2020 Annual Report

VOTORANTIM

A Message From the Board of Directors

102-10 | 102-14

A crisis like never before, impacting global health and with significant economic repercussions, made 2020 an absolutely atypical year, which imposed a series of challenges on companies and society around the world. Faced with this difficult situation, we **demonstrated our strength and resilience, emerged from it strengthened, and reaffirmed our values**.

Worldwide, governments adopted different strategies to contain the pandemic. Some of the more restrictive ones included border closures, strict lockdowns and curfews. In addition, the turbulent presidential election in the United States and the country's continued trade dispute with China contributed to an estimated 3.5% global economic contraction in 2020, according to the International Monetary Fund (IMF).

In Brazil, the impact of the pandemic on economic activity was significant. The reduction of interest rates to a historic low, the economic stimulus through emergency aid granted by the Federal Government and the devaluation of the real transformed the macroeconomic context of our businesses.

At Votorantim, we were quick to react, **focusing first on people**, then on **our financial health and the continuity of our operations**, and finally on **supporting society**.

Our **sense of community** prevailed, attesting to an aspect that is very important to us: our **concern for the social**

Eduardo Vassimon
Chairman

José Roberto Ermírio de Moraes
Deputy Chairman

Cláudio Ermírio de Moraes
Board Member

Luís Ermírio de Moraes
Board Member

Marcelo Medeiros
Independent Board Member

Marcos Lutz
Independent Board Member

Oscar Bernardes
Independent Board Member

dimension, expressed both internally, through our support to our employees and their families, and externally, through our work in communities to mitigate the effects of the pandemic from the very beginning. Considering the budget reallocation from the Votorantim Institute, donations made directly by the companies and the shareholder family, and an additional donation of R$ 50 million made by Votorantim, **the total amount allocated to initiatives to address the pandemic totaled approximately R$ 150 million, which enabled more than 400 initiatives** in different areas. Also through the resource allocation announced by the Votorantim Institute, we and our companies contributed to the expansion of vaccine plants in Rio de Janeiro and São Paulo, which will give Brazil greater autonomy in terms of vaccine supply.

The importance of our **prudent management, from a financial perspective**—which **prepares us for times of uncertainty**— also became evident. Our companies managed to maintain operational stability despite new conditions resulting from the pandemic, and we achieved better consolidated results than originally estimated before the crisis. Compared to 2019, our net revenues increased 19%, totaling R$ 36.7 billion, and our adjusted EBITDA grew 35%, reaching R$ 6.9 billion. Our leverage (net debt/adjusted EBITDA) was 1.63x, a very comfortable level in the consolidated calculation.

Another strength was our **portfolio diversification, which provides balance and enables us to face new situations**. Despite a scenario of new risks and uncertainties, we continued to advance our long-term strategies, supporting the growth plans of our companies. In addition, we continued to **prospect for new investments in other segments and regions**, seeking diversification according to our strategy and in line with the Board's investment mandate.

And it was not just about financial results: we learned more, had confidence and demonstrated adaptability to face adversity, and responded promptly to a new demand for faster decisions, through streamlined processes and increased employees autonomy.

We continued to evolve our governance, based on providing autonomy to our portfolio companies while also seeking, as a holding company, to **influence cross-cutting themes, such as Environmental, Social and Governance (ESG) issues**. Internally, we advanced our succession planning by continuing to follow our management approach and outlined strategy, with the transition of our executive leadership and the appointment of João H. Schmidt as CEO of Votorantim S.A. At the Board level, Marcos Lutz joined us as an independent board member.

Our **entrepreneurial spirit**, which has always characterized Votorantim, will be relevant in a still challenging future scenario marked by geopolitical tension and questions about commercial relations between countries. In Brazil, the scenario also includes some uncertainties, mainly related to fiscal issues. The absence of signs that reinforce fiscal responsibility could have negative effects on other macroeconomic variables, such as foreign exchange and interest rates, and jeopardize a sustainable growth resumption. However, **we look to the future with optimism, while working in the present with prudence and responsibility.**

In our century-old history, we have gone through many crises, and have always succeeded in overcoming them. This trajectory is guided by values that reflect our essence and which have been updated this year: **Integrity, Collaboration and Courage** are our drivers not only in our day-to-day activities, but also for our **long-term vision**, which motivates us to continue going further.

Eduardo Vassimon
Chairman of the Board of Directors, Votorantim S.A.

A Message From the Executive Board **102-10 | 102-14**

In 2020, in the midst of a pandemic, an event that none of us had faced before, our commitment to **the right way of doing business** was reaffirmed. We worked collaboratively and with courage. In all portfolio companies, people's **health and safety** was prioritized, and **business continuity** was ensured. With extreme agility, all companies developed and implemented **contingency plans** to deal with the new challenges. Votorantim also ensured that its entire portfolio had **liquidity** to face a period of uncertainty, while also maintaining **financial flexibility** to continue investing in efficiency, modernization, innovation and growth. And in facing the health crisis, we and the portfolio companies, in partnership with the Votorantim Institute, reinforced **our social commitment** through immediate and structuring initiatives to fight the effects of the pandemic in the different regions where we operate, demonstrating that collaboration remains strong in our **DNA**.

This period represented a true test of the evolution of the **governance and management model of Votorantim and its companies**, which was established in 2014. The leadership of the companies and their Boards of Directors were agile and diligent in the management of each of our businesses, which were impacted in very different ways. They established Crisis Committees, got closer to the everyday operations and took impactful decisions throughout the year. And the results of this effort can be seen

João H. Schmidt
CEO

Glaisy Domingues
Chief Legal Officer

Luiz Caruso
Center of Excellence and Compliance Officer

Marcio Yamachira
Corporate Development Officer

Mateus Gomes Ferreira
Chief Investment Officer

Sergio Malacrida
CFO and Investor Relations Officer

today, with **operational and financial performance exceeding** pre-pandemic expectations.

All companies demonstrated very strong recovery throughout the year, both at the operational level and in terms of cash generation. These factors helped us maintain our **investment grade** rating by Standard & Poor's and Fitch. At the holding company level, we prepaid our last outstanding debt, in line with our liability management strategy.

Despite a scenario of new risks and uncertainties, we demonstrated that **courage and entrepreneurship have also remained strong at Votorantim**. With the trust of our Boards of Directors and our shareholders, we continued to advance our business and portfolio strategies. One example was a transaction announced by **Votorantim Cimentos** to combine its operations in North America with McInnis Cement by partnering with the Caisse de dépôt et placement du Québec (**CDPQ**). Also, the joint venture between **Votorantim Energia and CPP Investments** announced an investment of R$ 2 billion in the expansion of its wind farms, which will increase its generation capacity to 2.6 GW. We also expanded into new segments with the creation of **Altre**, our real estate investment platform, which was previously a business area within the holding company.

We are consistently advancing the **ESG** agenda, which has always been part of our DNA through the adoption of pioneering practices since the foundation of Votorantim. Historical examples include our first Annual Report published in 1923, and the fact that, for ten years, we have based this report on the globally recognized Global Reporting Initiative (GRI) methodology, demonstrating transparency toward our stakeholders. The COVID-19 pandemic prompted changes and reflection across society, and ESG-related issues have also gained momentum. Although we have embraced this agenda throughout our history, we continuously seek to take on new commitments and influence our portfolio companies to adopt best practices to ensure the sustainability of their businesses. In 2020, we advanced on **ESG from the perspective of the investment holding company** by discussing with the Board of Directors the new environmental, social and governance needs in the current scenario and the incorporation of these decision factors into our investment processes. Among our initiatives during the year, we joined the CDP, the largest environmental database in the world, and the inclusion in this report of our contributions to the United Nations (UN) Sustainable Development Goals (SDGs).

Another of our new initiatives in 2020 was the **Citizenship Program**, through which Votorantim and its portfolio companies sought to **foster the strengthening of a democratic culture and encourage the active participation of citizens** in public discussions, in such an important year of municipal elections in Brazil—for which we developed a new version of the *Guia do Voto* (Voting Guide). Our practices reiterate our conviction on the importance our corporate citizenship role and the development of initiatives that contribute to the advancement of Brazil's democratic culture.

In parallel, during the year we revised our corporate **Values** in order to portray our DNA more objectively. As a result, our way of being and doing things is now translated into **Integrity**, **Collaboration** and **Courage**.

As I reflect on 2020, I have a great sense of pride in Votorantim and all of our people. Our results go far beyond the numbers. And our collective capacity to overcome challenges is enormous. We have more than 100 years of history of going above and beyond, with very solid values—something that each of us carries every day. Therefore, we remain confident and hope to celebrate great achievements alongside those who join our efforts—employees, business partners, suppliers, clients and shareholders— and to whom we will always be grateful.

João H. Schmidt
CEO, Votorantim S.A.

