

MAKING A DIFFERENCE

Our performance is guided by **public principles**, one of our values, expressed by the unshakable commitment to the interests of Brazilian society, the focus on collectivity and care regarding public resources. We always seek to work on projects that make a difference to the lives of Brazilian citizens, bringing expressive benefits to society. Know some of the projects that were highlights in 2016.

LOGISTICS

Two thousand and sixteen was a year marked by the starting of operations of the Hidrovias do Brasil S.A. project, in Pará state, supported by us with the objective of implementing a logistic system integrated in Tapajós and Amazon Rivers, earmarked for the fluvial runoff of solid bulks, such as soy and corn. The system is a private use terminal in Vila do Conde (Pará state), of a cargo transshipment station in Miritituba (Pará state), and a fleet of barge convoys. In 2016, around 800,000 tons of grains were transported. The total configuration of the system will allow its operation with up to 5.5 million tons of grains per year in 2018. The project helps reduce the pressure on ports in the country's



Hidrovias do Brasil S.A project's cargo transshipment station
Photography: Rafael Dantas/Hidrovias do Brasil S.A. Collection

Southeastern region, replacing rail and road modalities with the waterway system, which is not only cleaner, cheaper and safer but also brings gains regarding logistics costs, since the terminal is closer to producing regions and to the regions that import Brazilian grains.

SANITATION

Water supply and sewage treatment and collection are one of the priority segments of our operations. As an example, in one of the operations of the Paraná Sanitation Company (SANEPAR), which supports 39 projects in several municipalities in the state, 5,200 water connections and 1,684 sewage connections were added

Improving the conditions of sanitation in Brazil is one of our priorities. Photography: Shutterstock



to the sanitation system with the completion of 13 works in 2016.

Another operation deserving highlight is the implementation of the Water Supply System of Rio das Velhas, in Sete Lagoas, state of Minas Gerais. Because of this operation, 100,000 inhabitants out of a total of 250,000 began being supplied with treated water of this system, reducing dependence on the operation of existing wells, which had been manifesting low flow and lowering of water table levels. The project will serve the local demand for the next twenty years.

We also emphasize the importance of supporting the Onda Limpa Program (Clean Wave Program) – the

Environmental Recovery Program of the Baixada Santista Metropolitan Region, with two credit operations with the São Paulo State Sanitation Company (SABESP). The project is aimed at improving the sanitary and environmental conditions of the municipalities from Baixada Santista, through increased rates of collection and treatment of sewage, benefiting a population of some 3 million, 1.6 million being fixed and 1.4 million floating. The interventions supported were completed in the municipalities of Cubatão, Mongaguá, Peruibe, Bertioga, Santos, São Vicente and Guarujá, and processes are in conclusion in the municipalities of Praia Grande and Itanhaém.



The VLT (light rail vehicle), in Rio de Janeiro, had its first section opened in June 2016. Photo: André Telles/BNDES Collection

URBAN MOBILITY

In 2016, our support for urban mobility projects highlighted Rio de Janeiro due to the Olympics; Salvador, with support for Bahia's subway; and São Paulo, mainly continuing the support for the subway works.

Rio de Janeiro subway line 4, which connects the already existing network to Barra da Tijuca, was inaugurated in July 2016, with approximately 13 km of tracks and five stations already operating (Nossa Senhora da Paz, Jardim de Alah, Antero de Quental, São Conrado and Jardim Oceânico). According to the concessionaire, some 110,000 passengers are transported each working day.

The fast tram (VLT), also in Rio de Janeiro, had its first section inaugurated in June 2016, operating between Novo Rio Bus Station and Santos Dumont Airport, passing through Mauá Square, Rio Branco Avenue, Carioca

and Cinelândia stations, transporting an average of 25,000 to 30,000 passengers per day, according to the concessionaire. An important unfolding is the fact that Alstom, supplier of Rio's VLT, is producing components in Brazil that up to then were made only in France, with the intention of exporting them to the whole of Latin America.

