



**ODEBRECHT
FOUNDATION**

2018 Annual Report



Contents

On page 50, take a look at the young people and families benefited by the Odebrecht Foundation social program who illustrate this Annual Report.



How to use this document

This is an **interactive** PDF, in other words, the content that is internal and external to the publication can be explored, such as the articles and videos. Therefore, the explanatory buttons will guide you through the document.



Print the publication



Browse page by page



Return to the contents page

Preface



Message from the Superintendent

Focus on our commitments



Fabio Wanderley
Odebrecht Foundation
Superintendent.

At the Odebrecht Foundation, acting with sustainability is conducting actions to generate positive, tangible and intangible results for all the Interested Parts, respecting important commitments.

Firstly, the **commitment to people**, which has always guided our activities, to promote sustainable territorial development, since we believe they are the main agents of this transformation.

Every year, we strengthen our **commitment to social and economic development**, promoting productive social inclusion through the education of young people, generating job and income opportunities, focused on valuing family production in the countryside, and contributions to citizenship and social cohesion, in order to improve living conditions in the communities.

Also, we have always respected the different customs that distinguish the communities in which we operate, in order to ensure our **commitment to the cultural dimension**.

We also reaffirm our **commitment to environmental aspects**, where every action considered had the search for conserving the environment and the conscientious and efficient use of natural resources as its premise.

And without casting aside the **commitment to ethical and transparent activity, with integrity**, an essential component of sustainability, in order to establish bases of trust among all our Interested Parts.

Conscious of the important aspects that directed our actions in the last cycle, we were able to generate expressive and resounding results through our Social Program, PDCIS – Development and Integrated Growth Program with Sustainability. Results that were only achieved thanks to a collective effort orchestrated in Participative Governance, with many actors engaged in reducing inequalities and promoting a more responsible, harmonic and compassionate society, with equal opportunities for everyone.

I invite you to learn about these transforming results on

the following pages of this Annual Report. We would like to do more than share our achievements in 2018: we would like to establish horizontal relations, encourage the dialogue with different actors and create synergies between people and institutions, for increasingly sustainable practices, contributing towards strengthening networks, based on actions that suggest alternatives, to tackle social and environmental issues.

This report is also a gesture of appreciation to the beneficiaries, who have built a path with many lessons learned with us; to Odebrecht S.A., the Foundation's supporting institution, that put its trust in continuing our actions; to the Odebrecht Group and its members, whose spontaneous or encouraged donations have contributed towards making this dream viable; to the Public Authorities and civil society for their confidence and synergy; to the Social Partners and Investors, which support us and enable so much wealth to be generated.

Our greatest commitment is continuing to generate value for everyone, now and in the future.

Institutional Profile



Mission:

“Educate for Life, through Work, on the basis of Values and surpassing Limits”.



The Odebrecht Foundation is a private, non-profit institution, maintained by Odebrecht S.A., and masterminded by Norberto Odebrecht. Created in 1965, it is one of the oldest business foundations in the country and is based on a philosophy of life, grounded on Education and Work, inspired by Odebrecht Entrepreneurial Technology (TEO), and understanding young people as the main agent of transformation of the context in which they are placed, alongside their families.

With the aim of promoting sustainable territorial development, the Odebrecht Foundation created, and has coordinated, the Development and Integrated Growth Program with Sustainability (PDCIS) since 2003. Focused on the population of the Southern Bahia Lowlands, the

initiative's priority is educating young people and creating opportunities, so that they and their families can live in the countryside, with access to public policies, social inclusion, education, decent work and income, strengthening family farming, and in harmony with the environment.

Therefore, the Odebrecht Foundation is connected to the global challenges of the 2030 agenda and contributes towards achieving the targets of the United Nations (UN) Sustainable Development Goals (SDGs). It prioritizes **People**, seeking to make a difference for the **Planet**, in a global **Partnership** that promotes **Peace** and guarantees **Prosperity** (the 5 Ps of the 2030 Agenda).



?

Did you know?

The SDGs are a world agenda to strengthen universal peace, eradicate poverty in all of its forms and balance the three dimensions of sustainable development: economic, social and environmental. It is made up of 17 goals and 169 targets, to be achieved by 2030.

The Odebrecht Foundation's priority areas of activity:

Citizenship and Governance

Make the citizen aware of the set of rights related to economic and social well-being; and make it possible to access public and credit policies.

Innovation and Technology

Encourage the development of new methods of production and commercialization of products and the application of technologies to increase productivity.

Sustainable Territorial Development

Education for Sustainable Development

Provide people, especially youths, with the necessary skills, competencies and knowledge to build sustainable development through the promotion of quality education oriented towards environmental conservation and sustainability.

Economic Development

Strengthen the economic development and social inclusion through the valorization of agriculture.

Environmental Conservation

Stimulate the conservation of the environment and biodiversity, enabling the rational use of natural resources.

Cohesion and Social Mobilization

Enable the union of people around common goals, by encouraging engagement in socio-productive organizations.

Governance



Governance Structure

The Odebrecht Foundation's Governance is anchored in its Bylaws and Policies. Find out more:



Bylaws

They have a social objective; the way the Foundation should interact with its Supporting Institutions; the composition and competencies of its social institutions and its obligations, in relation to its legal status.



Compliance Policy

Involves regulations and guidelines for members' conduct in relation to suppliers, partners, public officials and society in general, always directed by ethical and transparent activity, with integrity.



Sustainability Policy

Has the objective of establishing references for the Odebrecht Foundation in aspects of sustainability and conducting actions, so that they generate positive, tangible and intangible results for its stakeholders, both now and in the future.



People Policy

This policy is directed towards Odebrecht Foundation members. Inspired by TEO, it sets out the Foundation's activities, its beliefs, responsibilities with health, well-being and safety, and its vision for the future.



Governance Policy

Establishes guidelines and governance practices for the Odebrecht Foundation and the way it interacts with stakeholders, in alignment with the conceptions and concepts of TEO.

Relationship with Interested Parts

Governance at the Odebrecht Foundation involves a relationship with the institutions implementing the PDCIS and its beneficiaries, the State Public Prosecution Service, governments, the press, partners and social investors, civil society and other stakeholders. Thus, the Foundation performs its activities, based on the pillars of responsibility, ethics, integrity, transparency, equity and accountability.



"The Odebrecht Foundation adopts governance best practices for the Third Sector. This is demonstrated from measures that lend transparency and security in our relations with interested parts."

Augusto Cruz, responsible for Governance & Legal Matters at the Odebrecht Foundation.

Board of Trustees

The Board of Trustees, made up of three independent and three internal members (the Odebrecht Group), are responsible for the institution's strategic decision-making, guiding its actions and setting policies, as well as other tasks of a statutory and legal nature.

NOTE

In 2018, Sergio Foguel became the Vice-Chairman of the Odebrecht Foundation Board of Trustees, a post that he held until May 2019. He also acted as the Vice-Chairman of the Odebrecht S.A. Board and Chair of the Odebrecht S.A. Global Council.

Members of the Odebrecht Foundation Board of Trustees (2019):



Ruy Lemos Sampaio (Chairman of the Board)

Graduate in Business Administration from the Federal University of Bahia (UFBA); he has a Master's in Finance and Accountancy (University of Michigan). Director of Kieppe, an Odebrecht S.A. holding company, and he held the position of Financial Director of Tenenge S.A., SLP, Copene and Odebrecht Chemicals. He was the director of International Finance and Investments at Odebrecht S.A. and is the current Chairman of the Odebrecht S.A. Board.



João Carlos Vieira da Silva Telles (Vice-Chairman of the Board)

Graduate in Law from the Federal University of Bahia (UFBA), he has been a lawyer since 1963 and partner of J.C.L. Telles Advocacia (law firm), working in the areas of Civil, Environmental and Corporate Law. Among its clients are the Odebrecht Group and the Odebrecht Foundation. Integrates councils of organizations of the Third Sector.



Cláudio Pádua

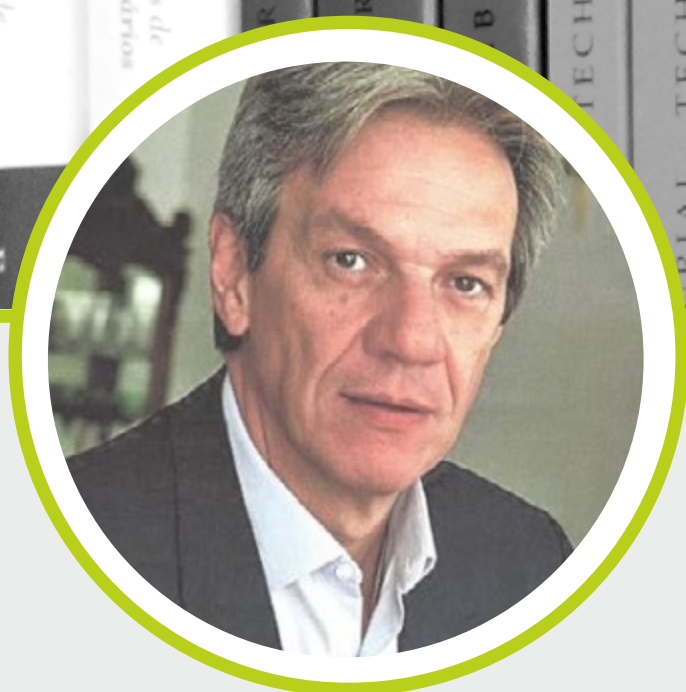
Graduate in Business Administration and Biology. He holds a PhD from the University of Florida and undertakes research at Columbia University (both American universities). Co-founder and Vice-Chairman of the Institute of Ecological Research (IPE) Board in Brazil; he is the dean of the School of Environmental Conservation and Sustainability (Escas) in São Paulo and was a professor (retired) at the University of Brasília (UnB). He is also a member of the Natura Cosmetics Amazon Program Sustainability Board and the Fibria Sustainability Board.

