

About the Report

To improve the transparent communication with stakeholders, Camargo Corrêa is using for the fourth consecutive year the guidelines of the Global Reporting Initiative (GRI) in its G3 version to elaborate its Annual Report. Over 2 thousand companies have already voluntarily adopted the guidelines of this international organization encouraging the disclosure of information on sustainable practices. [|3.3|](#)

The reporting period is January 1 to December 31, 2011, reflecting the business performance and results in Brazil and abroad. The financial information follows for the second year the International Financial Reporting Standards – IFRS and was audited by Deloitte Touche Tohmatsu, which maintains an independent relationship with Camargo Corrêa. Data from subsidiaries is considered according to the holding company's shareholding interest at their respective net worth. Other references are quality certifications (ISO 9000, ISO 14001, and OHSAS 18001). Air emissions are measured according to the methods of the Brazilian GHG Protocol Program and Brazilian

standards applied to labor relations. Except for the number of employees, socio-environmental information comprises only operations in Brazil, and is internally verified.

[|GRI 3.1, 3.2, 3.6, 3.7, 3.8, 3.9, 3.13|](#)

Along the year, the holding company sold its 13% shareholding interest at the voting capital of Usiminas S.A. This transaction was concluded in December 2011. The company also disposed of its shareholding interest at Loga and at Cavo Serviços e Saneamento S.A. Any changes to the data provided by the previous report published in May 2011 are duly indicated along the document. [|GRI 2.9, 3.10, 3.11|](#)

The content of this document was internally defined after informal consultation with several executives, as well as the operational workforce. This implied deep reflections about the concerns and interests of the Group's stakeholders. This report reached the level C of application of the GRI guidelines. For such, it fulfilled the requirements below. [|GRI 3.5|](#)

GRI-G3 Application Level

	C	C+	B	B+	A	A+
G3 Profile > result	Respond to items: 1.1; 2.1 to 2.10; 3.1 to 3.8; 3.10 to 3.12; 4.1 to 4.4; 4.14 to 4.15	With external assurance	Respond to all criteria for Level C+: 1.2; 3.9, 3.13; 4.5 to 4.13; 4.16 to 4.17	With external assurance	The same required for Level B	With external assurance
Information about the G3 management approach > result	Not required		Information about the management approach for each indicator category		Management approach disclosed for each indicator category	
G3 Performance Indicators & Industry Supplement Performance Indicators > result	Respond to at least ten performance indicators, including at least one of each performance areas as follow: social, economic, and environmental.		Respond to at least 20 performance indicators, including at least one of these performance areas: economic, environmental, human rights, labor practices, society, and product responsibility.		Respond to each key indicator of G3 and the Industry Supplement with the proper consideration of the materiality principle with one of the following approaches: (a) responding to the indicator or (b) explaining the reason for omission.	

GRI Index | GRI 3.12 |

		PAGE/REMARK	REPORTING LEVEL
STRATEGY AND ANALYSIS			
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability for the organization and its strategy	6-10	Full
1.2	Description of key impacts, risks, and opportunities	31	Partial
ORGANIZATIONAL PROFILE			
2.1	Name of the organization	4	Full
2.2	Primary brands, products, and/or services	4	Full
2.3	Operating structure, including major divisions, operating units, subsidiaries, and joint ventures.	11	Full
2.4	Location of organization's headquarters	95	Full
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	4, 13	Full
2.6	Nature of ownership and legal form	4	Full
2.7	Markets served (geographic breakdown, sectors, and types of customers/beneficiaries)	15-21	Full
2.8	Scale of the reporting organization	4, 12	Full
2.9	Significant changes during the reporting period regarding size, structure, or ownership	22, 24, 33, 82	Full
2.10	Awards received in the reporting period	25-28	Full



