

SUSTAINABILITY
REPORT
2014-2015

FOREWORD

Apex-Brasil is pleased to present our Sustainability Report for the two-year period 2014-2015 as part of our commitment to transparency and engagement with stakeholders.

In fulfilling its mandate of promoting domestic businesses and products abroad, building the Brazil brand and attracting foreign investment, the Agency organizes a range of initiatives in Brazil and in key countries through our international offices. In this report, you will learn about key initiatives as part of this mandate and the Agency's management and sustainability performance indicators.

Accountability is embedded in the organization and is part of our commitment to transparency and to communities.

Over the following pages we highlight key outcomes from our activities in 2014 and 2015 and our priorities for the future. This report has been prepared in accordance with Global Reporting Initiative (GRI) G4 Reporting Guidelines, the world's most widely used approach to sustainability reporting.

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MESSAGE FROM THE PRESIDENT

AS OUR BUSINESSES ENHANCE THEIR SUSTAINABILITY ATTRIBUTES, NEW OPPORTUNITIES WILL FLOURISH

G4-1

Sustainability has played an increasingly crucial role in international trade, leading the world to a new, more collaborative and fair economy that is focused on solving problems, building collaborations and ensuring better social and environmental conditions and economic benefits for societies. This report describes how sustainability has shaped Apex-Brasil's initiatives throughout 2014 and 2015, and reaffirms the Agency's long-standing commitment to reporting on our sustainability challenges and progress. It describes the many initiatives implemented in recent years to promote Brazilian exports and attract foreign direct investment, the two core pillars of our mandate.

Apex-Brasil believes sustainable business is a way to further enhance Brazil's reputation as a country with unique potential to provide solutions, services and products with embedded social,

environmental and economic values. That is why sustainability is at the heart of what we do and what we pursue. We believe innovation and sustainability go hand in hand and are an important differentiator for Brazilian businesses to compete in the global marketplace with value-added products and services that will meet the expectations of the most demanding markets.

We believe that as our companies improve their sustainability performance while also enhancing their value proposition, they will create or expand opportunities to engage in global value chains, bringing economic benefits and driving development. Engaging the value chain and entire industries around sustainability enables solutions and strategies aligned with sustainability to be implemented wide-scale, while enhancing the benefits from adopting these changes.

Apex-Brasil's technical team has undertaken effective initiatives that have helped Brazilian firms compete globally through sustainability and innovation and connect buyers and investors worldwide.

To ensure that outcomes are further-reaching and significant, we are looking to expand cooperation and joint initiatives between the Agency and Brazilian government agencies involved in stages preceding the export and inward investment processes. Our goal is to address issues affecting the business development of Brazil's companies and the business environment in Brazil, such as bureaucracy, logistics, infrastructure and funding.

Apex-Brasil has taken a more strategic position in this integrated process by engaging in advocacy on behalf of the private sector and enhancing our intelligence activities. As a result, the insights and information we

produce have also supported policymaking and the negotiation of trade agreements.

Underpinning this process is a new approach to relations between Apex-Brasil and the Ministry of Foreign Affairs (MRE). Until early 2016, the Agency and the Ministry operated parallel to each other and their initiatives often overlapped or were redundant. Following an amendment to Decree 8788/2016, under which a management agreement was entered into between the Agency and MRE, we have sought to establish policy and operational alignment with trade promotion systems, support internationalization efforts and attract MRE investment.

This alignment has improved the Agency's strength and reach. Through joint initiatives with staff at over 200 Foreign Affairs missions around the world, we have expanded our relations

For further-reaching outcomes, we are looking to expand our joint Agency-government initiatives

with investors and potential buyers and gathered further inputs into our commercial and prospective intelligence.

Another challenge that Apex-Brasil has set out to address is building the Brazil brand in the global business arena. We recently launched an international communications campaign under the slogan Be Brazil, designed to showcase the positive attributes of Brazilian products and services. In addition, we are working to develop and disseminate messages to address prejudices and negative perceptions about our country, most often based on incorrect or incomplete information precisely on issues related to sustainability.

We have also worked to strengthen Brazil's export competitiveness by further building companies' capabilities and incorporating new industries into our business promotion efforts.

The results of these efforts are now beginning to materialize and it is my hope that they will be reflected in our next Sustainability Report.

Roberto Jaguaribe,
President of Apex-Brasil

ABOUT APEX-BRASIL

WITH A SUCCESSFUL TRACK RECORD OF 18 YEARS, WE ARE RECOGNIZED INTERNATIONALLY AS ONE OF THE FOREMOST BUSINESS PROMOTION AND INWARD INVESTMENT AGENCIES IN THE WORLD

G4-3; G4-7; G4-9



The Brazilian Export and Investment Promotion Agency (Apex-Brasil) works to promote Brazilian products and services in the international marketplace and attract foreign investment to key sectors of Brazil's economy.

Under our vision statement – “Brazil to the World: Innovative, Competitive and Sustainable,” the Agency offers a range of services to assist Brazilian companies, including capacity building initiatives, business promotion, internationalization and support in attracting Foreign Direct Investment (FDI).

Our work is supported by an extensive database harnessing the expertise we have accrued over the years, 388 dedicated staff

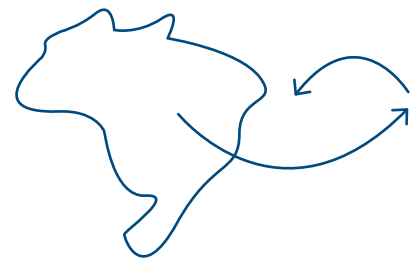
members, and strategic partnerships. Apex-Brasil operates proactively in key markets, with ten international offices that support the development of opportunities for Brazilian business.

We believe that innovation and sustainability are intertwined and two important differentiators for industries looking to compete globally, and have worked to enhance these attributes. This is reflected in value added and more competitive products that meet the expectations of the most demanding markets. It also further enhances Brazil's reputation as a country with unique potential to provide solutions, services and products with embedded social and environmental values.

9 international offices make up the Agency's support network for Brazilian businesses in key markets.

WHAT WE DO

- Build export capabilities
- Identify target markets
- Promote Brazilian products and services abroad
- Maintain and expand markets
- Internationalize Brazilian companies
- Attract foreign investment



VISION BRAZIL TO THE WORLD: INNOVATIVE, COMPETITIVE AND SUSTAINABLE

GLOBAL NETWORK

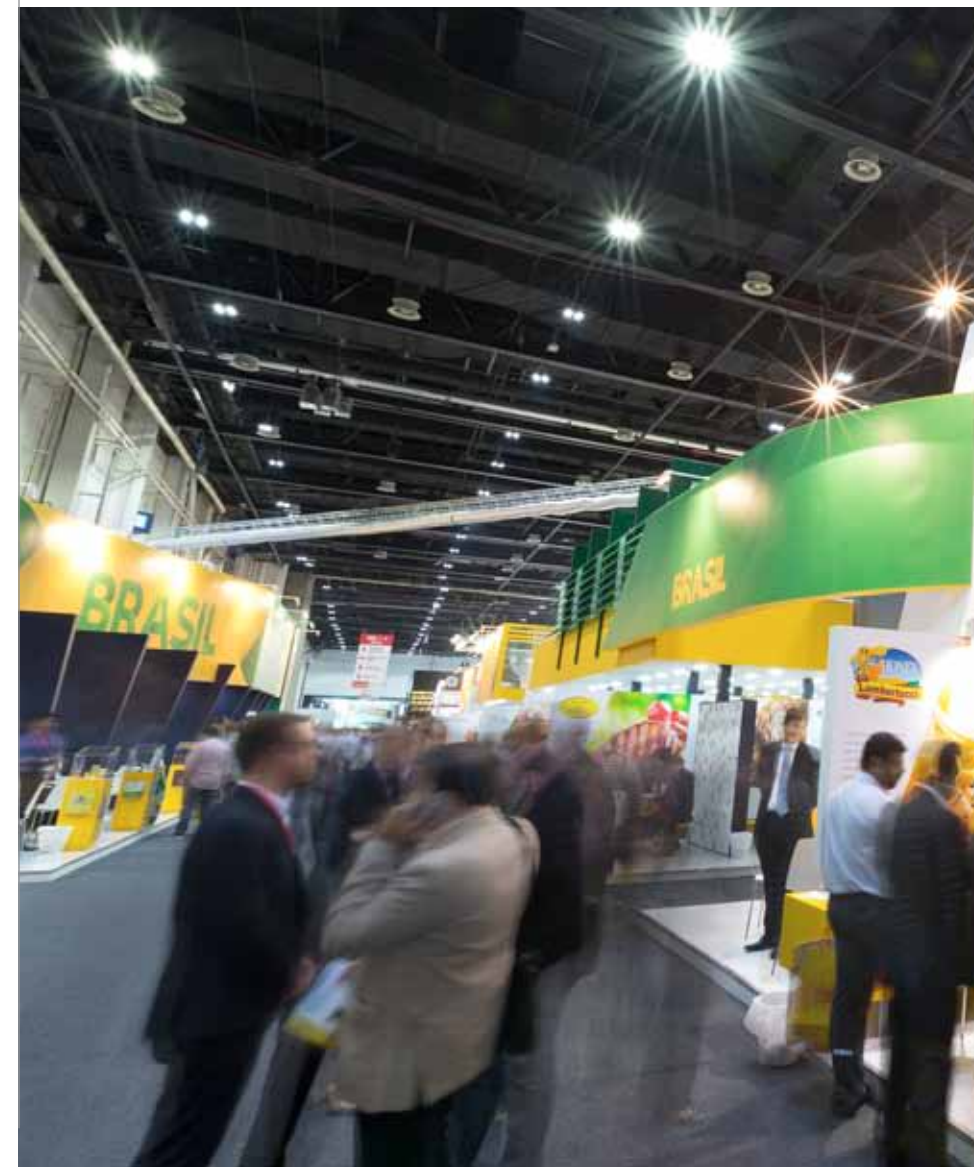
Apex-Brasil Offices G4-5; G4-6; G4-8



* Head Office
** Opened in 2016

ACROSS BRAZIL

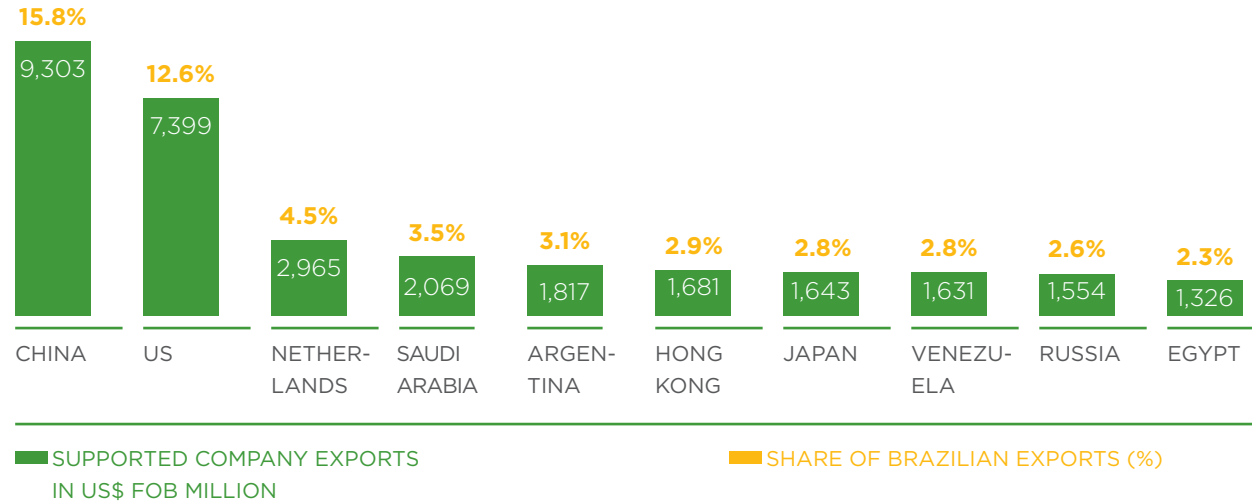
In addition to our foreign offices, the Agency runs 38 Operational Centers as part of our Export Capacity-Building Program (PEIEX) in 14 states in Brazil, which help prepare companies for global trade. Their mission is to assist companies in engaging in our business promotion initiatives. These centers are operated in partnership with technology and research centers, industry federations and universities.



Apex-Brasil supports more than 80 industries in their efforts to expand into approximately 200 global markets

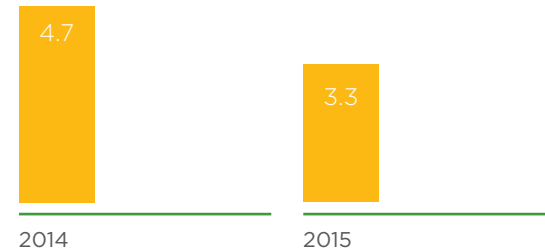
2014-2015 PERFORMANCE

PRIMARY TARGET MARKETS FOR PRODUCTS AND SERVICES



ATTRACTING FOREIGN DIRECT INVESTMENT (FDI) US\$ FOB BILHÕES

FDI funding received by Agency-supported firms, including production and equity investments.



APEX-BRASIL SUPPORTS

12,136 companies in

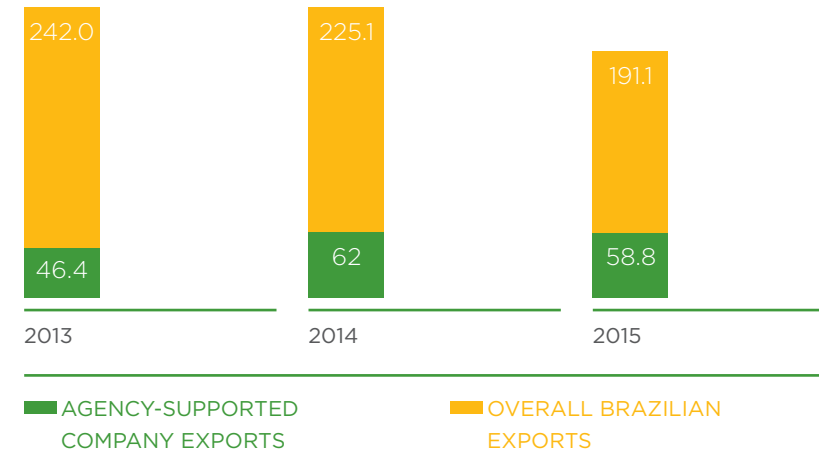
84 setores economic sectors covering

219 markets worldwide

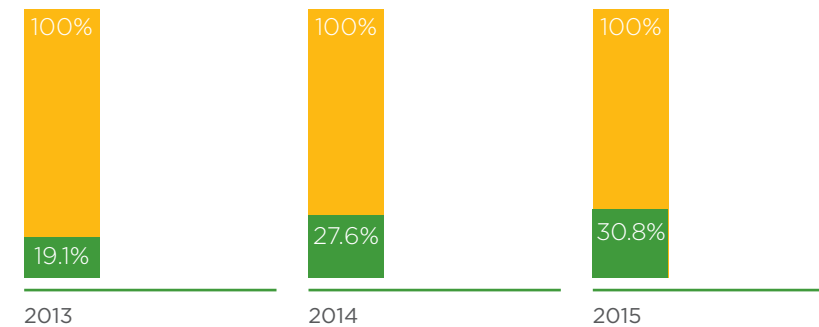
69 industries exporting products

15 industries exporting services

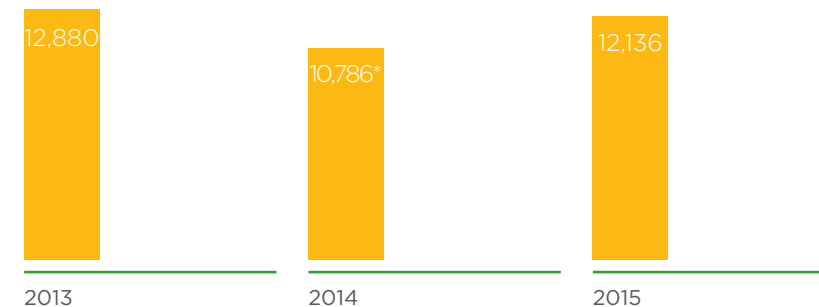
OVERALL BRAZILIAN EXPORTS US\$ FOB BILLION



SUPPORTED COMPANY SHARE IN EXPORTS (%)



SUPPORTED COMPANIES



*Decrease resulting from a review and refining of the database. Despite the decline in the total number of supported companies, exports increased by 33.5% during the period.