The VLT was considered eligible by the KfW, the German development bank, to receive part of the resources of the contract signed with BNDES in 2015, amounting to € 265 million. The expansion project for Bahia's subway, in Salvador and Lauro de Freitas, was selected for the same contract, and counted on the commitment to develop local supply by the rolling material manufacturer, Hyundai-Rotem. Therefore, for the first time in Brazil there will be passenger trains with driverless technology, which allows trains remote operation without the

conductor. The manufacturer is also transferring technology so that there is a supplier of an electric traction system for passenger trains (WEG) in the country. In 2016, all the new Line 1's stations were inaugurated, totaling 12 km in length and three Line 2's stations. In December, an average of 70,000 passengers were transported per day on both lines. When finished, Line 2 will count on 20 km length, distributed into 12 stations that will connect important points such as the connection between airport and bus station to downtown Salvador.

Regarding the implementation of Line 5 – Lilac, of Companhia do Metropolitano de São Paulo (Metrô SP), which will cover approximately 11 km distributed between Alto da Boa Vista and Chácara Klabin stations, the tunnel excavation was finalized. The estimate is that after concluding the works, expected by 2018, the line will serve 781,300 passengers.

Projects of this nature, that is, urban mobility, have direct impact on people's quality of life, due to increased speed, security and comfort in the transportation of a large volume of passengers. They also contribute to reduce pollutant emissions, offering a clean alternative to the highly pollutant individual motorized transportation.

CONSTRUCTION OF CISTERNS IN THE SEMI-ARID REGION

In 2016, we supported the construction of approximately 3,000 cisterns in the semi-arid region for food production. These units enable the families to store water for drought periods and produce food for consumption and trade.

With the rains of 2015, in some regions visited in 2016, the results can already be observed, such as increased plantations and animal culture, allowing improvements in the feeding of beneficiaries and trade of surplus production.



Cistern in the municipality of Pedro Avelino (RN) allows families to store water for drought periods. Photography: Luciana Chaves/BNDES Collection



PUBLIC HEALTH

In 2016, two emblematic operations were supported with potential effect on combating epidemics that have devastated the country in the last few years. The first is the support for the Oswaldo Cruz Foundation's (FIOCRUZ) plan to combat the zika epidemic, with positive impacts on dengue and chikungunya as well. R\$ 23 million will be allocated for developing diagnostic kits and actions to combat the virus transmission vector. Our participation enables the anticipation of results for public health, avoiding greater losses for the population, especially to those in situations of greater social vulnerability.

The second operation is the support of R\$ 97 million for the Butantan Foundation for developing a tetravalent vaccine against dengue.

It is expected that the vaccine will benefit around 180 million people throughout Brazil. Our resources are equivalent to 31% total investment and will be earmarked for the costing of clinical trials and the construction of a schedules plant for delivering vaccines. It is an extremely important initiative for not only Brazilian public health but also other countries where the disease is endemic. The project will also contribute to the evolution of technical skills needed for developing vaccines in the country and formatting qualified teams to perform clinical studies.

Two thousand and sixteen also registered the inauguration of the country's first biological medicine production plant, the largest in Latin America, of the company Libbs



Research for combating zika, dengue and chikungunya received our support in 2016. Photography: Shutterstock

Farmacêutica, located in Embu das Artes (São Paulo state). Conceived to meet the most demanding regulatory requirements, the monoclonal antibody factory is projected to be a platform for developing, producing and exporting biomedicines. The initial portfolio considers five biosimilars, all of them with focus on the Partnership for Productive Development (PDP), a program of the Ministry of Health to stimulate the national production of drugs and medicines, the transference of knowledge to public laboratories being expected.

MINING AND STEEL INDUSTRY

The Ferro Carajás – S11D project, of Vale do Rio Doce, which started operating in 2016, involves a total investment of R\$ 37.6 billion (with R\$ 6.2 billion supported by BNDES) in the Carajás mining complex (Pará state) and in the Northern region logistics system.

The project aggregates cutting-edge sustainable, low-cost and high-productivity processes and technologies and avoids the use of reject dams. It is the largest mining complex in Vale's history. With an approximate generation of 40,000 direct and indirect jobs in the peak period of works and social investments of around R\$ 30 million in

surrounding communities, the project will allow the expansion of iron ore production by 90 million tons per year and the expansion of the Carajás Railroad transportation capacity to 230 million tons per year. The estimate is that this production will imply a significant increase in Brazilian exports, with a positive impact on Brazilian balance of trade, promoting greater economic dynamism to the country.

