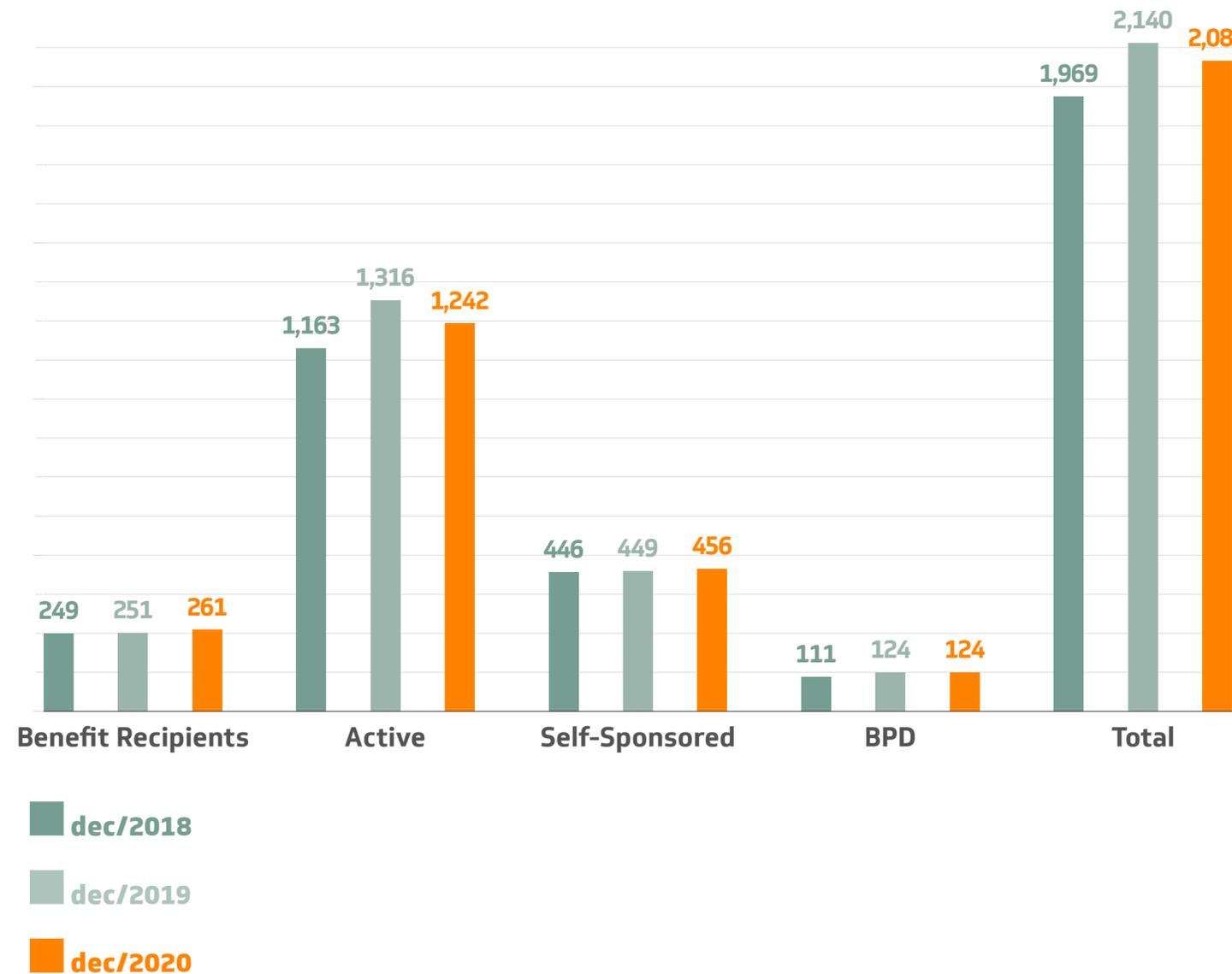
R\$ 823.7 million
in total assets

R\$ 35.8 million
in total assets

7.2%
profitability, significantly higher than the Certificate of Bank Deposit rate, which averaged only 2.8% during the period, and roughly 1.7% over the official INPC (National Consumer Price Index) rate.

