



SUSTAINABILITY REPORT PORTONAVE 2014



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R\$ 1 MILLION INVESTED IN SOCIAL AND CULTURAL PROJECTS IN NAVEGANTES AND THE SURROUNDING REGION.

R\$ 8,78 MILLION INVESTED IN ENVIRONMENTAL PROTECTION, MAINTENANCE, MONITORING AND MANAGEMENT ACTIONS.



1,006 EMPLOYEES, WHO ELECTED PORTONAVE AS ONE OF THE BEST COMPANIES TO WORK FOR IN 2014.



STRATEGIC PLAN REVISED WITH THE PARTICIPATION OF EMPLOYEES FROM DIFFERENT AREAS.

LEADER OF SANTA CATARINA'S PORT SECTOR SINCE 2009: 44.5% MARKET SHARE.



START OF THE TERMINAL EXPANSION, WHICH WILL HAVE AN AREA ABOUT 50% LARGER AND DOUBLE THE STATIC CAPACITY OF THE BACKYARD AREA.



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MESSAGE FROM THE BOARD OF DIRECTORS

Since Portonave began its activities in 2007, each passing year has been a milestone in the Company’s history. In our initial years of operation, we celebrated the certifications obtained which continue to attest to the quality of the Terminal’s processes and services, as well as Portonave’s care for the environment. Various other awards and honors followed until 2013 when were named “Port Operator of the Year” by Lloyd’s List Global Awards.

In this path of successes, the achievement in 2014 has special meaning: Portonave was selected as one of the 25 best companies to work for in Santa Catarina state, based on an employee survey conducted by the Great Place To Work Institute (GPTW). This was the first time a Brazilian port terminal was included in the list, confirming the Company’s pioneering approach to the sector, especially with regard to sustainable practices.

Providing a safe, egalitarian, pleasant and promising work environment is among Portonave’s commitments to sustainability, which is increasingly reflected in the Company’s business strategy. Over the course of 2014, we also expanded dialog with the local community to identify how the Company can continue to contribute to the sustainable development of Navegantes and the surrounding region.

By listening to those who live near the project, Portonave assures that the investments made in social and environmental actions provide real benefits to the community where the Terminal is located. In 2014 alone, we invested approximately R\$ 8.78 million in environmental projects and R\$ 1 million in social and cultural projects.

Portonave chose to make sustainability a competitive advantage, which

has proved to be propitious whenever we have faced periods of economic stagnation, as in 2014. In a year marked by a contraction in international trade and tougher competition in the port sector, the Company maintained its strong financial health and operating excellence, minimizing the effects of the global crisis on its business.

The confidence in our operations is now reflected in the investments made to expand the Terminal area. In 2014, Portonave began work on doubling the static capacity of the yard where containers are stored. A total of R\$ 120 million was invested. The Company invested another R\$ 5.3 million in modernizing operating equipment to improve productivity.

These investments signal Portonave’s belief in the growth potential of Navegantes, Santa Catarina and

Brazil. We thank all those who share this vision and who are helping us build an increasingly sustainable business: employees, shareholders, the community, suppliers, the government and other stakeholders of the Company. The coming years pose formidable challenges for Brazil and Portonave is prepared to help the country overcome them.

Carlo Alberto Bottarelli
Chairman of the Board of Directors

MESSAGE FROM THE EXECUTIVE OFFICERS

By the end of 2014, Portonave had envisioned a new cycle of challenges and opportunities. In a year that was difficult for the Brazilian economy, and despite a slight decrease in cargo handling, we increased Gross Operating Revenue from port operations to R\$ 457.4 million, up 18.42% from 2013. Including other activities, our Gross Operating Revenue ended the year at R\$ 457.4 million, down 2.5% from 2013. This decrease was influenced by the slowdown in the trading company operations of our subsidiary Iceport, which has begun to focus its efforts on activities with higher profitability and increased operational synergy.

Compared to the previous year, base profit also grew 20% to R\$ 133.5 million in the period. In an increasingly competitive scenario in the port sector, Portonave maintained its leadership in container cargo operations in Santa Catarina. All these results are important to reinforce our plans to expand production capacity and, consequently, improve Portonave’s market position.

Focused on growth, the Company began work on expanding the Terminal’s backyard area, acquired new equipment and invested in its

employees. By the end of 2015, the container storage area will expand from 270 thousand m² to 400 thousand m², adding value and quality to the services offered to importers and exporters. Furthermore, in 2014, we received 15 new Terminal Tractors (TT) to increase productivity – an aspect in which Portonave broke the South American record on October 18 when it reached the mark of 270.4 containers handled per hour from the vessel MSC Agrigento. The record was set in the week the Terminal completed seven years of operation, increasing the pride of our work teams.

In addition to working internally, Portonave remained focused on pursuing solutions for external factors that can hinder its performance. The project for the new entry point on the Itajaí-Açu River, in which the Company is actively participating, has progressed enough to make us believe that the work will be completed by early 2016. If this indeed happens, we will soon have much more favorable conditions to become more competitive due to the possibility of receiving larger vessels. We are also focusing on overcoming the difficulties of accessing the region by road, by promoting the duplication of

highway BR-470 in Santa Catarina, which is critical to the shipment of production from Brazil’s southern region.

We are increasingly committed to identifying new ways to contribute to the sustainable development of the community that has such healthy ties with Portonave. We have built a very harmonious relationship, whose fundamental value is partnership. Hence, the Company supports various community initiatives and offers social, cultural, educational and sports projects that benefit children, youth and adults of Navegantes. Community outreach initiatives, such as the Portonave Sustainability Panel and a survey conducted during 2014 helped us identify points for improvement in the Company’s relationship with society and guide our social and environmental responsibility actions through the coming years.

This openness to dialogue with the community is also at the heart of important recognition received in 2014: Portonave was elected one of the 25 best companies to work for in Santa Catarina, according to a survey by the renowned Great Place To Work Institute, which uses a methodology

that emphasizes the assessment of the Company’s own employees. This shows that despite being a young company, Portonave’s organizational culture emphasizes care for people.

It is thus not surprising that representatives of our employees actively participated in revising the Company’s strategic plan, which was concluded in 2014. The result of this process represents the convergence of the vision of shareholders and of those who are dedicated to executing the strategy on a daily basis. This synergy has prepared Portonave for a new development cycle, making it even more competitive and sustainable as it continues its successful trajectory.

Osmari de Castilho Ribas
Chief Administrative Officer

Renê Duarte e Silva Júnior
Chief Operating Officer

Felippe Basílio Ferreira
Chief Technical Officer

CORPORATE PROFILE

"Portonave is a terminal that stands apart because of its equipment and its people. The Company is where it is in the international scenario due to the people who work here. I'm proud to work here because, since the beginning, all that was promised to us has been fulfilled: the equipment, the people, the training. This being a small town, there wasn't enough manpower. We trained people, giving priority to those who were from this region. Portonave is completely engaged with the growth of Navegantes."

– DAVID DA SILVA, 37, equipment supervisor, saw the first ship dock at the Terminal.

01





PORTONAVE

Operating since October 2007, Portonave S/A - Terminais Portuários de Navegantes is located in the Itajaí-Açu River Port Complex, with its main office in Navegantes, Santa Catarina. In 2014 it was the market leader in the state, shipping the produce from Brazil's South, Southeast and Midwest regions and from other South American countries, and receiving cargo from throughout the world. The excellence in logistics solutions for imports, exports and cabotage was guaranteed by the Company's approximately one thousand employees.

To guarantee quality and efficiency in all its activities, Portonave has the infrastructure needed to receive large vessels and to handle

large volumes of cargo. It has a 900-meter quay, three mooring berths, one channel that is being deepened to 14 meters, 270 thousand m² of yard space and modern equipment that give it the capacity to handle 1 million TEUs – twenty-foot equivalent units – a year.

In 2014, the Company handled 699,824 TEUs and was the 19th largest company in Santa Catarina, the second largest logistics and transportation company in Southern Brazil – according to a ranking by *Amanhã* magazine in collaboration with PwC - PricewaterhouseCoopers – and the highest taxpayer in Navegantes, accounting for 48% of the municipality's service tax (ISS) revenues.

A COMPETITIVE STATE

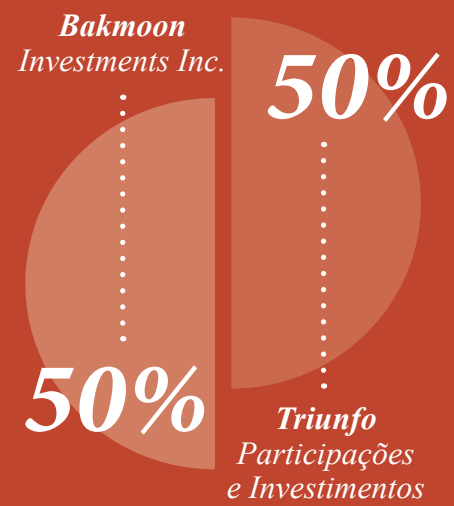
Santa Catarina is an economically diversified state. The state's western region is dominated by agriculture, while the southern region is home to ceramic, mining and chemical companies. In the north are furniture, metalworking, machinery and equipment companies, while the Itajaí Valley region is home to the textile, clothing, shipbuilding and fishing industries. The technology sector is found in Greater Florianópolis, Blumenau and Joinville.

The state's strong agricultural sector, highly developed industrial complex – Brazil's fourth largest in the number of companies and fifth in employment, according to the Federation of Industries of Santa Catarina (Fiesc) – and the growing logistics system give the state the sixth highest gross domestic product (GDP) in Brazil, which, according to the Brazilian Institute of Geography and Statistics (IBGE) was R\$ 169 billion in 2011. Portonave is closely related to this economic growth, transporting 44.5% of all container cargo in the state.

6th
GDP
in Brazil



SHARE CAPITAL



To further boost its competitive advantages, in June 2014 Portonave began work on expanding the Terminal, whose area will expand by around 50%, while static storage capacity will double. The investment of approximately R\$ 120 million will bring greater operating efficiency. The Company also invested R\$ 5.3 million in 2014 for 15 new Terminal Tractors (TT) and 25 semi-trailers – which are mobile boards to support containers during tractor transportation – to reduce maintenance costs, increase productivity and meet the growing demand for the Terminal.

As a result of its operations and its commitment and engagement with the community, employees and the environment, in 2014 the Terminal won the Corporate Citizen (ADVB/SC) and Aberje Região Sul awards, obtained the Certificate of Social Responsibility from the Santa Catarina state legislature for the fourth consecutive year, and was the only Brazilian port on the list of the best companies to work for in Brazil, according to the Great Place to Work Institute.



“My father was a truck driver, so my goal was always to work on wheels. I started at Iceport loading trucks and today I do what I love in a company well known worldwide. I’m a port vehicle operator, mother, grandmother. I have the support of my children, my husband and my coworkers. We are just a few women among many men. The respect and recognition we receive is highly gratifying. One day I’d like to get up there, the portainer. Then I’ll be completely fulfilled!”

ELIANE PAMPUCH, 41, port vehicle operator.



COMPETITIVE DISTINCTIONS

During its history, Portonave consolidated its position as the best-equipped port terminal in Santa Catarina. Six Post-Panamax portainers with 75-ton capacity are used to load and unload the ships. The operation also includes a high-performance Mobile Harbor Crane capable of supporting up to 100 tons. Container transport in the backyard is handled by 18 Rubber Tired Gantry transtainers, with 65-ton capacity, and three Reach Stacker forklifts. Empty containers are transported by three Empty Container Handlers, which can stack up to six containers. There are also 40 Terminal Tractors moving containers inside the Terminal.