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	ORGANIZATIONAL PROFILE		
3.1	Reporting period for information provided	82	Full
3.2	Date of most recent previous report	82	Full
3.3	Reporting cycle	82	Full
3.4	Contact point for questions regarding the report or its contents	99	Full
3.5	Process for defining report content	82	Full
3.6	Boundary of the report (countries, divisions, subsidiaries, suppliers)	82	Full
3.7	Statement of any specific limitations on the scope or boundary of the report	82	Full
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	82	Full
3.9	Data measurement techniques and the bases of calculations	82	Partial
3.10	Effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	82	Full
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	82	Full
3.12	Table identifying the location of the standard disclosures in the report	84	Full
3.13	Policy and current practice with regard to seeking external assurance for the report	82	Full



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	GOVERNANCE, COMMITMENTS, AND ENGAGEMENT		
4.1	Governance structure of the organization	The Board of Directors is responsible for supervising and guiding the business units, using means such as information, communications, or reports by means of committees and executive boards, and also information contained in financial reports issued by external auditors. The Executive Committee discusses subjects related to the management of executive boards, and consequently defines the need of submitting actions to be validated by the Board of Directors. The Finance Committee handles issues related to the financial performance of the Group's companies. The Human Resources Committee assesses procedures and rules that are inherent to the activities of corporate processes of Human Resources. (For more information, refer to pages 29 and 30).	Full
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	29	Full
4.3	Members of the highest governance body that are independent and/or non-executive members	There are no independent members, and all members are non-executive. A member is considered independent when elected by minority shareholders, or when having no relationship with the controlling party, or has never been an employee or director of any business unit of the Group in the past three years, and is not a supplier nor does receive any other compensation from Camargo Corrêa Group, except for its role as board member and from his interest at the capital stock. Non-executive members are the ones holding no role at executive boards of the Group's business units.	Full
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Shareholders provide suggestions and recommendations to the Executive Committee (Comex), which is led by the holding company's chairman of the Board of Directors. Other forums to exchange information include regular meetings, performance reports, and websites for shareholders of listed companies that are a part of Camargo Corrêa Group. The company controls other companies that are on Novo Mercado index by the São Paulo Stock Exchange (BM&FBovespa). The participation at Novo Mercado requires the best governance and communication practices with shareholders, including the Control, Audit & Risk area being subject to the Board of Directors. Employees have the Ethics Channel – a tool available on the intranet to be used for reports, suggestions, criticism, etc. The Channel is monitored by the Ethics Committee, formed by representatives of companies in the Group, who discuss and handle the major occurrences, reporting them to the Board of Directors when necessary. The status of each record at the Channel is kept under constant surveillance of the Control, Audit & Risk area. By means of information received through the Ethics Channel, failures about the business process were identified; thereafter, risks were pinpointed and actions were planned and implemented to improve the control environment.	Full



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4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance	The variable compensation of executives is dependent on the organizational performance, which comprises sustainability goals.	Full
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	There are no processes in place.	Full
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body to define the organization's strategy	The members of the Board are appointed by the shareholders' representatives.	Partial
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	5, 29	Partial
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Each business unit has a high-ranking executive specifically designated as the "guardian of sustainability", who drives the adoption of corporate guidelines in all instances in a process guided by the Charter for Sustainability, which defines the need of undertaking commitments toward the economic, social, and environmental performance. The Board of Directors directly oversees sustainability programs developed by the Group.	Full
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	There are no self-assessment processes in place.	Full