BUSINESS PROMOTION

1,700 events with attending Brazilian companies supported by Apex-Brasil between 2014 and 2015

823 business promotion events in 2015

CONTRIBUTION

Agency-supported companies have experienced significantly positive export performance: in 2014, exports accounted for 27.6% of Brazilian trade, increasing to 30.8% in 2015. The decline in international trade experienced by these companies has also been at a rate **twice as low** as the national average. While Brazil's outbound sales declined by 15.1% in 2015, Agency-supported companies experienced a lesser decline of only 5.2%.

HOW APEX-BRASIL CREATES VALUE

Promoting Brazil to the world as a reliable business partner and attracting foreign investment are two of Apex-Brasil's core objectives. Below we describe the process by which the Agency delivers on these ambitions, enhancing value creation both for us and for our stakeholders.

CORE ACTIVITIES

Competitiveness

Capacity building and business consulting, geared especially to small and medium businesses, to prepare them to meet the global challenges and requirements involved exporting from or setting up operations outside Brazil.

Insight

We help inform Brazil's foreign-trade policies through market intelligence. We monitor and organize global data to capture trends that can benefit Brazilian exports and improve risk management.

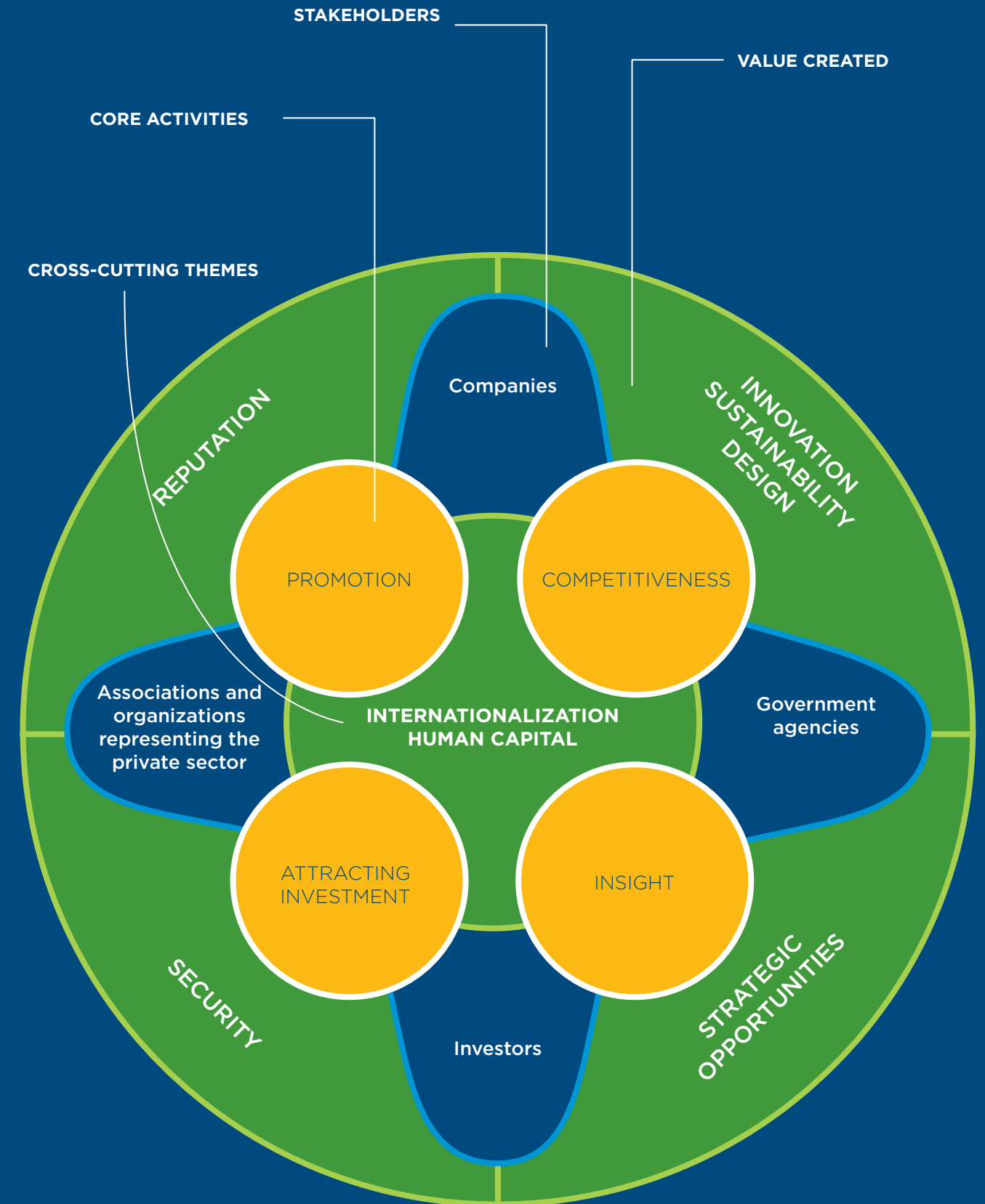
Attracting investment

We help to attract Foreign Direct Investment (FDI) and position Brazil as an attractive market for foreign capital.

Promotion

We sponsor international events and participating Brazilian companies. Brazilian company attendance is supported both by providing venue space and by making arrangements for attendance (travel expenses are paid for by delegates and attendance fees by Apex-Brasil). We also promote institutional and networking initiatives and visits from foreign buyers and opinion makers to Brazil to learn about our production capabilities.

VALUE CREATED WE ENGAGE WITH AND INFLUENCE OUR STAKEHOLDERS USING A STRUCTURED APPROACH



STAKEHOLDER FEEDBACK

G4-17; G4-18; G4-19; G4-20; G4-21; G4-24; G4-25; G4-26; G4-27

During the materiality process to determine the content of this report, Apex-Brasil management, trade associations and other partners were asked to provide their views on key issues and challenges for the Agency, as follows (read more about the materiality process on page 73):

Eight issues are key interests for our stakeholders

ISSUE	Stakeholder expectations	Our approach
Synergism	<ul style="list-style-type: none"> - Clarity on the Ministry of Foreign Affairs' focus areas - A better understanding of Apex-Brasil's role and its criteria in defining its budget, targets for support and areas of activity 	<p>To ensure that outcomes are further-reaching and significant, the Agency works to expand cooperation and joint initiatives with other government agencies involved in stages preceding the export and inward investment processes</p> <p><i>(read more on pages 4 and 5)</i></p>
Reputation	<ul style="list-style-type: none"> - Building the reputation of Brazil and its industries abroad and showcasing differentiators from other emerging countries 	<p>Foreign perceptions of Brazil remain a challenge, but there are opportunities to accentuate little-known attributes. Moving away from stereotypes and promoting Brazil as an innovative, competitive and sustainable country is a focus of our efforts, and permeates all our initiatives: from company capacity building to business promotion efforts</p> <p><i>(read more on page 55)</i></p>
Economic performance	<ul style="list-style-type: none"> - Doing more with less and seeking new sources of revenue - Sustaining efficiency, investment and quality at Apex-Brasil 	<p>Apex-Brasil seeks to attain optimum administrative efficiency so that as much as possible of our resources is channeled to core activities. In 2015, 32% of our budget was allocated to costs and expenses, a percentage below our established ceiling.</p> <p>It is a constant challenge to diversify sources of revenue and maintain quality of spending on key activities</p> <p><i>(Read more on pages 10, 11 and 17)</i></p>

Quality and impact of Agency initiatives	<ul style="list-style-type: none"> - Clarity on the actual impact of Agency initiatives, especially from the point of view of supported companies - Ensuring high quality of delivery 	<p>The Agency has established nine metrics for the effectiveness of our initiatives, including resource efficiency and expanding Agency-supported exports.</p> <p>Measuring intangible outcomes such as the Agency's thought leadership in supported industries, economic improvement and job creation remains a challenge. Another challenge is making project selection criteria increasingly objective and clear.</p> <p><i>(Read more on page 17)</i></p>
Developing competitiveness	<ul style="list-style-type: none"> - Agency guidance on the gaps needing to be filled and opportunities in terms of sustainability, design and innovation 	<p>Programs such as ICV Global, Sustainable Livestock, Design Export and women empowerment initiatives throughout the export value chain are helping to create value-added products and services, promote competitive differentiators and develop new markets for exports.</p> <p>Sustainability attributes can be extended to all supported industries</p> <p><i>(Read more on pages 42 and 55)</i></p>
Building capabilities to establish internationalization strategies	<ul style="list-style-type: none"> - Play a leading role in aiding companies' internationalization efforts, providing guidance on business strategies and propositions 	<p>The Agency has a range of coaching, monitoring and business model evaluation tools to support companies in expanding their international operations. These initiatives help reduce risks for companies and investors.</p> <p>Working across all stages of business maturity and escalating initiatives in a country as large as Brazil are a challenge</p> <p><i>(Read more on pages 42 and 55)</i></p>
Developing human capital	<ul style="list-style-type: none"> - Thought leadership and expertise in matters related to the international market 	<p>Delivering the Agency's strategy requires a highly trained, continually developing, multi-disciplinary team. Therefore, retaining highly experienced professionals is crucial for our success. Position-appropriate remuneration, benefits and a good work environment are aspects pursued by the Agency</p> <p><i>(Read more on page 35)</i></p>
Generating knowledge	<ul style="list-style-type: none"> - Detailed insights into key markets are crucial to be success of our strategies 	<p>The Agency's extensive market intelligence activities assist stakeholders in:</p> <ul style="list-style-type: none"> - selecting the best destinations, opportunities and business practices - developing international business policies - managing regulatory risks and tariff and other barriers to Brazilian products and services <p><i>(Read more on page 69)</i></p>



EFFECTIVE CONTRIBUTION

IMPROVING OUR ABILITY TO EFFECTIVELY MEASURE OUTCOMES HAS BEEN A FOCUS IN RECENT YEARS. THIS HAS INCLUDED DEFINING METRICS AND REVIEWING OUR PROCESSES AND TOOLS

By helping businesses export or attract inward investment into a business or industry, Apex-Brasil is contributing to the economic development of those businesses while also delivering economic development, job creation and a whole range of other benefits.

Investing in capacity building, introducing new tools and approaches to make Brazilian products and services more competitive, or assisting companies in their internationalization programs, especially small and medium-sized enterprises, can transform entire value chains.

To assess outcomes and inform our strategy going forward, the Agency has established a set of key performance indicators that includes the number of events

organized, export volumes, the number of supported export companies, and comparisons between supported and non-supported companies. Companies' satisfaction with Agency services and data on financial management efficiency are also monitored continually.

Monitoring and measuring the value we create is no simple task. Intangible outcomes can be yet more difficult to measure, such as building the Brazil brand and showcasing sustainability-related strengths such as labor practices, human rights and environmental management. These, too, are direct and indirect impacts from Apex-Brasil's work with supported companies and industries.

STIMULATING EXPORTS

GRI G4-EC8

Despite the economic headwinds facing Brazilian businesses with the domestic economic crisis and the growth slump in global economies, except for a mild recovery in the US market, companies supported by Apex-Brasil have seen positive results.

Exports from Agency-supported companies were US\$ 58.8 billion in 2015, exceeding the target for the period but underperforming prior-year exports by 5.2%. The decline, however, was less than the 15.1% decrease in overall exports, with Agency-supported organizations showing greater resilience to adverse economic conditions and demonstrating the superior foreign-trade

performance of Apex-Brasil's portfolio.

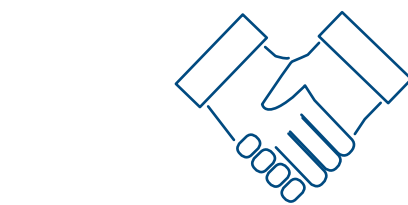
As a result, the share of supported exports out of total exports also grew from 27.6% in 2014 to 30.8% the following year. In terms of the number of companies, the share of companies receiving foreign-trade support also increased by 5.6% to nearly 3,500 companies.

Not including Foreign-exchange effects, Agency-supported exports totaled US\$ 45.1 billion or

35.6% of total industrial exports, decreasing by 10.3% from 2014, compared with a 10.9% decrease in average exports.

The most affected industries were the automotive and car parts and electric and electronics industries, followed by the pork and beef, hides and skins and leather industries. Conversely, pharmaceutical, weapons and ammunition, non-ferrous metals, juices and aerospace value chain exports increased in 2015.

Our efficiency in promotion and reputation building is assessed by comparing the number of events organized with available revenue



Resilience

Agency-supported companies demonstrated stronger export performance than the Brazilian average

900+
initiatives organized in 2015.