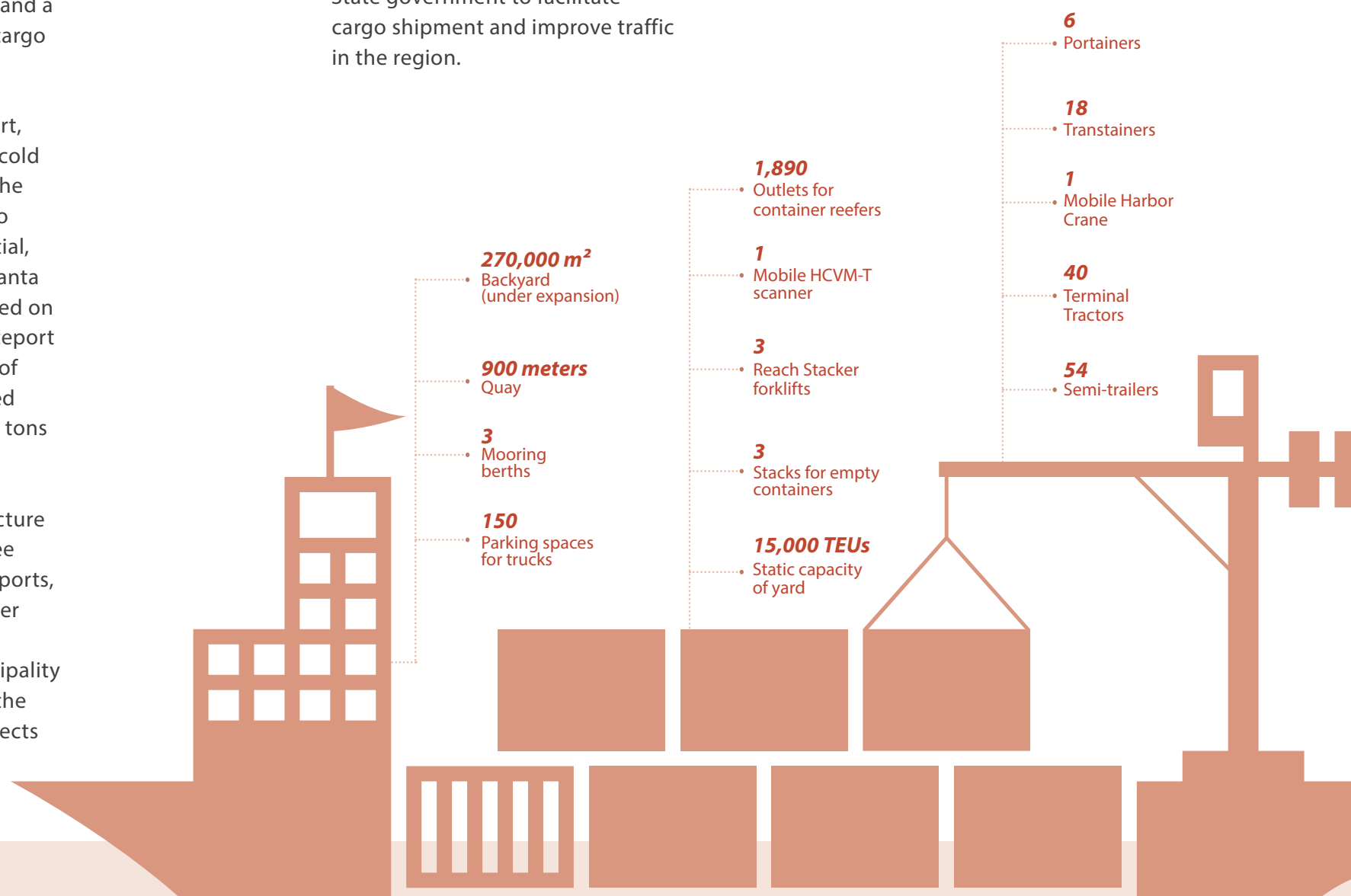
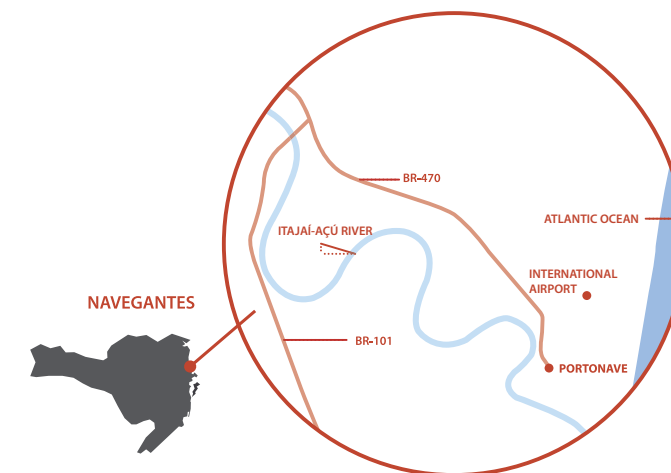
This infrastructure is supported by information technology and communication systems and tools that provide greater reliability to operations and cargo management activities. Meeting all safety standards, Portonave was the first Brazilian port terminal to operate under the International Ship and Port Facility Security Code (ISPS Code). The Terminal

has 270 cameras in strategic locations, biometric recognition tools for access control, electronic patrol, physical barriers (turnstiles, fences and walls), an area for hazardous materials storage and a mobile HCVM-T scanner for cargo inspection.

Portonave's subsidiary, Iceport, maintains a fully automated cold storage chamber alongside the Terminal to store frozen cargo – another important differential, since frozen meat is one of Santa Catarina's key exports. Situated on an area of 50 thousand m², Iceport has a static storage capacity of 15 thousand tons and handled approximately 280 thousand tons in 2014.

Complementing its infrastructure and its team, which guarantee excellence in imports and exports, Portonave's location is another fundamental element in its business strategy. The municipality of Navegantes is located on the BR-101 highway, which connects northern and southern

Brazil, and crosses the BR-470 highway, which runs through Santa Catarina from east to west and in turn crosses BR-116, the country's most important highway. The city's transport infrastructure includes the Ministro Victor Konder International Airport, which is two kilometers from the Terminal, a ferry-boat system to Itajaí, and the Avenida Portuária, a road built under a partnership between Portonave and the Santa Catarina State government to facilitate cargo shipment and improve traffic in the region.





INTEGRATED MANAGEMENT SYSTEM (SGI)

Portonave’s Integrated Management System (SGI) guides all Terminal operations according to the ISO 9001 (Quality Management) and ISO 14001 (Environmental Management) standards. The Company’s operating, economic, environmental and social actions follow these principles:



Services to clients in accordance with contractual terms.



Compliance with laws, standards and other requirements related to environmental and security aspects.



Management of significant environmental impacts, such as pollution caused by the generation of solid waste and effluents.



Commitment to preventing injuries or illness caused by employee activities.



Maintenance of a trained staff that is well informed about Terminal operations.





TIMELINE

1997

Acquisition of land to build Portonave.

2001

Agreement signed with the Ministry of Transportation.

2005

Start of construction of Portonave.

2007

Operational startup with the vessel MSC Uruguay.



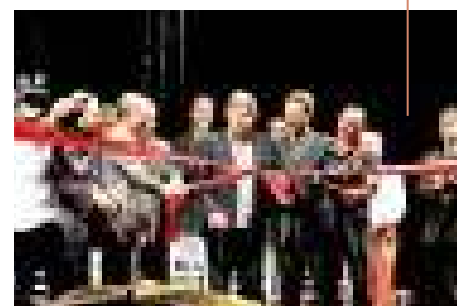
2008

ISPS Code certification received.

2009

ISO 9001:2008 certification for **Quality Management**, and recipient of the Human Being Award (ABRH-SC) and the Fritz Müller award for Conservation of Production Inputs.

2010



Berthing of the 1,000th ship and inauguration of Avenida Portuária, which connects BR-470 to the Terminal. Portonave received ISO 14001:2004 environmental certification, the Corporate Citizen award (ADVB/SC) and the Ecological Expression award (Editora Expressão).

2011

Finalist at the Lloyd's List Global Awards, honorable mention at the Containerisation International Awards and awarded the **Social Responsibility Certificate** (Alesc).

2012



The Terminal now receives large ships over 300 meters. In addition to being a finalist at the Containerisation International Awards and the Lloyd's List Global Awards, Portonave won the following awards: Corporate Citizen (ADVB/SC), Ecological Expression (Editora Expressão) and Excellence in Santa Catarina (Movimento Catarinense para Excelência), and also received the Social Responsibility Certificate from the Santa Catarina state legislature (Alesc).

2013

Portonave reaches the mark of 3 thousand ships berthed, 3 million TEUs handled and the MSC Arbatax was docked, the largest ship in terms of cargo capacity, 9,403 TEUs, at the Itajaí-Açu River Port Complex. Equipment fleet was expanded with the addition of three new portainers and five transtainers with investments of R\$ 80 million. Finalist at the Containerisation International Awards, recipient of the Social Responsibility Certificate (Alesc), winner of the Corporate Citizen award (ADVB/SC) and it became **the first Brazilian port to receive the title of Port Operator of the Year from Lloyd's List Global Awards.**



2014



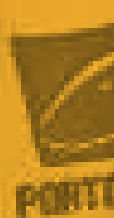
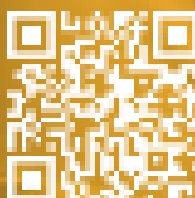
In the year when it began expansion of its Terminal, Portonave beat the South American productivity record by handling 270.4 containers per hour, and increased its equipment fleet by adding 15 new Terminal Tractors and 25 new semi-trailers with an investment of R\$ 5.3 million. Portonave joined the list of the best companies to work for in Santa Catarina, according to the Great Place to Work Institute, and is the highest-ranking port in Southern Brazil according to Amanhã magazine, published in partnership with PricewaterhouseCoopers. The Terminal also won the Corporate Citizen (ADVB/SC) and Aberje Região Sul awards, as well as the Social Responsibility Certificate (Alesc).

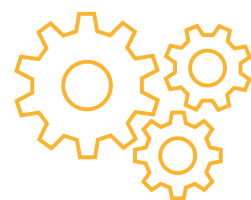
CORPORATE GOVERNANCE

"I was the second manager of Portonave to be promoted from within. Like me, other managers also went through this trajectory of joining the Company as a staff member and receiving all the necessary support and development to be promoted to another position. It's something I'm very proud to be a part of, both in HR management and as an employee. I believe we have a lot to do here. We are just starting our work, we have much to contribute to the city and to the country."

- ALESSANDRA SANTOS, 41, Human Resources manager, working at Portonave since 2007.

02





STRUCTURE and composition

To ensure responsible business management, Portonave adopts the best corporate governance practices, which are based on an hierarchical structure with well-defined competencies. It thus seeks to eliminate conflicts of interest that could interfere in Company activities.

The key function of Portonave's Board of Directors is to establish policies, guidelines and overall business strategies. The Board's proposals are analyzed and approved by shareholders at the Annual Shareholders' Meeting (AGO), the Company's main decision-making forum. Consisting

of five members, Portonave's Board of Directors is responsible for electing and removing executive officers, overseeing management and approving annual budgets, among other activities. In compliance with the best governance practices, the chairman of the Board does not hold an executive position at the Company.

In 2014, Vikram Sharma returned to the Board of Directors of Portonave, representing Bakmoon Investments, together with two other directors. Other directors represent Triunfo Participações e Investimentos.

EXECUTIVE OFFICERS

In 2014, Portonave's Executive Board once again comprised three areas. The Chief Administrative Officer and the Chief Operating Officer were now joined by a Chief Technical Officer. As envisaged in the Company's Bylaws, the core functions of the Chief Technical Officer include planning and executing the maintenance and expansion of the Port Terminal's infrastructure, in terms of both facilities and equipment, one example of which is the expansion project launched in 2014.