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	4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	The Group's holding and other companies participate in several strategic initiatives, such as: Open letter to Brazil – Climate Forum – Commitments to fight climate change undertaken by a group of Brazilian companies (the Group joined in 2009); CNI -Rede Clima – Articulation with other companies, society, and government to face climate change (Group, since 2009); Compact Against Forced Work (Alpargatas, since 2011); The United Nations Global Compact – Fosters the company's adoption of initiatives with an emphasis on human rights, labor, environment, and fighting corruption (InterCement, since 2010; CPFL, since 2003); Companies for the Climate – Commitment to prepare greenhouse gas inventories according to the approach of the Brazilian GHG Protocol Program (InterCement, since 2009); Cement Sustainability Initiative (CSI) – Part of the World Business Council for Sustainable Development (WBCSD), the action is based on three pillars: economic growth, ecological balance, and social progress. The practices adopted in production are especially intended to reduce carbon dioxide emissions, demanding the use of additives in the cement's formula and the use of less pollutant fuels in furnaces, as well as other mitigating activities (InterCement, since 2008); Consejo Empresario Argentino para El Desarrollo Sostenible (CEADS) – Part of WBCSD (LomaNegra, since 1992); Convenio de Lucha contra El Trabajo Infantil – Signed with Ministério del Trabajo, Empleo y Seguridad Social de La Nación (Loma Negra, since 2008); Na Mão Certa Program – Aimed to eliminate child prostitution, with special focus on raising awareness, informing, and educating drivers of transportation services (InterCement, since 2007, and Engineering and Construction, since 2008); Núcleo de Inovação Temático Expansão América do Sul – Implementation of the Great Works for Infancy Program in partnership with Childhood Brasil, intended to mitigate the impacts caused by the mobilization of massive personnel. The program works to fight sexual exploitation of children and adolescents in communities surrounding the works (Engineering and Construction, since 2009); Business Movement for Conservancy and Sustainable Use of Biodiversity (CPFL, since 2010); Business Compact for Integrity and Against Corruption (CPFL, since 2006).	Full
	4.13 Memberships in associations and/or national/international advocacy organizations	The holding and other companies are members in several entities, such as: Federation of Industries in the State of São Paulo (Fiesp), Ethos Institute of Business and Social Responsibility; Brazilian Association of Basic Infrastructure and Industries (Abdib).	Partial
	4.14 List of stakeholder groups engaged by the organization	Camargo Corrêa holding company has relationships with: shareholders, customers, governments, civil society institutions, professional unions, financial institutions, employees, suppliers, communities, media, non-government organizations, and domestic and international unions. InterCement, Camargo Corrêa Institute, and the Engineering and Construction division have specific systems and tools to manage the stakeholder engagement.	Full



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4.15	Basis for identification and selection of stakeholders with whom to engage	The system is structured at InterCement, which has a Manual for stakeholder engagement, providing details about concepts and processes. One of the main tools is the Materiality Matrix, which provides a cross-check between priority stakeholders and priority themes. This matrix provides the subsidies so that the responsible personnel elaborates the respective action plans for stakeholder engagement. In every location there are the “Civicos”, multidisciplinary committees operating as communication channels for the local community.	Full
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	There are structured and regular processes for employees, suppliers, and communities. For employees, every two years an organizational climate survey is carried out at Camargo Corrêa Group and its companies, with the support of a consulting firm. Participation is voluntary. After review and consolidation of information, the HR department establishes discussion forums and plans the goals with employees. For suppliers, the Shared Services Center (CSC) held in 2011 the 2nd Meeting of Suppliers – Sustainable Partnerships. The event gathered professionals from 36 companies, suppliers of Camargo Corrêa Group, representatives of Engineering and Construction, and CCSA. These meetings are a part of a series of actions to align the Group’s sustainability policy to suppliers’ policies. With communities, this happens through social projects developed by Camargo Corrêa Institute in partnership with other companies.	Full
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns	Employees: Professional valuation of supervisors, health and safety, communication channels. To handle these issues, the Engineering and Construction division implemented a program of training and valuation of supervisors; it created the Advanced Service Posts; elaborated an Employee’s Guide on Behavior and Relationship, and restructured the Integration program, and the Ombudsman’s office; Suppliers: Difficulty to reach the socio-environmental criteria required for qualification. In this sense, the program Partnerships for Sustainability is conducted, and a Social Responsibility Term was added to suppliers’ contracts. Communities: Development of perennial social actions intended to develop work and income creation programs; increased cases of sexual exploitation of children and adolescents. Engineering and Construction actions: Implementation of the Ideal Future Program, and continuation of the Great Works for Infancy Programs.	Full