Members of the Odebrecht Foundation Board of Trustees (2019):



Eduardo Szazi

Holds a Bachelor's Degree in Law from the University of São Paulo (USP); he is a Business Administration specialist, graduated from the School of Business Administration of São Paulo at the Getúlio Vargas Foundation (FGV EAESP) and has a doctorate in Law from the University of Leiden (Netherlands). A lawyer, with experience in the non-profit sector and corporate social responsibility, and an author of various publications on the legal framework and governance of the third sector.



João Pinheiro Nogueira Batista

Economist from the Pontifical Catholic University of Rio de Janeiro (PUC-RJ), he holds a MBA in Economic Engineering from Gama Filho University. He has been active on company Boards in Brazil for more than 10 years. At the Odebrecht Group, he is a member of the Odebrecht S.A. and Braskem Boards.



Luciano Guidolin

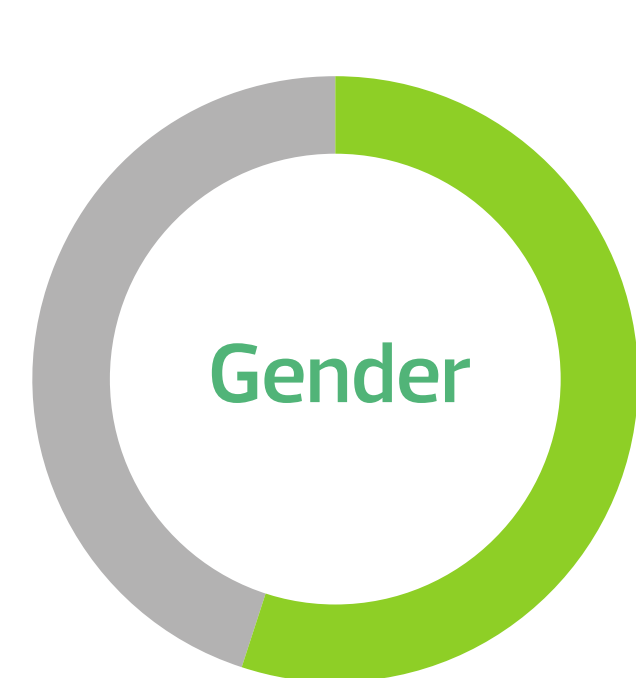
Production engineer graduated from the Polytechnic School of the University of São Paulo (USP); he holds a Master's in Business Administration from Harvard University (United States). He has held the position of Odebrecht S.A. Chief Executive Officer since 2017. During his career, he has worked at other Odebrecht Group companies, such as Braskem and Odebrecht Agroindustrial (now known as Atvos).

The Odebrecht Foundation Team

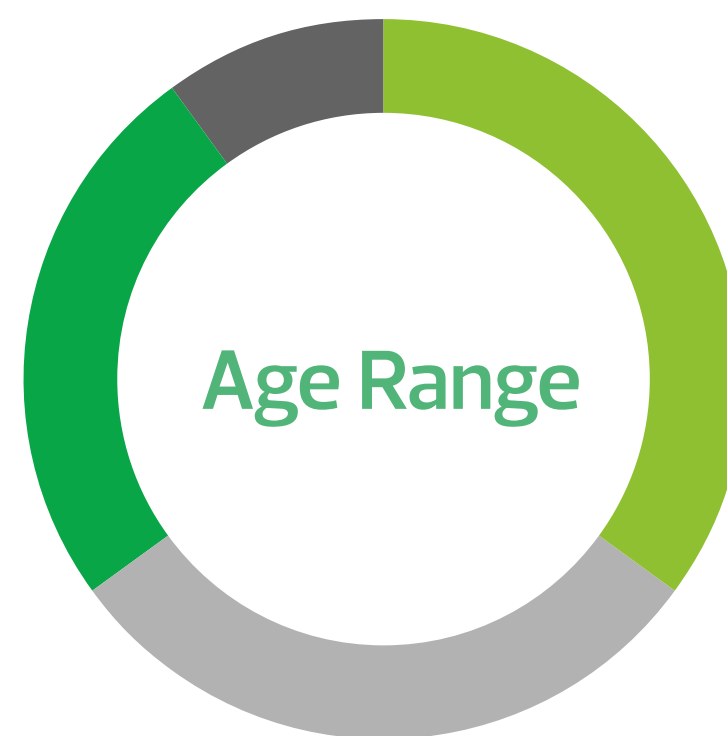
The Odebrecht Foundation acts with the commitment and direct engagement of 20 Members. It is a heterogeneous team, qualified and specialized in a wide range of areas of knowledge: administration, social communication, industrial design, law, civil engineering, accountancy and psychology.



TEAM'S PROFILE:



11 women
9 men



Between 19 and 30 (5 members)
31 and 40 (7 members)
41 and 50 (6 members)
51 and 60 (2 members)



Between 1 and 5 years (7 members)
6 and 10 years (6 members)
11 and 15 years (5 members)
16 and 20 years (1 member)
More than 25 years (1 member)

20
MEMBERS

Compliance

Approaching the topic of Compliance is providing an answer to the most current questions of society, including guidance on best practices, how to deal with conflicts of interest and improving ways to interact with other members, investors, suppliers and partners in general. The Odebrecht Foundation has adopted a Compliance System, with the aim of continually enhancing internal processes and controls, focusing on adhering to current laws, policies and internal guidelines. This system is divided into three pillars: i) prevention, ii) detection and iii) remediation, which are covered by ten different elements, with the majority connected to prevention.

Highlights of the Year

- Approval and introduction of six guidelines to strengthen internal controls.
- Establishment of an Ethics Committee.
- Improvement of the Audit plan implemented by the Odebrecht Foundation at the institutions that take part in PDCIS, with a focus on mitigating weaknesses, according to the level of risk detected.
- Development programs to educate members and enhance internal processes through a continuous training cycle. Five events were held, involving 100% of members.

Odebrecht Foundation Compliance System:



PREVENT

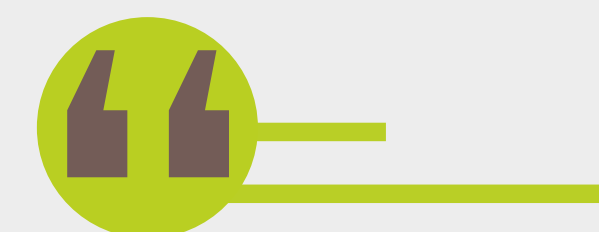
Compliance Governance
Policies and other Guidance
Evaluation of Risks and Controls
Communication and Capacity-Building
Third Party Compliance
Engagement in Collective Actions

DETECT

Management of the Ethics Line Channel (to be introduced)
Monitoring Risks and Controls

REMEDiate

Remediate Risks and Strengthen Controls
Disciplinary Measures



“The adoption of compliance best practices is an essential condition, so that third sector organizations guarantee adherence to laws and the transparency requirements expected not only by its investors, but also by society in general.”

José Ernesto Gonzalez, responsible for People, Finance & Compliance at the Odebrecht Foundation.

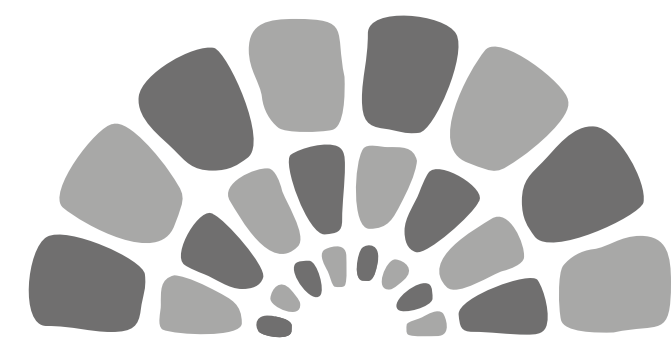
Social Program



PDCIS

Created in 2003, the Development and Integrated Growth Program with Sustainability (PDCIS) is based on the Participative Governance model, of joint activity, with common aims and actions, including public authorities, private initiatives and civil society, especially Civil Society Organizations (OSCs) and private institutions, with social participation for initiatives of public interest.

With the goal of the social, economic and environmental transformation of the living conditions of the people of the Southern Bahia Lowlands, PDCIS activities are guided in an integrated and synergistic way, within the **Odebrecht Foundation's areas of activity**. In this partnership, education is seen as the base for training people. Through innovation and technology, new management and solutions guarantee productivity gains and value sustainable farming, in harmony with the environment, promoting economic development and, consequently, generating social inclusion. The community is also encouraged to play a leading role, from social mobilization, becoming participative and aware of their rights and duties.



**Development and
Integrated Growth Program
with Sustainability**
Odebrecht Foundation

Operation Area

The Odebrecht Foundation's activities take place in 11 municipalities in the Southern Bahia Lowlands, covering a territory of approximately 285,000 inhabitants – with more than 50% of these being resident in rural areas. In 2018, 260 communities benefited, some of these extrapolating this radius of activity, forming a total of 19 assisted municipalities.

The Southern Bahia Lowlands contrasts an abundance of natural resources with low Human Development Indexes – while the national average is 0.75, the figure is 0.59 in the region – and a low level of education: only 19% of students who started primary education stayed on to study at high school (PNUD 2018 | IBGE 2010 | MEC/INEP 2015). The rates of violence are also higher than the national rates, at almost double the number of homicides for every 100,000 inhabitants in some towns (Southern Lowlands: 56.6 | National Average: 30 – Source: IPEA 2016).

With a predominance of Atlantic Rainforest biome, it has great hydrographic wealth, a diversity of species of fauna and a climate conducive to growing various crops, such as cocoa, bananas, sweet cassava, pineapples, cupuaçu and guarana. However, it presents major challenges: it suffers from water pollution, the destruction of forests and bad urban and rural waste management. Inappropriate agricultural management, siltation, burning to clear areas of land, deforestation and a lack of infrastructure also produce environmental impacts.