2020 Highlights 102-10

Investment of approximately **R$ 150 million**, including contributions from the portfolio companies, for initiatives to combat the COVID-19 pandemic

Renewing the commitment to Votorantim's values

Citizenship Program, contributing to the advancement of Brazil's democratic culture

Announcement of the **combination of the operations** of Votorantim Cimentos in North America with McInnis Cement

New investments in wind farms by the joint venture between Votorantim Energia and CPP Investments

Real estate investments: **Altre**

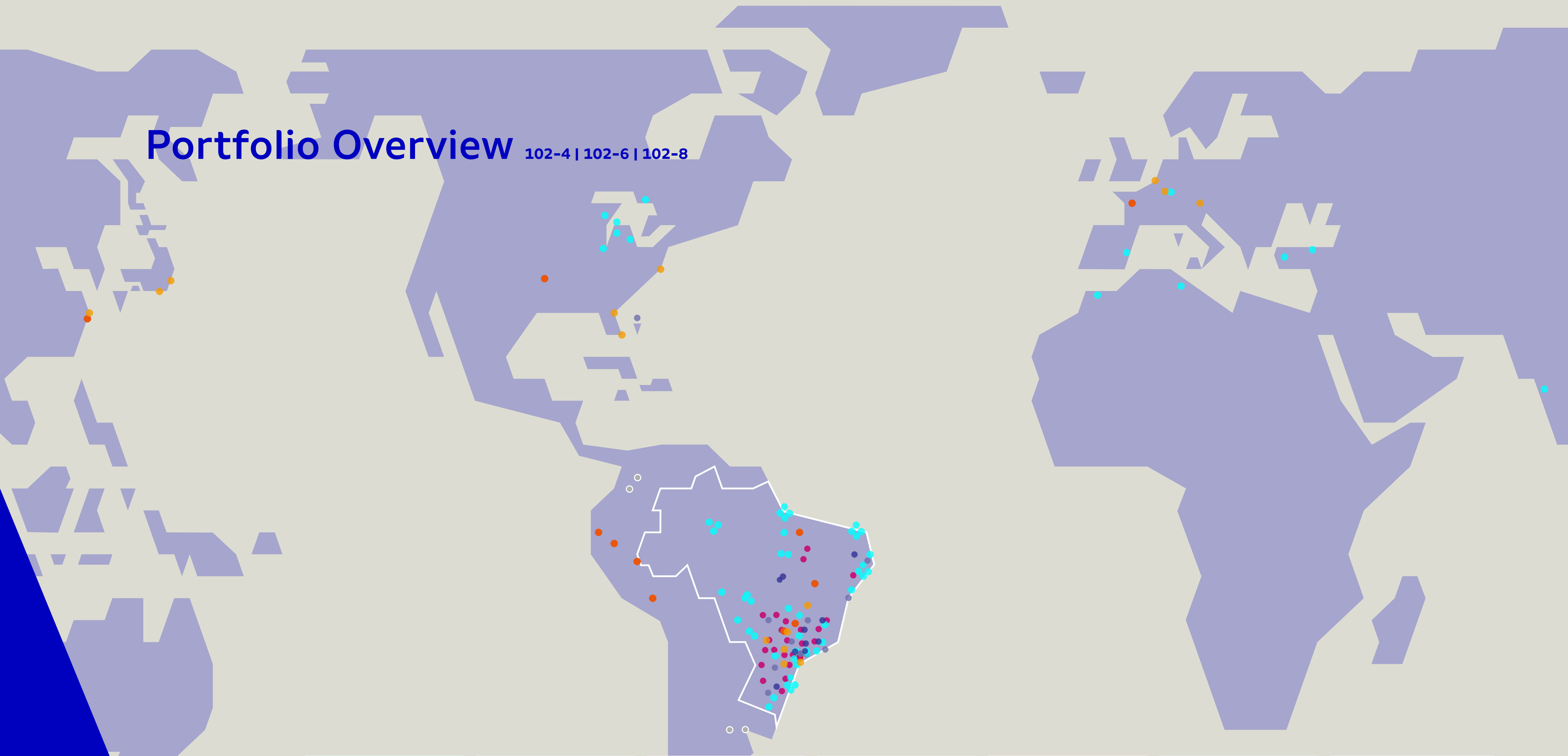
Involvement of the Board of Directors in **ESG** discussions

Joined the CDP as an investor signatory

Consolidated leverage of 1.63x (net debt/adjusted EBITDA), the lowest since 2008

Maintenance of **investment grade rating** by S&P and Fitch Ratings

Portfolio Overview 102-4 | 102-6 | 102-8



Ownership: **100%**
Industry: **building materials**
Operations in: **11 countries**
Units[1]: **347**
Employees[2]: **11,783**
Votorantim Cimentos

Ownership: **50%**
Industry: **finance**
Operations in: **2 countries**
Units[1]: **21**
Employees[2]: **4,010**
BV

Ownership: **100%**
Industry: **eletric power**
Operations in: **1 country**
Units[1]: **59**
Employees[2]: **492**
VOTORANTIM energia

Ownership: **64%**
Industry: **metals and mining**
Operations in: **4 countries**
Units[1]: **13**
Employees[2]: **5,155**
nexa

Ownership: **50%**
Industry: **orange juice**
Operations in: **7 countries**
Units[1]: **44**
Employees[2]: **5,599**
citrosuco

Ownership: **100%**
Industry: **aluminum**
Operations in: **1 country**
Units[1]: **13**
Employees[2]: **5,647**
cba

Ownership: **100% of Acerbrag and 91% of Acerías Paz del Río**
Industry: **long steel**
Operations in: **2 countries**
Units[1]: **11**
Employees[2]: **2,051**
AcerBrag PazdelRio

[1] Includes offices, plants, distribution centers and other units.
[2] Includes company employees, interns and apprentices.

The Investment Holding Company

102-6 | 102-9 | 102-15

With 103 years of history, Votorantim S.A. (Votorantim) is a Brazilian family-owned company with long term investments. Its portfolio companies operate in 19 countries in the building materials, finance, eletric power, metals and mining, orange juice, aluminum, long steel and real estate industries.

In 2020, the portfolio was strengthened by the creation of Altre, which manages and develops Votorantim's properties and prospects for investment opportunities in the real estate sector (learn more on page 47). **102-1 | 102-2 | 102-4 | 102-5 | 102-6**

Votorantim also maintains Reservas Votorantim, a strategic business that has high value creation potential and is responsible for managing the environmental assets of the portfolio and providing conservation services for land and water resources (learn more on page 44).

The Center of Excellence (CoE), a hub for creating products and processes focused on data analytics, innovation and technology, consolidates the operations of the Shared Solutions, Real Estate Solutions and Information Technology centers (learn more on page 41).

To manage the social investments of the holding company and the portfolio companies, Votorantim works through the Votorantim Institute, which, in 2020, was responsible for coordinating their initiatives to combat COVID-19.

Votorantim is headquartered in São Paulo, where it has a team of 72 employees at the holding. Including Instituto Votorantim, Reservas Votorantim, the CoE and the portfolio companies, it has approximately 34,400 direct and 10,300 indirect employees in 515 operating units. **102-3**

In 2020, despite the impact of the pandemic on the global economy, Votorantim recorded consolidated net revenues of R$ 36.7 billion and consolidated adjusted EBITDA of R$ 6.9 billion, which were higher than in 2019. At the end of the year, the consolidated net debt was R$ 11.3 billion, with leverage (net debt/adjusted EBITDA) of 1.63x (learn more on page 32). **102-7 | 102-8**

Values 102-16 | 103-2 | 103-3

Votorantim's values are the link between the values of the shareholder family and the business culture of each of the portfolio companies. During 2019 and 2020, these values were revised in a comprehensive process that involved representatives of the holding company and the portfolio companies, shareholders and external consultants, with the goal of better conveying the essence of Votorantim's culture, identity and DNA.

Integrity, Collaboration and Courage make up V3, the simplest and most updated expression of Votorantim's values. V3 was unveiled to all employees in a virtual event, complemented by an institutional package that was sent to their homes. The visual identity of V3 is based on the image of a DNA that reflects what all portfolio companies and all people who are part of Votorantim have in common, and establishes a common way of doing business and interacting with society.

OUR WAY OF BEING!

Integrity

#Doing the right thing

#Respect and ethics

#Valuing differences

OUR WAY OF DOING THINGS!

Collaboration

#Shared value creation

#Networks and connections

#Valuing people

OUR WAY OF GOING BEYOND!

Courage

#Ownership

#Innovation

#Building the future

Social DNA

The Social DNA guides the social initiatives of the portfolio companies to ensure that they can leave a legacy of value creation to society, in line with the expectations of the shareholders. The DNA includes:

- Finding solutions within and outside the company's boundaries and business models to embed social and environmental aspects into the core business.
- Connecting people, skills, goals and economic partners to advance sustainable development.
- Building bridges with local communities, creating democratic spaces for discussion.
- Maintaining the United Nations (UN) Sustainable Development Goals (SDGs) as a guide for Votorantim's actions, scale of ambitions and visions.

Votorantim's Identity

At the right time

The right time means never missing an opportunity. Every day, we remember that today's decisions impact future results and we must think fast and act in a structured, strategic and assertive manner. We have an innovative mindset; we always look ahead. However, when looking to the future, we must be ready to question what is happening in the present. We must also be ready to respond to changes in the different sectors and countries where we operate.

The right way

For us, there is only one way of doing things: the right way. Our DNA carries a unique way of being and acting. We see our companies, our employees and society through the lenses of ethics and respect. We have significant expertise in investment and the knowledge we need to continuously improve and perform more responsibly.

With the right people

We have a clear commitment: to invest in the best of each one to achieve the best for everyone, because we believe in the strength of people and their potential to thrive. We are continuously moving forward, toward what is new. We positively influence our people through our inspiring leaders.

Strategy and Management 102-9 | 102-15 | 103-2 | 103-3

Votorantim: a permanently capitalized investment holding company, with a long-term investment approach, that seeks to deliver superior financial returns with positive social and environmental impacts.