«	PERFORMANCE INDICATORS	PAGE/REMARK	REPORTING LEVEL
	ECONOMIC PERFORMANCE		
EC1	Direct economic value generated and distributed	35	Full
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	65-66	Partial
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	68, 76	Full
	DESEMPENHO AMBIENTAL		
EN3	Direct energy consumption by primary energy source	69	Full
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	The Engineering and Construction division has been adopting several projects with this aim, such as: 1. Biofuel – Tested equipment consumed 42,947 liters of the B20 fuel and worked 6,276.80 hours, meaning there were no changes to behavior, regardless of activities performed. 2. Fuel – Reduced diesel consumption from the mapping of work routes, identification of improvement opportunities, definition of consumption reduction goals, and training and awareness-raising activities aimed at drivers. Savings of about 2 million liters of diesel 3 were achieved. Electric Power – Implementation of a software to control heavy-duty equipment power consumption in real time. Result: savings of 20% of power contracted and made available by the client at the work UHE Foz do Chapecó (SC).	Full
EN8	Total water withdrawal by source	69	Full
EN9	Water sources significantly affected by withdrawal of water	The Engineering and Construction division withdraws water at all works, both surface (rivers, creeks, lakes, etc) and underground water (deep wells). These withdrawals are permitted and duly controlled. However, there is no overall control of the indicator or information about impacts over the sources.	Full
EN10	Percentage and total volume of water recycled and reused	69	Full



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	EN11 Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	InterCement has cement factories and mining facilities in Environmental Protection Areas (APA). In Pedro Leopoldo (MG), a fraction of a land (about 50 hectares or 0.5 km ²) is at the Carste Lagoa Santa APA. In Bodoquena (MG), there are about 30 hectares (or 0.3 km ²) of the Serra da Bodoquena National Park. These areas are mainland ecosystems kept in original conservancy condition. There is also a mining operation in Apiaí (SP) next to Serra do Mar APA, which occupies an area of 236 hectares (2.36 km ²). All surrounding areas that are not operational are in original conservancy conditions, except for the mining area of Palmital creek, where the embankment is being recomposed.	Full
	EN12 Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	The Engineering and Construction division identifies the following impacts: Direct and indirect: Animals hurt or trapped; suppressed vegetation; risk of oil, concrete, additives, chemical compounds, and other hazardous leaks; release of effluents; displacement of earth/rocks; risk of fire or explosion.	Full
	EN13 Habitats protected or restored	At works where there is the need to recover the areas, the Engineering and Construction division prepares a Program of Recovery of Degraded Areas. They amounted to 9,005,849.30 square meters, of which 7,476,103.27 square meters are at Jirau (Porto Velho – RO); 740,776.00 square meters are at Foz do Chapecó (Água de Chapecó – SC); 382,990.73 square meters are at Serra do Facão (Catalão – GO); and 405,979.30 square meters are at Batalha (Cristalina – GO).	Full
	EN16 Total direct and indirect greenhouse gas emissions by weight	Since 2007, InterCement prepares annual greenhouse gas (GHG) inventories according to the CSI protocol and the Green House Gas Protocol, standards and tools to measure such emissions. The inventories are submitted to external assurance and cover 100% of operations, including indirect emissions from logistics and air trips. Included in the public records of the Brazilian GHG Protocol Program, the 2010 inventory achieved the Silver Category for quality of data presented. Emissions resulted in 531 kg of CO ₂ /ton of cement in 2011 (535 kg t/ cement in 2010), below the first quartile of global CSI (585 kg CO ₂ /ton of cement). Absolute emissions amounted to 7,359 tons of equivalent CO ₂ (6,618 tons in the previous year), 6,698 of which under scope 1 (from sources owned or controlled by the company); 352 tons under scope 2 (generation of electricity acquired or consumed) and 309 tons under scope 3 (other emissions, such as logistic and personnel transportation).	Full