Southern Bahia Lowlands



Institutions Executing PDCIS

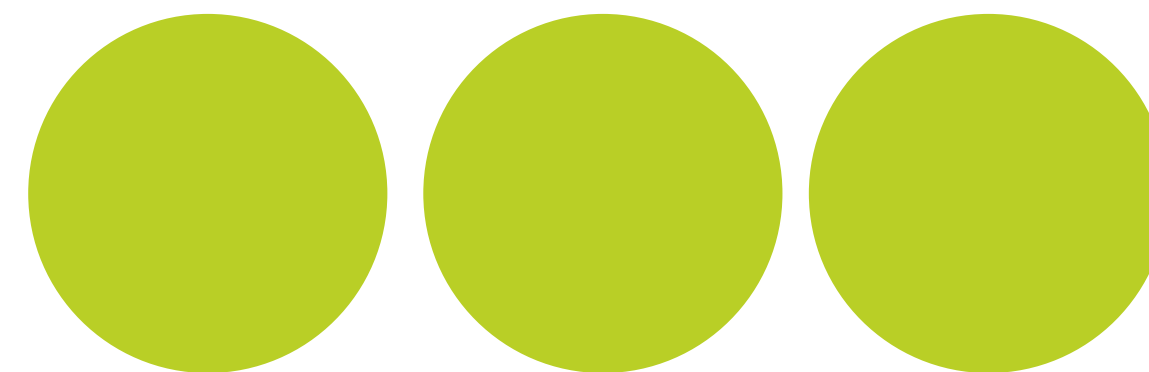
The Odebrecht Foundation cooperates technically and financially with the institutions that execute the PDCIS, mobilizing their own resources, from partners and social investors, so that they can develop actions within the scope of the Program.





Family Houses

Civil Society Organizations with the title of OSCIP – Civil Society Organization of Public Interest, recognized by the Ministry of Education (MEC) and the Department of Education of Bahia (SEC- Bahia), they offer technical courses, integrated with high school, in Farming and Cattle-Raising (CFR-PTN), Forestry (CFAF) and Agribusiness (CFR-I).



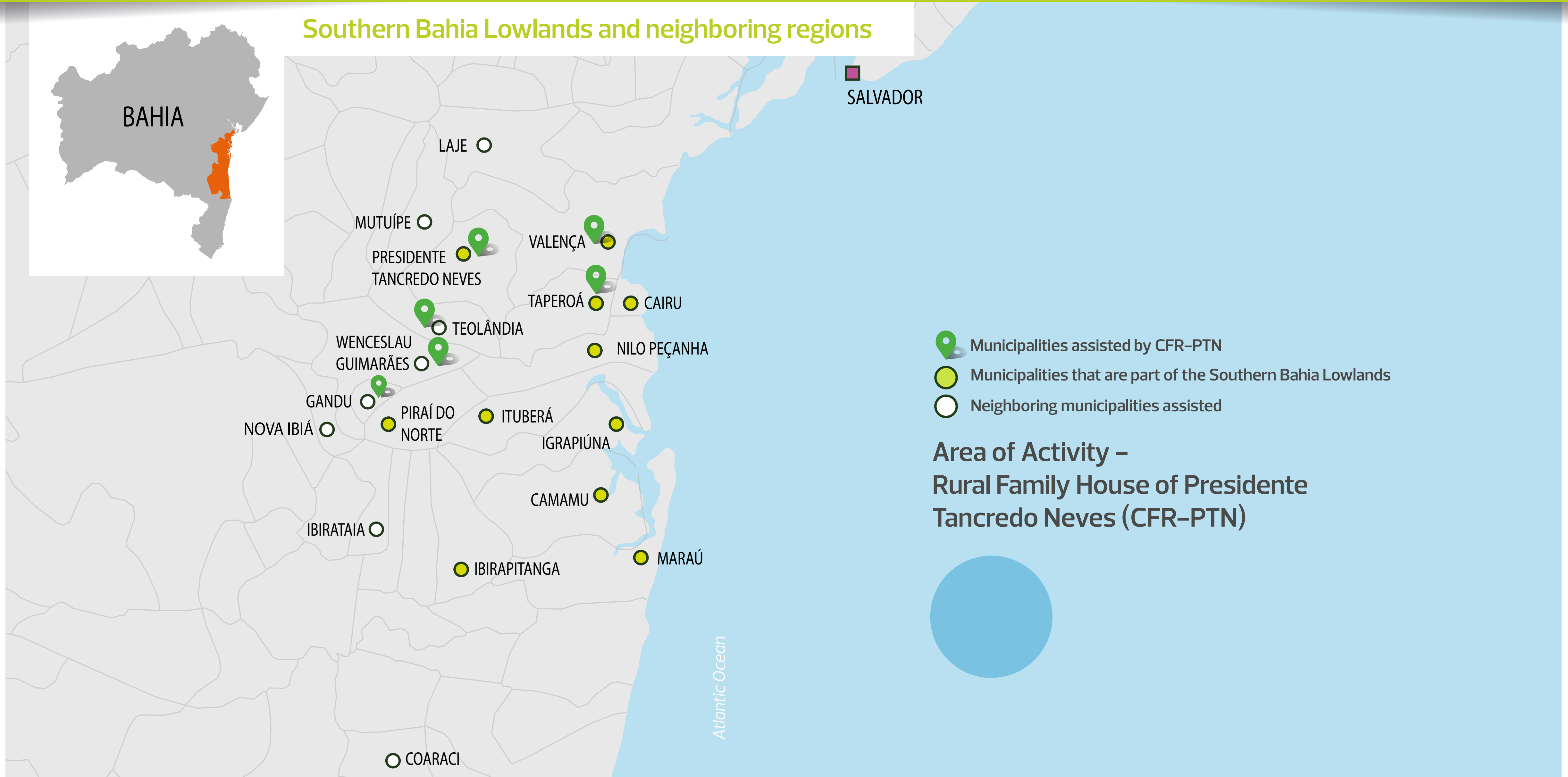
Click on the institution's logo and take a look at the municipalities assisted in 2018.

Since 2015, the Family Houses have been members of the UNESCO Associated Schools Project Network (ASPnet), an international network of educational institutions that work on values and developing a culture of sustainability and peace.

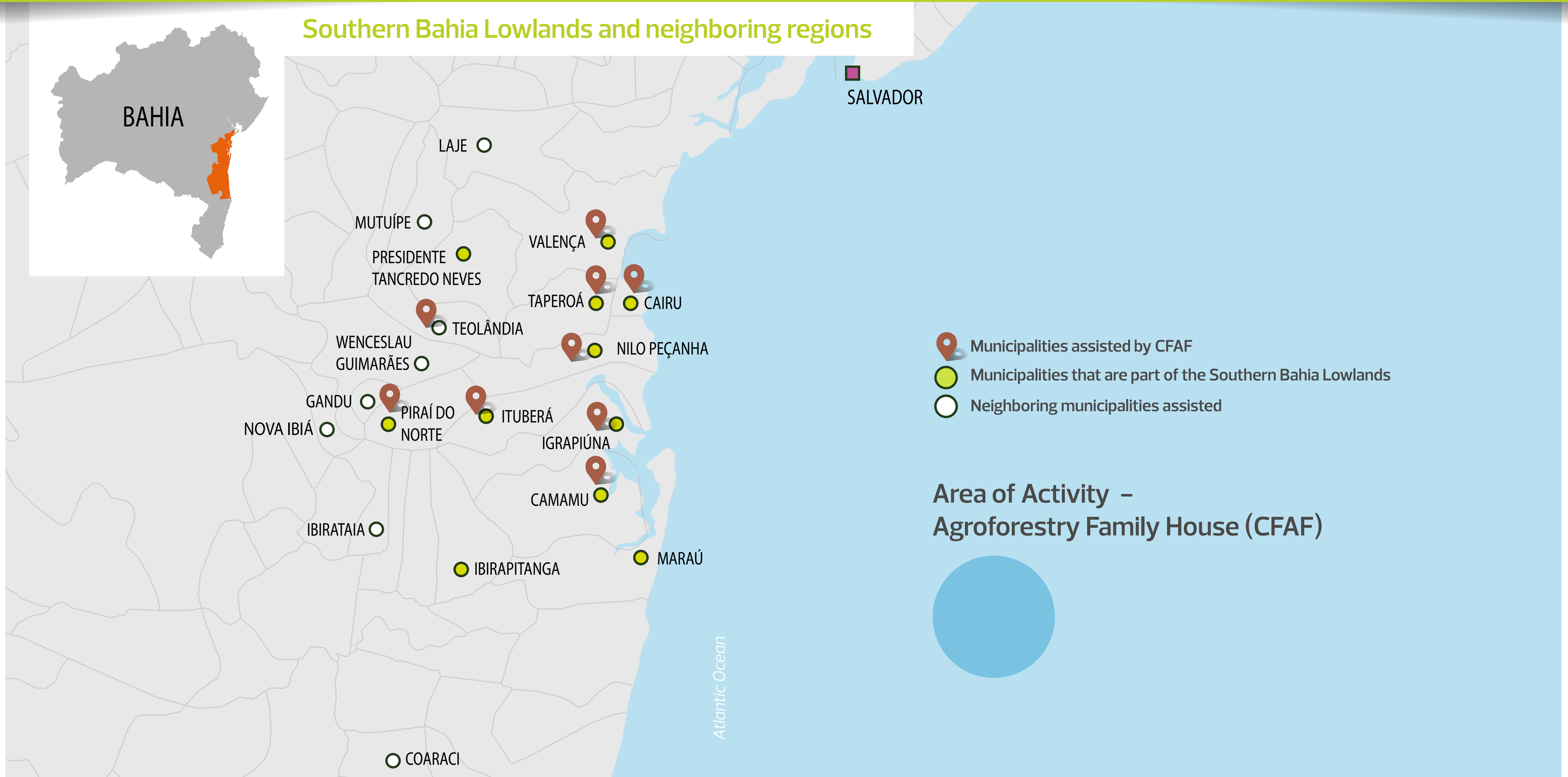
The students' educational process takes place over a three to four year period, through a curricular structure contextualized to their realities. The institutions use the Pedagogy of Alternation as their methodology, which optimizes the students' time and mitigates the difficulties of travelling in rural areas: they spend one week at school on a full-time basis, with theoretical and practical classes, and two weeks at their families' properties, applying the new knowledge on their productive projects, with follow-up from specialized monitors.