2,083
participants, a figure 2.7% below that verified for 2019.

EVOLUTION IN NUMBER OF PARTICIPANTS



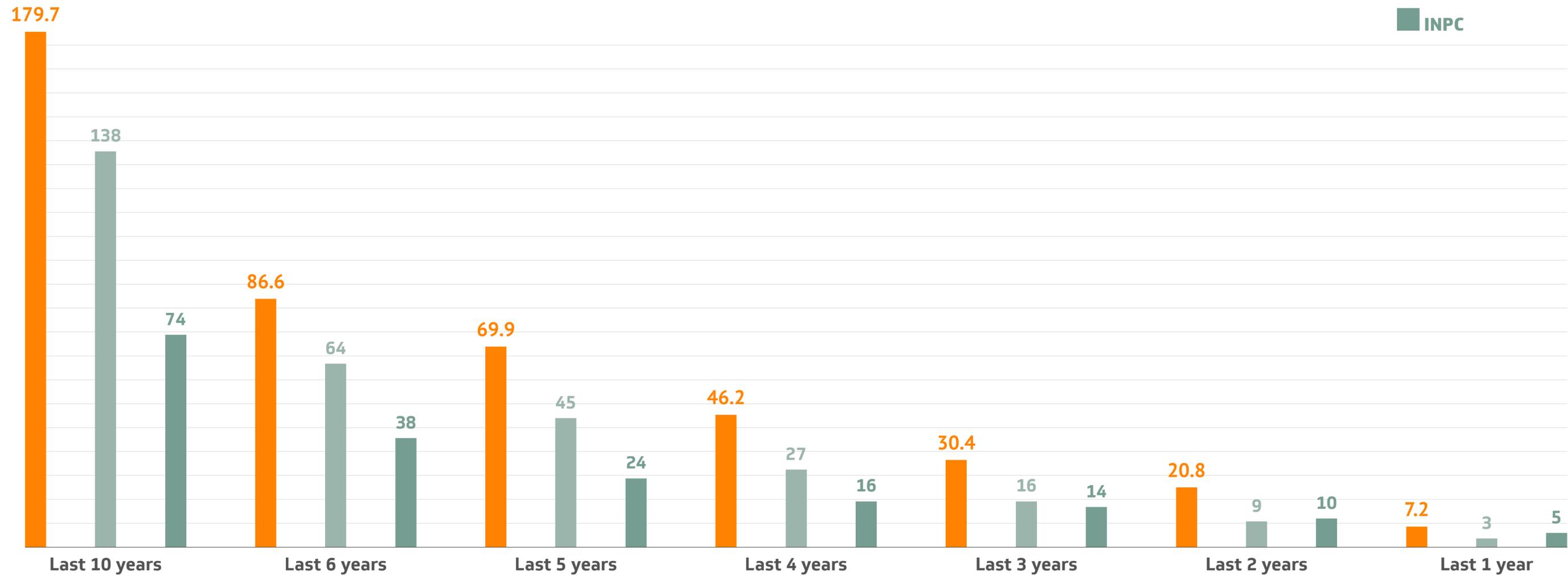
PORTFOLIO ALLOCATION

As of December 31, 2020 (Values in %)



- 52.9% Fixed income
- 13.1% Variable income
- 9.0% Overseas investments
- 15.6% Structured investments
- 8.1% Mortgage-backed investments
- 1.3% Operations in conjunction with participants

PROFITABILITY (%)



(1) The profitability of contributions depends on the month in which they were deposited. The graph represents profitability of contributions as made in the last month of each year.