» **Osmari de Castilho Ribas**
(Chief Administrative Officer)

Mr. Ribas has a bachelor's degree in economics from the Faculdade Católica de Administração e Economia in Paraná State, an MBA in business management from the Fundação Getulio Vargas (FGV) and has completed specialization courses in economic engineering and human resources. He has been an executive officer at Portonave since 2001.

» **Renê Duarte e Silva Júnior**
(Chief Operating Officer)

Mr. Duarte e Silva is a specialist in port operations with more than a decade of experience in the sector. Has been an executive officer of the Company since 2007.

» **Felippe Basílio Ferreira**
(Chief Technical Officer)

Mr. Ferreira has a bachelor's degree in civil engineering from the Pontifical Catholic University (PUC) in Campinas, an MBA in business management from the Fundação Getulio Vargas (FGV) and 20 years of experience in engineering and projects. He has held this position at Portonave since June 2014.

BOARD OF DIRECTORS

(on December 31, 2014)

Carlo Alberto Bottarelli
(chairman)

**Luiz Fernando Wolff
de Carvalho**

João Villar Garcia

Kenneth Peire

Kristoff Torfs

Vikram Sharma

TRIUNFO PARTICIPAÇÕES E INVESTIMENTOS

BAKMOON INVESTMENTS INC.

ETHICS *and integrity*

Portonave emphasizes the ethical conduct of its operations to ensure that they are marked by integrity and transparency. The Company's Code of Conduct, published in 2012, provides guidelines to employees and other Portonave stakeholders on the topic.

To ensure full understanding of the Code, the Company gives specific training about the guidelines upon hiring new employees. After completing this training program, employees sign a document indicating that they will comply with the Code while performing their activities.

The topics covered by Portonave's Code of Conduct include fighting all kinds of discrimination.

COMBATING CORRUPTION

In January 2014, the Anticorruption Law (Law 12,846/13) came into force in Brazil, which punishes acts of corruption by companies against Brazilian or foreign public governments and agencies.

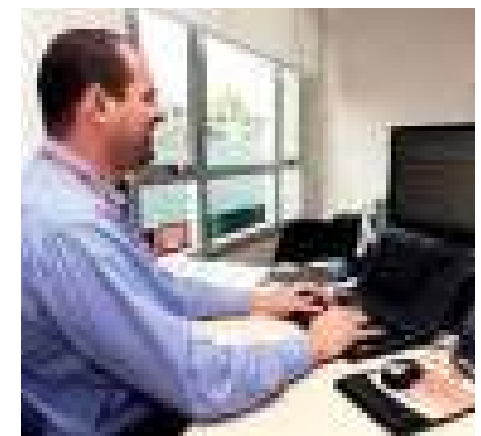
Alert to the regulatory framework, Portonave began the process of adapting to the new law as a preventive measure. All of the Company's executive officers and managers received training on the subject. Agreements with product and services suppliers now included a specific clause about the law to prevent corrupt practices.

Procedures and policies on the subject are being drafted and should be announced during the course of 2015.



"After struggling with depression, I decided to apply for a job at Iceport. I was 47 years old, I was honest in the interview and the company took a chance on me. When I saw people recognizing my work and treating me with respect, I was able to value myself again and see things from a whole new perspective. My life changed considerably after I began working here. Managers are humble, everyone has an opportunity and the right to speak their mind. The foundation of Portonave is its respect for employees."

SANDRO DA SILVA, 50, yard operator.



OMBUDSMAN



Portonave is always open to dialog with its stakeholders and since 2011 has an Ombudsman who receives records and forwards issues raised by employees and other Company stakeholders: the community, clients, suppliers, the government, carriers and customs agents, among others.

In 2014, the Ombudsman received 130 formal complaints through

different channels – it's website, e-mail, phone and mail. Complaints from internal stakeholders are also collected in boxes placed in different areas of the Company. All responses are confidential and the Ombudsman, who is exclusively dedicated to this activity, is responsible for duly forwarding each contact, and sharing the complaints with officers and managers of the departments involved. When

necessary, and depending on the nature or seriousness of the issue, the complaints received by the Ombudsman are submitted to the Board of Directors.

The Ombudsman monitors compliance with the solutions suggested and deadlines established, informing the person who submitted the complaint of all the measures taken in response.

HOW TO CONTACT THE PORTONAVE OMBUDSMAN

Website



www.portonave.com.br, in the "Contact" tab, click on "Ombudsman" and then on "Submit demand"

In person



The Ombudsman is located on the ground floor of the Terminal's administrative building

Suggestion boxes



Located in different points around the company

Phone



+55 (47) 2104 3311

Email



ouvidoria@portonave.com.br

Mail



Send to: Portonave S/A - Terminais Portuários de Navegantes, A/C Ouvidoria, Av. Portuária Vicente Coelho, 1, Bairro São Domingos Navegantes / SC - CEP 88370-904



RISK management

The Strategic Plan approved by the Portonave Board of Directors in 2014 reiterates the Company's commitment to identifying and controlling business-related risks. As a management practice, Portonave monitors and evaluates the vulnerable points in its operations and draws up action plans focused on eliminating or mitigating the economic, social and environmental impacts. Monitoring of risks is part of the Integrated Management System (SGI), which involves all Company activities. Notable among the risks being monitored are:

» **Macroeconomic factors**

Macroeconomic variables with the potential to influence the market – exchange rates, commodity prices, economic growth, inflation and interest rates, for instance – are systematically monitored by Portonave. This helps the Company to plan its actions and investments in a more secure manner, and be able to anticipate business performance.

» **Market**

Portonave closely monitors the port sector indicators at the national and global levels to ensure that its productivity and quality indices, combined with its social and environmental responsibility, continue to be its main competitive advantages.



» **Regulatory**

Since 2013, Brazilian Law 12,815, known as the Ports Law, has significantly reduced the risks related to port activity regulations. Nevertheless, Portonave continues to monitor all the laws applicable to its business, to ensure its compliance with all laws.

» **Climate**

Climate-related events, especially floods, have the potential to compromise Terminal operations. To mitigate this risk, the Company implements initiatives focused on the maintenance of waterway accesses, the main problem faced by the Itajaí-Açu Port Complex during periods of heavy rainfall. Portonave also has insurance agreements to transfer the impacts of unpredictable or uncontrollable events.



AUDIT

Portonave has an integrated management system certified according to the ISO 9001 and ISO 14001 standards. Consequently, its procedures are audited each year in accordance with the quality and environmental management requirements. The audit is carried out by Bureau Veritas Certification, a certification body accredited by Inmetro, the Brazilian certifying authority. Specific audits of information systems and processes that control the access of people, vehicles and cargo are also conducted regularly. This is due to Portonave's responsibility for customs control. These audits also seek to provide information to government agencies, such as the Brazilian Federal Revenue Service, the Ministry of Agriculture, Husbandry and Supplies (MAPA) and the National Sanitary Vigilance Agency (Anvisa).

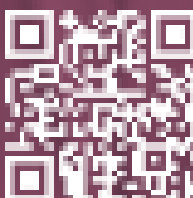
Since it includes a publically traded company among its shareholders – Triunfo Participações e Investimentos – Portonave is also subject to quarterly accounting audits by independent auditors. In 2014, Portonave's Financial Statements were audited by EY.

SOCIAL MANAGEMENT

"Thinking about education, the environment, culture and reading is fundamental for the city to grow together with its children and finally become the Navegantes of the future, but considered from the present. And social responsibility should not be thought of only within the company: the community also has to share in social responsibility. The actions implemented by Portonave make people think about that. Some embrace the cause and, one by one, this network grows and these initiatives gain strength."

*– **CRISTIANO MOREIRA**, 41, coordinator of the Caracol Institute and the Contém Cultura project.*

03



EMPLOYEES

The people who work at Portonave are responsible not only for guaranteeing the quality and efficiency of the Terminal's activities but also for practicing corporate values and applying the Company's policies and guidelines in everyday activities. That is why they are called "collaborators," since they directly contribute to the achievement of Portonave's objectives and goals.



In 2014, Portonave's workforce remained virtually stable. There were 1,006 employees, all hired for an indefinite period – five less than at the close of the previous year. Apart from these employees, there were 173 outsourced workers, an increase of 17.7% from 2013.

A TREMENDOUS ACHIEVEMENT

The year 2014 was special for Portonave, which was elected by the Great Place to Work Institute (GPTW) as one of the 25 best companies to work for in Santa Catarina. The selection was based on questionnaires responded to by employees who have been in the company for more than three months.

Among the criteria evaluated by employees are credibility, respect, impartiality, pride and camaraderie.

Thus, the management of people by the Company was comprehensively appraised by those that build Portonave every day. Forty-three percent of the employees voluntarily participated in the survey. On a scale of 1 to 100, employee satisfaction averaged 76 points.

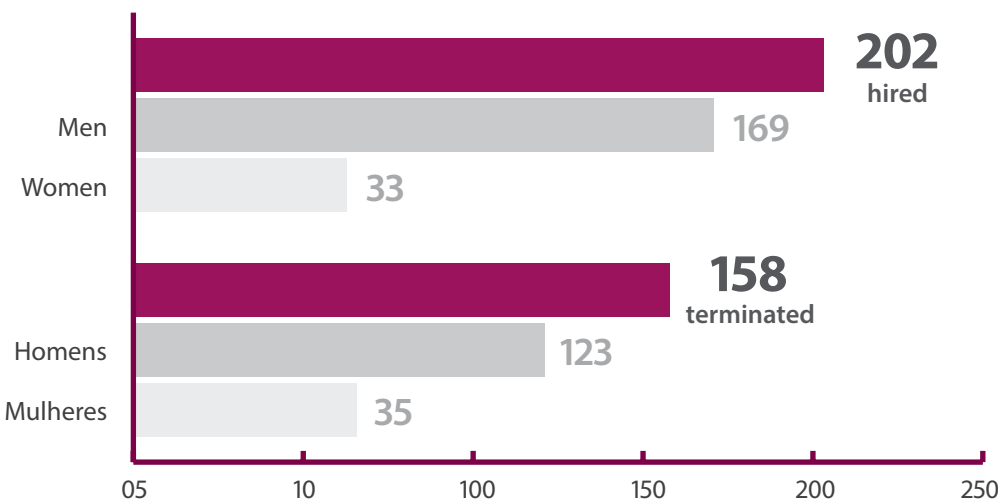
The GPTW survey is held all over Brazil and Portonave was the only port terminal in the country to make the list of the best companies to work for.