These teenagers also act as important peer educators in their communities, from the knowledge constructed at school and they influence the environment where they live, contributing so that farmers in the surrounding areas also increase their productivity, introduce more sustainable management and are more environmentally aware. This takes place through multiplying actions, which can be in the format of talks, field days and rural seminars. This commitment increases a sense of community and engages them locally, strengthening the practice of protagonism and leadership, in addition to making the young people an inspiring reference.

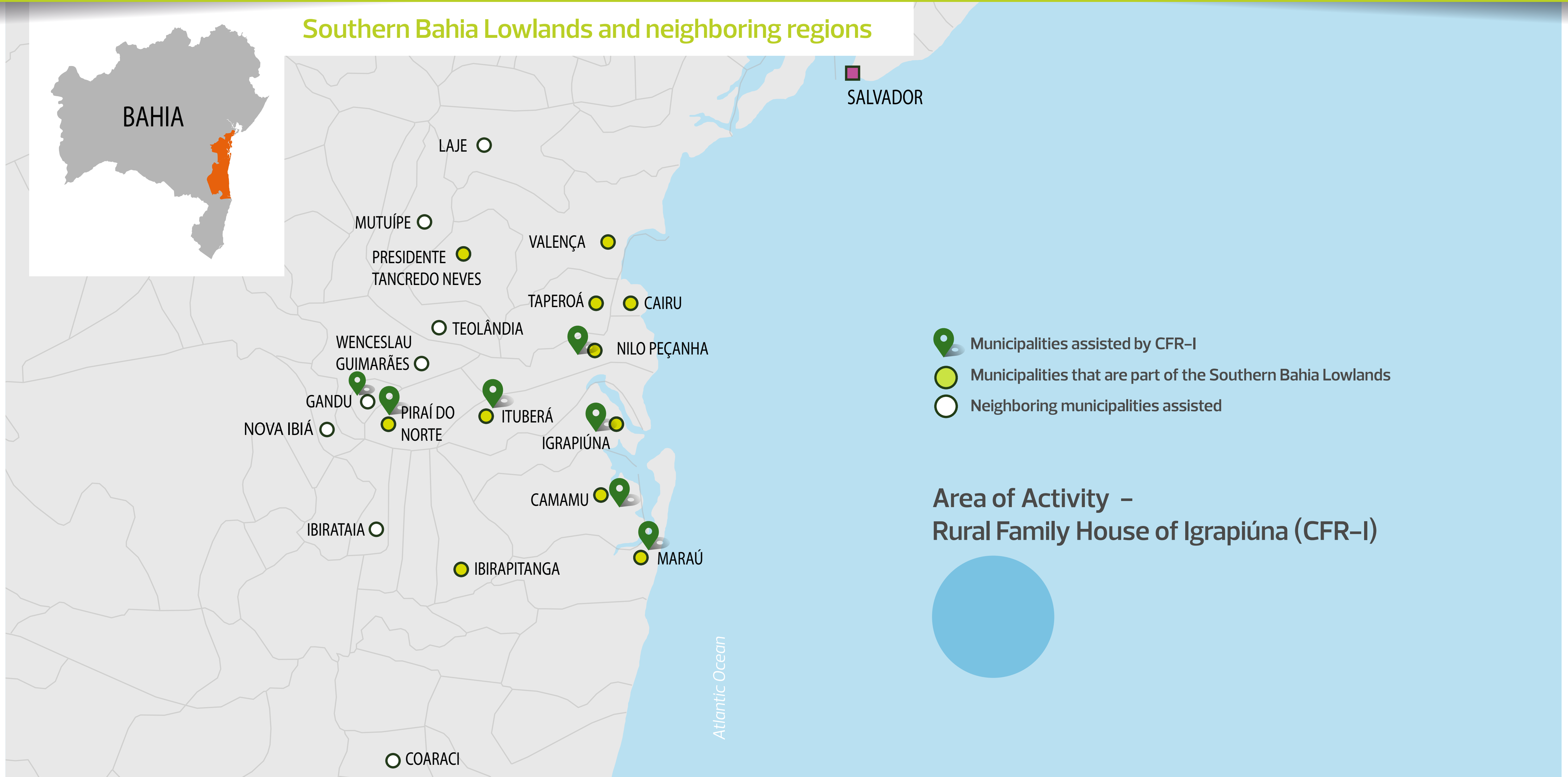
Southern Bahia Lowlands and neighboring regions



Southern Bahia Lowlands and neighboring regions



Southern Bahia Lowlands and neighboring regions

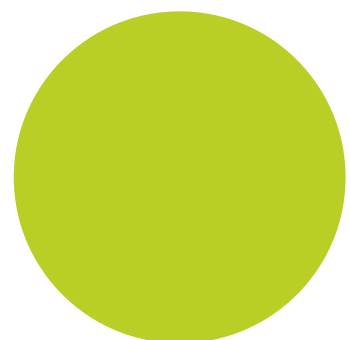


OCT – Land Conservation Organization

A Civil Society Organization established in 2001, OCT works in the Pratigi Environmental Protection Area (EPA), in the Southern Bahia Lowlands, which covers five municipalities, in a 171,000 hectare area. Its activities focus on two axes: Environmental Conservation, where it performs environmental services and strengthens environmental resources, and Productive Conservation, which encourages low impact agricultural crops and promotes reforestation and the occupation of properties with crops that contribute towards keeping a balanced ecosystem.

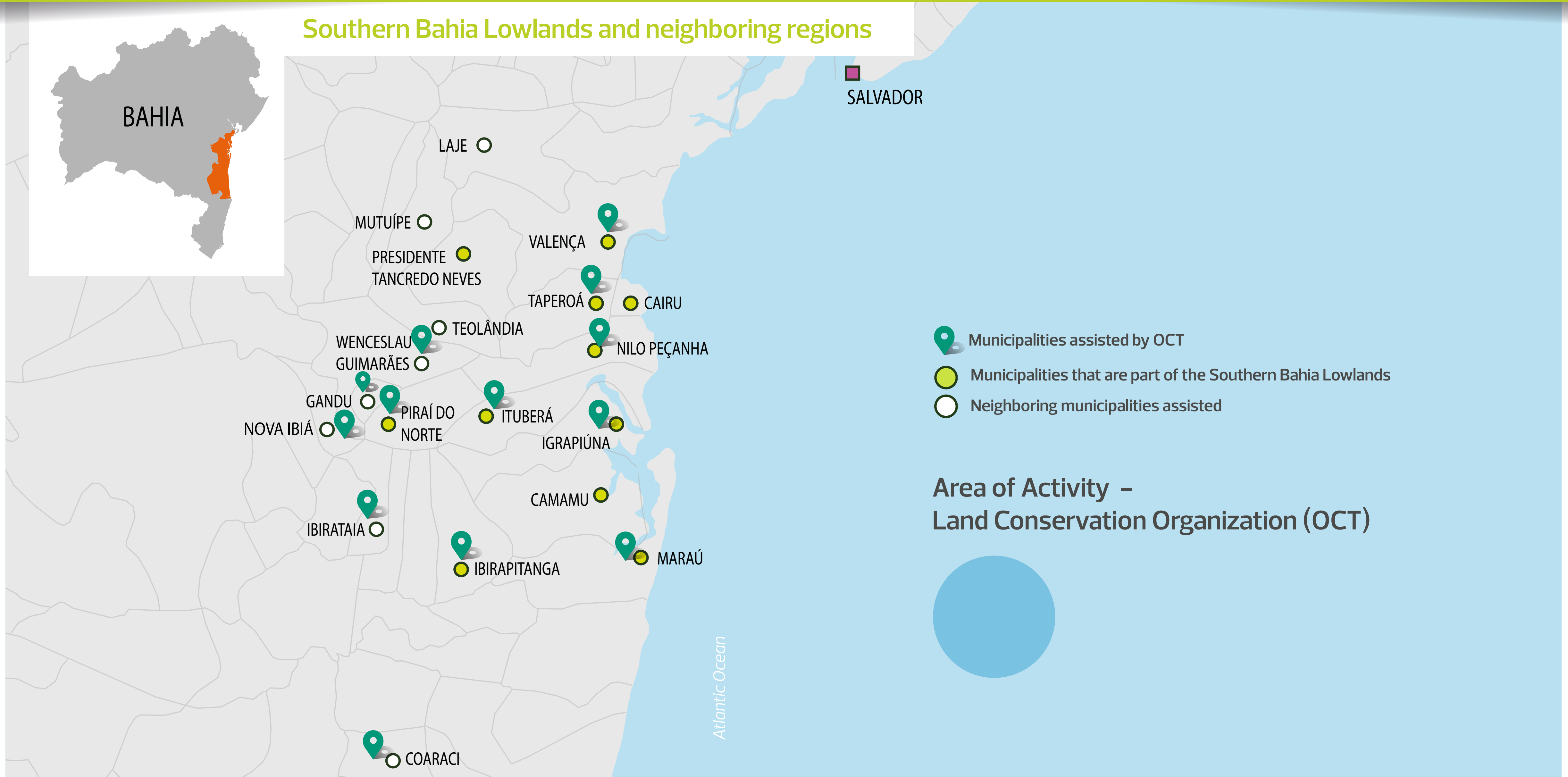
The Southern Bahia Lowlands is a region of Atlantic Rainforest, considered one of the hotspots of the greatest biodiversity in Brazil and around the world.