BASICPLUS PLAN

BASIS: STIPULATED BENEFIT, CLOSED TO NEW MEMBERS SINCE 2005

R\$ 965.9 million
in total assets

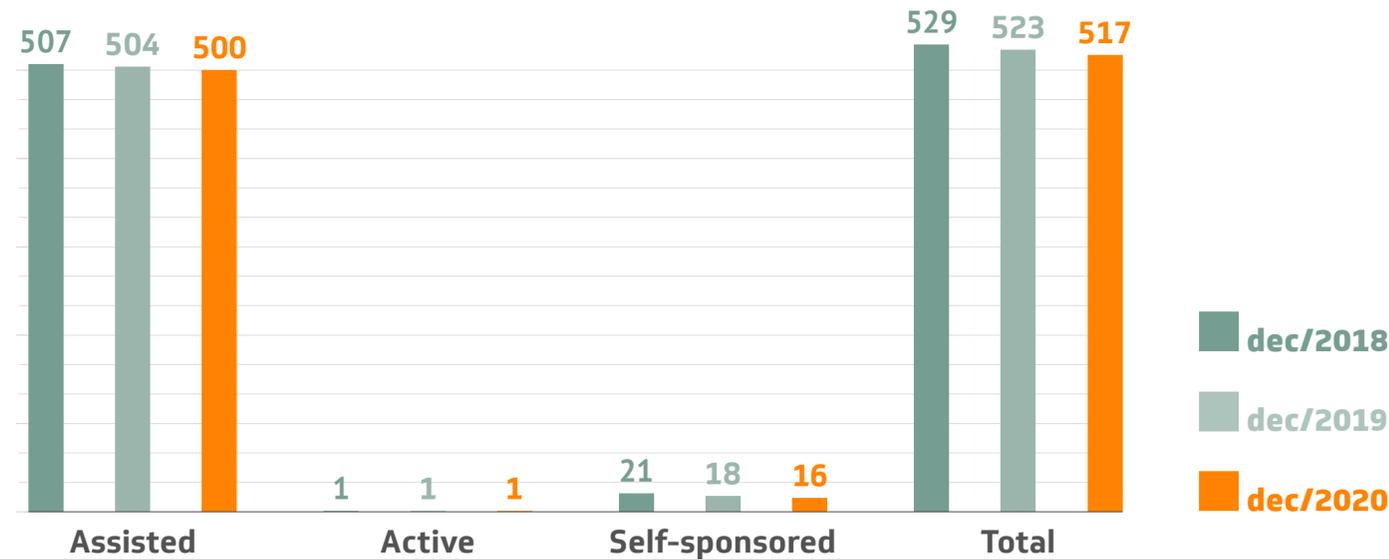
R\$ 79.5 million
in total assets

11.2%
return on investment, slightly higher than the actuarial target of 10.7%

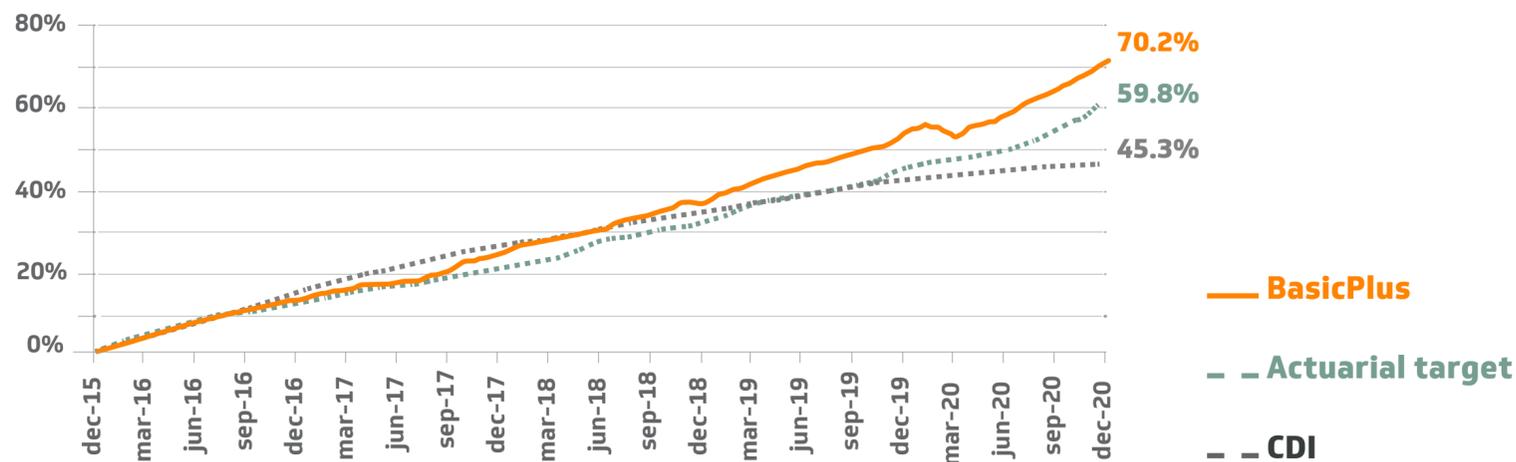
517
participants, against 523 registered the previous year