90%
satisfaction among companies supported by Apex-Brasil

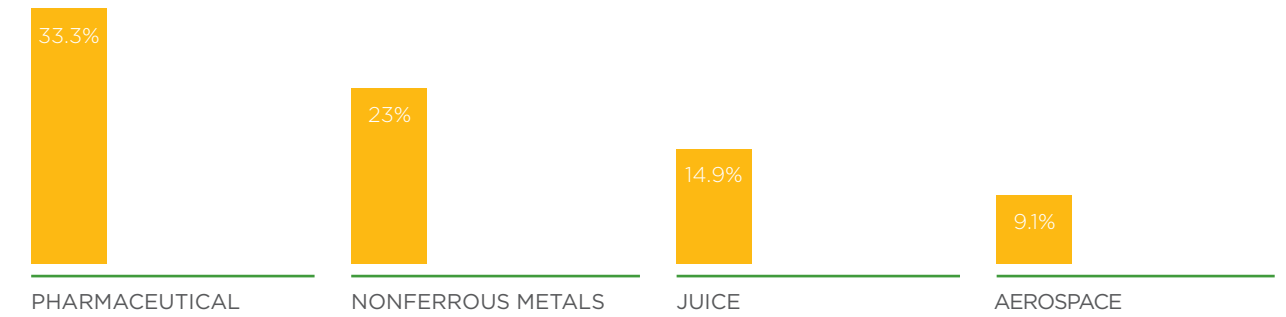
Efficiency

Cost efficiency efforts have resulted in a lower-than-target expense ratio of 32%

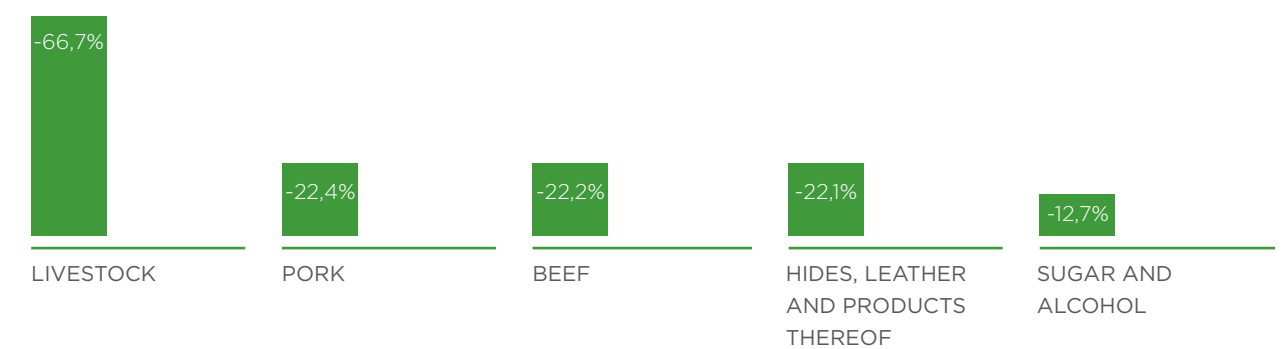


Agency-supported companies accounted for 30.8% of total exports in 2015

INDUSTRIES WITH HIGHEST EXPORT GROWTH IN 2015



INDUSTRIES WITH GREATEST EXPORT CONTRACTION IN 2015



Apex-Brasil promotes Brazil as an attractive market for foreign investment, helping to capture new technologies

ATTRACTING INVESTMENT

Attracting inward investment to Brazil by promoting both foreign direct investment and equity investment has been an increasingly important part of the Agency's activities.

Showcasing Brazil as an attractive foreign investment destination supports the transfer of innovative technologies to Brazilian businesses and stimulates the development of new industries within Brazil's economy. In 2015, Apex-Brasil helped attract more than US\$ 3.3 billion in funding to Brazil, compared with US\$ 4.7 billion in the previous year. The difference in the period is largely due to the decline in foreign industrial investment. Investment destinations include energy, venture capital, private equity and startup seed capital.

EVENTS VERSUS AVAILABLE REVENUE

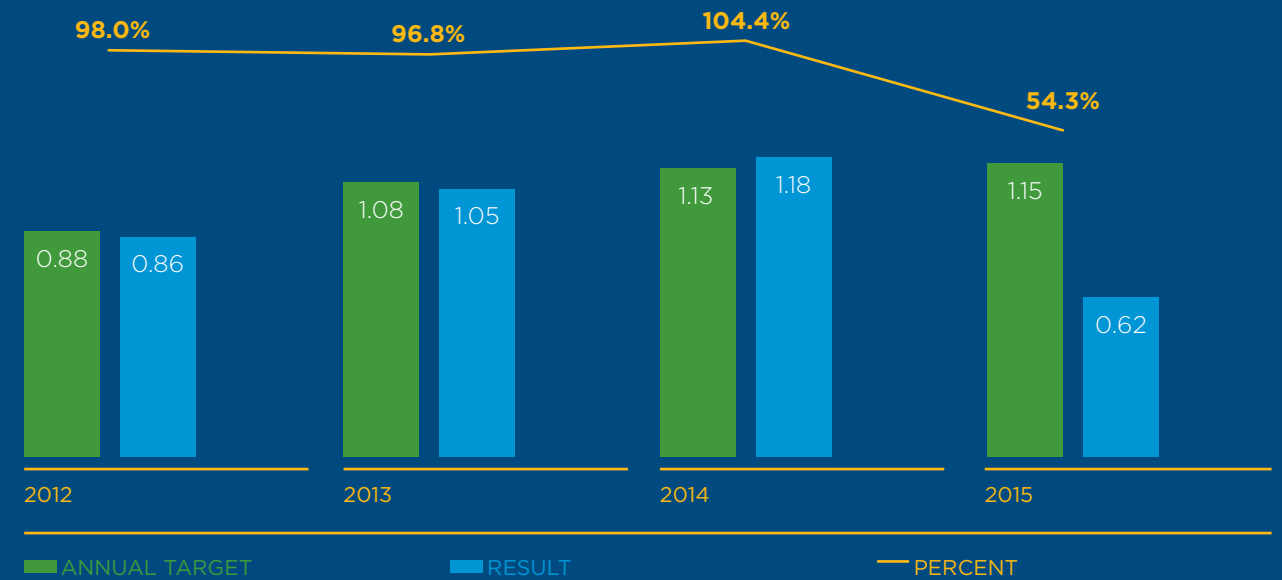
Our efficiency in promotion and reputation building is assessed by comparing the number of events organized with the Agency's available revenue.

More than 900 initiatives were conducted in 2015, including 823 business promotion initiatives.

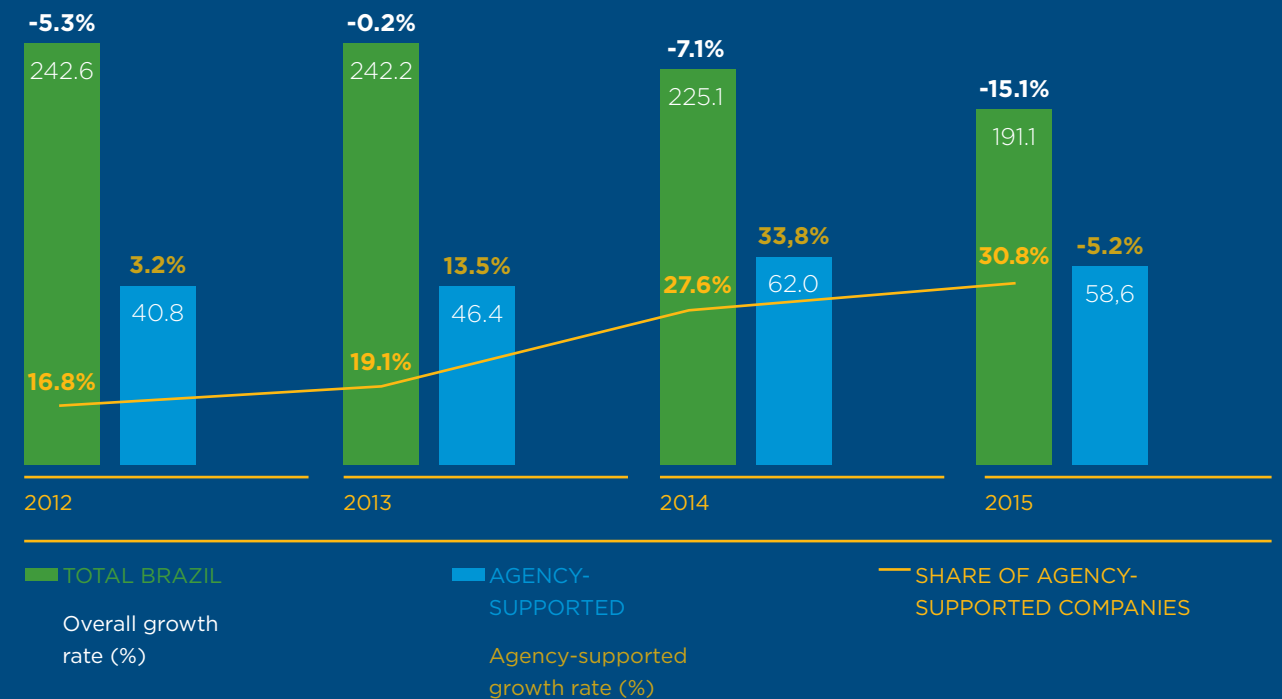
Among these initiatives was Brazil's attendance at Expo Milan. Held from May to October, the universal exposition attracted a total of 21.5 million visitors, with 5.3 million visiting the Brazilian pavilion (*read more about Agency-organized events on page 47*).

Investment in programs to support internationalization and build competitiveness declined in 2015. This was due to a review of our program portfolio to improve resource efficiencies and effectiveness (read more below). Investment in core programs (i.e. related to the Agency's key activities) was US\$ 78.7 million, 36% lower than the previous year. Investment in Reais was R\$ 266.9 million, down 9% compared with 2014. The US dollar to Real difference is explained by exchange variance in the period.

NET CHANGE IN AGENCY-SUPPORTED INDUSTRIAL EXPORTS



CHANGE IN EXPORTS (IN US\$ FOB BILLION)



SOURCES OF FUNDS

Apex-Brasil's primary source of funding is a surcharge paid monthly by employers on payroll. The 0.3% surcharge was introduced by Act 8029 on April 12, 1990 and is apportioned between the Agency, the Brazilian Small Business Support Service (SEBRAE), and the Brazilian Industrial Development Agency (ABDI). Apex-Brasil has a 12.25% share in net surcharge revenue. The surcharge is paid monthly by employers to the Federal Revenue Service.

As a fixed and regular contribution, the Agency has tools available to estimate the predicted budget for the following year, with a margin of error of 2.6%, which enables program planning over the medium term.

Under a management agreement with the Ministry of Industry, Foreign Trade and Services, the Agency is required to submit to the Federal Government an annual budget sufficient for the initiatives planned for the following year, including all projects, programs and events related to its mission, in addition to upkeep and employee expenses.

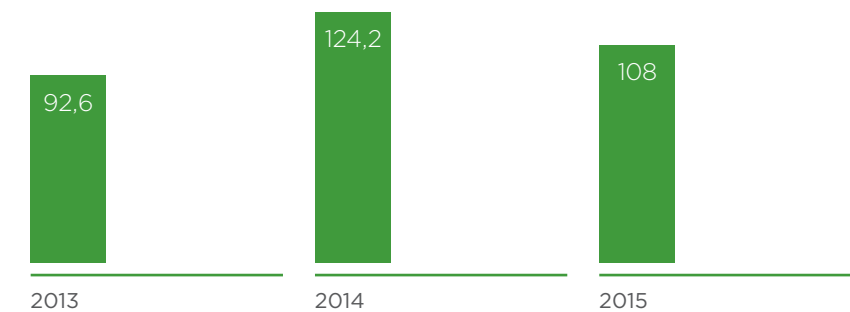
FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (R\$ MILLION)¹ GRI G4-EC4	2013	2014	2015 ²
Tax relief and tax credits	-	-	-
Subsidies	-	-	-
Financial assistance from Export Credit Agencies (ECAs)	-	-	-
Financial incentives	-	-	-
Other financial benefits received or receivable from any government for any operation - Agreement	1,025,000.00	14,418,000.00	14,614,000.00
Total	1,025,000.00	14,418,000.00	14,614,000.00

¹ Funding received under agreements refers to contractual relationships established under an agreement between Apex-Brasil and the Ministry of Industry, Foreign Trade and Services. The contractual instruments executed are available on the transparency page on the Apex-Brasil website.

² For Expo 2015, an agreement was signed with the Ministry of Industry, Foreign Trade and Services in 2013 and the amount specified above was received during 2015.

DIRECT ECONOMIC VALUE GENERATED - REVENUE
(EM R\$ MILHÕES)

GRI G4-EC1



Apex-Brasil ended 2014 and 2015 below budget due to austerity measures, the conservative approach taken to certain issues and more intensive cost-management efforts. Examples include price negotiations with suppliers and procurement planning through a Procurement Center. Cost efficiency efforts will continue into 2016 to adjust expenses to the predicted contraction in revenue.

ECONOMIC VALUE DISTRIBUTED (R\$) GRI G4-EC1	2013	2014	2015
Shareholders (interest on equity)	0	0	0
Employees (remuneration, benefits and employer charges)	R\$ 71,991,633.40	R\$ 67,779,534.97	R\$ 74,238,158.08
Government (taxes, charges and payroll charges)	R\$ 22,250,678.48	R\$ 23,693,508.75	R\$ 31,467,457.72
Retained earnings/Loss for the year	-R\$ 12,174,289.44	R\$ 20,659,874.27	-R\$ 11,551,140.04
Interest and rent (return on third-party capital)	R\$ 10,539,511.15	R\$ 12,117,363.34	R\$ 13,814,459.91
Community investments	0	0	0
Total	92,607,533.59	124,250,281.33	107,968,935.67

Going global



Apex-Brasil expanded the number of **supported companies** from:

2014:

10,786

para **2015:**

12,136



The number of **exporting companies** also expanded from:

2014:

3,182

para **2015:**

3,499

EFFICIENT EXPENDITURE MANAGEMENT

In order to free up additional funds to invest in our core activities of business promotion, building competitiveness and supporting internationalization, it is essential to maintain an efficient cost structure.

This was one of the goals of an expense review program conducted in 2015. In addition to preparing the Agency for the country's economic downturn and the projected decline in tax revenues in 2016, the initiatives are designed to maximize revenues and retain internal staff. Our international offices were also involved in the cost-cutting efforts, which were intensified by the devaluation of the Real,

which increased the weight of these facilities and events in the Agency's total costs.

In 2015, total expense as of December was R\$ 449.20 million and total available revenue over the same period was R\$ 583.27 million, for a budget execution ratio of 77% of the budget. Considering only current-year revenue, i.e. disregarding the balance from the previous year, Apex-Brasil spent R\$ 31.67 million less than incoming revenue for the year. The difference is largely explained by a review performed on certain standards on the execution of agreements with industry associations. Based on the previous criteria, total expense would have been R\$ 480.5 million or 82% of the budget for the year, 1 p.p. from the established target.

The target share of administrative expenses out of total expenditure was 34%, against actual administrative expenses of 32.2%. The below-target administrative expense percentage was the result of a review of controls over expense contracts in Brazil and abroad and not completing all new hires planned for the period, as in 2014. Revenues, in turn, increased by 4.74% over the projection for the period.

All surplus amounts are directed to the Contingency Fund.