The institution has accumulated a portfolio of experiences and knowledge, to generate and value environmental services and assets, consolidating development and growth on sustainable bases. It seeks to promote conservation of the soil, flora and fauna, and to revitalize water resources, in addition to providing technical assistance to farmers on planning and regularizing their properties with reforestation actions, the insertion of Agroforestry Systems and support for socio-environmental certification. It holds training on better use of natural resources, contributing so that the environmental agenda is intrinsically linked to the family farmers' economic growth.



Click on the institution's logo and see the municipalities assisted in 2018.

Southern Bahia Lowlands and neighboring regions



Coopatan – Presidente Tancredo Neves Rural Producers' Cooperative

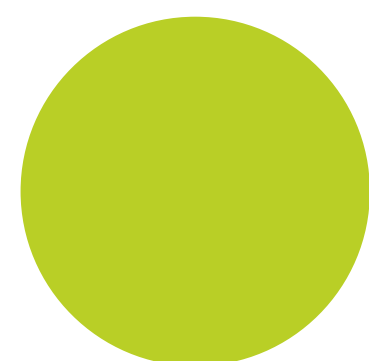
Established by rural producers in 2000, it is located in the municipality of Presidente Tancredo Neves in Bahia. Its activities are based on the development of production technology and the organization of crop production for processing, aiming to add value and a higher income for cooperative members.

It works synergistically with the distribution and sales sector of the products, identifying and attaining commercial partners.

By offering guidance for production planning and technical assistance, Coopatan has been able to significantly raise productivity rates in the region. Its main products are plantain (fresh and chips), sweet cassava, pineapples, cassava flour, avocados and tapioca gum.

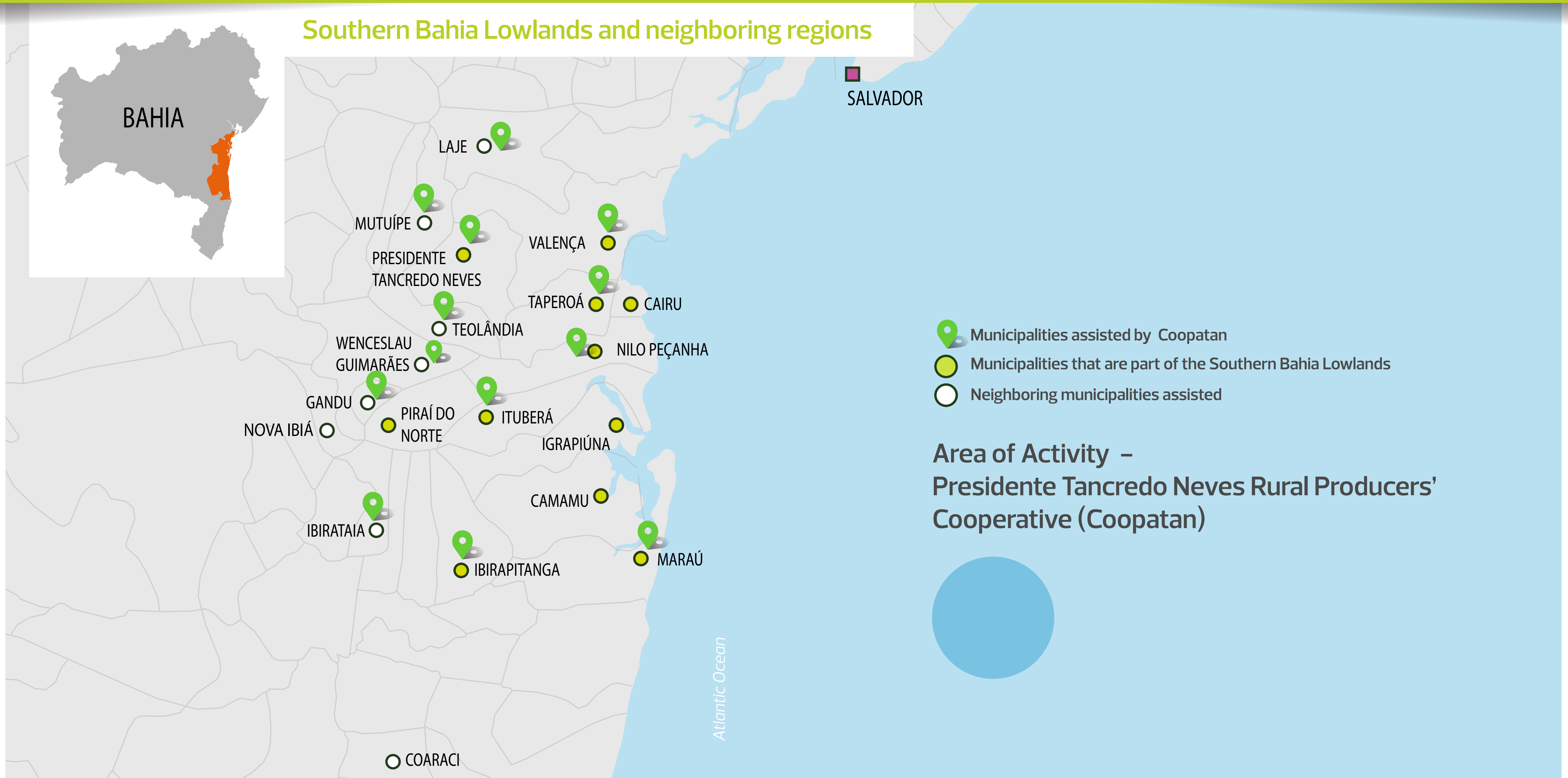


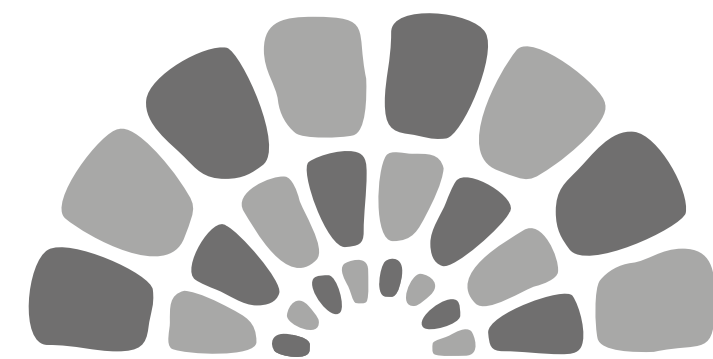
Plantain Chips were one of the major new products of the year for Coopatan. Prepared from the crops grown by associated farmers, the cooperative sells the chips in four flavors: natural; salted; sugar and cinnamon and parsley, onion and chili.



Click on the institution's logo and see the municipalities assisted in 2018.

Southern Bahia Lowlands and neighboring regions

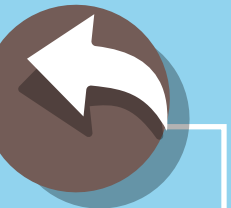




Development and
Integrated Growth Program
with Sustainability
Odebrecht Foundation

Sustainable Territorial Development

The Odebrecht Foundation materializes its strategy of promoting Sustainable Territorial Development through the Development and Integrated Growth Program with Sustainability (PDCIS).



Click on each area of activity
and understand how PDCIS
is contributing towards
achieving the Sustainable
Development Goals.

Sustainable Development Goals considered by PDCIS



Education for Sustainable Development

Promotion of quality education



Higher level of education

Youth Protagonism

Contextualized education in the countryside



Training on environmental conservation and sustainability

Strengthening self-esteem and confidence

Training in ethics and for values



Developing competencies for sustainability



Economic Development

Promoting food safety

Guidance on reinvestments

Encouragement for the rural economy

Increased income

Guidance on structuring sustainable productive systems

Support for management, production, processing and sales processes

Access to fairer markets

Strengthening agriculture



Environmental Conservation

Restoration and conservation of springs

Promotion of preventing deforestation

Protection of wildlife

Soil and water conservation

Restoration and conservation of riparian forests

Carbon neutralization and revegetation

Implementation of agro-ecological practices

Valuing biodiversity

Guidance for the correct management of input and solid waste



Sustainable Development Goals considered by PDCIS



10 REDUCED
INEQUALITIES



17 PARTNERSHIPS
FOR THE GOALS



Cohesion and Social Mobilization

Educating new leaders

Encouraging the engagement of socio-productive organizations

Incentive to remain in the countryside

Increased confidence and the capacity for achievement

Community empowerment

Forming collective awareness

Strengthening self-esteem and identity

Sharing best practices and new agricultural technologies



2 ZERO
HUNGER



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Innovation and Technology

Dissemination of agricultural best practices

Promotion of innovation and research, in order to increase productivity

Conversion of unproductive areas into agroforestry systems

Dissemination of new technologies in the countryside

Introduction of agro-ecological practices

Technical assistance and rural extension

Encouragement on crop diversification

Guidance on agro-ecological transition



5 GENDER
EQUALITY



10 REDUCED
INEQUALITIES



16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



Citizenship and Governance

Liaison for the inclusion of public policies within the municipal context

Systems to Guarantee the Rights of Children and Adolescents

Access to social policies

Support for regularizing agricultural properties

Access to public credit policies

Guidance on access to public services

PDCIS Results: Education for Sustainable Development

440 Farmers

and Cooperative members assisted technically for sustainable farming (OCT and Coopatan).

4,600 Class hours

Each Family House provides per year.

1.2 % Average school

drop-out rate (when a student stops attending classes during the academic year). According to INEP (2017), the school drop-out rate in Brazil is 6.1% and 8.5% in Bahia.

7.45 Academic Concept

evaluated in an integrated way, which confirms the high quality at the Family Houses and considers the performance of conventional high schools and technical schools, in addition to a qualitative analysis of aspects, such as discipline, entrepreneurialism and oral expression.