The return on investment reached during the period represented a technical surplus of R\$ 161.0 million, added to the fund constituted at the end of 2017 to encompass participant and sponsor surpluses and reaching a total of R\$ 91.3 million as of the end of the year. This total is the result of surpluses obtained in previous years.

EVOLUTION IN NUMBER OF PARTICIPANTS



PROFITABILITY



PORTFOLIO ALLOCATION

As of December 31, 2020 (Variation in %)



- 71.4% Fixed income (government bonds on the earnings curve)
- 8.1% Fixed income (other)
- 7.8% Structured investments
- 5.1% Variable income
- 4.5% Overseas investments
- 3.0% Real estate investments

// MANAGEMENT AND GOVERNANCE

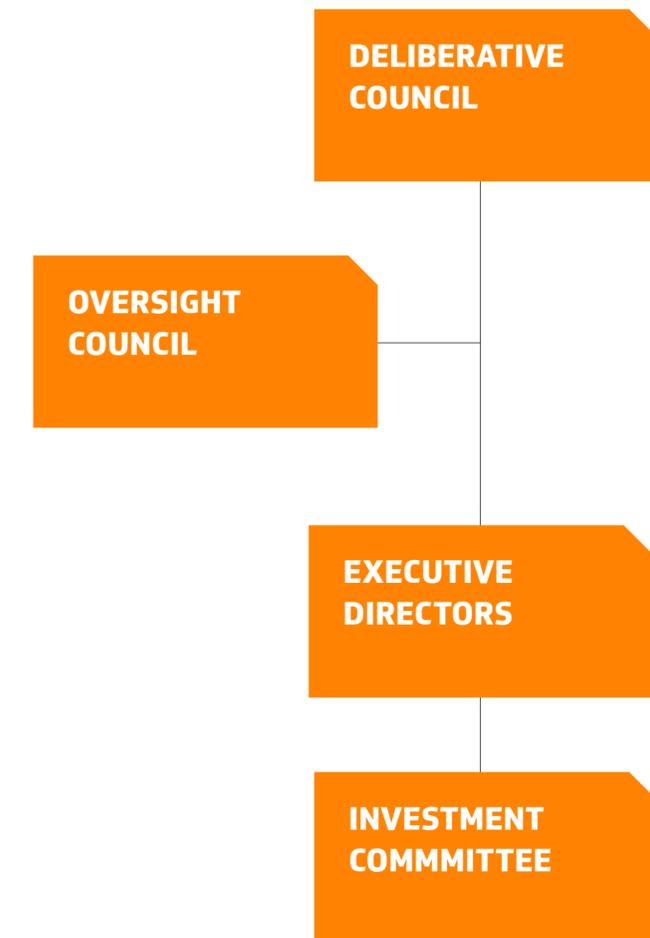
In line with the principles that guide Promon S.A. management, and all of the companies under its aegis, the FPPS conducts its activities on the basis of high ethical standards and respect for human rights, the natural environment, and transparent relationships with participants, and with all other related publics.