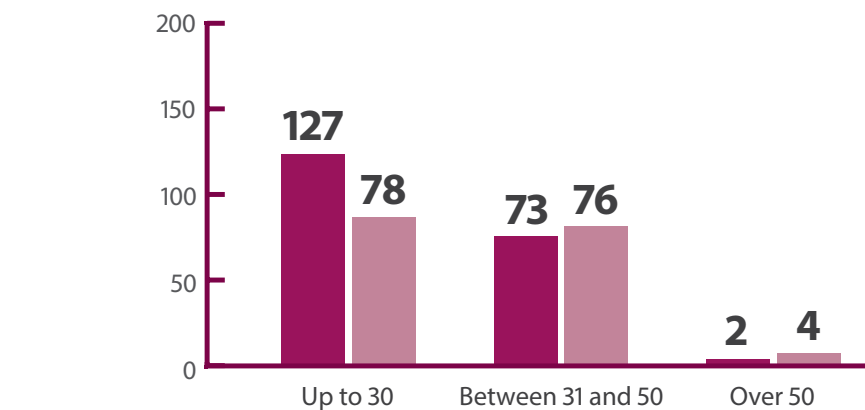
2014 EMPLOYEES

TURNOVER

» Gender



» Age



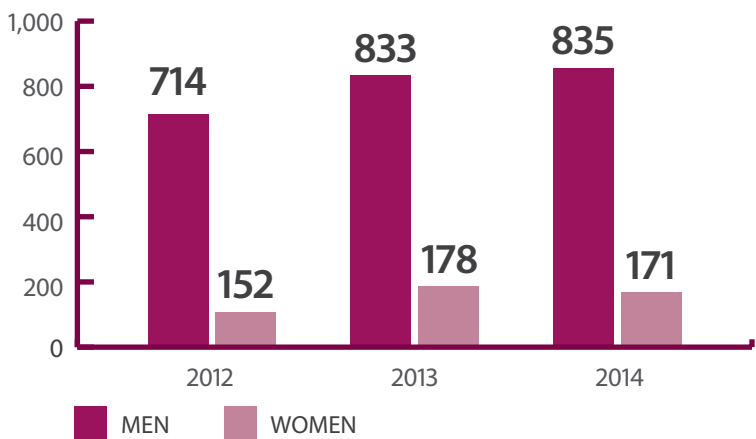
■ HIRED
■ TERMINATED

1.56%

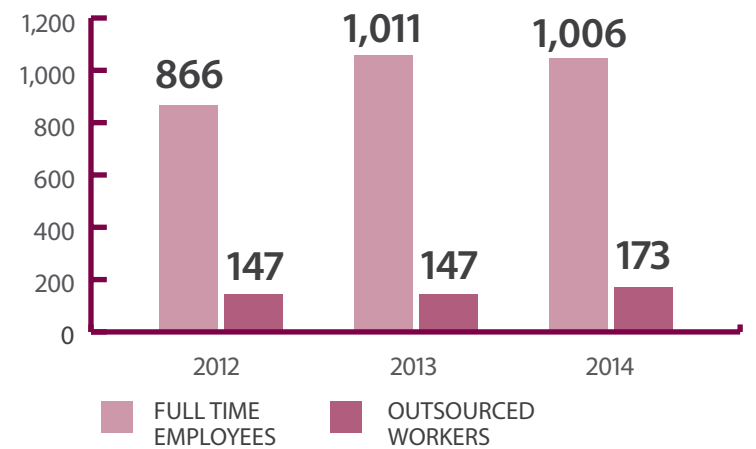
WAS THE EMPLOYEE TURNOVER
RATE AT PORTONAVE IN 2014

WORK FORCE

» Gender



» Under contract



2014

Age

Up to 30: 464
Between 31 and 50: 523
Over 50: 19

2013

Age

Up to 30: 455
Between 31 and 50: 525
Over 50: 31

2012

Age

Up to 30: 473
Between 31 and 50: 373
Over 50: 20

DIVERSITY

Portonave values diversity in its work environment and has policies and practices that guarantee equal opportunities to all employees, regardless of their gender, age, ethnicity or belief. These factors do not influence the selection process or the compensation of employees hired under the same functional category.

In 2014, 83% of Portonave’s staff consisted of men, which is justified by the characteristics of the work performed at port terminals, particularly the use of intensive physical strength. In the administrative area, employee distribution by gender was more balanced: 45% women and 55% men. Senior management positions

were mostly occupied by men, all the directors and executive officers were men. One of Portonave’s eight managers was a woman. Two other women occupied supervisor positions, along with 20 men.

With regard to ethnicity, Portonave adopts the self-declaration model to determine the ethnicity of its employees. At the end of 2014, 182 declared themselves to be black, brown, yellow or indigenous – nearly 18% of the total. This proportion is consistent with the demographic composition of Santa Catarina, a state in which 84% of the population is white, according to the latest census by the Brazilian Institute of Geography and Statistics (IBGE).

COMPENSATION AND BENEFITS

Keenly alert to job market trends and the stiff competition for professionals in the port sector, especially in Santa Catarina, in 2014 Portonave continued to improve its compensation plan. Apart from helping the Company to retain talent, this process ensures that the Company follows the compensation practices of both the region and the sector in which it operates.

In addition, Portonave offers its employees a comprehensive benefit package, to which all employees are entitled regardless of their working hours. These benefits complement those guaranteed by law, such as day-care assistance, transportation vouchers and paternity/maternity leave.

Portonave has voluntarily adopted the extended maternity leave benefit (180 days), which has ensured the return to work and retention of employees who recently had children. In 2014, 100% of them returned to duty after the end of the leave period. Approximately 72% of the men stayed with the Company for another 12 months after returning from paternity leave. Among women, 80% remained with the Company during this period.



BENEFITS OFFERED TO EMPLOYEES



Profit sharing (PLR)



Support to continuing education



Health and dental plans



Life insurance, with disability compensation



Meals at the Company’s cafeteria or meal vouchers



Extended maternity leave (180 days)



Supplementary pension plan, with matching contribution from Portonave

HEALTH AND SAFETY

Portonave believes that the health and safety of employees are priority aspects of its human resources policy, since they are fundamental factors for the success of its business. To improve the processes and practices of this area, since 2011 the Company has been adapting its operations to the OHSAS 18001 standard, which is focused on the quality of the Occupational Health and Safety Management System.

In addition to making improvements to its facilities and providing training programs on the topic, employees receive personal protective equipment (PPE) and collective protective equipment (CPE), based on the assessment of

risks and hazards involved in the activities they perform. Provision of this equipment is a premise of the Integrated Management System (SGI), complies with applicable labor laws and regulation (standard NR 06 - Personal Protective Equipment), and is included in the collective bargaining agreements signed with employee unions.

Understood as a shared responsibility between Portonave and its employees, the prevention of accidents and occupational illnesses is reinforced by the Internal Accident Prevention Commission (CIPA), formed by six members and six alternate members, who represent the various operational and administrative areas.

The commission’s functions include organizing the Internal Workplace Accident Prevention Week (Sipat), which in 2014 took place from September 16 to 19. With the theme “Active Care,” the event discussed ways of guaranteeing the safety of each worker and of his or her coworkers at the workplace.

As a result of this initiative, in 2014 the number of accidents and incidents at Portonave continued to decline, dropping to 46 from 62 in 2013. As in the previous year, no work-related deaths

or occupational illnesses were reported.

Also in preventive health, Portonave has an outpatient center that conducts pre-admission and post-employment health exams, as well as periodical and return-to-work exams, and also offers appointments with an occupational doctor. In addition to other Occupational Health and Safety initiatives, Portonave has set up an Emergency Brigade with 60 employees, who receive monthly training.

GUARANTEED RIGHTS

Portonave’s Human Resources Policy is based on compliance with the Universal Declaration of Human Rights and International Labor Organization (ILO) guidelines, as well as respect for Brazil’s Consolidated Labor Laws (CLT). Thus, the rights of freedom of association, collective bargaining and internal representation of employees are guaranteed.

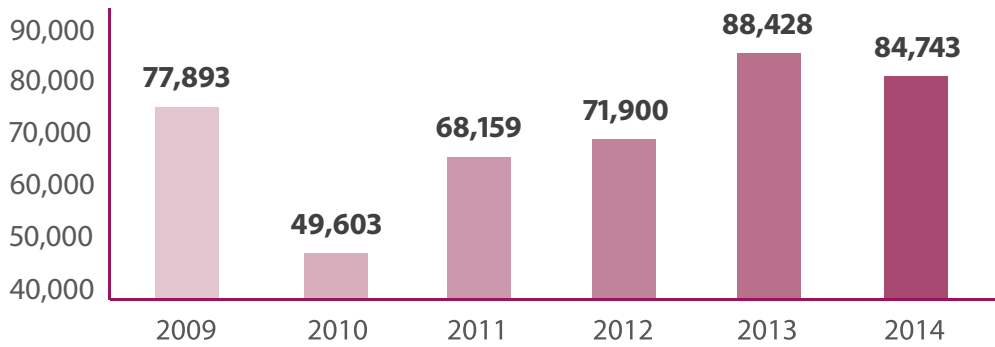
All Portonave employees are covered by collective bargaining agreements. Negotiations with trade unions begin in December each year and are concluded in January the following year, coinciding with the annual contract renewal date of most employee categories.



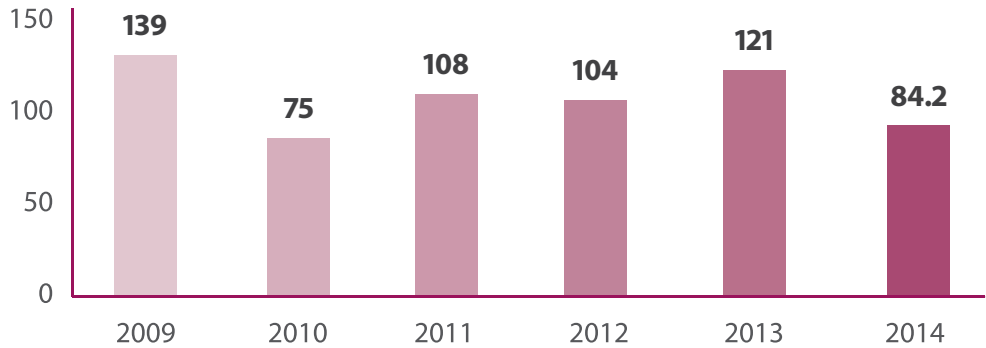
PROFESSIONAL DEVELOPMENT

Aware that the maintenance of its competitive advantages depends on the knowledge and skills of its employees, Portonave systematically invests in the professional training of its operations and administrative teams. In 2014, 84,743 hours of training were provided – down 4.16% from 2013 – for an average of 84.2 hours of training per employee.

HOURS OF TRAINING



HOURS OF TRAINING PER EMPLOYEE



APPRAISAL

To develop and improve employee skills, Portonave regularly conducts performance appraisals. In 2014, 89% of the employees underwent performance appraisal. Among managers, the feedback rate was 79%.



SPECIAL PROGRAMS

The professional development policy comprises various programs organized during the year, focusing on improving employee performance in their current function and on preparing them to take on new challenges within the Company. Notable among the programs organized are:

INTEGRATION PROGRAM:
dedicated to new employees, it presents them the policies, procedures and Integrated Management System, as well as the Portonave Code of Conduct.

CONTINUING EDUCATION PROGRAM:
aims to encourage employees to pursue vocational, undergraduate, graduate and language courses. In 2014, the subsidies granted totaled R\$ 423 thousand.

YOUNG TALENT PROGRAM:
provides hands-on experience of the job market through two sub-programs: Teenage Apprentice (targeted at high school students) and Internships (for university and vocational course students).

OPERATIONAL EXCELLENCE PROGRAM:
identifies and trains professionals with the potential to occupy positions that require handling of equipment. The selection process includes analysis of their professional background, psychological evaluation and up to 248 hours of training.

MANAGEMENT DEVELOPMENT PROGRAM:
seeks to align the skills of managers with the Company's objectives and goals.

PORT WORKER DEVELOPMENT PROGRAM (PDP):
offered since 2007 to Portonave's employees, the program aims to improve the workforce at Brazil's port terminals and to standardize the operating procedures among ports. The Brazilian Navy is responsible for conducting the program, which was conceived by the International Labor Organization (ILO). At Portonave, the classes are conducted by a group of 41 instructors, all employees from different areas of the Company and certified by the Brazilian Navy. The Program's classes have covered a total of 900 students at Portonave.



LEARNING

Implemented in 2008 by Portonave, the Teenage Apprentice Program is targeted at high school students from the public schools of Navegantes and offers them the opportunity to enter the job market and complete their professional training. Participants must be between 15 and 17 years old, with per capita household income of less than one minimum wage.

Selected candidates will spend two years as apprentices at the Company, receiving compensation and all benefits granted to employees. During this period, they will work in different areas of the Terminal, always under supervision. The learning cycle is divided into practical activities, spanning 16 hours a week, and theoretical activities, spanning 8 working hours a week. In theoretical training, students can choose from two technical courses: Office Routines or Logistics Operations, both given by Senac. At the end of 2014, 24 apprentices were participating in the program, which has trained 125 youths since 2008. Historically, around 50% of the apprentices have been hired by the Company.