Investment thesis

Core business | Beyond core | Beyond business

Strengthening the core: modernization, expansion and consolidation.

Value unlocking: extract value from the existing asset base, leveraging on existing competences and capabilities.

Adjacencies: business opportunities in the adjacencies of the companies; opportunities and risks that follow products and processes.

New **patterns of production and consumption**; new **business models**.

Achieving the investment objectives of its shareholders, acting in accordance with the management approach established in its DNA and complying with the financial and dividend policies are the essence of Votorantim's management mandate. The investment approach encopasses major themes that apply both to existing businesses and to new opportunities: (i) strengthening the core business through investments in modernization, expansion and consolidation; (ii) extracting greater value from the asset base and leveraging existing skills and abilities; (iii) operating in business adjacencies, assessing additional opportunities and risks associated with products and processes; and (iv) paying close attention to new production and consumption patterns, as well as new business models that can present new opportunities and mitigate risks.

Objectives of the capital allocation strategy

Patient capital, non-negotiable purpose

At portfolio companies	At the portfolio level	For shareholders
Capital structure that allows for **growth and dividends** Preserving the capacity to invest: **sustaining, modernization and expansion** Perpetuate the **Votorantim DNA** Foster **innovation** to **transform the business model**	**Financial and strategic flexibility** for large scale investments **Diversification**: • Sectors; • Geographies; and • Risk factors. Delivering on the **investment objectives of our shareholders**	Maximizing **total shareholder return (TSR)** **Long-term sustainability** of Votorantim

As a permanently capitalized investment holding company, with a long-term investment approach, Votorantim seeks to deliver superior financial returns with positive social and environmental impacts. From a financial standpoint, its business portfolio is exposed to the typical seasonal cycles of different industries in different locations around the world. To reduce exposure to risks, the company seeks to add to its asset profile new businesses with secular demand and potential for value creation—such as energy and real estate, which are already part of the portfolio. Aligned with this approach, in 2020, Votorantim advanced its investment strategy through the approval of R$ 2 billion to be invested in the development of new wind farms in the northeastern region of Brazil by the joint venture between Votorantim Energia and CPP Investments (learn more on page 57).

Also in line with the search for opportunities to drive new businesses, Real Estate Investments evolved from an internal area into the company Altre, Votorantim's real estate investment platform.

In parallel, the company expects to increase its investments in developed markets, which may occur directly or via portfolio companies. An example of progress in this area was the announcement of the combination of cement assets in North America with McInnis Cement, which will result in a partnership between Votorantim Cimentos and Caisse de dépôt et placement du Québec (CDPQ), with a focus on expanding operations in the Great Lakes region, eastern Canada and the northeast coast of the United States (learn more on page 51). Also in the context of this strategy, during the year Votorantim increased its exposure to developed markets through investments in highly-liquid securities.

The investment approach is driven by a key principle: our capital is patient, our business purpose is non-negotiable. This means carefully analyzing opportunities to make investment decisions in line with Votorantim's values and DNA, as well as the guidelines discussed with shareholders. This behavior is one of the fundamental drivers of the construction of Votorantim's portfolio and its business conduct, and it is also reflected in the influence it exerts over the portfolio companies to adopt best practices in the environmental, social and corporate governance areas.

memória VOTORANTIM

Created in 2003 as part of the celebrations of Votorantim's 85th anniversary, the purpose of Memória Votorantim is to map and preserve documents on the company's history. In its almost 20 years of operation, the role of Memória has evolved and the area is currently responsible for the historical record and production of content based on Votorantim's past and present, the portfolio companies, their entrepreneurs and employees. Its historical collection and capacity to analyze and manage knowledge are divided into three main axes:

- Reputation;
- Organizational culture; and
- Sense of legacy.

These axes complement each other and enable the development of projects, products and in-depth research on the company's trajectory.

Since Votorantim's history is intrinsically linked to the history of Brazilian industrialization, Memória is open to the public by appointment, both for visits to the exhibition it maintains in its office located in Vila Leopoldina, in São Paulo state, and for research.

Visit the virtual collection

ESG engagement 102-12 | 102-18 | 102-26 | 102-27 | 102-29 | 102-32

Votorantim adopted ESG (Environmental, Social and Governance) standards even before the term was created. In 2020, Memória Votorantim, a content hub that connects the company's past and present, conducted a survey to review the history of Votorantim and its portfolio companies in the environmental, social and governance spheres. This project identified, for example, that the first publication of Votorantim's Annual Report dates back to 1923; since then, the company has maintained its commitment to transparency, evolving the level of information disclosed and adapting to the best market practices, such as assurance or use of a global methodology for standardizing ESG indicators. The year 2020 marks the tenth publication of the Annual Report in accordance with the standards of the Global Reporting Initiative (GRI).

During the year, Votorantim also advanced its initiatives on ESG from the perspective of the investment holding company, developing a structured plan that includes a renewed approach that was discussed both by its Board of Directors and within the portfolio companies.

According to corporate governance principles, each of the portfolio companies has autonomy to manage ESG issues, in line with its business strategies. In this context, Votorantim has three key ESG-related objectives:

- Influence;
- Monitor; and
- Report.

Based on the ESG plan, the holding company intensified its participation in the UN Global Compact, an initiative that promotes fundamental and internationally accepted values in the areas of human rights, labor relations, the environment and the fight against corruption, to which Votorantim has been a signatory since 2011. This

Influence	Monitor	Report
Influence portfolio companies to adopt environmental, social and governance best practices, contributing to the long-term sustainability of their businesses.	Follow the integration of ESG criteria in decisions regarding new investments and in the evaluation of the portfolio companies, while also monitoring ESG and reputation risks from the Votorantim perspective.	Communicate transparently and consistently about ESG initiatives undertaken by Votorantim and the portfolio companies.

Participants of the Global Compact

- Votorantim Cimentos
- Banco BV
- Votorantim Energia
- Nexa
- CBA

Respondents to CDP's public climate questionnaire in 2020

- Votorantim Cimentos
- Nexa
- CBA

Publication of annual reports

- Votorantim Cimentos
- Banco BV
- Votorantim Energia
- Nexa
- Citrosuco
- CBA
- Acerías Paz del Río

Green financing

- Votorantim Cimentos (revolving credit facility)
- Banco BV (green bonds)
- CBA (export credit notes)

voluntary commitment extends to the portfolio companies. In 2020, banco BV and Votorantim Energia also became direct signatories, joining Votorantim Cimentos, Nexa and CBA.

During the year, Votorantim also became a member of CDP, the largest environmental database in the world. The purpose of joining the organization was to develop a pilot project with Votorantim Cimentos and CBA for the analysis of their environmental information and how to integrate it to the investment analysis process in a structured manner.

With regard to reporting on ESG issues, one advance is the inclusion, starting with this annual report, of Votorantim's main contributions to the Sustainable Development Goals (SDGs). A United Nations (UN) initiative launched in 2015, the 17 SDGs are divided into 169 goals and 248 indicators that combine the three dimensions of sustainable development: economic, social and environmental.

To this end, Votorantim developed a methodology to identify and prioritize these contributions, in order to determine which of them met basic criteria to be considered for this publication. In addition, the company conducted a market study, including an assessment of the reporting practices of the portfolio companies, to determine how these contributions would be disclosed.

The methodology included extensive work to verify each target, to identify, according to Votorantim's materiality, which of them:

- Relates to priority topics for Votorantim, both those common to all companies and those specific to each of them; and
- Are achievable through initiatives by Votorantim or the portfolio companies.

In the first phase, the goals were scored against the achievement of each of these criteria through the classification method explained above. After the first stage, a qualitative review was performed to test the results and indicate potential adjustments between the practices and targets that received the highest score. The inclusion of SDG 5 (Gender Equality) occured at this phase. Despite not being included in the current materiality matrix, gender equality is an issue of increasing importance within Votorantim, supported by structured initiatives, employee engagement and discussions with the portfolio companies through the governance chain.

The result of this process was the prioritization of 13 SDGs, including a total of 37 goals, which are detailed in the infographic that illustrates the holding company's view of its contributions to each SDG.

World Benchmarking Alliance

Votorantim was named one of the 2,000 most influential companies in the world for its best practices in a ranking promoted by the World Benchmarking Alliance (WBA), an organization leading the movement to expand the impact of the private sector toward a sustainable future. The holding company was mentioned, through Votorantim Cimentos and Citrosuco, in four strategic transformations that are related to the UN Sustainable Development Goals (SDGs):

- Decarbonization and energy;
- Circular economy;
- Social; and
- Food and agriculture.

Materiality 102-15 | 102-21 | 102-46

Published in 2018, Votorantim's materiality matrix identifies the most relevant topics to be reported, according to the interests of its stakeholders. The process to determine its content included three stages: (i) Analysis of internal documents of Votorantim and the portfolio companies; (ii) Interviews with company executives, sustainability and corporate governance employees of the portfolio companies, specialists in finance and sustainability, academics and local and international investors; and (iii) Integration of data and information collected in the two previous stages. 102-40 | 102-42 | 102-43

Given the diversity of Votorantim's portfolio, the topics identified through this process were categorized into two dimensions:

- Material both to the holding company and its portfolio companies; and
- Material specifically to the portfolio companies.