Excellence in management is supported by a solid structure of Corporate Governance, composed of Deliberative and Oversight Councils, whose members are elected for three-year terms by the Executive Directors and the Investment Committee.

The challenges posed by the Covid-19 pandemic had the result of intensifying the activities of the governance councils in relation to management of the investment plans, as reflected in an increased number of meetings held by the Councils, the Executive Directors, and the Investment Committee, a practice favored by the prevalence of remote working conditions and facilitated by virtual meeting technologies.

Executing a succession process planned a few years ago, the FPPS Deliberative Council, using its statutory attributions, appointed Marcia Fernandes Kopelman to the position of Chief Executive Officer of Fundação Promon as of April 1st, 2021, replacing Milton Antelo, who held the position since June 2015.

At the same time, the Board of Directors of Promon S.A., in its role as representative of the Foundation's sponsors, appointed Milton Antelo to the Board of Directors of the entity since this collegiate body had a vacancy in its statutory composition due to the resignation of Luiz Brandão, which took place in January 2021. As of April 1st, Milton Antelo succeeded Luiz Fernando Telles Rudge in the Chairman of the Board, who took the role of board member appointed by the sponsors.



Deliberative Council. The highest level of Corporate Governance in the FPPS structure, the Council determines objectives, policies, and fundamental directives for the entity as a whole. It also names the Executive Directors. The Council is composed of a chairman, three counsellors chosen by the Administrative Council of Promon S.A., the Foundation's sponsor, and three counsellors (and respective alternates) elected by the plan participants. The current term of office is three years, ending in 2022. Counsellors chosen by participants are eligible for re-election.

Oversight Council. This body oversees internal controls and the financial and economic management of the benefit plans, guaranteeing timely administration. The three members of the Council are elected and enjoy three-year terms of office; all are FPPS plan participants. Two are designated by the Administrative Council of Promon S.A., and one is chosen by the Foundation participants.

Executive Directors. The Executive Directors are responsible for the administration of FPPS operations; they execute the directives as set by the Deliberative Council, the body which names the Directors. As of the end of 2020, there were three Executive Directors, but there can be up to five, in accordance with the Foundation's by-laws.

Investment Committee. A consultative body, the committee advises the Executive Directors on decisions related to the management of the Foundation's assets. The group seeks to

guarantee the principles of security, profitability, solvency, and liquidity when it comes to the Foundation's assets, always in line with current legislation and the Investment Policies of the Foundation. It is composed of seven members designated by the Deliberative Council.

For more information about the above-described structures and their members, access [here](#).

Documents and policies

The principles and practices which guide the FPPS in its management and decisions are contained within a framework of documents and internal policies, strengthened in 2020 by the release of a new Policy for the Prevention of Money Laundering and the Financing of Terrorism and by publication of a General Policy on the Protection of Data, this latter in line with the new Law on the General Protection of Data (LGPD). The various norms include:

- // **The Promon Code of Conduct**, a document which establishes the directives to be observed by all employees of all companies that compose the Group in all of their functions and in all of their relations with relevant publics.
- // **FPPS Supplementary Code of Conduct**, which includes specific orientations for employees in relation

to management of closed investment plans and supplementary retirement funds.

- // General policies followed by the sponsor company, Promon S.A.: Legal Policies and Directives; Compliance; Human Relations; Information Security; Communications; Security, Environment, and Health, among others.
- // Specific internal policies dealing with regulation of operational procedures at the Foundation.

Internal controls

The Foundation maintained, during the early months of 2020, initiatives designed to improve internal control procedures and the management of risks at FPPS. These had been inaugurated the previous year as part of a cycle of audits conducted, during that period, by Deloitte Touche Tohmatsu Consultants Ltda. The work of the consultants revealed opportunities to improve management while also pointing to significant risks for FPPS or its investment plans, findings which reinforced the need for FPPS to adopt best practices in relation to all of its procedures.