AWARD WINNING COMMUNICATION

Portonave won the 40th Aberje Business Communication Awards for Brazil's southern region, one of the most important awards in this field in Brazil. The Port Terminal ranked first in the print media category for its report series "O caminho do contêiner" [The Path of the Container] published in Express, the monthly newsletter sent to employees.

Through the series of reports, employees could learn more about the functioning of logistics systems and all the processes involved in cargo handling.



COMMUNITY

While completing seven years of operation in 2014, Portonave consolidated community engagement as an important aspect of its organizational culture. Social responsibility is an essential value in Company operations and leads to continuous interaction with the people of Navegantes and the region to bolster the initiatives focused on sustainable local development.

This interaction occurs through Portonave de Todos [Portonave for Everyone], a program that includes actions in the fields of culture, education, health and sports. In

2014, the Company allocated nearly R\$ 1 million to projects in these areas. Of this amount, 70% comes from tax incentives, which are mechanisms to ensure that tax revenues from Portonave's operations are used to benefit the local community.

In 2014, apart from investments made through tax incentives, Portonave invested approximately R\$ 296.8 thousand in donations, sponsorship and support to community actions. Learn more about the Company's main social responsibility projects.



CONTÉM CULTURA [CULTURE CONTAINER]

Implemented in partnership with the Caracol Institute, the Contém Cultura [Culture Container] project completed two years in 2014. During this period, a container adapted to become a multicultural space welcomed over 2.5 thousand visitors. Its library has more than 300 books and the video room has 50 different movies, sharing attention with other activities focused on the pursuit of knowledge and entertainment.

Ever since the project was created, Contém Cultura's container has traveled to several neighborhoods of Navegantes and other regions of Santa Catarina. In addition to the touring version, since 2013 the project has a fixed facility in downtown Navegantes, where a multi-disciplinary team offers various cultural activities, such as free dance, singing and writing classes and workshops. In 2014 alone, 234 students participated in these activities.

At the end of the year, Portonave's investments in the project amounted to R\$ 315 thousand, comprising funds from the Rouanet Law for Incentives to Culture, and the Company's own resources.



ONDA PROJECT [PROJECT WAVE]

Children from 7 to 10 years old enrolled in public schools in Navegantes are the target audience of the Onda project, implemented since 2013 by Portonave to cultivate the fundamental values for exercising citizenship. A total of 515 children took the weekly classes that covered a variety of topics, such as the importance of family, studies, as well as respect for people and the environment.

After taking all the classes in the project, which last approximately four months, children receive the title of "Officers of Goodness" and undertake to share the lessons they learned with other children.

SPORT

One of the most traditional sporting events of the region, the Portonave Rustic Race reached its sixth edition in 2014. Held on February 2 and open to the community, the race had a record 700 participants – divided into the categories of five and ten kilometers. Apart from being a time dedicated to health and well-being, the Rustic Race generates benefits for institutions that care for children in Navegantes as it collects powdered milk as part of the race registration process. In 2014, donations also reached a record: 689 cans of powdered milk were distributed to day-care centers and shelters in the city.

In 2014, Portonave also invested in the project “Rumo a 2016,” [On the Road to 2016 – referring to the Summer Olympics to be held in Brazil] promoted by the Community Athletic Association under the federal sports incentive law. The initiative provides free sports activities for youth and adults of Itajaí, Navegantes and Penha.



HEALTHY HABITS

Some of the athletes participating in the Rustic Race are quite close to Portonave, which has, since 2010, an employee running team. In 2014, the group had about 40 athletes. In addition to specific training under the guidance of a physical education professional, athletes are sponsored to participate in competitions.



“I was only 13 when Portonave arrived. Whenever I walked by the port I dreamed of working there. I could see how much the company was going to grow and stand out. Navegantes improved extraordinarily. It is now recognized nationally and internationally and the community has benefitted from several projects. Before becoming an employee, I was a Teenage Apprentice and worked in three areas of Portonave. All I know is that ever since I was 15 years old I’ve been part of a company that is considered one of the best to work for. People who are not here dream of being a part of this all.”

DÂMARIS REIS, 20, administrative assistant.

HEALTH

Complementing the preventive actions taken among various stakeholders, such as vaccination and awareness campaigns, Portonave invests in improving the hospital services offered to the population. Through the National Program to Support Oncological Care (Pronon), the Company donated R\$ 151 thousand to the Oncology Center of the Pequeno Príncipe Children’s Hospital in Curitiba, Paraná state, which treats children with cancer from all of Southern Brazil.

The same hospital unit received another R\$ 151 thousand from Portonave through the Fund for Children and Teenagers (FIA).



OTHER stakeholders

SUPPLIERS

At the end of 2014, Portonave had approximately 4.2 thousand companies in its registry of active suppliers, of which 67.5% were from Santa Catarina, mainly from Itajaí and Navegantes. Selecting local suppliers and service providers is one of the Company's main strategies for contributing to the sustainable development of the region where it operates.

To replicate the sustainable practices in its value chain, Portonave follows a highly meticulous protocol for selecting and contracting suppliers of materials, equipment and services. The pre-requisites depend on the nature of the product or service provided, as well as

an assessment of social and environmental impacts generated from the contractor's operations. Generally, before signing an agreement, all suppliers must present to Portonave documents that prove their compliance with legal obligations, such as tax payments, legal compliance and, when necessary, obtainment of environmental licenses and other items.

In medium- and long-term agreements, these documents are requested periodically. Moreover, all agreements signed with suppliers include clauses that forbid the use of child labor, forced labor or slave labor, as well as practices characterized as corruption.

CLIENTS

Portonave's client portfolio consists of ship owners, importers and exporters. With a variety of operations and interests, they receive specialized services and, whenever possible, customized solutions for their demands. An important part of the process of continuous improvement in service quality is customer satisfaction surveys, which are conducted periodically. In 2014, the average (annual) level of satisfaction was 85.5%, considering all client categories.



CARRIERS

Truck drivers and carrier companies play a key role in the Port Terminal operations, being responsible for handling Portonave's incoming and outgoing cargo. Therefore, the Company is always attentive to their demands and suggestions, which are mostly received through the Ombudsman.

The partnership with this stakeholder group is strengthened by the Sinal Verde Project [Green Light Project], an annual event to celebrate national Drivers' Day, held by Portonave at the Terminal's facilities. Apart from entertainment activities, the event focuses on health actions that include blood-sugar and blood-pressure tests and vaccinations for drivers. These actions held by Portonave are supported by the municipal Health Department. In 2014, the event was held on July 25 and had approximately 500 participants.



GOVERNMENT

Portonave strives to maintain a respectful, ethical and transparent relationship with representatives from the executive and legislative branches of government at the federal, state and municipal levels. It thus shows its willingness to dialog and cooperate in actions that are of interest to both the port sector and society in general.

PRESS

Portonave is aware that the press is an important channel for building relations with society and the company is open to interacting with Brazilian and foreign communication media, disclosing information about the Company's operations and responding to queries from journalists. In 2014, 1,010 news items were published and broadcast about Portonave in different media – radio, television, magazines, newspapers and the Internet.



COMMITMENT to outside initiatives

As a social responsibility practice, Portonave participates in bodies, forums and committees set up by government and non-governmental entities as it believes in joint effort as the way to overcome economic, social and environmental challenges.

Since 2013, the Company has been an Ambassador of the United Nations Millennium Development Goals program, an initiative that seeks to involve cities, companies, NGOs and popular movements to achieve, by 2015, the eight Millennium Development Goals (MDG) established by the United Nations in 2000. Portonave is the ambassador of MDG 7, which deals with quality of life and respect for the environment.

Portonave managers and employees participate in many other organizations, notably the following:

- » The Brazilian Refrigerated Storage Industry Association (Abiaf)
- » The Brazilian Infrastructure and Basic Industries Association (Abdib)

GLOBAL COMPACT

Portonave is a signatory to the UN Global Compact, an initiative that composes the world's largest corporate responsibility group – consisting of 8 thousand companies in 135 countries.

Protection of human rights, respect for labor rights, environmental protection and combating corruption guide the universal principles of the Global Compact. By becoming a signatory, Portonave reaffirmed its commitment to these principles in the conduct of its business.

Read more at www.pactoglobal.org.br.

- » The Brazilian Business Communication Association (Aberje)
- » The Brazilian Asset Maintenance and Management Association (Abraman)
- » The Brazilian Human Resources Association (ABRH) Coastal Region – Itajaí
- » The Brazilian Training and Development Association (ABTD)
- » The Brazilian Port Terminals Association (ABTP)
- » The Foreign Trade Association of Brazil (AEB)
- » The Association of Sales and Marketing Managers of Brazil of Santa Catarina (ADVB/SC)
- » The Navegantes Business Association (ACIN)
- » The Private Port Terminals Association (ATP)
- » The Chamber of Store Owners of Navegantes (CDL)
- » The State Commission for Public Security in Ports, Terminals and Waterways in Santa Catarina (Cesportos/SC)
- » The Itajaí Port Authority Board (CAP)
- » The Federation of Business Associations of Santa Catarina (Facisc)
- » The Santa Catarina State Industry Federation (Fiesc)
- » The Federation of General Merchandise Transport Workers of Santa Catarina (Fetrammasc)
- » The Ethos Institute of Enterprises and Social Responsibility
- » The Nós Podemos [We Can] Santa Catarina Movement
- » The Union of Maritime, River and Inland Water Transport Workers and Employees in Similar Activities in Santa Catarina State (Simetasc)

ENVIRONMENTAL MANAGEMENT

"Port activity has a significant impact wherever it is present, both on the environment and the community. At Portonave, we see that although these impacts exist, they are controlled and there are measures to mitigate them.

I work directly with environmental issues, in preparing reports and accompanying licenses. I feel immensely satisfied to work at Portonave, because it really is a special terminal that cares for the environmental and social quality of the region where it operates."

- GUILHERME SCHETINGER, 24, joined the Company in 2011 as an intern and is currently administrative assistant in the Safety and Environment Department.

04





POLICIES and practices

Driven by its mission to offer port services that contribute to the sustainable development of the region where it operates, Portonave is guided by the Integrated Management System (SGI).

Based on ISO 9001 (Quality Management) and ISO 14001 (Environment Management), the SGI has a series of guidelines, notably those to ensure compliance with environmental laws and regulations. The System also envisages the management of significant environmental impacts, ensuring the prevention of pollution, caused mainly by

the generation of solid waste and effluents.

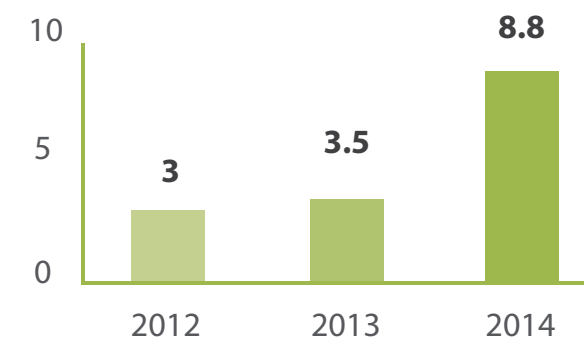
To assure the quality and frequency of the environmental monitoring programs, Portonave has a team of engineers and technical experts dedicated to Environment Management and aligned with the principles of the Company's Integrated Policy on Environment, Health and Safety.

In 2014, Portonave invested approximately R\$ 8.8 million in environmental protection, maintenance, monitoring, management and legal obligations, 151% more than in 2013.