Materiality and SDGs at Votorantim

Material for Votorantim and the portfolio companies 102-47

STRATEGY AND RESULTS
- Long-term vision
- Capital allocation
- Financial performance

SDGs: 8 Decent work and economic growth

GOVERNANCE
- Ethics and Compliance
- Best practices in corporate governance
- Corporate risk management

SDGs: 16 Peace, justice and strong institutions

ENVIRONMENT
- Climate change
- Water resources

SDGs: 6 Clean water and sanitation; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 12 Responsible consumption & production; 13 Climate action

SOCIAL ISSUES
- Health and safety
- Community relations

SDGs: 3 Good health and well-being; 4 Quality education; 8 Decent work and economic growth; 11 Sustainable cities and communities; 16 Peace, justice and strong institutions

Specific topics of the portfolio companies 102-47

Company	Topic	SDGs
Votorantim Cimentos	Energy use	7 Affordable and clean energy; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 12 Responsible consumption & production; 13 Climate action
BV	Innovation and client relations	8 Decent work and economic growth
Votorantim energia	New investments	7 Affordable and clean energy
nexa	Tailing dams	11 Sustainable cities and communities; 12 Responsible consumption & production
citrosuco	Land use and pesticides	2 Zero hunger; 8 Decent work and economic growth
cba	Energy use and tailing dams	7 Affordable and clean energy; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption & production; 13 Climate action
AcerBrag, PazdelRío	Energy use	7 Affordable and clean energy; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 12 Responsible consumption & production; 13 Climate action
Legado das Águas	Biodiversity and deforestation	17 Life on land

Some highlights of the ESG evolution at Votorantim

1919

Guarantee of employee rights, including right to strike, equal pay for men and women and abolition of child labor under 14 years in plants, policies that would only become mandatory in Brazil after the Consolidation of Labor Laws, in 1943.

Life insurance for all plants employees, which would only become mandatory with the promulgation of the 1937 Constitution.

1923

Publication of the first Annual Report, which has become increasingly more transparent with regard to ESG issues over the following decades.

1950

Inauguration of the Santa Lucinda General and Maternity Hospital, and of the first Medical School located in Sorocaba, in São Paulo state.

1953

Start of activities to preserve the surroundings of the Juquiá River, where Legado das Águas is currently located.

1964

At CBA, the illiteracy rate among employees was close to zero, as a result of the company's concern with the education of its workers, translated into the offer of literacy, typing and language courses, among others.

1969

Creation of Hejoassu, the holding company that represents the interests of the shareholder family.

1980

At Votorantim Cimentos, use of babassu coconut shells as a substitute for fossil fuels.

1998

In celebration of its 80th anniversary, Votorantim reaffirms its purpose: The project for a vigorous, strong and, above all, humane Brazil.

2001

Creation of Votorantim's Board of Directors.

2002

Creation of the Votorantim Institute.

Launch of Votorantim's Sustainability Principles.

2009

Signatory to the Open Letter to Brazil on Climate Change, through which, together with other companies, Votorantim committed to a series of actions aimed at reducing greenhouse gases and demanded improvements from those responsible for public policies in Brazil and international organizations.

2010

Creation of the Sustainability area at Votorantim, linked to Strategic Planning. In 2016, the area was phased out of the holding company and established in the portfolio companies.

2011

Identification of Critical Sustainability Issues and publication of the first Annual Report following the GRI guidelines.

2012

Creation of Legado das Águas.

2014

Appointment of a non-family executive as chairman of the Board of Directors of Votorantim and improvement of the corporate governance model.

Review of the materiality matrix and restructuring of the Annual Report to reinforce Votorantim's position as an investment holding company.

2018

Expansion of the Partnership for the Enhancement of Education (*Parceria pela Valorização da Educação*, PVE) to more than 100 municipalities in celebration of Votorantim's centenary.

Publication of the first edition of the *Guia do Voto* (Voting Guide),, focused on promoting conscious voting.

2019

Participation of the portfolio companies in the Global Compact and inclusion of the ESG agenda in CFO forums, with representatives from Votorantim and the portfolio companies.

Launch of the Citizenship Program.

2020

Increased focus on ESG issues within the Executive Board and the Board of Directors.

Votorantim becomes a signatory of CDP in the investor category and designs a pilot project for the analysis of climate information within its portfolio.

People 103-1 | 103-2 | 103-3

Visit Votorantim's website

Supported by three pillars—(i) Attractiveness, Engagement and Communication; (ii) People and Organization Development; and (iii) Compensation and Benefits—the Human and Organizational Development (HR) area worked, in this atypical year, to accelerate the integration of human resources issues, and started to report directly to the CEO.

Attractiveness, Engagement and Communication

Due to the requirements imposed by the pandemic, some initiatives had to be adapted to new formats.

This was the case with all phases of the Internship Program, the main entry level to the company, which were changed to a virtual format. As in 2019, the 11 participants were identified through blind selection—that is, only professional attributes were taken into account, without access to personal information, such as gender and ethnicity. The summer internship program, Votorantim Experience, included two young professionals who developed projects in the areas of Corporate Development and Real Estate Investments.

Initiatives such as workshops with Financial Market Leagues from universities, training for engineering students with the involvement of portfolio companies and events including different student organizations continued to take place during the year, although virtually.

The process of onboarding new employees also had to be adapted to the pandemic scenario.

The Ambassadors Program, which encourages employees to

Download the booklet "The importance of anti-racism: tips and attitudes"

represent the company externally, remained active online, with participation in 22 market events, such as college fairs and student mentoring initiatives. Three Votorantim Meeting (*Encontro Votorantim*) events, a forum where the company's leadership discusses business guidelines with the employees, were hosted during the year—one in person and two virtual. One of them featured the presentation of the revised Votorantim values (V3) and the other included discussions on topics such as the transformation of the portfolio, businesses, citizenship, culture and diversity, where one of the highlights was a presentation on unconscious biases made by neuroscientist Carla Tieppo.

The knowledge creation meetings that took place virtually during the year included a presentation on structural racism by philosopher and writer Djamila Ribeiro, in response to an internal survey that identified the need to prioritize ethnicity in initiatives to promote diversity. In parallel, the company distributed internally a booklet entitled "The importance of anti-racism: tips and attitudes" as an instrument to increase awareness of this issue. Another topic addressed in a discussion with men on World Women's Equality Day was masculinity and its aspects, by the editor of the website *Papo de Homem*, Guilherme Valadares. Also, in March, on International Women's Day, female assertiveness was discussed during a breakfast that included the participation of 34 employees—all of whom received a copy of the book "We should all be feminists", by Nigerian writer Chimamanda Ngozi Adichie.

Votocast, the podcast platform launched in 2019 and made available to the general public, addressed current issues from the perspective of internal experiences, including health initiatives, fighting machismo, embracing the LGBTQIA+ population, risk analysis, and urban development, among others. In addition, to share knowledge with society at a time when people most needed it, internal initiatives—such as discussions on mental health within *Semana+ Vida* (Health Week) and a debate on employability during social isolation—were extended to the general public.

Initiatives to fight COVID-19 (learn more on page 39), carried out jointly with the Votorantim Institute and the portfolio companies, were the constant focus of communication efforts, especially to provide accountability to employees and external audiences on the financial and operational resources directed to these activities. The transparency website created for this purpose was updated periodically with details of the initiatives. At the end of the year, Votorantim posted an ad and video on its social media sites to fulfill its accountability to society.

During the year, Votorantim further established its presence in social media, reinforcing direct communications and interactions with its stakeholders, with a 12% increase in LinkedIn connections (finance professionals are the second largest group of

Votorantim's followers), 25% more Instagram followers, almost 60,000 views on videos posted on YouTube and more than 5,000 listeners of the 11 episodes of Votocast, through Spotify, YouTube and other podcast platforms.

People and Organization Development

In 2020, within the scope of the already established Votorantim Development System (*Sistema de Desenvolvimento Votorantim, SDV*), individual development activities—including coaching, counseling, creation of Individual Development Plans (IDPs) and discussions—continued virtually, involving 95 employees in 304 hours of service.

With regard to organizational and relationship development, employees of the holding company responded to an engagement and culture survey, with 97.5% participation. Based on the Barrett Values Centre methodology, the survey concluded that employees exhibit the following characteristics as part of the current culture:

- Base their actions on strong moral principles and are dedicated to building a positive reputation;
- Focus on achievements and high-quality criteria; and
- Are dedicated, look for continuous ways to enhance their knowledge and skills, plan for the future, and collaborate with their stakeholders.

Unlike previous surveys, the recent culture survey included individual feedback: Each participant had the opportunity to reflect on the importance of individual transformation based on his/her values and how it impacts the evolution of organizational culture. Based on that, Votorantim created internal events called *Bate-Papo Virtual* (Virtual Chat) to promote greater integration between the areas and the employees of the holding company. Nine virtual meetings were held during the year, including discussions in two areas: Businesses and Culture. Among the topics discussed were the development of real estate investments, ESG and long-term investment approaches.

The activities of the Votorantim Academy, divided into four channels, were deployed across all portfolio companies:

Courses and programs – 13 classes, totaling 334 participants, took part in the "Provocation, inspiration and transformation" and "Personal journey" modules, which were adapted to a virtual format. This channel also included the *Potenciar* Program, which provides training to accelerate talent development within the holding company and portfolio companies. Completely remodeled to adapt to a virtual format, the program enabled the participation of 75 employees from seven companies in two meetings, which registered satisfaction rates of 89% (August) and 87% (October). The new virtual format was enhanced by new resources that were sent to all participants, including a snack package and photo stickers of the participants to be placed in the spaces marked with their names, companies where they work and contact information, as a way to foster connections. The traditional happy hour at the conclusion of the program was also held virtually.