Also in 2016, the Pecém Industrial Complex (CSP) started operating. It is expected to produce 3 million tons of steel plates per year, earmarked for exports. With an investment of

R\$ 12.7 billion (with R\$ 2.3 billion granted by BNDES), the CSP generated more than 17,000 direct and indirect jobs during its execution, with a significant increase in the gross domestic product (GDP) of the state of Ceará. Of the amount invested, approximately R\$ 1 billion will be allocated to environmental control equipment and processes in which waste management, monitoring of atmospheric emissions and effluent releases are included.

The CSP and Ferro Carajás implementations generated additional 334 km of railways, besides port infrastructure. The investments encompass the financing of approximately R\$ 45 million in social projects with impact on the surrounding communities, including the construction of three elementary schools, a covered fair area for more than 150 rural producers and support for important projects of income generation for local producers.

The Vale's SD11 project will allow expanding the Carajás Railroad transportation capacity. Photography: Salviano Machado/Vale Agency



ENERGY



Our support for energy contributed to diversify the Brazilian energy matrix with sources of clean energy. In 2016, the Itarema Complex started operating, comprised of nine wind farms in the municipality of Itarema (Ceará state), with a total installed capacity of 207 MW, and associated transmission lines. Social investments were also made in actions for the community located in the surroundings. The project sold energy in auction and provides 426,000 households with electricity.

We also approved two important operations in 2016. The Santa Mônica Wind Farm, comprised of four wind farms with financing of R\$ 353.5 million, will have an installed capacity of 97.2 MW and it is located in Trairi, in Ceará's Northwestern region. The project will attend the demand of 214,000 households.

In its turn, the Sinop Hydroelectric Power Plant, with financing of R\$ 1 billion, located in the municipalities of Itaúba and Cláudia, in the state of Mato Grosso, has installed capacity of 400 MW and energy guarantee of 239.8 MW, which is equivalent to the energy demand of 1,083,907 households.



Itarema Complex, in the state of Ceará, comprised of nine wind farms. Photography: Paulo Del Vale/Rio Energy Collection

KLABIN S.A. PULP MILL



Inaugurated in 2016, the construction of Klabin S.A.'s new pulp mill in the municipality of Ortigueira, in Paraná, was supported by us. The Puma unit, as it is called, represents the largest investment in Klabin's history and had BNDES support amounting to R\$ 3.37 billion out of R\$ 7.7 billion invested. In addition to the financed amount we also contributed an additional portion of R\$ 800 million for the project, through the subscription of simple debentures issued by

the company. The municipality has one of the lowest human development indexes (HDI) of the state of Paraná and the new factory provides economic and socioeconomic improvements to the micro-regions of Telêmaco Borba, Ortigueira, Reserva, Imbaú, Tibagi and Ventania. Approximately 11,000 direct and indirect jobs were generated during the construction phase. In operation, the new plant, which has a production capacity of 1.5 million tons per year of pulp, employs 1,400 direct employees.



Klabin S.A.'s new pulp mill brings development to the Ortigueira municipality, in Paraná. Photography: Marcio Bruno de Oliveira/Klabin S.A. Collection

SOCIAL RESPONSIBILITY IN SUPPORTED COMPANIES

Carvalho Hosken Hotel Industry School

In June 2016, the graduation ceremony of the Carvalho Hosken Hotel Industry School's students was held at the Hilton Hotel in Barra da Tijuca, Rio de Janeiro. We supported the social project, an investment of R\$ 210,000, which had the objective of transmitting basic concepts in the hotel industry for low-income youths aged 18 to 24 years. For six months, the youths had the opportunity to practice their knowledge directly in the hotel's operations through a



Igor Gomes, Barbara Silva and Ana Carla Silva, graduated by the Carvalho Hosken Hotel Industry School. Photography: Miguel Sá/Carvalho Hosken Collection

program consisting of courses with practical and theoretical classes given in workshops. Seventy-six

students completed the course, of which 35 were hired by the Hilton Barra Hotel itself.