CLOSE RELATIONS WITH PARTICIPANTS:

// A FOUNDATION PRIORITY

With a view toward making FPPS as open and accessible to participants as possible, and with the aim of raising awareness about the importance of accumulating a robust retirement reserve for the long term, the Foundation has reformulated its communications strategy, altering both visual appearances and content. Reports have adopted a more down-to-earth tone and are presented in different formats, including videos, with the aim of reaching more members, especially young employees, and newly registered participants.

Interactions with participants have also been adapted to the needs imposed by the Covid-19 pandemic and are now undertaken virtually. One example is the inauguration of the program entitled Direct to the Point, which meets a demand from participants for information about the financial concepts behind the Foundation's investments. Here are some of the initiatives:

Periodic chat cycles. Meetings between Foundation executives and active participants designed to answer questions and doubts about supplementary retirement funds. Previously undertaken in person, these are now handled digitally.

Webinars. With a view toward offering information to all participants—active, self-sponsored, those with differentiated benefits, and those with standard benefits—various webinars were mounted throughout the year, touching on subjects such as investments, real estate funds, and rules changes to the MultiFlex Plan, changes making the plan more up-to-date and in line with the needs of younger participants.

Education Program. The space dedicated to financial education on the FPPS website no longer requires a password, a change which facilitates access for all those interested in the subject. The space includes articles, news items, videos, and courses dealing with financial and retirement-related subject matter. For more information, see [here](#).

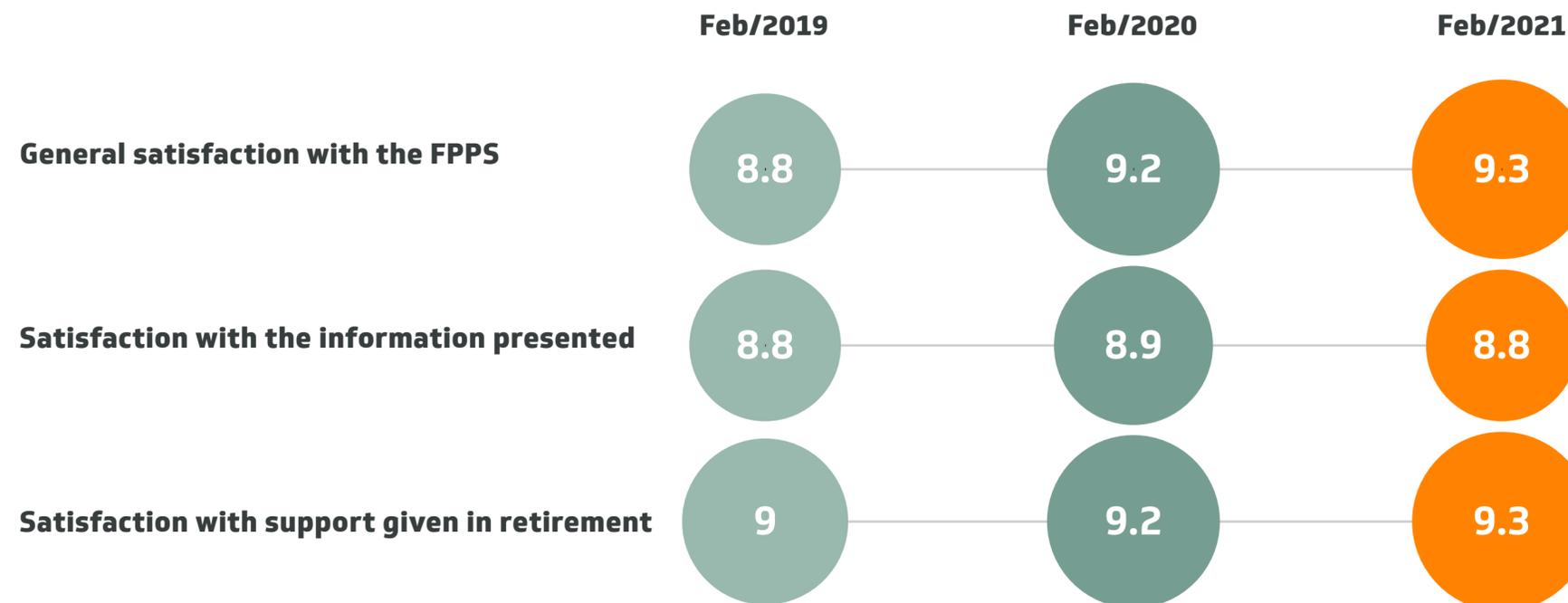
Institutional Website. The FPPS portal was also reformulated to incorporate new information about investment plans, including a new simulator for participants to evaluate future benefits under the MultiFlex banner. See [here](#).