PROCESS REVIEW

The Agency has worked to improve its methods of measuring results in recent years. A database review and new monitoring tools have helped inform our business promotion activities.

For example, these adjustments resulted in the number of supported companies decreasing to 10,786 in 2014 from 12,880 in the previous year. Notably, however, despite the decline in the total number of supported companies, exports increased by 33.5% during the period. After reviewing our support criteria and improving the database, the number of supported companies again increased to 12,136 in 2015.

In 2015 the Agency also amended its rules on joint programs with trade associations, known as "Industry Programs". Apex-Brasil's maximum share in total costs under these arrangements decreased from 85% to 70% and the funding rules and workflows were also adjusted. Funding will be provided on a monthly basis against the submission and approval of an expense plan for the month. Under the previous rules, funding was provided on a quarterly basis following the work plan schedule (*read more on page 51*)



ORGANIZATIONAL MANAGEMENT

APEX-BRASIL'S ACTIVITIES ARE GOVERNED BY A MANAGEMENT CONTRACT WITH THE FEDERAL GOVERNMENT. BALANCE AND TRANSPARENCY ARE KEY COMMITMENTS

Apex-Brasil was established in 1997, initially as a strategic arm of the National Small Business Support Service (SEBRAE), from which it was detached in 2003 when it gained legal and administrative autonomy under a Presidential Decree.¹ Since then the Agency has operated as a not-for-profit, private-law, collective-interest, public-utility civil association.

The Agency has administrative and management autonomy to pursue its legal and statutory mandate, including autonomy for hiring and managing personnel under the Consolidated Labor Regulations (CLT). With a lean structure, Agency activities are governed by a management agreement executed with the Federal Government through the Ministry of Industry, Foreign Trade and Services, and the Agency reports on its

performance in achieving goals, objectives, deadlines, responsibilities and the requirements established in the agreement.²

In addition to shifting to a horizontal management approach for internal programs, Apex-Brasil is working to better coordinate foreign offices in support of an integrated approach and processes that are aligned in terms of budget, funding, contracts and personnel.

¹ Apex-Brasil gained legal autonomy under Act 10668, dated May 14, 2003 and Decree 4584, dated February 5, 2003. This decree sets out guidelines on the appointment of officers, boards and the president.

² In 2017, a new management agreement will be signed with the Ministry of Foreign Affairs.





RELATIONS WITH OTHER GOVERNMENT AGENCIES

GRI G4-PA1

Apex-Brasil is directly linked to the Ministry of Industry, Foreign Trade and Services, with which it has a management agreement continuing into 2016. The Agency also works with the Ministry of Foreign Affairs (MRE) and the Ministry of Agriculture and Food Supply (MAP) in a number of areas related to building competitiveness, developing exports and attracting investment.

We also work with a number of international organizations on specific issues, including the Inter-American Development Bank (IDB), the International Trade Centre, the World Trade Organization (WTO), the United Nations Conference on Trade and Development (UNCTAD), ALADI (Latin American Integration Association), the European Union and Mercosur, as well as with the governments of priority markets.

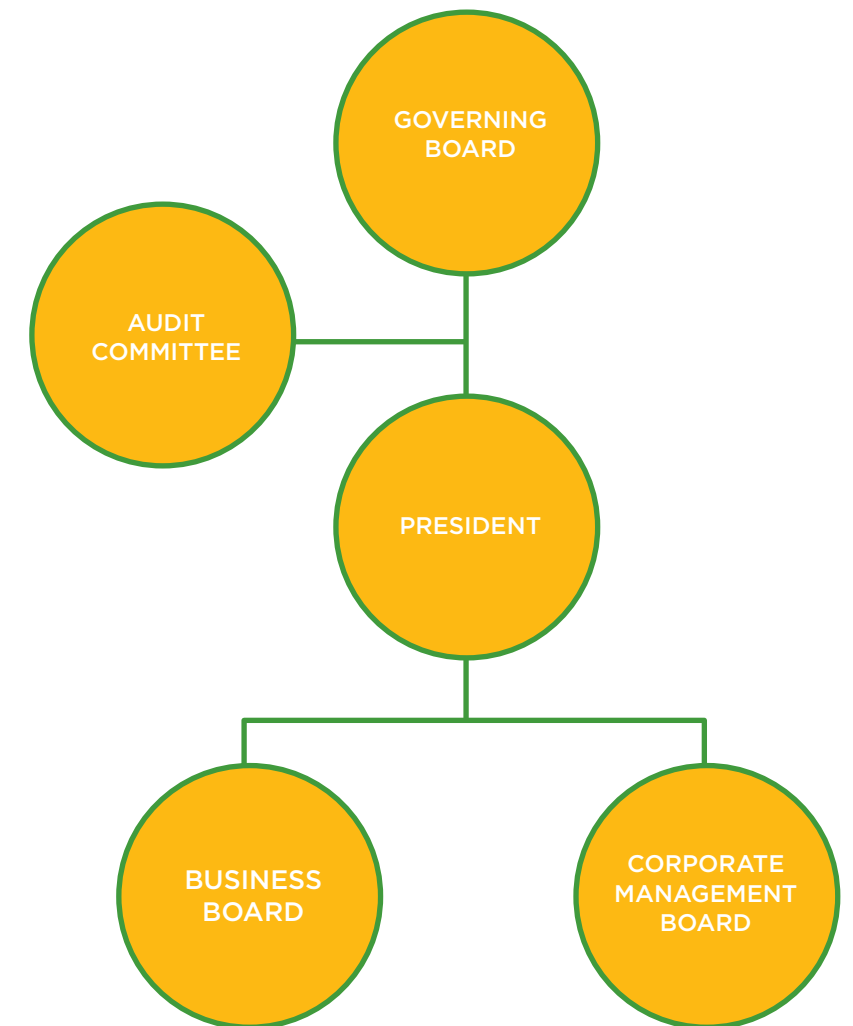
DECISION-MAKING STRUCTURE

G4-34

The Governing Board is the highest management body at Apex-Brasil. As of December 2015, the Board consisted of nine members appointed by bodies and entities representing Brazil's Ministry of Foreign Affairs and Brazilian industry. Members serve a term of two years, renewable for a single additional term. Members receive no remuneration. One member is elected by peers to chair the Governing Board.

The Executive Board is composed of professionals who are hired and remunerated to manage the Agency's affairs in accordance with policies and strategies established by the Governing Board. The Executive Board comprises a president and two officers.

The President of Apex-Brasil is recommended by the President of the Republic and appointed by the Governing Board, and the two officers are nominated by the Governing Board and appointed by the president of the Agency. The three serve a term of four years, renewable once for a further term of four years.



The president of Apex-Brasil is recommended by the President of the Republic and appointed by the Governing Board

EXECUTIVE BOARD

President	Roberto Jaguaribe Gomes de Mattos
Business	André Marcos Favero
Corporate Management	Francisco Assis Leme Franco

*Current term initiated in June 2016.

AUDIT COMMITTEE

The Audit Committee is responsible for overseeing Apex-Brasil's initiatives and reviewing the Agency's accounts. As of December 2015, the Audit Committee comprised three members representing the following bodies: the Ministry of Industry, Foreign Trade and Services, the Foreign Trade Chamber (CAMEX) and the Brazilian Small Business Support Service (SEBRAE).

SUPPORTING COMMITTEES	Responsibility
People Management Committee	Created in 2014, the People Management Committee provides inputs into the Agency's Compensation and Careers Plan and employee performance assessments
Tax Committee	Created in 2014, the Tax Committee works to improve tax governance and financial management
Ethics Committee	The Ethics Committee was created in 2014 to help address internal and external concerns with respect to the Code of Ethics
Budget Committee	Created in 2009, the Budget Committee works to improve budget management and financial management efficiency

GOVERNING BOARD

José Serra | Ministry of Foreign Affairs

Ministry of Agriculture and Food Supply

Ministry of Industry, Foreign Trade and Services

Office of the Executive Secretary of the Investment Partnerships Program (PPI)

Brazilian Development Bank (BNDES)

National Industry Confederation

Brazilian Agriculture Confederation (CNA)

Brazilian Small Business Support Service (SEBRAE)

Brazilian Foreign Trade Association (AEB)

Office of the Executive Secretary of the Foreign Trade Chamber (CAMEX) (without voting rights)

*Current term initiated in June 2016.

ETHICS AND INTEGRITY

Ethics, transparency and integrity are values that underpin all Agency initiatives. We strive to create a culture of good practice and equity not only among our employees, but also among partner institutions and other stakeholders.

The Apex-Brazil Code of Ethics was issued in 2014 and its principles and guidelines have since been disseminated across our initiatives. Our Code of Ethics was developed using best practices recommended by different

organizations, including an employee survey. The Code is now a source of guidance for employees on issues such as corruption, human rights and relations with stakeholders, including government, suppliers and partners.

Established concurrently with the Code of Ethics, our Ethics Committee is responsible for receiving and investigating concerns about violations of our standards and values. In response to any nonconformity determined to have occurred, the Ethics Committee implements education initiatives, pro-

cess improvements or disciplinary measures.

Since 2011, the Agency has also been a member of the Steering Committee of Pró-Ética, a joint effort between the public and private sectors to encourage voluntary adoption of integrity initiatives in business. The initiative was created by the Office of the Comptroller General (CGU) and is chaired alternately by representatives of the CGU and Instituto Ethos. Among its member organizations are the Febraban Committee, CNI and SEBRAE. **GRI G4-SO4**

conduct

A guide launched in 2015 providing guidance to businesses with government officials, especially foreign officials

BUSINESS ANTICORRUPTION GUIDANCE

GRI G4-SO4

In collaboration with the Office of the Comptroller General (CGU), Apex-Brasil recently produced a guide providing guidance to Brazilian businesses on relations with government officials, and especially foreign officials. Titled “Brazilian Companies Abroad - Relations with Foreign Officials”, the guide was launched in July 2015 and provides simple and straightforward recommendations that can be readily implemented to ensure that practices such as offering gifts, travel and other hospitality to foreign government officials will not be perceived as unethical.

During the launch ceremony, Agency employees attended a presentation on the anticorruption initiatives implemented by the CGU Transparency and Anti-corruption Office.

With content aligned with the Brazilian Anticorruption Act, the guide was distributed to trade associations and Agency partners.

It translates applicable regulations into practical and informative language, describing the potential liability as a result of perceived violations in dealings with Brazilian or foreign officials. Applicable regulations establish severe penalties based on objective liability, in which a company can be held liable for anticorruption violations whether or not the company itself has been demonstrated to be at fault. Applicable fines can be as high as 20% of the company's gross annual revenue.

Apex-Brasil has been observant of the Anticorruption Act since it came into effect in January 2014. The Agency's business promotion initiatives often involve visits by foreign businesses and government officials to Brazil, and therefore strict adherence to applicable rules and the CGU's support in understanding and complying with applicable regulations is extremely important.

The anticorruption guide is available at: http://arq.apexbrasil.com.br/portal/cartilha_anticorruptcao.pdf.



WHISTLEBLOWING HOTLINE

In 2015, Apex-Brasil hired consultants to implement an independent, secure and anonymous channel for employees to report concerns. The channel is designed to receive reports on deviations from our Code of Ethics. The Hotline is available to all head office and domestic and foreign office employees and staff, as well as to outsourced employees.

GRI G4-SO4

PROCUREMENT

GRI G4-HR1

In 2015, Apex-Brasil incorporated in its bidding documents a requirement for successful bidders to understand and observe the Agency's Code of Ethics, which is available on our website, and to commit to gender and racial equality. Apex-Brasil's bidding documents also require that bidders not employ forced or degrading labor or labor analogous to slavery. During the reporting period, the volume of contracts specifically addressing human rights concerns totaled more than R\$ 13 million, or 20% of total contract volume. For procurement procedures exempt from competitive bidding, these requirements are not yet mandatory.

SPECIALIST TEAM

PURSUING THE AGENCY'S MANDATE REQUIRES A HIGH LEVEL OF EXPERTISE AND IT IS THEREFORE CRUCIAL TO RETAIN SENIOR TALENT AND CONTINUE TO ATTRACT NEW TALENT



In fulfilling its mission of promoting Brazil abroad and assisting companies in international trade, Apex-Brasil relies on a highly skilled team with extensive, multidisciplinary expertise. In order to carry out the organization's strategy, Agency staff must understand the cultures of different countries, have a high-level command of subjects such as economics, politics and law, and be knowledgeable of industries as diverse as agribusiness, cosmetics and IT.

In this context, the Agency's human resources efforts are continually focused on retaining highly experienced and high-performing talent and attracting new talent. We also make every effort to maintain high levels of motivation and

engagement in executing Apex-Brasil's strategic plan.

At year-end 2015, the Agency had 388 employees in Brazil and across our international offices. Our team comprises experts in economics, business administration, marketing, foreign affairs, law, social sciences and international relations, among other fields. All are covered by the Collective Bargaining Agreement of the Recreational, Social Welfare and Training Organizations Union (SENALBA). GRI G4-11

The key challenge for our entire staff in 2015 was identifying efficiency opportunities to adjust Agency costs and expenses to Brazil's social and economic conditions and ensure that

funds were optimally applied to Apex-Brasil's core activities.

This has continued into 2016 and all employees have been engaged to successfully deliver significant outcomes for the Agency. A cost review was conducted that included a review of telecommunications services, the procurement process and potential electricity and material savings. The review also covered our international offices (*read more on page 24*).

388
employees in Brazil
and across our
international offices

EMPLOYEE PROFILE

GRI G4-10

BY EMPLOYEE CATEGORY	2013		2014		2015	
	Men	Women	Men	Women	Men	Women
Senior Management	2	1	3	0	3	0
Executive Management	10	10	8	7	0	0
Middle Management	12	11	12	12	11	7
Coordinator	7	3	6	3	16	7
Supervisor	0	0	0	0	5	4
Advisor/analyst	74	81	89	97	86	95
Administrative Assistant	3	5	6	7	20	35
Third-party	37	68	35	79	22	41
Apprentices	1	4	0	2	0	3
Interns	12	33	10	23	13	20
Total by gender	158	216	169	230	176	212
TOTAL	374		399		388	

EMPLOYEE PROFILE

GRI G4-10

BY EMPLOYMENT CONTRACT	2013		2014		2015	
	Homens	Mulheres	Homens	Mulheres	Homens	Mulheres
Definite term	3	5	4	10	2	3
Indefinite term	105	108	120	116	139	145
Total by gender	108	113	124	126	141	148
TOTAL	221		250		289	
BY EMPLOYMENT TYPE						
Full time	108	113	124	126	141	148
Part time	0	0	0	0	0	0
Total by gender	108	113	124	126	141	148
TOTAL	221		250		289	
BY REGION ¹						
Brasilia (head office)	108	113	124	126	140	145
Sao Paulo	0	0	0	0	1	3
Total by gender	108	113	124	126	141	148
TOTAL	221		250		289	

¹ This indicator includes Brazil only. Foreign office staff are sourced locally in accordance with local regulations. None are expatriate staff.