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	EN18 Initiatives to reduce greenhouse gas emissions and reductions achieved	InterCement and the Engineering and Construction division, areas with highest potential for GHG emissions, adopt several initiatives to reduce the impact of their operations. The Construction division has a Carbon Management Plan, aimed to improve the performance, align the operations to the policies of customers, and to comply with the law. Examples include the goals to reduce fossil fuels, energy efficiency programs, and replacement of fossil diesel by biodiesel. At InterCement, the increased addition of pond scum and other materials reduces these emissions. Through rigid control and monitoring systems, the Company remains below the national average, and is an example of low emissions. Both companies prepare emission inventories based on the GHG Protocol approach. In Construction, emissions were reduced by 3.2% in 2009, and 6.5% in 2010.	Full
	EN26 Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	At Alparagatas, no toxic materials or radioactive materials are used, and programs are conducted to reduce the consumption of natural resources, resulting in savings of 2.65% in the consumption of electric power, while production increased by 5.75%. In Construction, since 2001 the Environmental Management System is used, allowing to manage in a standardized and efficient manner the issues that could have impacts over the environment. InterCement has been replacing fossil thermal power for biomass (vegetal coal, sugarcane bagasse) and post-consumption waste (tires), also reducing the energy consumption through energy efficiency programs. It also has a Technological Roadmap for GHG Mitigation, with six work fronts: energy efficiency; replacement of fossil fuels; use of alternate raw materials; reduced consumption of cement in concrete; optimized use of diesel in railroad transportation, and development of new technologies in R&D programs. In another front, it has established goals for reuse of waste: at least 80% for cement, and 50% for concrete. By 2014, the goal should be raised to 95%. Water: faucets should be turned off; maintenance staff should be called in case of leaks; Paper: print on both sides; digital document lookup; Waste: proper destination by specializing companies; reuse whenever possible the used materials.	Full



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	EN29 Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	InterCement's GHG inventory established that 4.6% of emissions in 2010 were from freight, considering the inflow of raw material and outflow of finished goods and/or transfer between units. As a result, the company aims to raise awareness and thereafter train the transportation suppliers to measure their GHG emissions. In 2012, these actions will be developed at transportation companies providing about 50% of freight services contracted. There is no measurement of the impact of the transportation of workers.	Full
	LABOR PRACTICES AND DECENT WORK		
LA1	Workforce by employment type, employment contract, and region	69-71	Full
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	73, 74	Partial
LA4	Percentage of employees covered by collective bargaining agreements	99.2%	Full
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	There are safety committees – such as Internal Commissions for Accident Prevention (Cipas) – at 74 operating units (45 in Brazil, and 29 abroad), with the proportion of 60% of employees represented.	Full
LA10	Average training hours per employee, according to the functional category	81	Full
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	75	Partial
	HUMAN RIGHTS		
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening	100% of contracts entered by the holding company's Shared Services Center (CSC) have clauses on environmental and social concerns. In 2011, 147 suppliers were approved after a sustainability certification process, and 76 were approved with restrictions. From this total, 129 were actually contracted by CSC. In Engineering and Construction, 66 contracts of capital investment were entered into, amounting to about R\$ 146.5 million, representing 13% of the expenditure with materials by the construction company. 100% of contracts contained clauses on human rights; however, none of them was actually assessed for human rights.	Full



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HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken	In 2011, 156 contracts were entered into with CSC suppliers, of which 33 (or 21.2%) were rated as significant, which can be expressed by corporate contract suppliers that were submitted to this process. An action plan was demanded for 43% of suppliers.	Full
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	Not registered.	Full
SOCIETY			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	66, 76	Full
SO2	Percentage and total number of business units analyzed for risks related to corruption	In Engineering and Construction, the risk identified is in operations of wood extraction and sale in Northern and Northeastern Brazil. To minimize and eradicate this risk, the company has the Sustainable Wood Program in partnership with The Forest Trust (TFT) NGO, which provides consulting services to small businesses to achieve compliance with labor and environmental laws along the whole supply chain. An action was done to discuss the types of wood that could be used in the construction company's projects to diversify the woods used, thus avoiding the extinction of native species.	Partial