All of FPPS's initiatives in the field of communications and human relations are aimed at meeting the expectations and needs of plan participants. In order to gauge the effectiveness of such initiatives, a survey was developed to measure participant satisfaction. Taken every year, the survey allows FPPS to assess the level of recognition demonstrated by participants with regard to the results obtained by the two retirement plans administered by the Foundation as well as initiatives aimed at better human relations, communications, and financial education.

Another activity which is a tradition at FPPS is the Foundation's engagement with initiatives and organizations that contribute to the overall development of supplementary retirement as such. To this end, Foundation specialists take part in technical committees at the Brazilian Association of Closed-End Supplementary Pension Funds (Abrapp), and the Pension Fund Professionals Group (GPFP); one Foundation Executive is a member of the Board of Directors of the Association of Private Sector Pension Funds and Sponsors (APEP).

Participant Satisfaction Survey

The 2020 edition showed the level of satisfaction with the FPPS at 9.3, on a scale of zero to 10, a level which has been broadly maintained over recent years.



// TRENDS

The dissemination and evolution of vaccination campaigns against the Covid-19 virus, in Brazil and around the world, along with improved treatment for those who contract the disease, will tend to trigger a global economic recovery, promoting greater international equilibrium, starting in 2021. However, the challenge when it comes to the management of financial resources, will continue. The search for yields will mean continued selectivity in choosing assets and managing exposure to risk. Although the Central Bank initiated, in March of 2021, a new cycle of monetary tightening, raising its base interest rate to 2.75% and then, in June, to 4.25%, this particular indicator will likely remain at comparatively low levels in historical terms. Under such a scenario, it will be necessary to continue to diversify portfolios via a cautious search for higher-risk assets.

Nevertheless, uncertainties related to the pace of the international economic recovery and Brazilian post-pandemic conditions, along with questions about the Brazilian government's reform agenda and convergence toward inflation targets, paint a portrait of an economic landscape subject to continued volatility.

FPPS, in efforts to aggregate greater and greater value to its services, is prepared to take whatever tactical measures necessary to protect its portfolios. Always attentive to new investment opportunities, the Foundation will continue to evaluate possible asset purchases in areas including real estate funds, private credit, and others. Any such investments will be in line with the investment policies of the respective funds administered by the Foundation.

The context of the resumption of high interest rates will continue to impose the need to diversify, with a careful search for higher risk assets

// EXECUTIVE COMMITTEE

In 2021s

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José Rodrigo Parreira **MEMBER**

Luiz Ernesto Gemignani **MEMBER**

Ivo Godoi Júnior **MEMBER**

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Vanessa Oliveira **EXECUTIVE DIRECTOR**

Marcio Nieblas Zapater **EXECUTIVE DIRECTOR**

CORPORATE

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Promon Engenharia

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Logicalis Latin America Holding

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Stuart Radcliffe **(LOGICALIS)**

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Marcio Saez Caputo

EXECUTIVE VICE PRESIDENT LATIN AMERICA (SOLA)

Carlos Brito

EXECUTIVE DIRECTOR LATIN AMERICA (NOLA)

Cássio Ricardo de Moura

CFO LATIN AMERICA

FPPS

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PROMONIS/A