EMPLOYEE RECOGNITION

Apex-Brasil offers rewards packages that are consistent with market practices, and all employees receive remuneration above the statutory minimum wage. The lowest, entry-level salary paid to men and women is, on average, 200% higher than the national minimum wage. Executive remuneration is determined by the Governing Board and reviewed annually.

All employees receive periodic performance feedback to assess proposed challenges, adjust their direction where necessary, and evaluate results. As part of a people management improvement effort, individual performance targets were set in 2015. This increasingly results-oriented approach is part of a change in organizational culture, which should be further advanced over the coming years. **GRI G4-LA11**

CORPORATE EDUCATION

The Apex-Brazil Corporate Education Program aims to establish a continuous learning culture and includes professional, formal and informal development initiatives across different learning environments, such as benchmarking, job rotation, reading lists, lectures and conferences.

GRI G4-LA9

Employees may also be eligible to grants for undergraduate, graduate, master's, doctorate or language programs. Grants cover up to 75% of monthly fees up to a set ceiling.

GRI G4-LA10

RATIO OF STANDARD ENTRY-LEVEL WAGE TO MINIMUM WAGE GRI G4-EC5	2014		2015	
	Men	Women	Men	Women
Entry-level salary¹	R\$ 3,415.00	R\$ 3,415.00	R\$ 2,354.00	R\$ 2,354.00
Statutory minimum salary	R\$ 724.00	R\$ 724.00	R\$ 880.00	R\$ 880.00
Percent ratio	21%	21%	37%	37%

¹The decrease in Apex-Brasil's entry-level wage was a result of new hires for lower-level positions (Assistant I).

BENEFITS

Some of the ways we attract and retain talent are through the following benefits:

Health insurance for all employees, extended to dependents without charge. The health insurance plan offers complete coverage with single-room accommodation, as well as the option to receive reimbursement for non-network physicians or laboratories

Dental insurance, with a part employer contribution and an employee contribution not exceeding 30%, proportional to the employee's position and remuneration

Life insurance**Funeral insurance**

A 12-month sickness allowance, in addition to the sickness benefit paid by the Brazilian Social Security Institute (INSS) for medical leave for a period exceeding 15 days for 12 months

Family sick leave for up to 30 days

Maternity leave of 180 consecutive days, with guaranteed employment other than in the case of termination with cause for a period of two months following the end of maternity leave.

Paternity leave of 15 consecutive days, with guaranteed employment other than in the case of termination with cause for a period of eight months following childbirth

A defined-contribution private pension plan, with an employee contribution percentage of 3% to 8% that is matched by the Agency

A school/daycare allowance for the school expenses of dependents up to 25 years old. For employees who have special dependents (people with disabilities) there is no age limit and reimbursement can be made for expenses on supporting therapy

A second language course allowance of up to 75% of the monthly fee

An education allowance for undergraduate, postgraduate, master's or doctorate courses, corresponding to 75% of the monthly fee

A food and/or meal allowance for employees and apprentices

Transportation fares, with the company paying any amount exceeding 1% of the employee's base salary, excluding any bonuses, and 100% of transportation fares for apprentices

Parking expenses, providing employees with greater comfort and time savings when commuting. Pregnant women and people with disabilities have fixed parking spaces

Adoption leave, extendable for a further 60 days for adopting parents and with guaranteed employment other than in the case of termination with cause for a period of two months following the end of adoption leave.

Gala leave for five business days from the date of the event

Five business days' leave in the event of the death of a spouse, partner, parents, children, grandchildren, siblings and economic dependents declared on the employee's employment and social security card; and two working days in case of death of brothers-in-law, uncles, parents-in-law, grandparents, nephews and sons-in-law

Ensuring equity and an inclusive work environment is central to our strategy: 55% of our staff are women

NUMBER OF HIRES ¹ GRI G4-LA1	2013	2014	2015
BY GENDER			
Men	5	20	33
Women	9	20	43
TOTAL	14	40	76
AGE GROUP²			
Under 30	-	-	33
31 to 50	-	-	38
Over 50	-	-	5
TOTAL	-	-	76

RATE OF NEW EMPLOYEE HIRES BY GENDER (%)

Men	1,34%	5,01%	8,51%
Women	2,41%	5,01%	11,08%
TOTAL	3,74%	10,03%	19,59%

¹ The data is for Apex-Brasil's head office in the Midwest region, which accounts for 90% of employees.

² A breakdown of hires and terminations by age group during previous years cannot be derived from currently available reports.

NUMBER OF TERMINATIONS ¹ GRI G4-LA1	2013	2014	2015
BY GENDER			
Men	19	5	14
Women	9	10	20
TOTAL	28	15	34
AGE GROUP²			
Under 30	-	-	5
31 to 50	-	-	21
Over 50	-	-	8
TOTAL	28	15	34

TURNOVER BY GENDER (%)

Men	18,00%	4,00%	4,8%
Women	8,00%	8,00%	6,9%
TOTAL	7,5%	3,8%	8,8%

EQUITY MARK

Benefits such as 180-day maternity leave, extended paternity leave, adoption leave and other corporate pro-equity practices have earned recognition in the form of a Pro-Gender and Racial Equity Mark.

The program is a Federal Government initiative coordinated by the Ministry of Justice and Citizenship's Special General Office for Women's Policies, in partnership with the Office for Racial Equality Policies, UN

Women and the International Labor Organization (ILO). The aim of the program is to improve businesses' organizational management to achieve gender and racial equality in the workplace. **GRI G4-15**

Ensuring equity and an inclusive working environment is strategic for the Agency. This is confirmed by our employment figures – 55% of our staff are women.

In addition to internal initiatives, Apex-Brasil works to promote women's leadership and encourage women-led enterprise in the international market. In 2016, the Agency will implement a range of capacity building and export training programs for women (read more on page 50)

BUILDING COMPETITIVENESS

APEX-BRASIL HELPS
BUSINESSES ACHIEVE
SUPERIOR SUSTAINABILITY,
INNOVATION AND DESIGN
TO CREATE VALUE AND
ACHIEVE INTERNATIONAL
BUSINESS GROWTH G4-EO11



Helping companies make their products and services more competitive in the highly competitive global marketplace accounts for a significant part of Apex-Brazil's investments. This involves capacity building and business consulting targeting small and medium-sized businesses in particular, aimed at promoting an export culture and developing preparedness for global challenges and requirements. It is also part of the Agency's mission to promote best practices as a differentiator for Brazilian businesses.

Apex-Brazil believes that a combination of innovation and sustainability can help deliver process improvements, greater product value and solutions to environmental and economic issues. For this reason, these two attributes, in addition to design, are a focus of the Agency's efforts to help local businesses achieve greater competitiveness and penetrate into new markets.

Our initiatives are cross-cutting and include capacity building and advice on improving processes or products and services and driving innovation.

cross-cutting
initiatives provide capacity building and advice on improving processes, products and services at supported companies



An Apex-Brasil program in partnership with GVces: Innovation & Sustainability in Global Value Chains helps local SMEs create value-added products and services addressing sustainability challenges

ADVANCING A SUSTAINABLE AGENDA

GRI G4-PA2; G4-EO1

At Apex-Brasil, we believe sustainability should embrace the entire value chain, including the sourcing and processing of raw materials in a way that enhances not only the process itself, but also ecosystems and shared value.

Ensuring sustainable business models using biodiversity-friendly resources is one of the Agency's strategic objectives in our efforts to build competitiveness. As part of this commitment, we are developing a national strategy to coordinate initiatives, fill existing gaps and create a platform from which to extend the positive outcomes from successful experiences, further structuring value chains and developing markets for products derived from biodiversity.

Initiatives related to sustainable innovation include a series of programs such as Innovation and Sustainability in Global Value Chains (ICV Global). This

initiative aims to create an innovation platform to assist SMEs in their internationalization process and help them to position their products and services in high-end markets. The program is run in partnership with the Center for Sustainability Studies of Fundação Getúlio Vargas' São Paulo School of Business Administration (GVces).

In the first program cycle in 2014, 12 companies received support in the form of specific training and consultancy to improve their export offerings and business models. Following initial assessment and qualification work, the participating organizations attended the first edition of Brazilian Sustainable Solutions (BSS), a business roundtable held in November 2014, including technical visits and 66 business meetings between companies and international buyers. The initiative generated business prospects amounting to US\$ 2.75 million over the first 12 months. In 2015, five companies were selected for a business mission to California, a leading sustainability and innovation

hub. A number of meetings were held with entrepreneurs, investors, consultants, universities, business schools and research institutions.

The joint Apex-Brasil and GVces program also includes working with two major companies – Braskem (the largest producer of thermoplastic resins in the Americas and the developer of green plastic) and Beraca (a manufacturer of natural raw materials for the cosmetics and food industries) – to help suppliers within their value chain to develop sustainability attributes.

A second edition of ICV Global will be organized in 2016, with another 38 companies receiving training on sustainability.

SUPPORTING THE LIVESTOCK INDUSTRY

Demonstrating good cattle farming practices in Brazil and helping to build a positive reputation in global markets is a key objective of our Working Group on Sustainable Livestock.

Recognizing the importance of cattle farming practices to food security and the need to promote new land use approaches based on pasture remediation and intensive animal farming, the working group has implemented a range of initiatives and provided inputs to promote open, dynamic and constructive dialogue.

Over the last two years, this has been a prominent subject of discussion in forums organized by Apex-Brasil, such as an event held in Paris concurrently with the 21st Session of the Conference of Parties (COP-21) of the United Nations Framework Convention on Climate Change (UNFCCC) in December 2015, and Expo Milan (*read more about these events below*).

Also during COP-21, a document was published with current data on environmental challenges related to cattle farming in Brazil, such as deforestation, greenhouse gas emissions, degraded pasture land, water usage and loss of biodiversity. The Portuguese version is available at: <http://bit.ly/2g2d9ob>

In addition to supporting participation at international events, other Agency efforts have included monitoring the international media, identifying relevant players in the livestock value chain and developing position papers and strategic advocacy initiatives.

CUSTOMIZED SERVICE

Created in 2015, the Customized Service for Innovative Businesses program engaged eight companies in an effort to create and develop a new approach to customized service for companies with superior innovation and sustainability attributes. The initiative was conducted on a pilot basis and targeted to identify market opportunities.

Encouraging sustainable business models deriving resources from biodiversity is a strategic goal at Apex-Brasil

KEY EVENTS



COP-21

A conference on Sustainable Land Use in Brazil was organized on December 7 in Paris by Apex-Brasil in partnership with Business France and Sociedade Rural Brasileira, concurrently with COP-21. The event aimed to demonstrate best-practice cattle farming models in Brazil addressing climate change and sustainable land use. An audience of opinion makers and European investors was addressed by representatives from Fundação Getulio Vargas, WWF Brazil and the World Resources Institute.

SBRio

The Agency attended the 2014 and 2015 editions of Sustainable Brands Rio (SBRio), supporting activities related to innovation and promoting innovative business. As a sponsor of the Innovation Open startup competition, Apex-Brasil helped select creative product developers and solutions as a way to catalyze the progress and impact of the next generation of top brands. In the lead-up to the competition, a series of preparatory events were organized in several regions across Brazil to discuss startup success stories and current challenges related to project finance, innovation and culture.

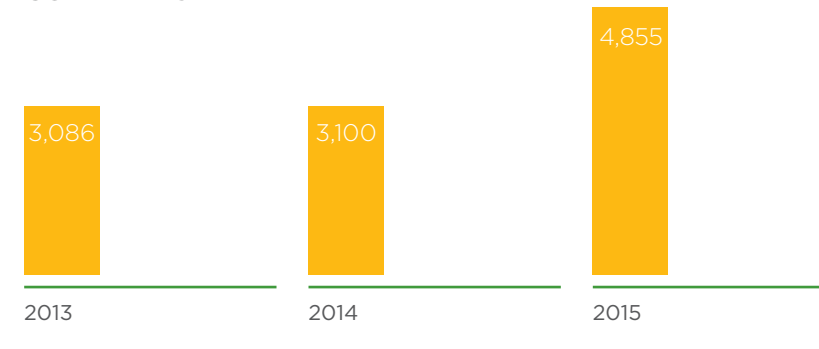
Value chains

The Agency has operated a range of programs in collaboration with industry associations that are designed to align local industries with global best practice in sustainability. In 2014, Apex-Brasil signed an agreement with the National Plastics Institute (INP) to assess and create a plan of action for the plastic manufacturing industry.

Craft Cup

The global visibility of major events in Brazil has provided an opportunity to promote Brazilian products and services. During the FIFA World Cup in 2014, for example, Apex-Brasil partnered with Rede Asta - a social enterprise that empowers small businesses in low income regions of Brazil - to implement the Craft Cup project. The Agency identified low-income groups in five World Cup host cities and provided services including business promotion, capacity building and creation and promotion of a collection of handicrafts representing local culture. The two thousand articles created as part of the Brasil do Buriti collection, handmade by local craftsmen, were delivered during the event to international buyers and opinion makers.

PEIEX COMPANIES TRAINED



13,500
companies
served by the PEIEX program
launched in 2009

CAPACITY BUILDING

PEIEX, an export capacity building program, is a structured initiative to build capabilities and competitiveness and assist startups in international trade. This is a crucial step in approaching and penetrating the global marketplace, where fierce competition requires differentiation and high added value as ingredients for business success.

The program is operated in collaboration with universities, research centers and industry associations in regions with export potential. In these regions, a network of operations centers has been established that spans 14 Brazilian states. The platform allows the Agency to work closely with businesses and offer needed support to entrepreneurs.

Between 2014 and 2015, 38 centers were in operation in Brazil, including seven in the North and

Northeast, two priority regions for program expansion due to their distance from major centers and identified export business opportunities.

Launched in 2009, PEIEX has served approximately 13,500 companies in Brazil to date. In 2014 and 2015, 4,300 companies joined the program. Program services include technical consulting, business and export capacity assessments, and recommendations on solutions to technical and managerial issues. Each assessment takes two to three months and firms are then supported by Agency follow-up on recommended changes, which can range from internal management solutions to external initiatives related to access to new markets and product suitability.

From 2016 to 2018, the Agency expects to implement capacity building initiatives at 9,109 companies.

Competitiveness workshops are also held as part of PEIEX. These classroom-based training sessions provide in-depth knowledge on subjects such as structuring foreign trade departments; innovation and product development for foreign markets; development of international marketing and sales initiatives; logistics; financial and business planning, among other topics. In 2015, 30 workshops were held for approximately 700 companies with no or only incipient export capabilities.

Companies that have completed training are eligible to join other Apex-Brasil export support programs, such as business roundtables, fairs and international missions.