Art workshop with Menelaw Sete

held in September for approximately 50 students.

“Generation P (for Purpose) Leader”

course for students in April, conducted by the consultancy firm, Ideia Sustentável.

857 Young people enrolled

in the 2019 selection processes (Family Houses).

318 Students

undergoing training with 93 graduating in 2018 (Family Houses).



Elisabete Sousa, age 15, started at the Rural Family House of Presidente Tancredo Neves (CFR-PTN) in 2018, becoming the first in her family to take technical agricultural training.

“I wanted to study at the Family House because I am looking for a better future. Besides that, I already had a great interest in agriculture and cattle raising. My parents have always supported me with this choice.”



Tailã de Souza, educational consultant and teacher of Portuguese language at the Rural Family House of Igrapiúna (CFR-I).

“Art helps with student development and this is also reflected in oral skills and expressiveness. We have young people who have been developing the question of leadership because of this work.”



Ricardo Voltolini, CEO of Ideia Sustentável was interviewed by Odebrecht Foundation after holding a course at the Family Houses that focuses on experience and the practice of five skills for a Young Sustainable Leader.

“Our program has a methodology that is very close to Constructivism. The young people construct their own knowledge from the suggestions we make – which complements the work carried out at the Family Houses.”

PDCIS Results: Economic Development

Small-scale chocolate factory

set up at the Rural Family House of Igrapiúna (95% of students' families are cocoa producers). The structure has a multifunctional kitchen with machines to grind, refine, mix and flavor the cocoa beans, to transform them into bars of chocolate.

329 Educational-Productive Projects

in progress: areas where the young people from the Family Houses plant crops, receiving input and technical guidance.

BRL 1,661.37

is the PDCIS beneficiaries' average monthly income. According to IBGE (2018), the average per capita income in Bahia is BRL 841.00 and BRL 1,373 nationally.

325 Farmers

associated to Coopatan.

5,687 Tons

of food produced by PDCIS beneficiaries.

BRL 14.5 Million

in revenue from sales (Coopatan).

2,500 Meals per Week

produced for students on their rotations – approximately 100 young people (food safety and healthy eating habits).

Michelin President for South and Central America and the Caribbean,

Nour Bouhassoun visited the Rural Family House of Igrapiúna and students' properties to learn about the productive projects.



Álvaro de Almeida, age 17, an Agroforestry Family House (CFAF) student. The student has received knowledge on implementation and input from the school to maintain a vegetable garden, where he grows a range of crops.

"In addition to presenting techniques in the community, I have taught my whole family to maintain a vegetable garden. Everyone has started to eat what they grow, with no pesticides."



Jailton Rodrigues, a cooperative farmer since 2015. He grows bananas and sweet cassava, which are both sold by Coopatan, and also soursop, cocoa and corn, which are used for his own consumption.

"When we became cooperative members, we saw that our work could be different. We have adopted new practices and management, which have improved our income and encourages us to produce."



At age 16, Lana Kuratani, a 2nd year student at the Rural Family House of Igrapiúna (CFR-I), learns about new types of crops and shares all this knowledge with her mother, Yuriana, a cocoa producer.

"I don't just keep the knowledge to myself, I also share it. This year I have started to produce chocolate at CFR-I. I want to have my own brand."

PDCIS Results: Environmental Conservation

27,350 Trees planted

Accumulated since 2012:
240,300 (OCT).

World Water Forum

held in Brasília (Federal District)
in March, with participation by
OCT.

20 Septic Tanks

introduced at rural properties
(OCT).

1,200 Hours

of training in Environmental
Education at each Family House.

30 Springs restored

Accumulated since 2012: 245
recovered and being recovered
(OCT).

373 Hectares

of areas conserved by OCT –
Payment for Environmental
Services (PES), Permanent
Protection Areas (PPA) and
Springs. | Accumulated since
2012: 11,103.

32 Tons of carbon neutralized

Accumulated since 2012: 2,345 (OCT).

Environmental Education Campaign

Carbon Neutral Pratigi: campaign was held in June for
ODB Members and society (OCT).



Isidório Gonçalves is a beneficiary of the Ibirapitanga Water Producer Program, executed in partnership with the Municipal Town Council, and received support from the Land Conservation Organization (OCT) to recover his spring.

"People follow-up the work we do, in order to preserve nature, and everyone is motivated. If I had more land, I would plant crops on it all."



Bruna Sobral, from the socio-environmental planning area at OCT, the institution responsible for introducing the septic tank system in the Southern Lowlands.

"We conciliate a rural property's environmental, social and economic issues. These integrated dimensions guarantee a farmer's sustainability."



Klécia Santos, age 17, an Agroforestry Family House (CFAF) student. At the educational institution, she takes part in the Agroforestry Garden Project, which encourages farming with food safety and conserving the environment through agro-ecology.

"We are encouraged to make a difference and take sustainable attitudes, always seeking to apply techniques that do not damage the environment."

PDCIS Results: Cohesion and Social Mobilization

1,192 Multiplying Actions

(field days, rural seminars and talks held by Family House students and farmers benefiting from OCT).

10,635 Indirect Beneficiaries

of the multiplying actions (Family Houses and OCT).

42 Partners

public and private partner institutions (PDCIS).

260 Communities

benefited in 19 municipalities.

389 Families

joined local associations (Family Houses, Coopatan and OCT) in 2018.

394 People

taking part in General Assemblies at PDCIS institutions: empowerment and engagement.

Climate Change

has been the topic of three editions of the Professional Education Integrated Seminars (SIEP) held by Family House students.



"The partnerships established have contributed, so that the young people and families from the rural areas of the Southern Bahia Lowlands can have better living conditions."



Alisson Costa, age 20. A former Rural Family House of Presidente Tancredo Neves (CFRPTN) student, he became president of the Bom Jesus do Putumaju Community Farmers Association (Abonje), in the municipality of Teolândia (Bahia) in 2016.

"My work at the association started soon after I became a Rural Family House student in 2014. When, we, as young people, start there, we are then seen as an example."



Rita Cardoso, Director of the Agroforestry Family House (CFAF), about the importance of the seminars, which integrate students from the same year of the course at the three educational institutions.

"SIEP is a convergence of the subjects covered in the classroom. The students always have great expectations and we try to introduce issues that are not far from their realities."

PDCIS Results: Innovation and Technology

34 Study Trips

made by the students, which provide practical experience of new technologies (Family Houses).

13 Scientific Articles

published citing PDCIS, its practices and the participating institutions' activities.

6 Research in progress

in progress with Embrapa and universities in Bahia on various topics: beekeeping, fish farming, public policies, environmental restoration and biodiversity.

17 Research Scholarships

made available to Family House students.

5 Partnerships

with universities in Bahia.

International Chocolate Festival

held in Ilhéus (Bahia) in July, with participation by Igrapiúna Family House students.

Academics from Uganda and Switzerland

visited the Rural Family House of Presidente Tancredo Neves to exchange experiences on growing bitter cassava.



Anderson Santos Pinto, educator at the Rural Family House of Presidente Tancredo Neves (CFR-PTN), about the importance of the Bitter Cassava and Fruit Technological Demonstration Field installed at the institution, in partnership with Embrapa.

"The partnership with Embrapa is of great technical and educational value. Experiments are put into practice in the classes and on the young people's projects."



Jociel Brito, age 19, 2nd year student at the Agroforestry Family House (CFAF), was one of those selected for Federal University of the Recôncavo of Bahia (UFRB) research on beekeeping.

"It is very important to insert research into our projects and to develop new technologies, so that we achieve greater productivity."



Caroline dos Santos, 2nd year student at CFR-I, was one of the students selected to go to the Festival. The young people taken to the region where she lives – Varjão, in the municipality of Camamu (Bahia) – knowledge about cocoa.

"My dream is to be a great cocoa producer in my region. That is why I want to do everything correctly, right from the start, by using the appropriate techniques."

PDCIS Results: Citizenship and Governance

45% women

active on the Boards.

44% female

students (Family Houses).

35% women

in various roles at PDCIS institutions.

13% women

as cooperative members (Coopatan).

BRL 280,000 made available in the Childhood and Adolescence Fund (Presidente Tancredo Neves, Nilo Peçanha and Igrapiúna) for investments in other social institutions, strengthening the System to Guarantee the Rights of Children and Adolescents.

Technical Cooperation Agreement

between the Odebrecht Foundation and the Department of Social Assistance in the municipalities (Family Houses), to strengthen the Municipal Councils for the Rights of Children and Adolescents.

119 Beneficiaries

with access to public policies (agriculture and sustainable development – PRONAF, PAA, PNAE, PSA and the Sustainable Rural project).

65 Properties

that have received support for the State Forest Register of Rural Properties – CEFIR (Family Houses and OCT).

Regularization of personal documents

and vaccinations for candidates enrolled on the Family House selection process.



Valci Santos produces cocoa, soursop, bananas and sweet cassava, with the last two crops sold by Coopatan, the institution she has been a member of since 2018.

"The cooperative's support really helps. Before, you just planted on your own and lost the production because you did not know exactly what to do."



Jairo de Souza from Igrapiúna (Bahia), a farmer who benefited from OCT who takes part in the Sustainable Rural project, executed by the Inter-American Development Bank (IDB).

"My area is thriving and I can show that farming can be different and that it is possible to produce and take care of the environment."



Elaine dos Santos is currently producing bitter cassava. She confirmed that her production increased significantly after she started studying at CFR-PTN, on the Agriculture and Cattle Raising Technician course.

"I always talk about my story and the importance of staying in the countryside, with quality of life. The Family House and important partnerships have contributed, so that this is possible."



PDCIS Impacts Evaluation

In 2018, the Odebrecht Foundation performed an Impacts Evaluation of the Development and Integrated Growth Program with Sustainability (PDCIS) for the first time. Conducted by a specialized consultancy firm, JS/Brasil, the work proved, with statistical security, that the social program coordinated by the Foundation in the Southern Bahia Lowlands region, generates a transformation in the economic, social and environmental spheres for the young farmers supported, and their families.