Vototalks – The activities of the Citizenship Program were reinforced on the online platform for content dissemination (learn more on page 36) through a discussion on "The neuroscience of citizenship".

Webinars – Created in 2020 to discuss various subjects and connect employees during the pandemic, the ten webinars held during the year brought together more than 3,000 people to discuss themes that included: "Discover your strengths", "Emotional intelligence", "Experiencing mindfulness and self-awareness", "Non-violent communication" and "Networking with different stakeholders in times of crisis".

Career Festival – As an activity of Votorantim Institute's *Desafio Voluntário* (Volunteer Challenge), the Academy supported the promotion of career information to internal and external audiences, through 16 live virtual events open to the general public. More than 2,200 people participated in these discussions on a variety of topics related to the selection, recruitment and development of people.

Compensation and Benefits

In the face of the pandemic, Votorantim made a commitment to mitigate impacts that could further affect the lives of its employees and suppliers. In addition to continuing to follow all practices related to compensation and benefits, including market research to identify trends in wage policies, Votorantim expanded its range of initiatives as a result of the pandemic. With the adoption of remote working in March, the holding company made chairs and office equipment available to its employees, offered the option to exchange restaurant vouchers for food vouchers and provided online consultations with psychologists. In June, the company organized a process for gradual and optional return to the offices, following official health protocols that included wearing a mask, periodic testing and social distancing. At the end of the year, approximately 50% of employees had returned to the office following a flexible and hybrid schedule in terms of workdays and hours.

The holding company also strived not to harm its supply chain and maintained all its contracts, including paying for the supply of fresh fruit for employees, although that service was not offered during the time when the office was closed, and massages for employees, which were replaced by virtual yoga classes. Telemedicine services also remained active 24 hours a day to answer questions or address the needs of employees.

Semana+ Vida (Health Week), held annually, was adapted and divided into two phases. The first phase included bringing flu vaccination forward to March. The vaccinations were extended to employee's dependents and were made available via a drive-thru system, following strict safety protocols. The second phase addressed quality of life awareness and was completely virtual. It focused on mental health and included live virtual events with psychologists, psychiatrists and even yachtsman Beto Pandiani, who shared his experience with living in isolation. The program also included meditation, nutrition and cooking sessions, with professionals in each of these areas providing tips to improve home and family life during the pandemic.

Other activities traditionally carried out to celebrate important dates were adapted to ensure continuity. Examples included the delivery of Easter eggs to the homes of employees and a video, delivered along with a personalized book to the children of employees in celebration of Children's Day, showing their parents' workplace. Throughout the year, a team of employees from the Center of Excellence (CoE) promoted *Hora do Conto* (Story Time), virtual meetings with presentations for children, as another point of connection with families during the pandemic.

Another accomplishment in the year was the launch of the new HR portal, which became more interactive and provided more autonomy to employees by integrating self-service, simplifying promotion processes and scheduling of vacations, for example.

Benefits 402-1

- Health and dental plans
- Life insurance
- Private pension through Fundação Senador José Ermírio de Moraes (FUNSEJEM)
- Christmas food voucher
- Medical care
- Telemedicine
- Executive health check-up
- Pregnancy program
- Lactation room
- Flu vaccine
- Fruits
- Massage
- Gym allowance
- Agreements with *Serviço Social do Comércio* (SESC) units

Governance, Compliance and Risks 103-1 | 103-2 | 103-3

Governance Structure 102-18 | 102-19 | 102-20 | 102-24 | 102-26 | 102-27 | 102-29 | 102-31

Votorantim's governance is anchored on three complementary axes:

- **Ownership**, represented by the Board of Hejoassu, the holding company that owns the conglomerate;
- **Family**, represented by the Family Board; and
- **Businesses,** led by two complementary bodies: the Board of Directors and the Executive Board of Votorantim and its portfolio companies.

Votorantim is constantly improving and evolving its corporate governance practices. Although not all portfolio companies are listed, since 2014 each company has also adopted its own robust governance model that includes its own Board of Directors, advisory committees and Executive Boards, which are responsible for deliberating on strategies, management and investments.

The members of the Boards of Directors of Votorantim and of Hejoassu and of the Family Board serve three-year terms. The last two bodies operate independently from Votorantim, and integration between them is ensured by a formal schedule of meetings. In the portfolio companies, the Boards of Directors are composed of shareholders, employees of the holding company and external independent members. Votorantim also performs periodic assessments of boards and committees, which ontribute to the evolution of its governance.

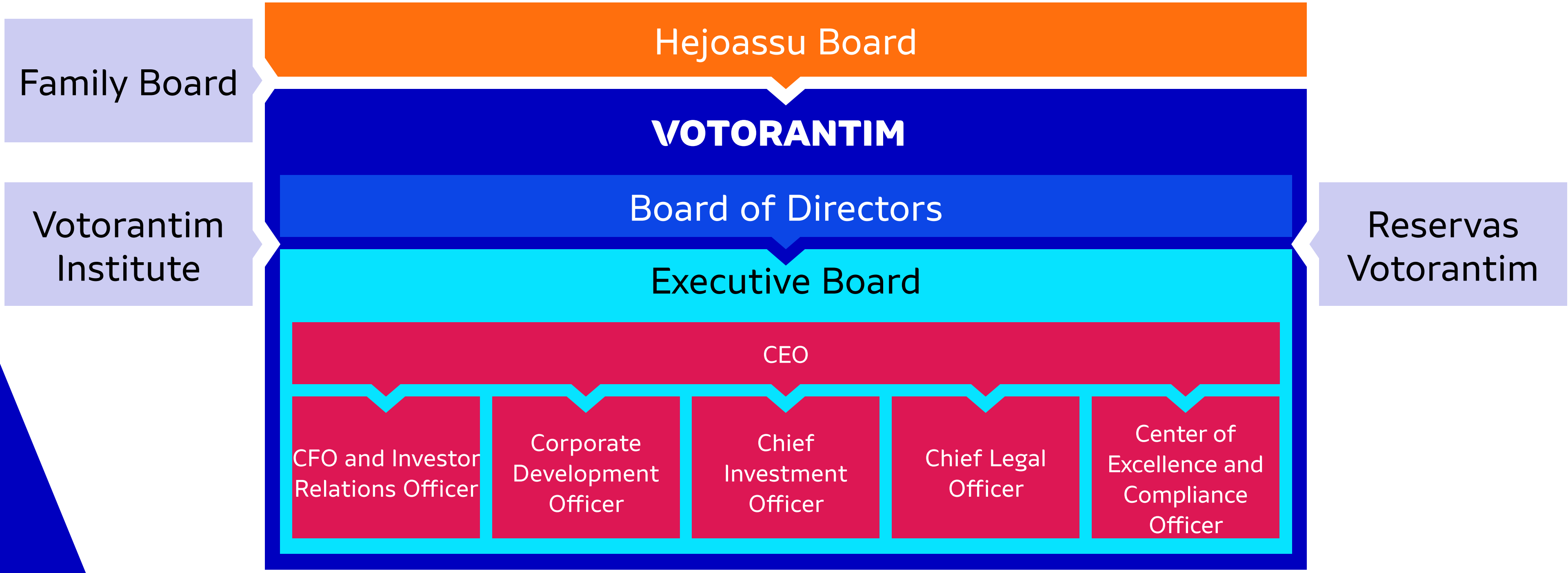
CPP Investments

The Canadian fund authored an article on family businesses in which it recognized Votorantim for its strength, appetite for smart risk-taking and sound corporate governance. The article highlighted the company's long-term perspective, considering the fact that it has existed for six generations and has plans for many more to come.

Read the article here

Corporate and Business Structure

Administrative Structure



Board of Hejoassu

It is composed of 12 shareholders, with three representatives from each of the four family holding companies. It works independently and is responsible for recommending to Votorantim its financial aspiration, macro vision and risk appetite, and for appointing members of the Board of Directors of Votorantim. The Board is also the guardian of Votorantim's culture and DNA, ensuring the preservation of the family's vision. In its sixth generation, the family is made up of 164 people, of whom 41 are shareholders.

Family Board

Its current composition includes seven members, five from the fifth generation and two from the fourth generation, whose purpose is to promote family unity and the development of family members, and to act as a link in the communication between the family and businesses.

To this end, it develops initiatives supported by a model that considers the categories of Shareholders, the Family, Careers and Social Engagement. In 2020, the focus was on Social Engagement, which, due to the

Family Values

Integrity
Being ethical and acting with integrity, honoring our history and creating the future with respect

Generosity
Being generous with yourself, the family and society

Courage
Persevering, always being open to learn and evolve, and believing that everything is possible

Unity
Honoring the history that unites us, valuing our collective Power and owning the creation of our Legacy

Impact
Working with dedication and achievement-focused energy, driven by the power to innovate and transform

Passion
Having freedom and motivation to find and pursue your passions

pandemic, expanded its reach by pursuing the best strategies, which included the Hejoassu Board and alignment with the holding company and the Votorantim Institute in the fight against COVID-19, leveraging the activities with synergy. One of the joint activities with the Votorantim Institute was raising funds—part of which was donated by banco BV—that were converted into food vouchers that were distributed to the Vila Leopoldina and Heliópolis communities in São Paulo. Approximately 100 family members from four generations were directly involved in the initiative.