SUPPORTING INTERNATIONALIZATION

Customized services for companies looking to expand their international operations

Support in developing:

- an internationalization strategy
- an international expansion plan

To learn more about the service, please contact:

apexbrasil.com.br/fale-conosco

Tel: +55 61 3426-0202

A SPRINGBOARD TO THE WORLD

Exporting companies that have attained maturity in international trade and are looking to expand their business can join the Internationalization Program, which provides technical assistance to exporters looking to locate abroad or already operating outside Brazil and looking to expand their operations.

The direct and positive relationship between greater competitiveness and business growth abroad attracts entrepreneurs to the program. But preparing to go international requires sound strategy, insights into the target regions and comprehensive planning. More than simply assisting companies in getting financing, the Agency supports entrepreneurs across the full decision-making spectrum. This includes identifying the best suited markets for the relevant product or service, assessing the need to adapt their business model, deciding on expatriation,

and whether the company has the financial resources to invest in the project.

In 2015, the Agency assisted 332 Brazilian companies looking to expand their international businesses. Incubators run by our international offices received 85 companies, and 19 others were advised on locating outside the Apex-Brasil jurisdiction.

One of the tools used to empower entrepreneurs in this process is Passport to the World, an innovative program that offers companies and their teams an optimal environment for learning and disseminating information about international business opportunities, with a focus on strategic markets.

As an online business training service, the platform aggregates Apex-Brasil's expertise in an interactive and personalized environment where entrepreneurs can enhance their understanding of the internationalization process or the first steps to export-

ing products and services. The platform provides a comprehensive knowledge base on international business, with high-quality content produced by Agency staff and business partners, designed for distance training on issues related to increasing international competitiveness and tapping into new markets.

The platform offers more than 70 videos, including training courses, lectures and 80 success cases, as well as more than 200 files with specialized technical content in the system library.

The Inter-Com (Internationalization and Competitiveness) Program, another capacity-building initiative in partnership with Fundação Dom Cabral (FDC), provides training to Brazilian executives in internationalization strategies.

EXPORTS AS A WOMEN'S EMPOWERMENT TOOL

Apex-Brasil sees the empowerment of women-led companies as a strategy to promote gender equality in business, and sees opportunities in the global market to increase their economic inclusion. Unlocking export opportunities for women will be a focus of Apex-Brasil's activities in the coming years.

The Agency works closely with women business owners and provides capacity building and needs assessment services in partnership with leading organizations such as Rede Mulher Empreendedora – an on-line platform that brings together more than 35,000 women-owned companies in Brazil – and the International Trade Center (ITC/UNCTAD). **GRI G4-15; G4-16**

Working with ITC, Apex-Brasil hosted the Women Vendors Exhibition and Forum (WVEF) in Brazil. WVEF is a forum designed to increase the participation of women-owned small businesses in corporations' supply chains. Held in September 2015, the event included a three-day round table discussion with experts from countries around the world, business round-tables, sectoral discussions and a women entrepreneurs forum. More than 300 entrepreneurs from Brazil and other developing countries in Latin America, Africa and Asia attended the event.

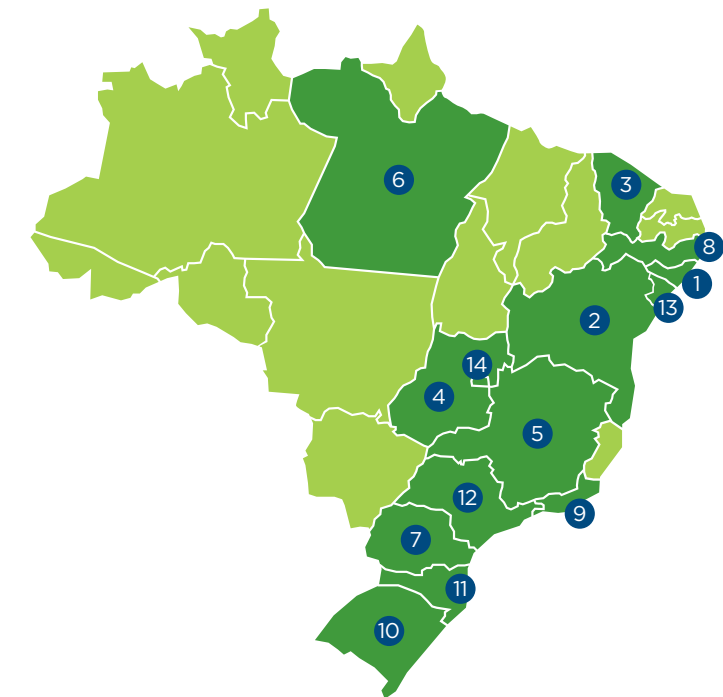
This was the fourth edition of the forum, following previous editions held in China, Mexico and Rwanda. Additional partners included UN Women, the United Nations Environment Program (UNEP), SEBRAE, the Ministry of the Environment and

the Ministry of Foreign Affairs. Another outcome from the meeting was a Call to Action, a set of proposals presented at the UN General Assembly in September 2015 in New York.

Apex-Brasil also runs other initiatives to help prepare women entrepreneurs to vie for their place in international value chains, such as mentoring and capacity building through PEIEX and commercial intelligence on potential markets and industries.

PEIEX 38 operations centers

1. Alagoas
2. Bahia
3. Ceara
4. Goias
5. Minas Gerais
6. Para
7. Parana
8. Pernambuco
9. Rio de Janeiro
10. Rio Grande do Sul
11. Santa Catarina
12. Sao Paulo
13. Sergipe
14. Federal District



Women lead

A NETWORK FOR WOMEN ENTREPRENEURS

- 47% of small businesses in Brazil
- 52% of new businesses

Apex-Brasil officially launched a partnership with Rede Mulher Empreendedora during WVEF in September 2015, in São Paulo, with more than 300 women entrepreneurs in attendance.

The joint initiative will provide training to 2,000 women entrepreneurs by 2017. The program will begin with network events throughout Brazil to introduce the programs offered by Apex-Brasil to exporting and non-exporting small and medium-sized companies and invite them to PEIEX and industry-specific programs.

Rede Mulher Empreendedora is an online platform that brings together more than 35,000 women-led companies across Brazil.

FUNDING INNOVATION

Through a technical cooperation agreement with Financiadora de Estudos e Projetos (FINEP), in November 2015 Apex-Brasil hosted Venture Point, an investment round that connected startups with investment funds and ran concurrently with EmTech Brazil, a conference on emerging technologies from the Massachusetts Institute of Technology (MIT). The initiative focused on capitalizing Brazilian companies and startups with potential for international expansion. Fifteen startups selected out of 135 candidates, and 30 investment funds and angel investors, attended the event. The event also trained PEIEX Operations Center technicians on available FINEP financing facilities.

DIFFERENTIATION BY DESIGN

Developing the right products to meet market demand in terms of usability, performance, consumer experience and differentiation from the competition also means developing the right design. Implemented in partnership with Centro Brasil Design, the Design Export program helps Brazilian companies to implement solutions and improve their export-oriented products and services through design and innovation.

Participating companies are offered assistance in identifying the best suited innovation opportunities and the right professionals for their needs out of a national database of design firms. Consultants assist in each stage of developing the new product or packaging with a particular focus on the design management pro-

cess, mitigating risks in bringing innovative products to market.

The first round of the Design Export program ended toward the end of 2014, reaching 60 Brazilian cities in seven states (RS, SC, PR, SP, MG, PE and PB). The initiative enabled 62% of participating companies to hire a design firm for the first time. In all, 100 Brazilian firms from 21 industries received funding to retain design services.

In 2015, a new public call for applications selected 100 companies to participate in the second edition of the program, and an additional round will select another 100 organizations for the initiatives, which will continue into May 2018.

The positive results from the Design Export program in the

SPOTLIGHT ON STARTUPS

Apex-Brasil has in recent years enhanced its efforts to prepare startups to compete in the international market. A highlight in 2014 was the selection process to support 15 Brazilian startups to participate in the 2015 edition of South by Southwest (SXSW). Held annually in Austin, Texas, the event deals with topics such as technology, creative economics and music. Registration was free and selected startups were offered training.

Apex-Brasil has partnered with the Ministry of Science and Technology for Startup Brazil. The program is geared to businesses no more than four years old and provides grants of up to R\$ 200,000, training and activities that help them connect to investors and customers. Apex-Brasil's role in the program has included the organization

of initiatives aimed at attracting investors and promoting exports and the internationalization of supported companies.

In 2015, the Agency implemented the first edition of the Promessas project, which provides a welcome boost to entrepreneurs in international expansion. The pilot initiative has partnered with Endeavor and selected 50 companies to attend training delivered by Brazilian entrepreneurs already successfully doing business in the international market. Each company attended two mentoring sessions involving topics such as international expansion, acquisition of competitors, creating advisory boards and strategy and management challenges.

South and Southeast of Brazil led to its expansion to the Northeast in partnership with Centro Pernambucano de Design. For further information please visit www.designexport.org.br/.

During the first cycle of the program, the 14 companies that successfully brought innovative solutions to market through the program saw their exports increase by 60%, demonstrating the power of design to differentiate products and services and drive business. Growth data was collected between January and September 2014.

INOVA EMBALA

Another design-related initiative is *Inova Embala*, which helps manufacturers to develop value-added products through pack-

aging design. The program was initially developed in partnership with the Brazilian Packaging Association (ABRE) and in November 2014 partnered with Instituto de Embalagens.

The program is free and spans beyond the innovation process to include international certifications and standards. The program was developed with initiatives targeted to each industry, including events, capacity building, training courses and packaging assessments (Clinics).

Within the Inova Embala program alone, 500 companies in the food and beverage industry were benefitted between 2014 and 2015.

INDUSTRY PROGRAMS

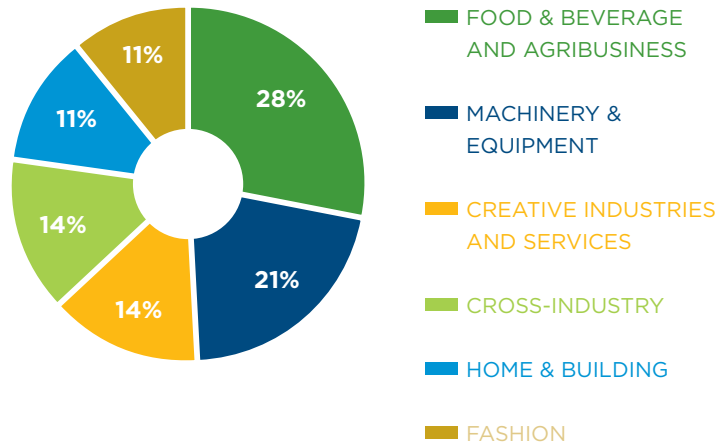
Working with trade associations representing industries with immediate or potential export and internationalization potential, Apex-Brasil supported 72 Industry Programs in 2015 compared with 76 in 2014. These partners play a key role in formulating and delivering foreign-trade strategies in priority industries for Brazil's economy.

Trade associations are an important link to Brazilian companies and are part of more than 70% of Apex-Brasil's initiatives to promote exports and Brazilian products and brands internationally. In 2015, these programs delivered a total of US\$ 28.7 billion in exports.

Industry Programs are run in partnership with industry associations and are supported by both

PERFORMANCE INDICATORS

- Number of supported companies
- Number of exporting companies
- Average exports per company
- Exporting company participation in industry programs
- Number of products
- Number of destinations
- Export growth rates



financial and technical resources and capacity building initiatives. To further enhance these activities, in 2014 the Agency created a system of industry performance indicators to inform our joint initiatives. A total of seven quarterly captured indicators measure attributes ranging from export maturity, size and product development processes to foreign market orientation.

In 2015, Apex-Brasil's investment limits within these arrangements were revised from 85% to 70%, and the provision of funds changed from quarterly to monthly following approval of the relevant expenditure plans.

Periodic meetings have allowed the agency to assess and reformulate the strategies for most projects based on results in terms of destinations, products and other information. Better monitoring of program results and greater responsiveness in adjusting strategies have improved the export performance of supported com-

panies, which have outperformed the national average. This has also allowed Apex-Brasil managers and industry associations to better understand the impacts from projects on supported companies and tailor program strategies to enhance results in foreign markets.

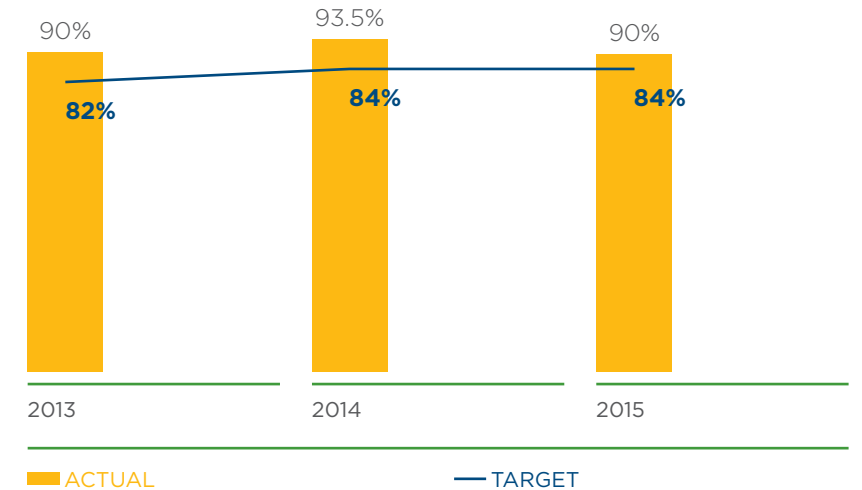
Continual assessments have led to the reformulation of some programs and the termination of others to focus on those industries with greatest export internationalization potential. These initiatives are in line with our commitment to program quality and improving investment efficiency.

indicators to inform program improvements. Apex-Brasil has created a system of indicators to measure sectoral performance

US\$ 28.7 billion generated as a result of Industry Programs in 2015

CLIENT SATISFACTION

GRI G4-PR5



RELATIONS WITH COMPANIES AND INDUSTRY ASSOCIATIONS

In promoting Brazilian products and services abroad, those companies that are supported directly or through industry associations or other Agency services (PEIEX, fairs, missions, etc.) are treated as "clients" and our primary stakeholders.

The Agency has a range of communication channels in place to improve our relationship with these stakeholders. In addition to a Contact Us section, the Apex-Brasil website also provides the telephone numbers of our head office and foreign offices. The Agency is also present in social media: LinkedIn, Facebook, Instagram, YouTube, Snapchat and Twitter. Operations Centers within the PEIEX program are also available in different states from Brazil.

When contacting or when approached by a client company,

Apex-Brasil makes an assessment of the company's export maturity to identify the services best suited to its profile.

Also as part of our client service management approach, since June 2014 the Agency has published internal reports with information on requirements deriving from interactions through our client service channels. The purpose of these reports is to identify areas of interest, the departments involved and monitor open requirements in order to ensure an adequate response. In 2015 Apex-Brasil addressed approximately 9 thousand requirements identified by stakeholders directly through our client service channels, most of which are clients or prospective clients.