QUICK RESPONSE

In addition to the development of preventive and corrective environmental actions, Portonave has a relationship channel with the community to clarify doubts about its environmental conduct. In 2014, the Terminal received through its Ombudsman only one complaint from neighbors. It was in relation to acoustic comfort. As usual, Portonave took immediate action, measuring noise levels which, in this case, were within legal limits. Portonave ensures compliance with rules of acoustic comfort through monthly monitoring of the entire perimeter of the Terminal, including the perimeter facing the Itajaí-Açu River.

INVESTMENTS IN ENVIRONMENTAL MANAGEMENT (R\$ MILLION)



BREAKDOWN OF INVESTMENTS IN ENVIRONMENTAL MANAGEMENT

Waste collection, treatment and disposal	R\$ 460,806.80
Environmental management (consultancy)	R\$ 70,279.00
Treatment of liquid effluents	R\$ 473,245.20
External certification of management systems	R\$ 10,000.00
Recovery of degraded areas and protection of areas	R\$ 5,888,543.11
Clean-up costs, including costs for remediation of reported spills	R\$ 1,879,324.78
TOTAL REPORTED	R\$ 8,782,198.89

Acting proactively in relation to environment-related actions and attentive to compliance with the current legislation, Portonave received in 2014 no fines or punishments resulting from noncompliance with laws or regulations related to this topic.

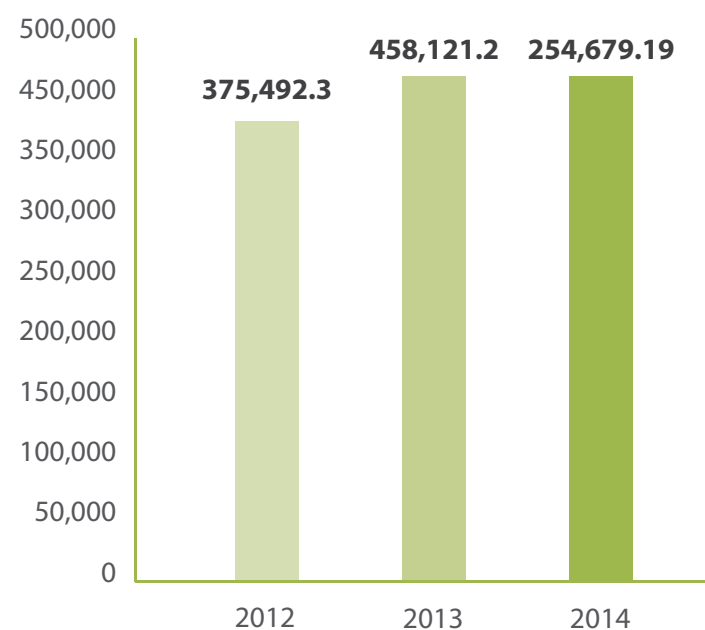


INDICATORS

ENERGY

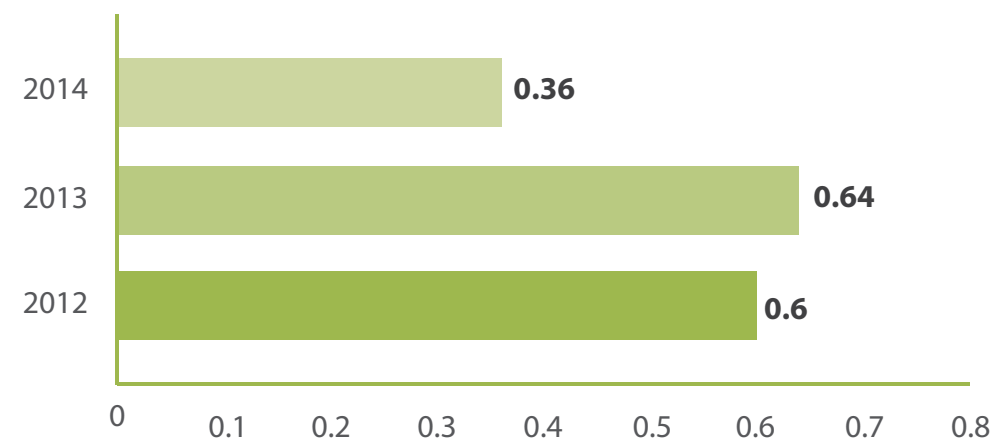
In 2014, the Company's direct energy consumption, which is the sum of electricity and fuel energy consumption, totaled 254.68 thousand gigajoules (GJ), compared to 458.12 thousand GJ the previous year. Electrical consumption came to 136.73 thousand GJ, while consumption of fossil fuels totaled 117.95 thousand GJ.

COMPANY'S DIRECT ENERGY CONSUMPTION (IN GJ)



Considering the total energy consumption and number of TEUs handled, the Terminal achieved an energy intensity index of 0.36 GJ/TEU, as against 0.64 GJ/TEU in 2013.

ENERGY INTENSITY (GJ/TEUS HANDLED)



ATMOSPHERIC EMISSIONS

Atmospheric emissions and dust generation are monitored regularly and are mainly caused by the circulation of vehicles and large diesel-powered cranes. The Company measures carbon monoxide (CO) and nitrogen oxide (NOx) emissions and the degree of black smoke directly at the exhausts of third-party trucks entering the Terminal. The owners are notified when emissions exceed regulatory limits and are instructed to carry out mechanical adjustments. Portonave's internal fleet of machinery and vehicles undergoes the same scrutiny

every month. The team uses air-sampling techniques to check for the presence of dust particles, also on a monthly basis. When dust particles are found in excess, preventive and corrective measures are taken.

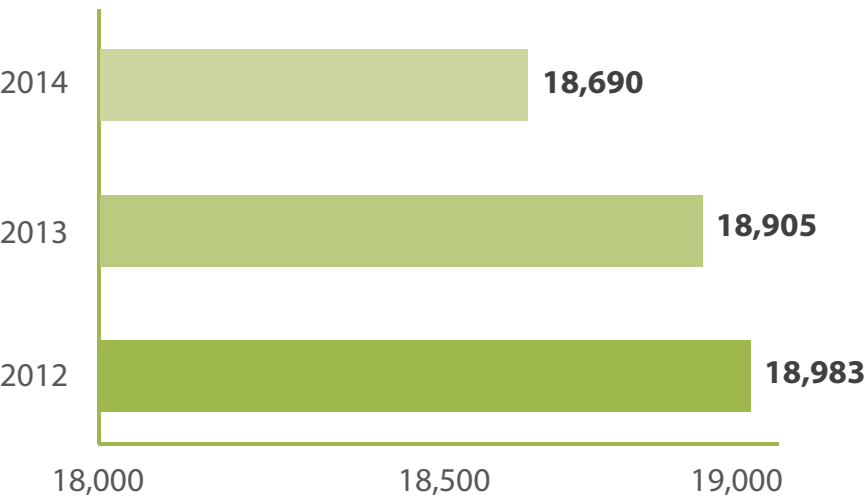
Since 2011, Portonave has carried out an annual inventory of greenhouse gas emissions (GHG). Data for 2014 were not consolidated until the publication of this report and will be reported in other channels and in the Sustainability Report for the next period.

WATER

All the water consumed by Portonave is provided by the Sanitation Department of Navegantes (Sesan), which is supplied by the Municipal Water, Basic Sanitation and Infrastructure Service (Semasa) of Itajaí. Water is collected from the Itajaí Mirim River

in Itajaí without significant impact on the region's biological and social environment. Water consumption in 2014 totaled 18.7 thousand m³, 1.14% lower than in the previous year. Water consumption is monitored daily through checks of digital water meters.

WATER CONSUMPTION (IN M³)



» **Reuse**

Deployed four years ago by Portonave, the system for recycling the water used to wash machinery and equipment registered savings of more than 150% from the previous year. The treated water is reused in the same activity five times before being discarded gradually according to the degree of conductivity. The 685.48 m³ of water saved corresponds to nearly 50% of the volume used in the machinery and equipment washing area and 3.7% of the Terminal's total water consumption.



EFFLUENTS

Every quarter, Portonave inspects the quality of underground water in the Terminal area and every month it analyzes water quality in the Itajaí-Açu River.

This ensures immediate response to any contamination of groundwater or the estuary by chemicals or petroleum products. In compliance with the rules of Brazil's National Sanitary Surveillance Agency (Anvisa), the Company has a program

to monitor drinking water intended for human consumption, which is certified monthly by laboratories. The level of chlorine in the water is verified daily by the Company's environmental management team.

After being treated in the sanitary Wastewater Treatment Station at the Terminal, the water used at Portonave is discarded in the mouth of the Itajaí-Açu River, which flows into the Atlantic Ocean.



"I joined Iceport as a maintenance assistant in 2012, became a mechanic and today I work at Portonave as a trailer operator. From my very first day here I was offered opportunities to grow together with the Company. Portonave is a solid company, committed to its people and to the city of Navegantes. I'm part of the running team and this is just one of the many benefits we have. The company supports several social and environmental initiatives. The city and the people benefit from the port and grow together with it!"

JULIEN MARQUES, 22, port vehicle operator.

Between the estuary and the mouth of the river, there are no areas dedicated to biodiversity protection, nor are there endemic or protected species.

Its Environmental Operating License authorizes Portonave to dispose of a total of 7.5 m³/hour of treated effluents. Effluents from the treatment station are

monitored daily to ensure that only the waste that complies with legal parameters is returned to nature. The discharges are not reused by another organization. In 2014, the total disposed effluent was 19,162.5 m³.

Surface water is also discharged directly into the estuary through a drainage canal of approximately

200 meters into which flows a rainwater harvesting system spanning around 5 thousand meters. The canal has an impermeable bed and a floodgate that prevents contact between the water stored in it and the river. If there is leakage of pollutants into the yard, it is possible to prevent discharge of contaminated water. The quality of water in the drainage canal is checked daily to measure pH and dissolved oxygen (DO).

In addition to the daily checks, Portonave carries out monthly lab tests at the discharge point and

the results are compared with legal quality standards.

The Company has a full-time safety team of well-equipped technicians to respond quickly to preventive or emergency situations related to any environmental accidents. The most common incidents at the Terminal, always registered in technical reports, are minor oil leaks from vehicles and equipment, especially those belonging to third parties, apart from damages to containers carrying hazardous cargo. However, no significant leak was registered at Portonave's facilities in 2014.



WASTE

Portonave’s selective waste collection system ensures proper disposal of waste generated by the Terminal and covers all areas and departments. Specific containers are provided to employees for segregating waste material and the Company disposes of them appropriately. The waste material generated is collected periodically – most of it on a daily basis – and stored at Temporary Storage Centers at the Terminal’s facilities,

until it is collected by outsourced companies specialized in each type of disposal. All these companies have the required authorizations and meet the legal requirements pertaining to their activities. The waste is periodically registered and reported by Portonave to the Santa Catarina State Environmental Foundation (Fatma). In 2014 Portonave generated 3,570.97 tons of non-hazardous waste and 118.71 tons of hazardous waste.



DESTINATION OF WASTE MATERIAL

TYPE OF WASTE	DESTINATION
Recyclable	Collected by companies that resell it to reuse and recycling companies.
Light bulbs	After being packed in containers equipped with activated carbon filters to avoid contamination of the environment by toxic substances, the bulbs are decontaminated and the glass is sent for recycling.
Oil from equipment	Stored and recovered or re-refined.
Non-recyclable waste	Collected and sent to landfills.
“Class 1” hazardous materials	Sent to companies specializing in the treatment of industrial waste.