In 2020, the Board's structure was also strengthened through the work of its Social Committee, which deals with issues relating to entities historically supported by the family: Associação de Assistência à Criança Deficiente (AACD), BP – A Beneficência Portuguesa de São Paulo and A.C. Camargo Cancer Center. The Committee raised funds that supported telemedicine projects at the three institutions, in addition to enabling other initiatives, such as Telethon, a TV marathon to raise awareness and mobilize public support for people with physical disabilities.

The challenge of social distancing was faced with creativity and innovation. Plant tours, which include family members of the fifth and sixth generations between 10 and 12 years of age, were held virtually. Throughout the year, other initiatives were also adapted to meet the social distancing requirement and took place in the form of live virtual events and podcasts, with invited specialists presenting content that was relevant for that moment.

Board of Directors

In 2020, the Board of Directors was strengthened with the arrival of Marcos Lutz and maintained its composition of seven members—one chairman, one deputy chairman, two board members and three independent board members. The chairman and independent board members are not part of the shareholder family. The responsibilities of the Board of Directors include preparing the strategic plan and determining the actions needed to put it into practice, deliberating on capital allocation, appointing the members of the Executive Board and the Boards of Directors of the portfolio companies and monitoring their performance.

Board of Directors 102-22 | 102-23

Eduardo Vassimon
Chairman

José Roberto Ermírio de Moraes
Deputy Chairman

Cláudio Ermírio de Moraes
Board Member

Luís Ermírio de Moraes
Board Member

Marcelo Medeiros
Independent Board Member

Marcos Lutz
Independent Board Member

Oscar Bernardes
Independent Board Member

Executive Board

This includes the CEO and five officers, whose responsibility is to conduct the company's operations in accordance with the strategic guidelines outlined by the Board of Directors.

Executive Board 102-22 | 102-23

João H. Schmidt
CEO

Glaisy Domingues
Chief Planning Officer

Luiz Caruso
Center of Excellence and Compliance Officer

Marcio Yamachira
Corporate Development Officer

Mateus Gomes Ferreira
Chief Investment Officer

Sergio Malacrida
CFO and Investor Relations Officer

Compliance 102-17 | 102-25

In 2020, the Compliance area participated in the effort to fight the pandemic. A working group was created to direct the donations approved by the COVID-19 Committee, which was made up of representatives of Votorantim, the portfolio companies, the Votorantim Institute, BP – A Beneficência Portuguesa de São Paulo, and the shareholder family. The responsibilities of this committee included evaluating and deliberating on the donation strategy and ensuring smooth processes and the proper allocation of resources, in addition to preventing the expectation of reciprocity from the benefited municipalities.

Together with the Votorantim Institute and BP – A Beneficência Portuguesa de São Paulo, more than 170 due diligence processes were carried out to identify, through a series of indicators, the level of integrity of the municipalities considered for donations; internal documents were also created to formalize the processes and provide accountability. One of the measures adopted was the staggering of donations in a way that future installments were only released once the previous installment had been accounted for. Another differentiated approach had to do with the delivery of the donations, which was made by the company itself, leveraging Votorantim Cimentos' extensive logistics network.

At the same time, steps were taken during the year to improve the compliance and risk structure, guided by the concept of Compliance 4.0. One example is the Government Interaction Records (*Registros de Interação com Agentes Governamentais*, RIGs), a system that was migrated to an external platform managed by specialists. It concentrates all information in this area, including Compliance Declarations and training on the Code of Conduct, as well as the analysis of risk maturity and compliance of Votorantim Cimentos, Votorantim Energia, Nexa, Citrosuco and CBA.

Focused on the organization and optimization of processes, the Legal Suppliers Management (LSM) project advanced during the year. Its goal is to standardize, streamline and decentralize the contracts made within the scope of the Legal department. Part of this process was transferred to the Center of Excellence (CoE) and another part involved the review of contracts and minutes, and adjustments to the payment and registration flows.

As a result of the pandemic, the third Compliance Week was held virtually, which did not

Ethics Line: 0800 89 11 729

Visit Ethics Line website

Compliance resources 102-17

- Compliance Program
- Anti-Corruption and Antitrust Program
- Code of Conduct
- Trade Compliance
- Donation and sponsorship processes
- Third party due diligence and M&A processes
- Compliance Declarations
- Conflict of interest assessment
- Ethics Line
- Compliance clauses (anti-corruption) in all standard contracts
- Internal audit performed by a third party
- Audit Committee in the portfolio companies

compromise the discussions on issues involving ethics and integrity in internal and external relations. Executives from Votorantim and the portfolio companies and the Chairman of the Board of Directors, Eduardo Vassimon, participated in the panels. Also a discussion on donations and relationships with public officials were held by political scientist Humberto Dantas, Adjarbas Guerra (director of Governance, Risks and Compliance of Votorantim Cimentos) and Cloves de Carvalho (director of the Votorantim Institute). 205-2

Risk Management 102-9 | 102-10 | 102-11 | 102-30

Votorantim quantifies its risk appetite annually, considering its role as an investment holding company. The portfolio companies, in turn, are responsible for identifying, measuring and addressing strategic, reputational, social, environmental, regulatory and financial risks, and determining their risk appetite by taking into account risk probability and impact.

The assessment of risk appetite considers qualitative aspects—that is, the definition of risk categories and willingness to incur a certain risk in relation to the predicted return or impact—and quantitative aspects—considering the maximum risk that Votorantim is willing to take within the scope of its global capacity. This assessment results in a classification of tolerance levels, which trigger the appropriate governance tiers.

The pandemic prompted the mapping of a series of risks encountered in previous global crises, which were added to those already identified and applicable to the current context, such as compromise of reputation and misappropriation of funds and material, as well as misuse of resources by the government. The holding company exercised care when dealing with all assistance programs, using its probability and impact assessment to guide mitigation initiatives.

Through participation in the governance bodies of the portfolio companies, Votorantim influences and monitors the appropriateness of their risk appetite level, considering variables such as the markets where they operate, positioning and expectations.

Economic and Financial Performance 103-1 | 103-2 | 103-3

Visit the Investor Relations website

Investor Relations

Despite the impacts of the pandemic on the global economy, Votorantim was able to maintain its investment grade rating by two credit risk agencies, Standard & Poor's and Fitch Ratings, joining a select group of companies. Also, Moody's changed Votorantim's outlook to stable from negative due to the company's operating performance, which was stronger than had been expected at the start of the COVID-19 crisis.

The impact of the pandemic on the company's results was a recurring subject of inquiries from investors throughout the year. Initiatives to combat COVID-19, both internal and external to society supported by Votorantim, were broadly publicized, including to the investors.

The high degree of transparency that marks Votorantim's relationships with investors, analysts and creditors—in line with listed companies—was demonstrated in a series of earnings conference calls, which were held in place of in-person events (Votorantim Days in São Paulo and New York, which were canceled in compliance with the requirement to social distancing). The Investor Relations website, published in Portuguese and English, continued to be available; it contains, among other information, the company's operational and financial results and communications to the market.

2020 Results 102-7

Despite the effects of the COVID-19 pandemic, the portfolio companies maintained their operational stability, ending 2020 with results above what was forecasted at the beginning of the pandemic. Their speed in responding to the impacts of the crisis, by implementing contingency plans and increasing their liquidity levels, the strength of the companies and the historical prudence with which Votorantim has conducted its businesses were some of the factors that ensured that healthy financial metrics were maintained.

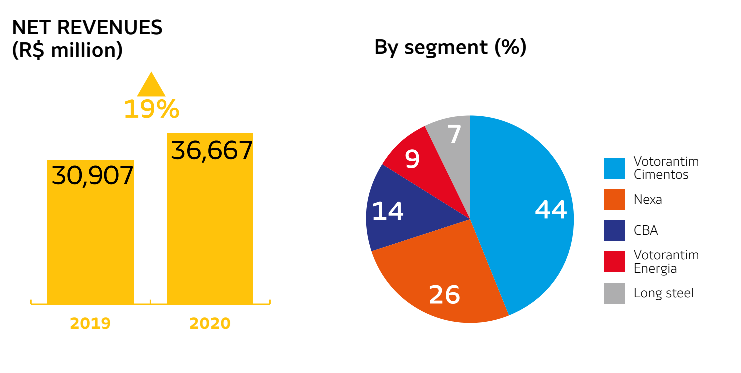
In the consolidated view, Votorantim's results consider the operations of Votorantim Cimentos, Votorantim Energia, Nexa, CBA, Acerbrag and Acerías Paz del Río. The results of banco BV and Citrosuco are reported according to the equity method.

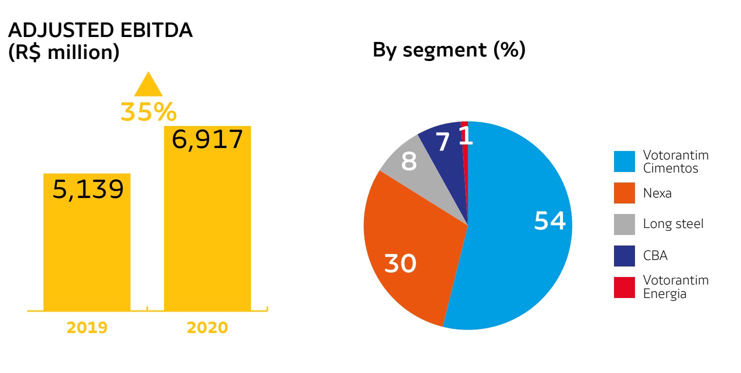
Net revenues at the end of the year was R$ 36.7 billion, 19% higher than in 2019. The growth was mainly driven by the better operating results of the cement and metals businesses and by the devaluation of the real against the US dollar, which had a positive effect on the consolidated results of operations abroad.