These reports are enabled by CRM (Customer Relationship Management), a tool used since 2009 to ensure all de-

partments have a comprehensive and detailed understanding of client requirements.

Quality of service is measured by a client satisfaction index, which measures the adequacy and availability of services, quality of service and technical quality. In 2015, measured satisfaction was 90%, exceeding the target satisfaction index of 84%. The index declined slightly from 93.5% for the previous year. More than 1,000 companies responded to the satisfaction survey in 2015.

GRI G4-PR5

The client satisfaction index is one of our nine priority management indicators and informs the continual improvement of our strategy.



MORE FROM BRAZIL TO THE WORLD

WITH APPROXIMATELY ONE THOUSAND EVENTS HOSTED PER YEAR, APEX-BRASIL HAS SHOWCASED BRAZIL'S INNOVATIVE, COMPETITIVE AND SUSTAINABLE ATTRIBUTES

Apex-Brasil believes that a strategic part of our work are our efforts to dispel those simplistic stereotypes that reduce Brazil to carnival, summer, sexuality and violence.

Improving international perceptions of Brazilian companies, products and services is integral to every initiative at the Agency. It is present in the training we provide to entrepreneurs entering foreign markets, in the events we organize, in our participation in major international fairs, missions and business rounds, and is also a focus of our international advocacy working groups.

Stereotypes can sometimes be helpful for branding in some segments, but fall short of expressing Brazil's full value creation potential and are less than help-

ful in attracting investment, new business, and innovation.

Correcting misconceptions in sectors such as Brazilian agribusiness, textiles and footwear is pivotal. It is Apex-Brasil's view that while those areas needing improvement should be acknowledged, it is also important to provide up-to-date information to inform open and constructive dialog and to present the evidence that Brazil is globally competitive in these segments.

This is a significant challenge, but there are equally significant opportunities to bring to light the positive aspects of doing business with Brazil, which are still little known. Among these are attributes and differentiators such as sustainability and technology in agribusiness and creativity in

stereotypes
dispelling misconceptions
is one of the goals in our
business promotion efforts

941 events were organized in 2015, including business promotion initiatives, business rounds, business missions and brand building initiatives

industries such as fashion, audio-visual, among many others.

Apex-Brasil also works to promote cultural changes and best business practices within Brazilian companies, especially in areas such as human rights, labor practices and resource efficiency (*read more on our contribution to a sustainable business agenda on página 43*).

BUSINESS PROMOTION

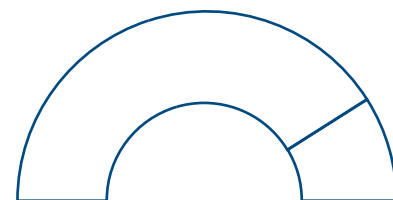
Apex-Brasil organizes and participates in trade fairs, events and commercial missions designed for business development, brand building, and connecting buyers to Brazilian companies. In the last five years, Apex-Brasil has arranged for the attendance of Brazilian companies at approximately 1000 events on average per year.

The decision to attend a given event is taken jointly by the Agency's different departments based on previous analysis and internal assessments covering four dimensions: priority markets, strategic partners, products and businesses.

In 2015 a total of 941 events were held including trade promotion initiatives, business roundtables, business missions and institutional representation initiatives. All events share a common goal: promoting Brazil to the world as an innovative, competitive and sustainable country.

One of the most high-profile events was Expo Milan, held from May to October 2015. Apex-Brasil was responsible for organizing the Brazil Pavilion, the perfect venue for strengthening Brazil's image in the world (*read more in the box below*).

Approximately 77% of our business promotion events in 2015 were organized through Industry Programs with partner organizations. The remainder are cross-industry Business Promotion initiatives run directly by Apex-Brasil. Event statistics followed the trend from previous years, with a slight reduction in the number of events compared with the previous period. A total of 967 events were held in 2014. The majority of events took place in Brazil, followed by the United States, France, Germany and Colombia.



77% of business promotion events in 2015 were organized through Industry Programs

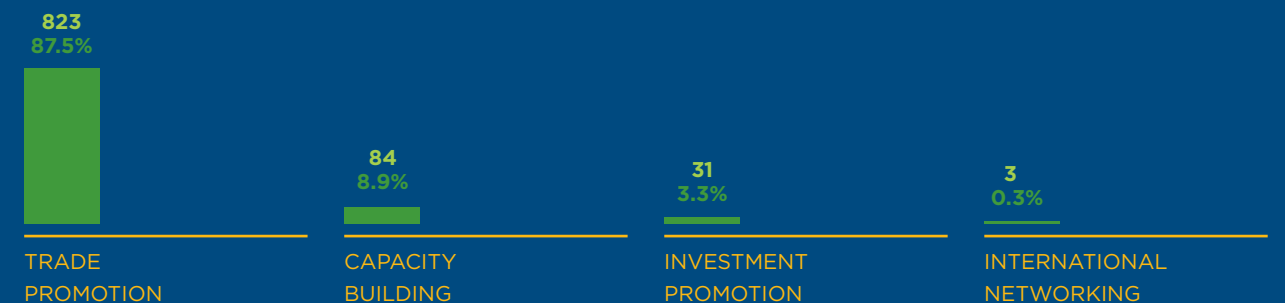
941 EVENTS ON ALL CONTINENTS

Main destinations

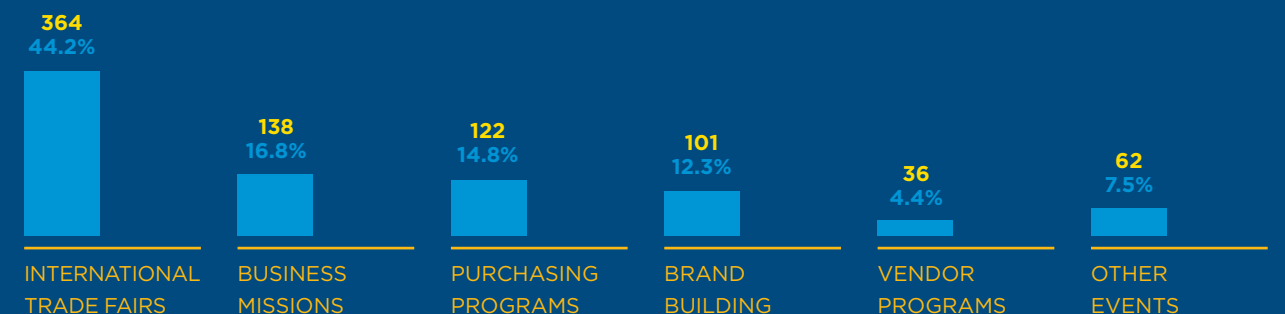
- 1º Brazil**
287
- 2º United States**
158
- 3º France**
55
- 4º Germany**
53
- 5º Columbia**
52



EVENTS BY TYPE



BUSINESS PROMOTION



SOLUTIONS TO FEED THE WORLD AT EXPO MILAN

Based around the theme “Feeding the World, Energy for Life”, Expo Milan brought together 144 countries for six months to discuss sustainable methods of food production and related subjects. The Brazil Pavilion was designed to showcase the country’s capacity to sustainably expand food production and meet growing world demand using state-of-the-art technologies.

In all, 21.5 million people visited the Exposition, with a quarter of those visitors, or 5.3 million people, passing through the Brazil Pavilion. Organized by Apex-Brasil under the oversight of the Ministry of Industry, Foreign Trade and Services, the pavilion was designed by Studio Arthur Casas in collaboration with Atelier Marko Brajovic and Mosae Milano Open Studio. The space was presented with a Towards a Sustainable EXPO award as one of the most successful venues in the Design and Building Materials category, in which aspects related to energy efficiency, the material cycle and building reuse propositions were considered following the event.

During the 184-day exposition, the pavilion was visited by officials and visitors from 49 countries, including FAO Director-General José Graziano and WTO Director-General Roberto Azevedo. It also attracted personalities such as writer Umberto Eco, theologian Leonardo Boff and photographer Sebastião Salgado.

A total of 36 events were held around the exposition theme, including seminars, cooking shows and sampling events, exhibitions and cultural presentations. Apex-Brasil worked with 73 Brazilian companies and 8 industry associations in organizing the event program. Representatives from 20 Federal Government agencies and 12 Brazilian states also provided assistance. A number of partnerships were also established for Brazilian businesses to sell domestic products at the pavilion store, restaurant and cafeteria, as well for the supply of furniture and other items



Walkway: a 1,200 square-meter suspended net represents the integration of the many players in Brazil’s food value chain

needed for the operation of the venue.

The Brazil Pavilion featured prominently in the international media and especially the Italian press, often being described as one of the best at Expo Milan in some of the more than 830 articles covering the event.

Among the attractions at the event, a 1,200 square-meter, interactive walking net representing the integration of the many players in Brazil’s food value chain proved to be one of the most popular attractions at Expo Milan. Around 2.7 million people experienced walking over the net during the course of the event. The Green Gallery, made up of different plant species selected by the Brazilian Agricultural Research Corporation (EMBRAPA) to demonstrate how technology has been leveraged to adapt species to Brazil’s different biomes, was another eye catcher. The facilities also provided information about the diversity, quality and technology attributes present in Brazil’s farming and cuisine.

Universal Expositions are held every five years – the next will be in 2020 in Dubai.



280
Brazilian
 companies participated in 14 business missions in 2015. The goal is to connect businesses to international buyers in countries like Dubai, United Kingdom, Japan, Algeria, Egypt and Colombia.

In 2015, 14 business missions were organized to connect Brazilian businesses to international buyers, with approximately 280 Brazilian companies participating. The Agency took 37 companies to countries in North Africa, including Algeria and Egypt, on a mission to win back markets and develop new business opportunities. The initiative is expected to generate US\$ 89.4 million in business opportunities over a period of 12 months.

Around 50 Brazilian companies visited Colombia for the Brazil Technological Mission, which has the potential to generate revenues of some US\$ 55 million. The event included workshops and business rounds in the machinery and software segments, with buyers from all across South America.

The Agency also arranged for Brazil's participation in nine major international fairs, such as Gulfood, in Dubai. Gulfood is the largest annual food & beverage exhibition in the Middle East and a prime gateway for Brazilian products in the region. The

event was attended by 72 Brazilian companies, which together generated US\$ 646.5 million in prospective business.

Also in 2015, the Agency intensified its Trade Marketing initiatives, working with large retailers to boost sales of Brazilian-made products in large retail chains. More than 50 Brazilian products were promoted at the Isetan/Mistukoshi store chain in Japan and Casino Group in France.

Commercial promotion initiatives are supported by our international offices, which also undertake their own initiatives to expand business opportunities for Brazilian businesspeople looking to do business abroad. In 2015, our offices around the world undertook more than 900 commercial promotion actions. Another highlight in commercial promotion was the attendance of 22 Brazilian companies to showcase their products in the Brazil Pavilion at IFE (The International Food & Drink Event), the UK's biggest and most important food & drink trade show.

Commercial promotion initiatives are supported by our international offices, which also undertake their own initiatives to expand business opportunities

There are many opportunities to accentuate the positive aspects of doing business with Brazil.

FACILITATING TRADE AND INVESTMENT

Also as part of our efforts to build a positive image of Brazil, the Agency works with government agencies, supporting organizations and trade associations in Brazil and abroad to facilitate exports of Brazilian products and services and position Brazil as an attractive destination for foreign investment.

Apex-Brasil's ten foreign offices play a crucial role in securing Brazil's sectoral interests by supporting the Agency's initiatives and closely following political and economic developments in these markets.

Our office in **Brussels** monitors trade barriers, legislation and political developments potentially affecting Brazilian product exports to the European Union. As one of the most important markets in the food sector, a business lobbying effort has been undertaken in the European Parliament to provide clarity on the different aspects of food production in Brazil. The commercial effort is primarily

designed to demystify misconceptions surrounding Brazilian products, provide greater clarity about the market and ultimately improve market share in the European Union. In 2014, for example, a delegation of members of the European Parliament was given the opportunity to learn more about Brazil's supply chains (*read more in the box below*). In 2015, a discussion on Private Standards and their Impacts on Trade in Brazil and the European Union was held concurrently with the EU-CELAC (Community of Latin American and Caribbean States) Summit.

Our **Miami** and **San Francisco** offices play a strategic role in the US market. The US is a long-standing trading partner and a major buyer of manufactured goods. Like Europe, the US market has barriers in many sectors. It is therefore essential to follow developments in US import regulations.

The American market also requires close attention to human rights issues. Brazil was listed in 2013 in a survey conducted annu-

The Agency engages government agencies, supporting organizations and industry associations in Brazil and abroad

ally by the US Congress on countries and sectors that use child and slave labor. Brazilian products in 16 industries were affected as a result. To address this challenge, during the two-year reporting period Apex-Brasil undertook a series of policy advocacy initiatives in collaboration with the Brazilian Textile and Apparel Association (ABIT) seeking to withdraw the Brazilian textiles industry from the US-DoL forced labor list. As part of this effort, the Agency also partnered with the Center for Strategic and International Studies (CSIS) to organize two events in Washington on trade facilitation and foreign direct investment.

The Agency's office in **Beijing**, China, has worked to gain a better understanding of the local Executive and Legislative branches. In 2014, Chinese consultants were engaged to assist Apex-Brasil in gathering information on the structure of the Chinese govern-

ment as inputs into a study titled "**Understanding China's Political System**". The study helps to identify who is who in China and describe the policymaking process, in response to frequent questions from Brazilian businesses, supporting a more effective business and advocacy agenda in China. China has become an increasingly strong market for high-end products and its fashion industry is set to become the world's largest consumer of clothing and cosmetics in the coming years.

Other strategic markets for Brazil where we have offices are Eastern Europe and the Middle East (Russia and the United Arab Emirates). The Agency is formally represented in Africa by offices in Angola and in neighboring countries in Latin America my offices in Colombia and Cuba.

INSIDE BRASIL PROVIDES COMPELLING EVIDENCE OF GOOD PRACTICES IN BRAZIL

Read more about the cities toured by the European delegation:



To further discussions on issues affecting bilateral trade between Brazil and the European Union, Apex-Brasil organized the Inside Brazil - European Commission mission to northern Brazil. In addition to nine European Commission representatives for areas such as agriculture, tourism, organic farming, cooperation, climate, relations with the Americas and strategic planning, the initiative also included a member of the European Union's diplomatic corps. To provide compelling evidence of best practice in the region, Inside Brasil toured four cities in the states of Amazonas and Para and included meetings at local companies, research and development institutions, universities, cooperatives and organic associations. The initiative has given Europeans greater insight into the region's production capabilities and characteristics.

Amazonas

The tour began in Manaus with a meeting at the Superintendence of the Manaus Free Trade Zone (SUFRAMA) in response to a complaint filed by the European Economic Area in 2013 at the World Trade Organization (WTO) against the Manaus Free Trade Zone. The European delegation was given access to data and studies demonstrating that the Manaus Industrial Park has contributed directly to the conservation of the Amazon Forest.