The scientific methodology adopted in the Impacts Evaluation was Case-Control, which compared the two groups: the Case Group, made up of beneficiaries from PDCIS and the Control Group, made up of non-beneficiaries. In order to guarantee greater security of the information collected, the Control Group selected had similar characteristics to the beneficiaries. The work took eight months to complete, with visits to 190 rural properties and more than 300 interviews held.



“The PDCIS Impacts Evaluation is another example that socio-environmental programs should be prioritized as tangible and lucrative investments for all of society. In any area of development, whether in the public or private sector, constant investments are required, in order to improve the population's living conditions.”

Miguel Fontes, the founder and director of JS/Brasil, about the work carried out for the PDCIS Impacts Evaluation.

Economic Impacts

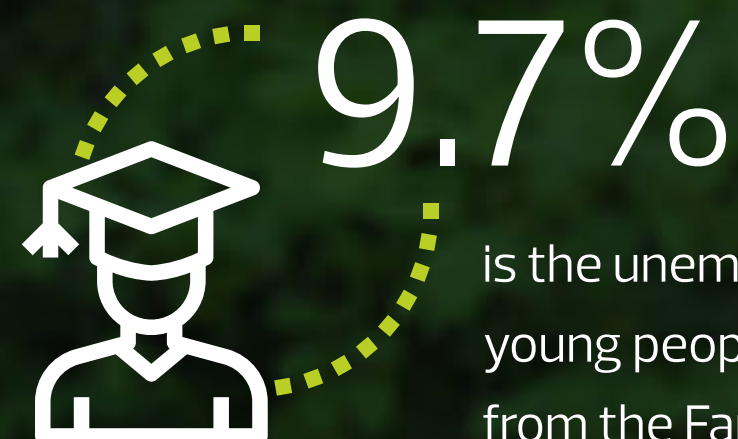


For every BRL 1.00 invested in PDCIS, BRL 2.13 were returned in socio-environmental and economic benefits for the supported families.



The beneficiaries reduced their dependence on Bolsa Família (income transfer program) by

65%



9.7%

is the unemployment rate for the young people who graduated from the Family Houses, and 46.8% for the control group.



Annual average income with farming approximately BRL **25,000** higher than that of non-beneficiaries.



57.8%

is the PDCIS internal rate of return, in other words, investment loans on the program can be made up to this annual interest rate, and still be economically viable.



Social Impacts



The young people who benefited from PDCIS have more aspirations to be an entrepreneur; they believe that they have received an education for entrepreneurship and had opportunities to apply new agricultural technologies.



They have a more active participation on their properties, in their communities, at cooperatives and associations, and more confidence in speaking and positioning themselves with other people.



The teenagers who were supported also have less interest in leaving their properties in search of better living conditions. They see themselves as a positive reference in their communities and are prouder of their origins and the places where they live.

Environmental Impacts

PDCIS beneficiaries are three times less likely to bury or burn pesticide packaging and almost six times less likely to bury or burn domestic waste.



Rural producers who allied farming with the rational use of natural resources obtain average annual financial gains of BRL 20,000 more than the control group.



They are also three times less likely to burn their land and experience fewer difficulties in obtaining food and water during the dry season.



Improvements Identified

With the results of the Impacts Evaluation, we were also able to identify ways to improve the PDCIS. According to the study, the synergy between the institutions that are part of the program needs to be strengthened further, seeking greater integration between them. In addition, improvements in following-up the young graduates, greater encouragement in placing women in the countryside and the rational use of pesticides are envisaged.

?

Did you know?

On the Odebrecht Foundation's site, there is a special page where you can download the full PDCIS Impacts Evaluation Report (methodology applied, data collection process, results, partners' statements and beneficiaries' stories).



“With the evaluation, we had answers to the effectiveness of the work undertaken over 15 years. Something extremely necessary and timely, in the current context of transparency, to further qualify the private social investment made. Equally important as knowing about the impacts generated by PDCIS, was being able to use the information that the study identified to support our planning for the coming years. We carried out strong communication work with managers in the territory, so that they apply the results and we could address the points for improvement together, so that we are even more assertive.”

Cristiane Nascimento, responsible for Sustainable Development at the Odebrecht Foundation.

Partnerships



Mobilization and Engagement

The Odebrecht Foundation believes that investing in education is the path to construct a more sustainable future. It is an agenda that requires strategic partners and joint efforts.

Various partners and social investors believe in this cause and work towards strengthening educational and socio-environmental actions that benefit hundreds of teenagers and productive families in the Southern Bahia Lowlands. In 2018, more than BRL 16 million was invested in PDCIS, as a result of this mobilization.

With their accounts carefully up to date, the Odebrecht Foundation reaffirms the importance of this union that involves not only financial contributions and technological transfer, but a commitment to ethics, integrity and transparency.

In order to take a look at the Odebrecht Foundation's 2018 financial statements, examined by an independent audit, [click here](#) (only in Portuguese).

The following are connected to the Foundation:

- In the institutional context, the public authorities, Department of Rural Development, Department of Education and State of Bahia Council of Education. Within the municipal context, with the Town Councils, Departments of Social Welfare and Municipal Councils for the Rights of Children and Adolescents in the towns where it operates.
- With civil society, the relationship takes place by establishing a Partnership Agreement and Technical and Financial Cooperation with Civil Society Organizations that have a social goal synonymous with PDCIS, to become executors of the program, and with every and any person who is interested in learning about and contributing to PDCIS, through donations.
- With private initiatives, the Odebrecht Foundation maintains a direct relationship with social investors, such as Braskem and the Mitsubishi Corporation, which support PDCIS through resources transferred directly to the executing institutions.



“We looked for excellent partners with whom we could work with social responsibility best practices. The Odebrecht Foundation’s mission is totally in line with our philosophy. We work and certify that we grow alongside the assisted communities.”

Michael Lagowski, responsible for Corporate Social Responsibility at the Mitsubishi Corporation.

More than
BRL 16 million
has been invested in PDCIS in 2018

Highlights of the Year

- The Odebrecht Foundation joined the Brazilian Fundraising Association, the Brazilian Business Communication Association and the Philanthropy Network (ABCR).
- The Mitsubishi Corporation renewed its partnership with the Odebrecht Foundation for another three years, focusing on education for the sustainable development of Family House students. Executives visited the projects supported in the Southern Bahia Lowlands in May.
- The Agroforestry Family House (CFAF) receives support from Criança Esperança; the Rural Family House of Igrapiúna (CFR-I) has established a partnership with Itaú Social and the Rural Family House of Presidente Tancredo Neves (CFR-PTN) has renewed its partnership with the Banco do Brasil Foundation.

We present, below, a list of PDCIS
institution Partners and Social Investors:

Banco do Nordeste
Boticário Group Nature Protection Foundation
Braskem
Brazilian Biodiversity Fund
Brazilian Institute of Development and Sustainability
Brazilian Micro and Small Business Support
Cocoa Farming Plan Executive Committee
Criança Esperança
Federal University of the Recôncavo of Bahia
Federal University of the South of Bahia
Ibirapitanga Town Council
IFBaiano
Igrapiúna Town Council
Institute of Forest and Agricultural Management and Certification
Inter-American Development Bank

Itaú Social
Ituberá Municipal Town Council
Michelin
Mitsubishi Corporation
Multilateral Investment Fund
National Rural Learning Service
National Water Agency
Nature Conservancy
Nilo Peçanha Town Council
Nova Ibiá Municipal Town Council
Ocyan
Other Odebrecht Group companies
Piraí do Norte Municipal Town Council
Presidente Tancredo Neves Town Council
Productive Bahia Project

Santa Luzia Farm – Du Jour Chocolate Producer
Social Service of Industry
State of Bahia Department of Education
State of Bahia Public Prosecution Service | José Silveira Foundation
State University of Feira de Santana
State University of Santa Cruz
Telefônica Vivo Foundation
The Abrinq Foundation
The Banco do Brasil Foundation
The Brazilian Agricultural Research Corporation
The United Nations Educational, Scientific and Cultural Organization – Associated Schools Project Network (UNESCO/ASPnet)
Wenceslau Guimarães Municipal Town Council

Tribute to the Future

An Odebrecht Foundation initiative, Tribute to the Future strengthens the culture of donation by engaging Odebrecht members and society in general on the education of teenagers. Participation takes place through spontaneous donations or allocation of part of the donor's income tax contribution, supported by the Law to Encourage the Rights of Children and Adolescents.

The resources raised go to the Municipal Funds for the Rights of Children and Adolescents in the municipalities of the Southern Bahia Lowlands, where the Family Houses that are part of PDCIS are located. These institutions present their projects and take part in public notices, claiming the right to resources, that are then used, following signature of a Partnership Agreement with the municipal City Council. They are also audited and must submit their accounts to the Municipal Councils for the Rights of Children and Adolescents and the Municipal Court of Auditors.



Did you know?

You can access the 2018 accounts on the Odebrecht Foundation site and learn about all the educational actions carried out, with support from social investors.

2018 Accounts

Maintaining its commitment to social investors, the Odebrecht Foundation released the main actions it has developed during 2018 with the resources raised by the 2017 Tribute to the Future campaign: there were approximately 4,800 donors and BRL 2.2 million was raised.

Among the main highlights, is the number of 386 Educational-Productive Projects (EPPs) established. At the EPPs, the students establish their first productive areas, receiving input and guidance from the schools to start growing crops on their properties, obtaining income and reinvesting the profit in new productive cycles.