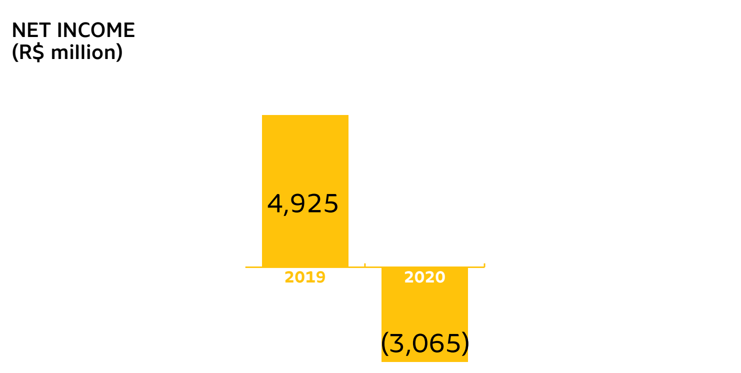
Votorantim Cimentos had higher sales volume in all regions and positive price dynamics, mainly in Brazil and North America. Nexa benefited from the positive effect of metal prices in BRL. CBA had the highest sales volume, thanks to the consolidation of the operations of Itapissuma, in Pernambuco state. All of these factors had a positive impact on consolidated net revenues.

Adjusted EBITDA totaled R$ 6.9 billion, an increase of 35% compared to 2019, also reflecting the better operating results.

Votorantim ended the year with a net loss of R$ 3.1 billion, compared to a net income of R$ 4.9 billion in 2019. This result is mainly explained by the impairments of Nexa assets to the amount of R$ 2.5 billion in 2020 and the impact of the exchange rate on indebtedness. In 2019, the result was impacted







by the positive effect of the Fibria transaction. These effects were partially offset by better operating results, which were reflected in an increase in net revenues and adjusted EBITDA.

In 2020, operating cash flow was positive at R$ 3.3 billion, as a result of improved operating results, which, in turn, had an effect on working capital, mainly at CBA and Votorantim Cimentos.

Free cash flow (FCF) totaled R$ 4.1 billion, with a negative variation of R$ 822 million compared to 2019 (R$ 4.9 billion), mainly explained by the effect of the Fibria transaction in 2019. There was also the positive effect exchange rate cash position of approximately 60% in foreign currency.

Liquidity and Indebtedness

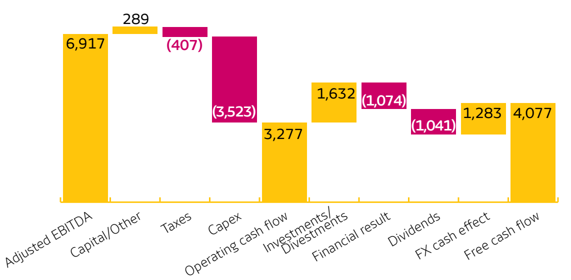
At the end of 2020, gross debt totaled R$ 25.1 billion, an increase of 27% over the previous year. The variation is mainly due to the devaluation of the real against the US dollar on foreign currency debt. Cash, cash equivalents and short-term investments totaled R$ 15.4 billion, 40% of which is in reals.

Votorantim and Votorantim Cimentos also have two Revolving Credit Facilities (RCF), both available for withdrawal and maturing in 2023, totaling US$ 700 million combined, thereby strengthening consolidated liquidity of R$ 19.1 billion in 2020.

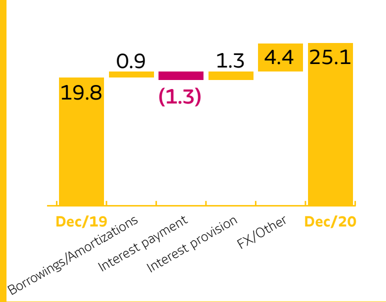
Net debt was R$ 11.3 billion, 13% higher than in December 2019. Financial leverage, measured by the net debt/ adjusted EBITDA ratio, was 1.63x, a drop of 0.31x in comparison with the previous year and the lowest since 2008.

In December 2020, Votorantim announced the early settlement of the last bond maturing in April 2021. With this transaction, there is no more outstanding debt at the holding company level.

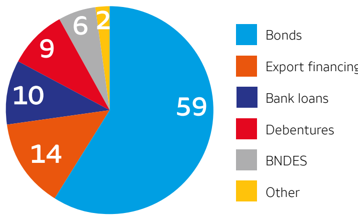
FREE CASH FLOW
(R$ million)



CHANGES IN GROSS DEBT
(R$ billion)



DEBT
By type (%)

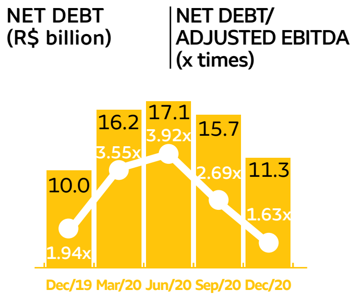


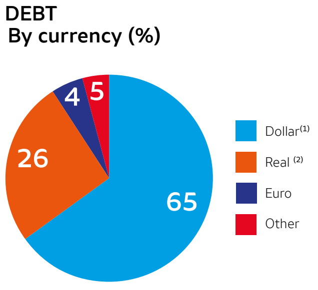
Investments

Capex totaled R$ 3.5 billion, 10% higher than in 2019. The expansion projects represented 36% of the total investment.

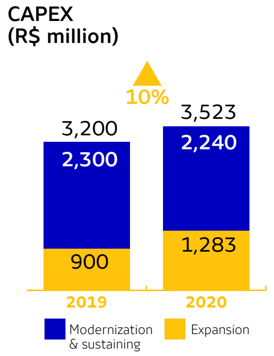
Of the total expansion investments, 90% was used by Nexa for the development of the Aripuanã project, in Mato Grosso state, which includes an underground polymetallic zinc mine and a processing unit that are both expected to be completed in 2021.

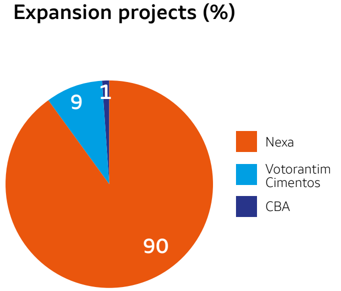
Votorantim Cimentos' expansion projects accounted for 9% of the total invested, including the expansion of the grinding plant in Pecém, in the northeast of Brazil, which will add 800,000 tons to its current capacity.





(1) Export financing facilities considered as USD due to the cross-currency swap.
(2) 4131 bilateral loans considered as BRL due to the cross-currency swap.





Social Investment 103-1 | 103-2 | 103-3

In addition to its role of influencing the portfolio companies to commit to embedding social value creation into their business models, Votorantim invests in initiatives focused on citizenship and education—recently, due to the pandemic, health was also included on the list. These projects are developed in partnership with the Votorantim Institute.

In 2020, the Votorantim Institute implemented projects in 252 municipalities in Brazil, in addition to initiatives carried out abroad. The coronavirus pandemic significantly impacted the work of the organization in two aspects, which were successfully faced: it required the review of part of the activities planned for the year and presented the challenge of creating a specific strategy to address the COVID-19 crisis.

One example is the Partnership for the Enhancement of Education (*Parceria pela Valorização da Educação*, PVE), the focus of which was directed to supporting the 75 participating municipalities in addressing the effects of the pandemic on education systems. Issues that were broadly discussed included enabling virtual learning, adapting educational tools, planning for classes to resume and ways to recover the gap in learning.

The activities of *Desafio Voluntário* and *Via Solidária* were also maintained in an adapted format. Under the motto "It's time to join forces", *Desafio Voluntário* engaged company and contracted employees from Votorantim and portfolio companies in initiatives to address the effects of COVID-19. To maintain social distance, the activities could be done individually

instituto
VOTORANTIM

The Votorantim Institute is an intelligence center and a hub for social and projects innovations that develops and implements strategies that help the companies expand their social and environmental legacy through a specific vision for each business.

In addition to supporting the social performance of Votorantim and its portfolio companies, in 2020 the Votorantim Institute started to act as a center of applied intelligence for social and environmental issues.

Visit Votorantim Institute website

and remotely. At the holding company, some of the highlights included the Career Festival (learn more on page 23) and a fundraiser to support the distribution of toys and clothes to approximately 700 children from low-income communities in Vila Leopoldina, a neighborhood in São Paulo state where Votorantim maintains real estate developments. *Via Solidária*, in its fourth year, encourages charitable support to projects that assist vulnerable children and adolescents. In 2020, nine projects that are already supported through resources from the portfolio companies and Votorantim received donations from employees. Through donations starting at R$ 10 and that could be paid in installments, the campaign raised R$ 624,000, close to the amount raised in 2019.

Citizenship

In continuity of activities initiated in the centennial year (2018) focusing on raising awareness of the importance of voting, Votorantim formalized its Citizenship Program in 2020. The initiative is based on the assumption, identified with the support of specialists and through research sponsored by the holding company, that for citizens to actively participate in society and vote consciously, political participation and the democratic culture in Brazil must be strengthened. As recent research shows, Brazil is one of the countries with the lowest level of satisfaction with democracy; the levels of knowledge and political interest of its citizens are also low and associated with a generalized mistrust toward public institutions.