Amazon conservation was also the focus of visits to the National Institute of Amazon Research (INPA) and the Federal University of Amazonas (UFA), where the delegation learned about Amazon biodiversity research, studies on interaction between indigenous and non-indigenous communities and forest areas, and impacts on and quality of life in these communities.

Para

In the state of Para the tour began in **Belem** at Agropalma, the largest producer of palm oil in Latin America. The visit was important in demonstrating how the company uses agroforestry systems to produce palm trees by organic methods while protecting the surrounding forestland. In addition to the company's industrial facilities, the European visitors visited the port terminal, where much of the crude oil output is shipped to Germany.

200 kilometers ahead, the group arrived in the municipality of Tome Acu, where they visited Cooperativa Agricola Mista de Tome Acu (Camta), a cooperative founded in 1929 by Japanese immigrants.

On the last day of the mission, a meeting was held with leadership from the Santa Luzia Agricultural Community, another agroforestry operation. Located in an area of Tome Acu, around 40 kilometers from the town center, this association has received technical assistance from BERACA to become an important supplier of raw materials to local related industries.

On their return to Belem, the group attended a meeting with Foreign Affairs program students from the University of Amazonia (UNAMA).

FURTHERING INWARD INVESTMENT

ATTRACTING FOREIGN DIRECT INVESTMENT IS AN IMPORTANT ASPECT OF APEX-BRASIL'S MANDATE, WITH A FOCUS ON CAPTURING FUNDING AND TECHNOLOGY

Apex-Brasil helps to facilitate Foreign Direct Investment (FDI) and position Brazil as an attractive market for foreign capital. Our initiatives to capture foreign investment serve the primary purpose of developing productive and technological capabilities and increasing the competitiveness of Brazilian companies, creating jobs and contributing to Brazil's broader economic and technological development.

Inward investment efforts have been a part of the Agency's mandate since its inception and have been strengthened year by year. In 2005, an administrative unit was created specifically with the mission of attracting direct investment. In 2008, Apex-Brasil was elected to chair the World Association of Investment Promotion Agencies (WAIPA) and was renamed as

the Brazilian Export and Investment Agency.

Further improving our inward investment activities is strategic for Brazilian businesses and is addressed by Apex-Brasil on two fronts: attracting productive investment, i.e. direct investment deals in Brazil's key industries, and attracting investment through mutual funds or joint ventures.

Productive investment activities focus on five sectors that are strategic in improving the competitiveness of Brazil and Brazilian companies (Oil & Gas, Renewable Energy, Research & Development, Automotive and Life-Sciences) and aim to proactively attract investment in research and development centers, new industrial plants and facility expansion.

On the second front, the Agency works to attract foreign institutional funding to local investment funds. Apex-Brasil assists in the decision-making process by providing insights into markets and the business environment, as well as liaising between government and private parties and organizing business missions. The Agency also provides training to Brazilian entrepreneurs to prepare them to present their business cases to potential investors.

The total volume of Agency-facilitated inward investment in 2014 was US\$ 4.7 billion, including US\$ 1.3 billion in productive investments and US\$ 3.4 billion in local investment funds. Foreign investment in 2015 was respectively US\$ 166 million and US\$ 3.06 billion, for a total of US\$ 3.3 billion. The decline in foreign companies locating or

expanding operations in Brazil was greater than the contraction in foreign financing in domestic companies, and was due to the increased economic uncertainty during the period. Investments were also more dispersed, with a larger number of announced deals, but lower per-deal volumes. In a comparison of the inward investment budget to facilitated investment volumes, each US dollar yielded US\$ 1,570 in Agency-facilitated inward investment in 2015.

Attracting foreign investment plays a crucial role in restoring economic growth, and Apex-Brasil plays a significant role to this end by representing Brazil to the world as a reliable business partner with notable potential for value creation, and by dispelling the stereotypes typically associ-

ated with Brazil's image (*read more on page 55*).

This is also done proactively through initiatives to track interest from multinational corporations or investors. Apex-Brasil compiles and disseminates information on Brazil's competitive advantages in key industries, local value chains and the international business environment, and organizes international meetings or visits by international delegations to gain first-hand knowledge about the Country.

Our strategy also includes enhanced initiatives targeting niches within industries as a way to improve the focus of our activities. For example, the Agency has intensified its efforts to develop value-adding technology partnerships for local businesses.

These partnerships allow Brazilian businesses with extensive experience of the domestic market to join forces with foreign organizations looking to locate in Brazil. For the foreign partner, this approach helps reduce both the time taken to set up new operations and the business risks involved, while for the local partner it provides an opportunity to incorporate innovative technology into the business.

Apex-Brasil has also partnered with the National Petroleum Industry Organization (ONIP) to foster technological partnerships between Brazilian and foreign companies in the oil and gas chain.

R&D INCENTIVES

Launched in March 2015, Innovate in Brazil showcases the benefits and opportunities Brazil has to offer to investors and multinational corporations setting up R&D centers in Brazil. Targeting four industrial sectors (renewable energies, information technology and communication, oil & gas and life sciences), the program strategy is supported by a digital platform available at www.innovateinbrasil.com.br. It provides data on the domestic consumer market, skilled labor, infrastructure, existing innovation centers and available government incentives, with specifics on each priority industry.

The platform is designed so that it takes just a few minutes

for a potential investor to learn enough about Brazil to decide whether it is a viable candidate for investment. The next step is to contact Apex-Brasil, the focal point for companies interested in investment opportunities in Brazil, whether in R&D or in other sectors. The Agency handles the entire process from the initial introductory visit to the announcement of the investment, providing information, connecting the right public and private parties and identifying potential sites for the planned plant or facility.

Innovate in Brazil is the first step in presenting local opportunities to innovation experts, executives from foreign corporations

engaged in R&D in Brazil, and representatives from public institutions.

The program is operated by Apex-Brasil in partnership with the Ministry of Industry, Foreign Trade and Services. Innovate in Brazil was launched in New York during the Brazil Innovation Forum, an event organized in partnership with Foreign Affairs, a magazine published by the Council on Foreign Relations (CFR). Also during the event, the Agency presented an inventory of 150 identified companies with potential for investment in these sectors in Brazil.

In 2015, a dedicated department was created to attract direct inward investment

US\$ 15 million generated for 22 startups in 2015 through Apex-Brasil's networking initiatives. Apex-Brasil organizes missions, investment rounds and events around the world to connect foreign investors to innovative Brazilian entrepreneurs and businesses

ENERGY AND AGRIBUSINESS: TWO PROMISING MARKETS

The value chain surrounding renewable, wind and solar energy provides exciting opportunities to attract inward investment to Brazil. Investors have increasingly set their sights on clean technologies and environmental solutions in Brazil. This is explained by a favorable environment combining increasing demand for lower impact energy sources and a stable regulatory framework with clear and consolidated regulations and the demand created the Federal Government's power purchase auctions, including alternative energy auctions.

Another promising market is agribusiness and especially its technology-related segments, and while not formally one of the Agency's priority sectors, it is on Apex-Brasil's radar and has become increasingly significant with the increase seen in foreign interest.

DRIVING INNOVATION

Apex-Brasil held the first edition of Corporate Venture in Brazil in 2015 to help foreign investors better understand the Brazilian innovation ecosystem. During the three-day event, investors and companies seeking project finance came together to discuss how the business world perceives innovation and how, through joint

initiatives, businesses can reinvent themselves in times of crisis.

Multinational corporations have already realized the value of collaboration and are creating investment funds to finance companies, startups and researchers developing ways to improve their products or processes, or even to start new businesses. Managers of funds like these – from companies such as Monsanto, Microsoft, Samsung, IBM and Phillips – were in attendance at the event. The event was an Apex-Brazil project in partnership with Mawsonia, the publisher of Global Corporate Venturing.

Recognizing that Corporate Venture could be an opportunity to help foster local innovation, the Agency sought to play an effective role in connecting fund managers to Brazilian companies. The strategy has already yielded dividends, such as Monsanto's investment in partnership with Brasil Aceleradora de Startups to stimulate innovation in Brazilian agriculture. The investment candidate selection process took place throughout 2016.

Another highlight was a partnership agreement between Apex-Brasil and the Brazilian Association of Private Equity and Venture Capital (ABVCAP) to promote venture capital funds and a stronger Brazilian presence abroad.

MARKET INSIGHT

OUR INTELLIGENCE SERVICE PROVIDES STRATEGIC INSIGHTS AND CREATES DIFFERENTIATION OPPORTUNITIES FOR LOCAL PRODUCTS AND BUSINESSES



Apex-Brasil has an intelligence unit responsible for informing market strategy. Using data from a robust platform that sources information from important global databases (Euromonitor, fDi, Financial Times, Intelligence Unit, etc.), Apex-Brasil identifies commercial opportunities and risks in international markets and assesses the performance and resource management efficiency of the Agency's programs.

Issues such as trade flow, competition, macroeconomic trends, consumer habits, tariff and non-tariff barriers and regulatory aspects are considered. This information informs the activities of our internal departments and partners and our strategies for companies looking to enter new markets.

Continuous intelligence monitoring not only supports Apex-

Brazil's own strategy, but also directly influences Brazil's National Export Plan (PNE) and the selection of priority markets for foreign trade.

A highlight in 2015 was the development of the PNE's Strategic Business Opportunities Inventory, which identified business opportunities and key markets for more than 3,000 Brazilian products. A dedicated investment center has also been set up to support initiatives to attract foreign direct investment (*read more below*).

Apex-Brasil's intelligence analytics also includes assessments of each Brazilian state to identify new businesses and segments in which to diversify our export program and evaluate the potential of each Brazilian region to attract inward investment. Inward investment assessments

insight
information sourced from major global databases informs our strategy

intelligence center

data from a newly created investment intelligence center supported a range of studies launched in 2015

have been completed for all states except São Paulo due to its size. The state of São Paulo will subsequently be zoned and assessed in parts, and the assessments for other states will be subject to a review, beginning with those states for which data is most outdated.

In 2014, the intelligence Center created a new method for measuring the outcomes from the Agency's business promotion initiatives and ultimately our resource efficiency. Within the new methodology, the export performance of companies participating in the Agency's initiatives is

measured using quantitative and qualitative metrics over a period of 24 months after their participation in the initiative.

Also in 2014, the Agency's methodology for identifying industries with the greatest potential for exports was refined to provide greater focus to our initiatives and to support the entry of companies from the most promising regions. This was further supported at the end of 2013 and beginning of 2014 by a newly structured system of metrics for following up on industry programs (*read more on page 51*)

INTELLIGENCE TO ATTRACT INVESTMENTS

Leveraging insights provided by a newly created investment intelligence center, Apex-Brasil developed a series of relevant studies in 2015 to inform our strategy of attracting inward investment. These included the Brazil-US Investment Map, launched in the US, and studies on opportunities in sectors prioritized by the Innovate in Brazil program, in partnership with the Innovation Office of the Ministry of Industry, Foreign Trade and Services.

In 2014, the Agency launched its Investment Guide to Brazil, a publication also designed for

foreign investors interested in learning about Brazil, its investment opportunities and business environment. The guide was developed as a collaboration with the Ministry of Foreign Affairs, the Ministry of Development, Industry and Foreign Trade (MDIC) and the Ministry of Agriculture and Food Supply, and was widely distributed globally through our offices, embassies and other Brazilian missions abroad. Between 2016 and 2017, the information will be reviewed and packaged into a new edition of the guide with updated data for investors.

Trade Opportunities Map: nearly 70 product and service segments available for reference. Searches can also be done by country

OPPORTUNITY MAP

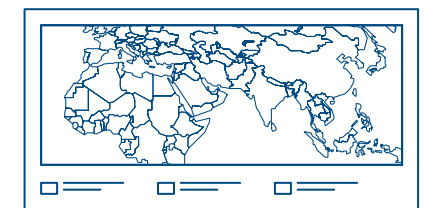
Apex-Brasil recently created a Trade Opportunities Map for Brazilian exports to enable businesses and organizations to make better use of the intelligence produced by the Agency.

Based on on-line geoprocessing, the service is available on the Apex-Brasil website and provides information to businesses seeking insights into where and how to sell their products outside Brazil. In addition to established priority destinations, the Trade Opportunities Map also identifies sectoral opportunities (in product subgroups) that are most likely to contribute to the diversification of the Agency's export program. Approximately

70 product types and 15 services are available for reference. Searches can also be performed by country. The service identifies the best suited destinations, and places each region's maturity in one of four categories: opening, consolidation, maintenance and market recovery.

The methodology takes account of macroeconomic variables and identifies large consumer markets that are among Brazil's primary foreign-trade partners. In 2015 the tool attracted more than 18,000 hits.

The service is free and available to any interested party. Simply visit geo.apexbrasil.com.br/Oportunidades_Comerciais.html



Based on on-line geoprocessing, the service provides information about strategic markets. The service is available on the Apex-Brasil portal.

ABOUT THIS REPORT

THE CONTENTS OF THIS REPORT HAVE BEEN INFORMED BY STAKEHOLDER FEEDBACK AND DOCUMENT REVIEWS

Delivering on our commitment to improving communications with employees, client companies, trade associations, governmental and non-governmental organizations and suppliers, the Apex-Brasil Sustainability Report 2014-2015 provides a single source of information on both financial and nonfinancial aspects and on our approach to sustainability.

This report has been developed with information for the period from January 1, 2014 to December 31, 2015. The definition of report content drew inputs from our materiality process, in which feedback was elicited from stakeholders through interviews with representatives of business associations and partners and Agency leadership (*for a list of stakeholders and materiality issues, see pages 14 and 15*).

This report has been prepared in accordance with the guidelines laid down by the Global Reporting Initiative (GRI), an internationally recognized source of authority on disclosures about organizations' management ap-

proach and their environmental, social and economic performance and impacts. Our report has been prepared "in accordance" with the Core option of the GRI G4 guidelines. Specific information on methods and any differences in scope or limitations are reported with each disclosure. **GRI G4-22, G4-23, G4-28, G4-29, G4-30, G4-32, G4-33**

A full list of GRI disclosures is included in the Content Summary on the following page. Apex-Brasil's own disclosures, designed to aid users in understanding our approach to management and value creation, are also provided.

The GRI sector supplement for Event Organizers has also been included. While not one of the Agency's core activities, event organization plays an important role in fulfilling our mandate and mission of building the Brazil brand abroad and supporting the internationalization of Brazilian products and companies. The same applies to the GRI Government Agencies supplement. Both

supplements were applied as appropriate to provide greater clarity on value creation at the Agency.

Any questions, critiques and suggestions about the content of this report can be submitted by e-mail to apexbrasil@apexbasil.com.br. **GRI G4-31**

GRI CONTENT SUMMARY

GENERAL DISCLOSURES

Aspect	Description	Page/where addressed
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CORPORATE INFORMATION

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