CONSERVATION OF BIODIVERSITY

After a period of heavy rain and flooding in 2011, the 3.9-hectare Nature Preserve adjacent to the Terminal suffered an impact to its biodiversity value. After inspecting and evaluating the area, the Santa Catarina State Environmental Foundation (Fatma) authorized Terminal expansion in that area and works have been going on since June 2014. To redirect its environmental preservation efforts and meet the compensation requirements for use of the area, Portonave implemented a Degraded Area Recovery Project

(PRAD) along the Navegantes waterfront. The Nossa Praia [Our Beach] project, implemented in partnership with the Navegantes municipal government, involves recovery of vegetation in the *restinga* marine scrub forest, construction of a wooden deck, restoration of dunes and marking of trails along the nearly 10-kilometer long waterfront. With investments of R\$ 3.8 million from Portonave and R\$ 3.1 million from the municipal government, 100 thousand native seedlings will be planted over 102 hectares.



SUPPLIERS' *evaluation*

Portonave has thorough evaluation procedures for hiring suppliers and outsourced services. It requires companies to submit documents certifying their compliance with environmental, labor, legal, administrative and occupational safety obligations.

On a biannual basis, or whenever an agreement expires, the supplier undergoes re-evaluation, the validity of the documents and proofs submitted is verified, and service quality, compliance with deadlines and specifications is checked. If considered necessary, Portonave may conduct on-site scrutiny of the supplier's compliance with legal requirements. These practices were maintained in 2014.

BUSINESS

"Portonave was a milestone for Navegantes. If you go back in time and look at the city ten years ago, you will see how much it has grown and improved. The Company is only seven years old, so there is much more room to grow both in terms of physical structure and workforce. I can highlight that Portonave is a very humane company. We're each other's brothers and sisters here, it really is a family. When the floods hit here, we hugged each other, we helped each other, we stayed up late and found shelters for people who were homeless."

– ANA CAROLINA ADÃO, 26, a native of Navegantes who has been with the Company for seven years, she started as a receptionist and is now a financial analyst.

05





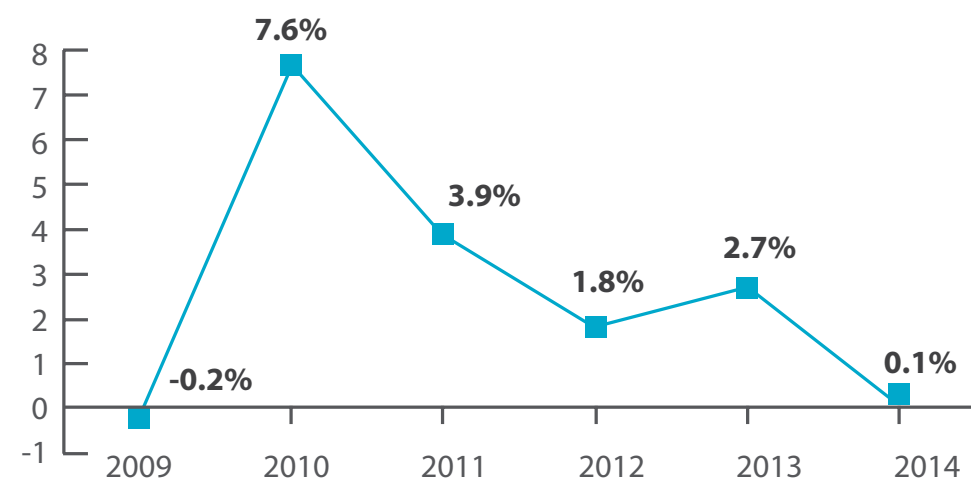
MACROECONOMIC scenario

The difficulties faced by the Brazilian economy in 2013 persisted and, in some cases, even worsened in 2014. Expectations of modest economic growth came true in a scenario marked by rising inflation, a weakening currency, rising interest rates, declining industrial production, reduced investments and a gradual decline in consumption. As a result of this scenario, growth in Gross Domestic Product (GDP) was 0.1% – 2.6% lower than in 2013.

Brazil's trade balance ended 2014 with a deficit for the first time since 2000. According to the Ministry of Development, Industry and Foreign Trade (MDIC), the trade deficit was US\$ 3.959 billion, the highest since 1998. Imports totaled US\$ 229 billion in the year, while exports totaled US\$ 225 billion.

The sum of Brazil's exports and imports also registered a 5.77% drop from 2013 to US\$ 454 billion in 2014.

BRAZILIAN GDP GROWTH



SOURCE: IBGE

BRAZIL BALANCE OF TRADE

YEAR	EXPORTS (US\$ MILLION)	IMPORTS (US\$ MILLION)	BALANCE (US\$ MILLION)
2009	152,995	127,722	25,272
2010	201,915	181,768	20,147
2011	256,040	226,246	29,794
2012	242,578	223,182	19,395
2013	242,034	239,748	2,286
2014	225,101	229,060	-3,959

SOURCE: MDIC

Considering the average daily amount, exports to Asia, the key export destination for Brazilian products, declined 5.3%. Exports to China, which reached US\$ 46.026 billion in 2013, declined 11.8%. In Mercosur, the drop in exports was

steeper: from US\$ 29.533 billion in 2013 to US\$ 25.053 billion in 2014. This decline was caused by the drop in exports to Argentina, Brazil's third largest trade partner – which were 27.2% lower than in the previous year.





THE SANTA CATARINA economy

Despite the unfavorable conditions for growth, the Santa Catarina economy outperformed the national average in 2014. According to the Ministry of Labor and Employment (MTE), Santa Catarina was the state that generated the most jobs during the year: 53.8 thousand.

With regard to foreign trade, exports from Santa Catarina totaled US\$ 8.98 billion, an increase of 3.44% in 2014. Imports reached US\$ 16.01 billion, increasing 8.39% from the previous year. As a result, the state's trade balance had a deficit of US\$ 7.03 billion.

As in previous years, chicken was the main product exported by Santa Catarina, followed by soybeans and pork. Refined copper cathodes continued to lead the list of the state's imports.

The U.S. remained the main export destination, accounting for 12.86% of all exports from the state. China, the second biggest export destination is also the origin of most of the state's imports, accounting for 32.56%.



"In today's world, society values individualism way too much. The Onda [Wave] Project goes against that. It helps children see the importance of values like ethics, respect, humility and honesty, encouraging positive attitudes in daily life. I've been working in the city of Navegantes for 17 years and have never seen an initiative like this one from Portonave. We can see the results inside and outside the classroom. It's a small seed we plant to transform not only our children, but also the citizens of Navegantes."

MERIELE NASCIMENTO, 36, teacher at the school Profª Eni Erna Gaya, which participates in the Onda project.



THE BRAZILIAN port sector

Accounting for more than 90% of the country's exports, the port sector is served by 37 organized ports, either maritime or river, and another 128 private-use terminals (TUPs), according to the Port Department of the Brazilian Federal Government (SEP/PR).

In all, this system transported 969 million tons in 2014, up 4% from 2013, according to data from the National Waterway

Transportation Agency (Antaq). Of this total, 349 million tons were handled by maritime or river ports, and 620 million by TUPs.

According to Antaq, the growth in port operations despite the weak trade flows in 2014 is due to the growth in the transportation of key commodities such as iron ore, which grew 5% compared to 2013, fertilizers and manure (11%), coal (26%), alumina (12%) and soybeans (4%).



OPERATIONAL performance

Portonave maintained its leadership in container cargo operations in Santa Catarina, with a market share of 44.5%. A total of 699,824 TEUs were handled during the year, 0.8% less than in 2013. Imports grew 5.8% over the previous year.

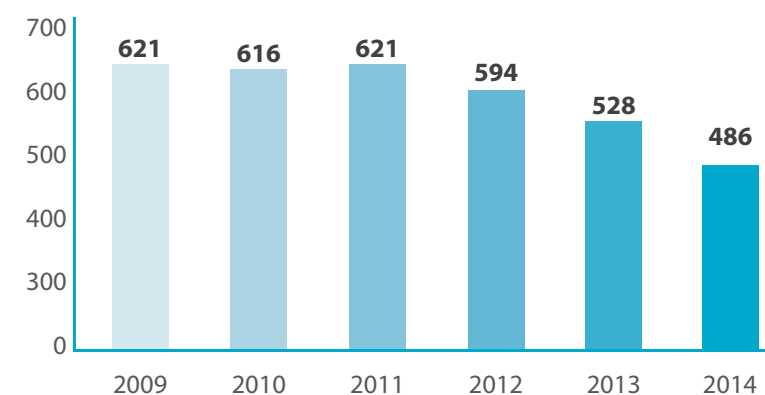
These numbers reflect Brazil's performance in international trade. According to the Ministry of Development, Industry and Foreign

Trade (MDIC), the country's exports decreased 7% in 2014.

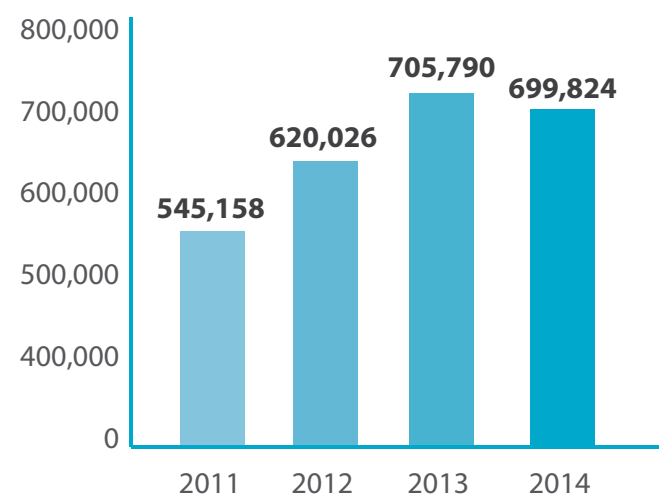
There are other factors that explain this scenario, such as the reduction in lines caused by the merger of maritime services companies.

During the year, 486 vessels docked at the Terminal, compared to 528 in 2013. The decrease is due to the bigger size of vessels, which now have greater cargo capacity.

NUMBER OF SHIPS RECEIVED



TEUs HANDLED



COMMERCIAL performance

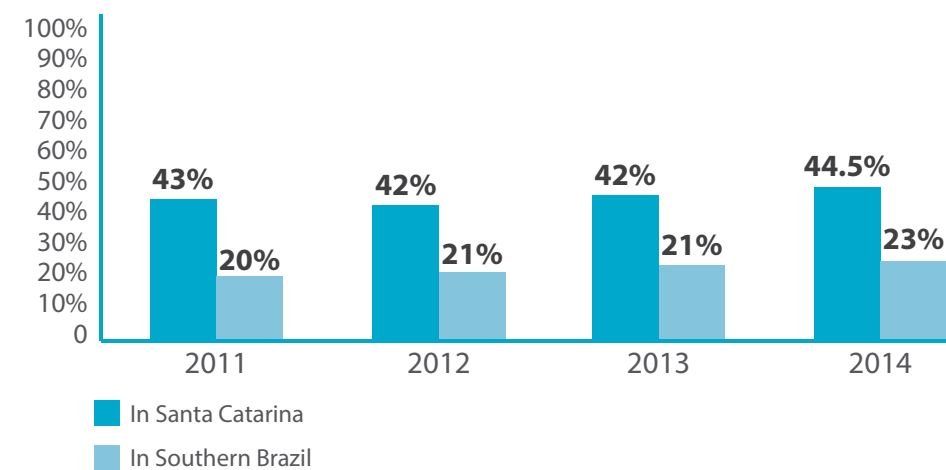
Since 2009, Portonave has been the leader in container handling among port terminals in Santa Catarina. In 2014, its share of the state market was 44.5%, which reflects the competence of its professionals and the quality of services provided – considering that Santa Catarina has five highly competitive ports.

In addition to its leadership in the state, in 2014 the Terminal remained in second place in market share

in Southern Brazil, accounting for 23% of all containers handled, behind only the Port of Paranaguá in Paraná.

In light of this scenario, in 2014 Portonave rolled out strategic projects to strengthen institutional coordination, build customer loyalty, improve Portonave's image at the local and global levels, offer options for new services and increase cargo handling.