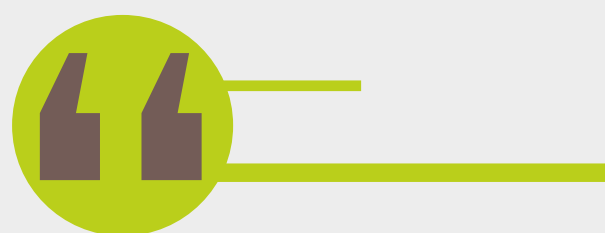


**Tribute to the
Future**
Odebrecht Foundation



2018/19 Tribute to the Future Campaign

In 2018, the Tribute to the Future fundraising campaign was held between September 24 and earl December, having achieved expressive numbers. It is a factor that demonstrates the strength and engagement of the campaign, by surpassing that of 2017 in numbers of social investors and the sum raised, showing commitment to the Tribute's cause from Odebrecht members and other donors.



"With this campaign, we showed that an important cause, added to the endeavors of all the participants and the assistance of volunteers, strengthens the culture of donation in the country and can help hundreds of people."

Thiago Maciel, responsible for Tribute to the Future at the Odebrecht Foundation.

Main Campaign results:



BRL 2.3 million
Sum raised



5,358
Social supporters



BRL 426
Average contribution

Involvement of 245 Agents of the Future

volunteer members who encouraged work colleagues, relatives and friends to donate.

Active participation

of all the Odebrecht Group businesses and ancillary companies.



Image and Network Activities



Highlights of the Year

In 2018, the Odebrecht Foundation intensified its communication with Interested Parts and released its agendas to the press, partners and social investors and opinion formers, acting in a network and following changes in society.

As one of the main highlights, it celebrated 30 years of selecting its mission of "To Educate for Life, Through Work, on the Basis of Values and Surpassing Limits." The milestone was highlighted through historic articles on the site, electronic bulletins and a special series on social networks, focusing on Youth Protagonism.

Participation at national and international events:

April: it was present at the 10th GIFE Congress (Group of Institutes, Foundations and Companies), in São Paulo (São Paulo), in a discuss table form the importance of private social investment that focused on "Youth."

June: took part in the 10th edition of the ABCR (Brazilian Fundraisers Association) Festival, held in São Paulo (São Paulo).

September: with an interactive stand at the United Nations Educational, Scientific and Cultural Organization (UNESCO) Associated Schools Project Network (ASPnet) National Meeting, which took place in Salvador (Bahia), the Foundation showed visitors its

sustainable development activities. The video could be watched at 360°, demonstrating the educational experience the Family Houses promote.

October: at the 13th ABRH (Brazilian Human Resources Association) Bahia Congress, discussed compliance best practices within a corporate context. It also attended the IV Accountancy Seminar for the Third Sector, both held in Salvador (Bahia).

November: showed the PDCIS experience in educating young protagonists at the 6th Brazil Africa Forum, held in Salvador (Bahia). The Odebrecht Foundation transmitted its presentation live to its Facebook followers.



10th GIFE Congress



UNESCO ASPnet National Meeting



13th Brazilian Human Resources Association Bahia Congress



6th Brazil Africa Forum

Highlights of the Year

Intensified mentions of the Foundation in the Press:

92 articles published in online and printed media outlets in Bahia, two Special Supplements – the Environment and Education (A Tarde and Correio* newspapers) and two newsletters released in IstoÉ magazine.

Social media:

The Foundation's Facebook page ended 2018 with more than **300,000 followers**. The year was also marked by the Foundation's official entry onto LinkedIn, the largest corporate social network in the world. Also in social media, the Foundation represented a third of Odebrecht's positive visibility in 2018, and was one of its **15 main sources of positive visibility**.



"In the corporate world, communicating well is vital for any institution. And this gains even greater weight when we work in the third sector, since it enables dialogues to be started and favorable conditions, in order to disseminate a culture in favor of sustainable development."

Vivian Barbosa, responsible for Communication at the Odebrecht Foundation.

Recognitions – PDCIS

The Agroforestry Family House (CFAF) came in 2nd place in the Brazil Sustainable Development Goals (SDG) Award in the "Educational, Research and Extension Institutions" category.

The Presidente Tancredo Neves Rural Producers' Cooperative (Coopatan) presented its experience in family farming at the Terra Madre Salone del Gusto in Turin, Italy. The event, held in September, brought together farmers, chefs, academics and young people from 150 countries.

The Land Conservation Organization (OCT) was considered in three sub-categories of the Sustainable Rural – Sustainability for Rural Development Award, granted by the Sustainable Rural Project.



Brazil Sustainable Development Goals (SDG)



Terra Madre Salone del Gusto – Coopatan



Sustainability for Rural Development Award

Vision of the Future



Building Tomorrow

Following the scientific assessment of the transforming power of its social program, PDCIS, the Odebrecht Foundation is returning to the future, supported on a solid base and confident that its social technology generates impressive results.

Starting in 2019, it will use the input from the Impacts Evaluation to guide its actions and enhance the program, with the aim of achieving the improvements identified and further maximizing its results. The understanding is that this path involves the systematization of its social technology, so that it is transformed into a self-sustainable model, with the capacity to reapply this in other contexts.

Based on its mission "Educate for Life, through Work, on the basis of Values and surpassing Limits". and the legacy left by Norberto Odebrecht of "valuing people as protagonists, who are able to create new ones," the Foundation is seeking to expand the reach of its actions, understanding that the construction of tomorrow starts with a commitment to social responsibility from everyone, in the



Only what was productive from the past and the present should be preserved, to construct the future.



Norberto Odebrecht,
(1920–2014) founder of the
Odebrecht Foundation.

CORPORATE INFORMATION

Board of Trustees (2019)

Ruy Lemos Sampaio (Chairman)

João Carlos Vieira da Silva Telles (Vice-Chairman)

Cláudio Pádua

Eduardo Szazi

João Pinheiro Nogueira Batista

Luciano Guidolin

Executive Direction

Fabio Wanderley – Superintendent

Cristiane Nascimento – Sustainable Development

Augusto Cruz – Governance & Legal Matters

José Ernesto Gonzalez – People, Finance & Compliance

Vivian Barbosa – Communication

Editorial Staff

Production – Odebrecht Foundation Communication team

Texts – Camila Giuliani

Creation and Design – Marcus Valadão

Images – Debora Rezende

Images archives – Brazilian Human Resources Association – Bahia, Agroforestry Family House, Presidente Tancredo Neves Rural Producers' Cooperative, Odebrecht Foundation and Odebrecht S.A.

Linguistic Review (Portuguese) – Gilcia Beckel

Translation – Christine Eida (English), Maria da Glória Lampreia (Spanish)



Learn about the young people and the families who have benefited from the Odebrecht Foundation social program who illustrate this Annual Report:

Cover – From left to right: Fernando Oliveira, Franciele Santos and Frederico Oliveira are students at the Rural Family House of Igrapiúna (CFR-I).

Page 2 – Student at the Agroforestry Family House (CFAF), Kaike Moutinho receives guidance on beekeeping at the school.

Page 3 – Studying at the Rural Family House of Presidente Tancredo Neves (CFR-PTN), Sâmile Hungria (right) is a source of pride for her parents, Celso Santos and Maria do Amparo Hungria.

Page 5 – From left to right: Family who benefited from the Land Conservation Organization (OCT), Flanc Oliveira, Valci Moura, Bruna Oliveira and farmer, Eliseu Oliveira, are examples in the region.

Page 6 – From left to right: Geisa Mota and Mônica Silva from CFR-PTN, during a practical class.

Page 8 – Kaike Moutinho, a CFAF student, hugs his parents, Florisvane Ramos and José Moutinho.

Page 14 – José Marcos Santos (right) teaches techniques to his father, Josénilton Conceição and brother, Abimael Conceição (left).

Page 16 – CFR-PTN – João Pedro Barreto, CFAF – Laiane Santos,

CFR-I – Lígia Souza, OCT – Jaime Lorenço, Coopatan – Juarez dos Santos.

Page 17 – Eduardo de Jesus and Camila dos Santos from CFAF, at a vegetable garden used for practical work at the school.

Page 21 – Presidente Tancredo Neves Producers' Cooperative (Coopatan) associates: on the left, Anita Rodrigues, Josenilton dos Santos and their son, Lucas Rodrigues. On the right, rural producer Valcí Santos.

Page 22 – Izidorio Gonçalves and Cristina Magalhães pose in front of the spring that was restored, with support from OCT.

Page 25 – Itamar dos Santos (left) from CFR-PTN, shares his knowledge with his mother, Dalzira Ribeiro and father, Antonio dos Santos Filho.

Page 34 – With technical assistance from Coopatan, Ivone Santos and Adelson da Conceição, are increasing productivity in the field.

Page 35 – Kettylin dos Santos (left) from CFR-I, next to her parents, Genilda da Silva and Nailton dos Santos.

Page 36 – Anderson dos Santos, a former CFR-PTN student, values the logo on his school uniform: he has become a rural entrepreneur.

Page 37 – Farmer, Nilva de Jesus, an OCT beneficiary, performs her rural activities with environmental awareness.

Page 38 – On the cover of the PDCIS Impacts Evaluation Report, CFR-PTN student, Lindomar dos Santos and his mother, Maria das Dores Santos.

Page 39 – From left to right: Ana Clara dos Santos, Aline de Jesus and Wallace de Jesus learn to respect natural resources at CFAF.

Page 42 – Brothers working together: Daniel do Nascimento (right) is a CFR-PTN student and Adilton do Nascimento a Coopatan cooperative member.

Page 43 – Next to her mother, Jozinete Silva (right), CFAF student Brenda Quércia shows pots of honey produced at the educational institution.

Page 44 – From left to right: CFR-PTN colleagues, Renata Silva, Mirely dos Santos and José Arthur de Melo are young protagonists.

Page 47 – CFRI student, Crislane dos Santos is hugged by her uncles, Eleni Sena da Lapa and Gonçalo de Jesus.

Verse – Jovan Nascimento was the first farmer to have a spring restored by OCT.

ODEBRECHT
FOUNDATION