Lojas Americanas with Galpão Aplauso

It is worth mentioning the project carried out by Lojas Americanas in partnership with the award-winning Galpão Aplauso, an institution with focus on the qualification of socially vulnerable youths. The project includes the training of young people in several operational functions at the logistics area, and involved the adaptation of a shed, turning it into a small distribution center (DC), simulating the reality of a true DC for training. The institution's purpose is to ensure

young participants develop not only technical knowledge but also values and social skills, such as dynamism, attention, responsibility and teamwork, making them professionals more qualified for the job market. Since the beginning of our support for the initiative up to December 2016, 295 youths have already been qualified, of which 35% are already employed. Evaluations of the contracting companies have shown that the productivity of these youths is higher than the average of other employees performing the same activities.



Students and the logistic course monitor during training. Photography: André Telles/BNDES Collection

Operação Sorriso

The support for Operação Sorriso (Operation Smile) integrated the social sub-credit of the financing project for the implementation of the São Miguel do Gostoso Wind Farm, four wind farms in Rio Grande do Norte (RN) state with total installed capacity of 108 MW. The project consists of support for restorative plastic surgeries for children and adolescents with facial deformities and cleft lip and cleft palate in Mossoró (RN) over four years. The expectation is to perform 214 surgeries and 440 consultations in a locality where, for 20 years, there have been no surgeries to treat patients with cleft lip.



Maria Isis, four months old, on her father's lap, and Dr. Diogo Franco (wearing glasses), the volunteer who performed restorative plastic surgery. Photography: Carla Formanek/Operação Sorriso Collection



STORIES THAT MAKE A DIFFERENCE

Machinery & equipment

Carnevalli & Cia., manufacturer of machinery and equipment for extrusion, co-extrusion and printing of plastic films, was one of the beneficiaries of BNDES Finame, which, for more than 50 years, has been one of the main financiers of machinery and equipment of the Brazilian economy. According to the company, founded in 1962, 90% of the volume of its sales within the domestic market is due to BNDES Finame.

At the other end of the chain, the final loan beneficiaries are able to impel their production and improve the quality of life of their families and employees due to the ease of access to financial resources obtained by means of the product. It is the case, for instance, of Mr. Hélio Hiroshi Toyoshima, who produces coffee on his farm in Cristais Paulista (São Paulo state), in an area of 79 hectares. With increased productivity via acquisition of a Yanmar Agritech 1175 tractor through BNDES Finame, Mr. Toyoshima now reaches the amount of 60 bags per hectare planted.



BNDES Finame benefits machinery and equipment manufacturers such as Carnevalli. Photography: Carnevalli Collection



Rosa Oliveira de Queiroz, partner of Brasport publishing house, doubled the production capacity with BNDES Card financing. Photography: BNDES Collection

BNDES Card

A small-sized publishing house, Brasport Livros e Multimedia has more than 600 titles produced and commercializes almost 2 million copies. Through the BNDES Card financing the company doubled its production capacity. The first Brasport's card was issued by Caixa Econômica Federal in 2005, but nowadays it counts on four issuing banks and is being analyzed by a fifth bank. One of its partners, Rosa Oliveira de Queiroz, affirms that without the BNDES Card it would not be possible to make the production and printing of publications, since it finances the material used to produce the books and to provide the graphic services. In 2016, the company had 27 operations financed, amounting to R\$ 123,456.21 in disbursements. Brasport affirms that the installment payment with fixed rates offered by the BNDES Card facilitates the financial planning of the publishing house, which is able to manage its cards and the limit of each card, in order to always make securities available in the market, which is essential to become known and respected in its environment.

Microcredit

Founder of the Resgate Total Collectors Association, which develops social activities with the families of members in Itaim Paulista, and the Fênix Ágape Cooperative, which currently collects around 100 tons of waste per month, generating income for the families of more than 40 members, Francisca Cosma Gomes Rabelo contracted her first BNDES Microcredit in 2012, at the Banco do Povo Crédito Solidário, to expand the association to her hometown.

Nowadays, the entrepreneur has her ideas and history recognized and rewarded, dedicating herself to develop the Eco Banco Fênix Ágape, which allows exchanging recycling materials for services such as health insurance and computer and English courses, among others. She also plans to take the projects of the cooperative and Eco Bank to the Northeast region.



Francisca Cosma Gomes Rabelo, from Cooperativa Fênix Ágape, contracted BNDES Microcredit in 2012 for the first time. Photography: André Telles/BNDES Collection