GROWTH OF MARKET SHARE



Shipowners, exporters and importers account for most of Portonave’s customers, which conducts periodic surveys to measure the level of satisfaction of Terminal users. In 2014, these surveys revealed average customer satisfaction of 85.5% across three categories. The target set for the year was 89% and the data collected from the survey were critically analyzed using the Integrated Management System (SGI) to take measures to increase the level of customer satisfaction.

2014 SATISFACTION INDEX



83.75%

SHIPOWNERS



87%

EXPORTERS



87.5%

IMPORTERS



SHIPOWNERS

Responsible for the sea lines that transport goods and connect ports around the world, shipowners are fundamental to the sector. At the end of 2014, Portonave had business relations with 13 shipowners, operating nine weekly maritime services.



2014 ROUTES



Asia	3
Northern Europe	1
Mediterranean	2
U.S. East Coast	1
U.S. Gulf Coast and Central America	1
Argentina	1

EXPORTERS AND IMPORTERS

Portonave has approximately 4.2 thousand clients including importers and exporters. Chicken and wood were Portonave’s main exports in 2014, corresponding to 40% of all shipments abroad. As in the previous year, imports

dominated Portonave’s operations, representing 54.3% of cargo volume handled. Plastics, plastic derivatives, ceramics and textiles were the leading products imported through the Terminal in 2014.

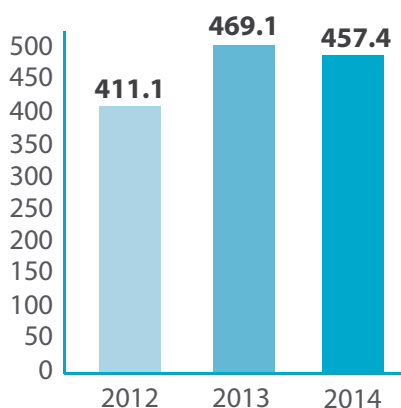


ECONOMIC AND FINANCIAL *performance*

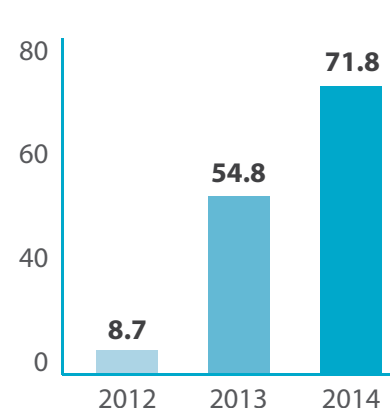
As in the previous year, Portonave delivered positive financial results. The Company earned gross operating revenue of R\$ 457.4 million. The base for calculating dividends reached R\$ 133.5 million in the period, of which R\$ 95.7 million was distributed during 2014.

Value added by the Company reached R\$ 313.5 million, of which 21% was used in employee compensation. Check the Financial Statements in the report's website (sustentabilidade2014.portonave.com.br).

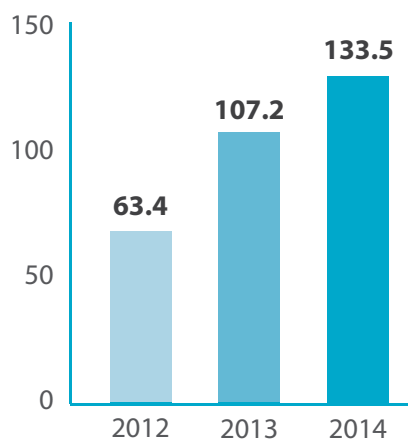
GROSS OPERATING REVENUE **(R\$ MILLION)**



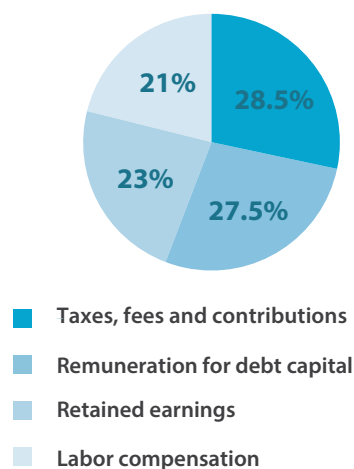
NET INCOME **(R\$ MILLION)**



DIVIDENDS PAYABLE **(R\$ MILLION)**



DISTRIBUTION OF VALUE ADDED

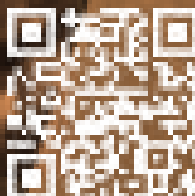


REPORT

"Portonave came to significantly improve the city. It created jobs and income for our population, it created hope and opportunities not only for the people of Navegantes, but for the people of Santa Catarina as well. The company has a social role of helping the city; not everything is just profit, not everything is just capital. The partnership Portonave established with the community and with public authorities is vital for the city to continue to improve."

– CIRINO NETO, 32, coordinator of the Nossa Senhora dos Navegantes festival.

06



PUBLICATION *profile*

To provide information about its performance in 2014, Portonave has maintained its tradition of publishing a Sustainability Report according to the framework proposed by the Global Reporting Initiative (GRI), a global organization that sets guidelines for reporting economic, social and environmental aspects.

This is the Company's sixth annual report prepared according to this framework and the second according to GRI's fourth generation of guidelines (G4), launched in 2013.

In this generation, the goal is to focus the report on aspects that are relevant to both organizations and their stakeholders. Thus, the "in accordance" option chosen by Portonave was "Core," without external assurance.

This Sustainability Report presents consolidated information about Portonave and its subsidiaries Icept and Teconnave, and describes the key developments in the organization between January 1 and December 31, 2014.



TRADITION OF REPORTING

Portonave publishes Sustainability Reports annually. The latest edition, for 2013, was published in April 2014 and the online version is available at www.portonave.com.br. Please send your questions about the report or its content to comunicacao@portonave.com.br.

STAKEHOLDERS' *engagement*

In 2014, Portonave further improved its methodology for stakeholder engagement, a fundamental process in selecting the information that must be presented in the Sustainability Report. For the second time in its history, the Company brought together representatives of its stakeholders in an event dedicated to discussions on sustainable development.

Held on September 11, 2014, the Portonave Sustainability Panel was attended by 26 people, including employees, suppliers, government representatives and inhabitants of Navegantes and the region. The participants were given a brief background of sustainability concepts and the importance of the report, and were then asked to identify the positive and negative impacts of Portonave's operations in the region.

Once all the impacts were mapped, the Company identified the most relevant to be reported, which defined the aspects described in this Report.



ENGAGED STAKEHOLDERS



Employees



Community



Social entities



Suppliers



Government



Universities

IMPACTS IDENTIFIED

POSITIVE
IMPACTS

-  Concern for the environment
-  Employment and income generation
-  Tax collection
-  Social and cultural projects
-  Better infrastructure in the region
-  Dissemination of sustainable practices
-  Innovation in the ports sector
-  Local development

NEGATIVE
IMPACTS

-  Urban mobility problems
-  Environmental degradation
-  Noise pollution
-  Disorderly population growth
-  Basic health, education and security infrastructure for the population overburdened
-  Worsening of social problems such as child prostitution
-  Real estate speculation
-  Transfer of responsibility from public sector to private initiative

MOST IMPORTANT TOPICS,
ACCORDING TO STAKEHOLDERS

CORPORATE PROFILE	Operating structure and size of Portonave Situation of the port sector in Brazil
CORPORATE GOVERNANCE	Corporate governance policies and practices Risk management Values, principles, standards and rules of behavior of the organization
ECONOMIC AND OPERATIONAL PERFORMANCE	Investments made in the period Operational and commercial performance Strategic management: Portonave's Integrated Management System (SGI)
ENVIRONMENT	Environmental management policies and practices Water consumption Biodiversity Effluents and waste Investments Environmental evaluation of suppliers Environmental education actions
LABOR PRACTICES	Job creation and benefits granted Training and education
HUMAN RIGHTS	Actions to combat child and slave labor
SOCIETY	Contributions to regional development Social and environmental responsibility actions and projects Relationship with the community Fight against corruption

Apart from providing feedback on the Report’s contents, the panel participants also made suggestions about the Report’s format and language.

Portonave has incorporated some of these suggestions in this publication. Others, which require changes in the way information is collated and reported, will be implemented gradually by the Company in future editions.

SEE THE SUSTAINABILITY
REPORT PORTONAVE 2014
ONLINE VERSION



GRI INDEX

SUMMARY OF GRI CONTENT FOR “IN ACCORDANCE” OPTION – CORE		
Indicators	Page	Remarks / Response
STRATEGY AND ANALYSIS		
G4-1	6 - 9	
ORGANIZATIONAL PROFILE		
G4-3	13	
G4-4	13; 77 - 79	
G4-5	13; 17	
G4-6	13	
G4-7	14	
G4-8	77 - 79	
G4-9	13; 34; 75; 76; 80	Total capitalization broken down in terms of debt and equity can be found in the financial statements, available in the 2014 Report in the website.
G4-10	36; 37	
G4-11	40	
G4-12	52	Partial answer. Portonave did not carry out, in 2014, a complete mapping of its supply chain according to GRI guidelines.
G4-13	14	
G4-14	30; 31	
G4-15	55; 56	
G4-16	55; 56	

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	82	
G4-18	83	
G4-19	87	
G4-20	87	All the items listed are material aspects both within and outside the organization.
G4-21	87	All the items listed are material aspects both within and outside the organization.
G4-22		Not applicable.
G4-23		Not applicable.

STAKEHOLDERS' ENGAGEMENT		
G4-24	84; 85	
G4-25	83	
G4-26	83	
G4-27	86; 87	

REPORT PROFILE		
G4-28	82	
G4-29	82	
G4-30	82	
G4-31	82	
G4-32	82	
G4-33	82	

GOVERNANCE		
G4-34	24; 25	
G4-39	24	

ETHICS AND INTEGRITY		
G4-56	26; 27	
G4-57	28; 29	

ECONOMIC PERFORMANCE		
G4-EC1	80	
G4-EC9	52	

ENVIRONMENT		
G4-EN3	60	
G4-EN4		Portonave did not monitor, in 2014, energy consumption outside the organization.
G4-EN5	61	
G4-EN8	62	
G4-EN10	62	
G4-EN11	65	
G4-EN13	65	
G4-EN14		There is no record of endangered species in areas affected by Portonave's operations.
G4-EN15	61	
G4-EN22	63 - 65	
G4-EN23	66	Partial answer.
G4-EN24	65	
G4-EN29	59	
G4-EN31	59	
G4-EN32		Portonave did not monitor, in 2014, the percentage of new suppliers using environmental criteria.
G4-EN33	68	Partial answer.
G4-EN34		In 2014, the Ombudsman of Portonave received only one grievance about environmental impacts, which was resolved the same year.

SOCIAL		
G4-LA1	36; 37	
G4-LA2	38; 39	
G4-LA5	40	
G4-LA6	41	Partial answer.
G4-LA8	40	Partial answer.
G4-LA9	42; 43	
G4-HR3		In 2014, no complaint of discrimination was reported to formal channels at Portonave, such as the Ombudsman or the Human Resources Department.
G4-HR5		In 2014, no complaint related to human rights was reported to formal channels at Portonave, such as the Ombudsman or the Human Resources Departments.
G4-SO1	47 - 51	
G4-SO2	86	

PORTONAVE EXECUTIVE OFFICERS

Chief Administrative Officer
Osmari de Castilho Ribas

Chief Operating Officer
Renê Duarte e Silva Júnior

Chief Technical Officer
Felippe Basílio Ferreira

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Sales Manager
Juliano Perin

Finance Manager
Paulo Roberto Deschamps

Legal Manager
Diego de Paula

Maintenance Manager
Marcelo Diniz

Human Resources Manager
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Cid Pereira Santos

Technical Manager
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Information Technology Manager
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2014 SUSTAINABILITY REPORT

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