To help reverse this situation and strengthen citizenship, in 2020 the activities of the Program were carried out on three fronts: raising awareness, generating knowledge and practical interventions.

The awareness front included the publication of the *Guia do Voto* (Voting Guide) – Municipal Elections, authored by political scientist Humberto Dantas to explain the processes of representative democracy in Brazilian cities and help citizens vote consciously. The book was distributed free of charge, in both printed and digital format, both to employees of the portfolio companies and to external specialists and organizations.

Another initiative in this area was *Cidadania em Cena*, an online event featuring discussions on political education, social participation and the future of democracy, open to the general public. Held between September 29 and October 8, the event was shown live on Votorantim Institute's YouTube channel, with the participation of more than 20 local and international specialists and researchers, and was promoted by all companies in the Votorantim portfolio.

A special edition of Vototalks entitled "The neuroscience of citizenship" was held specifically

Visit the Citizenship Program website

Download the *Guia do Voto* (Voting Guide)

Visit the researches

Watch the *Cidadania em Cena* event

for employees of the portfolio companies. It included the participation of political scientist Humberto Dantas and neuroscientist Carla Tieppo. On that occasion, the experts talked about how current issues in society can be explained by neural mechanisms in the brain and what each citizen can do to help strengthen a democratic culture.

Activities of knowledge generation included support to research initiatives, such as the application, in Brazil, of the "2020 Values in a Crisis" survey, from the World Value Survey Association. The results pointed out the impact that extreme crisis situations, such as the pandemic, have on individual moral and democratic values, and motivated the creation of a network of organizations and experts to discuss the systemic causes and effects of the weak national democratic culture, which will continue holding discussions in 2021.

In practical interventions, Votorantim advanced the activities of the Citizenship Lab (*Lab Cidadania*), an initiative that aims to identify effective methods to develop a democratic culture and foster political participation at the local level and help improve three electoral indicators: abstention, blank and void ballots, and 16- and 17-year-old voters.

To achieve this goal, in 2019, Votorantim launched a call for proposals and selected six organizations, which presented five methodological proposals to be tested in municipalities where the portfolio companies operate.

These projects were carried out between January and August 2020 and benefited more than 2,200 people directly and more than 140,000 citizens indirectly, corresponding to 46% of the population of the five municipalities. Other highlights included the strengthening of public debate in the areas, around an agenda focused on local development and the guarantee of rights, and the development of individual skills of citizens to prepare them to participate more actively in democracy.

The main lessons learned from the Citizenship Lab were shared through virtual seminars open to the public, held on Votorantim Institute's YouTube channel with the participation of project members in the municipalities. In addition, based on these learnings, the Institute started to integrate citizenship promotion methodologies into its portfolio of social solutions, by promoting social influence and political education.

The main activities in each municipality are detailed on the following page:

Citizenship Lab Highlights

Três Marias, in Minas Gerais, organized by Politize with support from Nexa: promotion of *Dialoga! Três Marias*, which brought together, virtually, citizens for rounds of discussions on public policy proposals; over 200 people participated in the project's activities and more than 2,000 people accessed the project's social media channels.

Miraí, in Minas Gerais, organized by Colab with support from CBA: promotion of *Jornada do Cidadão*, which was attended by approximately 1,200 local residents; development of teaching content on political education to be used by the local public school; awareness of more than 100,000 people through a communication strategy.

Votorantim, in São Paulo, organized by Cidade Democrática and Governo Aberto Institutes with support from Votorantim Cimentos: organization of Social Investment Agents, who promoted a public consultation about the city's problems, with participation of 356 people; creation and implementation of social intervention projects, developed by youth in the areas of People with Disabilities (PWD), mental health, culture, sports and food security; and a mobilization campaign for young people to register to vote.

Araripina, in Pernambuco, organized by Politiquê with support from Votorantim Energia: inclusion of approximately 80 students from the ten schools participating in the project in online discussions on issues related to public policy and public engagement, through the networking of young leaders appointed by the schools.

Matão, in São Paulo, organized by Terroá Institute with support from Citrosuco: the project fostered community engagement involving local youth, in addition to training 305 teachers on civic education; Democracy Festival, a 12-hour virtual event on rights, the environment, art, education and representation, which was broadcast live and attended by 7,700 people; mobilization of young people to register to vote; and presentation of public policy proposals to more than 50 mayor and city councilor pre-candidates.

Initiatives to Combat COVID-19

Visit the *Todos Contra o Coronavírus* website

Addressing the global effects of the coronavirus pandemic posed unprecedented challenges to society, in the health, social and economic spheres. In this context, under the coordination and operation of the Votorantim Institute, the holding company and the portfolio companies reaffirmed their commitment to citizenship through health initiatives both in the communities where they operate and also involving employees and other stakeholders, such as suppliers and clients. In early March, the companies established interdisciplinary technical groups or crisis committees to address the issue. They immediately decided on the adoption of internal measures to combat the pandemic, including remote working for employees in corporate offices, restrictions on business travel and in-person meetings, and the adoption of strict safety protocols, with flexible work schedules and the reinforcement of sanitization measures in the units.

Beyond the corporate scope, together with the portfolio companies and the shareholder family, Votorantim donated approximately R$ 150 million to develop more than 400 initiatives, which included the acquisition and donation of personal protective equipment (PPE) and hospital equipment, maintenance of ventilators in partnership with the National Service for Industrial Training (*Serviço Nacional de Aprendizagem Industrial*, SENAI), telemedicine projects in the municipalities, and mentoring to help local governments address the pandemic. Closing the cycle of support during the pandemic, the Votorantim Institute announced its participation, through funds from Votorantim and banco BV,

The Relationship of Votorantim with BP – A Beneficência Portuguesa de São Paulo

Antonio Pereira Ignacio, the Portuguese founder of Votorantim, started the relationship between the shareholder family and BP – A Beneficência Portuguesa de São Paulo in the 1920s through donations and participation in management positions. After his death, José Ermírio de Moraes became the first non-Portuguese president over the organization. During his administration, in 1957, the hospital was inaugurated, with 440 beds and an area of more than 25,000 m²; at the time, it was considered the largest and most modern private hospital in Latin America. Antônio Ermírio de Moraes then became the president of the hospital, a position he occupied for more than 40 years. Mário Ermírio de Moraes participated in the institution as vice president and Rubens Ermírio serves as chairman, totaling four generations of the shareholder family involved in BP's management, contributing to its modernization, expansion and management.

in the adaptation of vaccine plants in Rio de Janeiro and São Paulo, which will give Brazil more autonomy in supplying the coronavirus vaccines.

The distribution of donated resources was based on extensive work carried out to support Brazilian municipalities, which began with the identification of the most vulnerable towns and cities using criteria such as the size of the elderly population, number of hospital beds and local infrastructure. This led to the creation of the Municipal Vulnerability Index (*Índice de Vulnerabilidade Municipal*, IVM) by the Votorantim Institute, to map the pandemic in Brazil and inform the society at large.

Another endeavor included the redirection of social projects underway in the municipalities where Votorantim companies operate with activities to combat the coronavirus. One example is the Support for Public Management program (*Apoio à Gestão Pública*, AGP), started eight years ago by the Votorantim Institute in partnership with the National Development Bank (*Banco Nacional de Desenvolvimento, Econômico e Social*, BNDES). In 2020, the program included the *AGP Corona* initiative, which served more than 150 Brazilian towns with up to 350,000 residents and which suffered a medium to high risk of vulnerability to the pandemic, through virtual advice sessions on how to best manage the crisis.

All initiatives benefited from technical support from BP – A Beneficência Portuguesa de São Paulo, a benchmark medical organization. The activities included support in the definition and acquisition of items for donation and webinars hosted by specialists on clinical and epidemiological aspects of the disease from the organization (learn more on page 50).

Given the commitment to measuring the results of its initiatives, independent assessments have been conducted since September 2020 to evaluate the impact of projects aimed at addressing the pandemic. Data analyzed so far indicate a significant impact in reducing the number of COVID-19 cases and deaths. Until the first business day of December 2020, considering only the activities of the mentoring program offered to the municipalities, 33,800 COVID-19 cases and 973 associated deaths had been avoided in the evaluated group, which included 144 municipalities. Considering the group of 183 municipalities where PPE was also donated to health teams, the number of COVID-19 cases and related deaths dropped by 115,000 and approximately 3,700, respectively, in the same period. It is estimated that, considering the avoided costs of ICU admissions alone, these initiatives resulted in savings of more than R$ 405 million to the government. The Votorantim Institute will conduct periodic rounds of impact assessment of its activities related to the pandemic until 2022, to measure health, educational and economic results.

Considering that the pandemic and its effects will remain a major social challenge in 2021, the Votorantim Institute will maintain activities focused on strengthening public health policies, accelerating economic recovery and maintaining fiscal balance in the municipalities.

Center of Excellence (CoE) 102-6 | 102-9 | 103-2 | 103-3

Votorantim's Center of Excellence is made up of centers specialized in information technology, finance, accounting and taxes, human resources, real estate solutions, innovation and data use (analytics).

Agility and a sound relationship of trust among its approximately 900 employees enabled the CoE to adapt to new ways of working and communicating in the face of the pandemic. As a result, the CoE not only maintained its ongoing operations but also achieved productivity gains that were passed on to the portfolio companies. 102-6

People

The people management activities conducted during the pandemic were detailed in the case study "Getting the job done: caring for and connecting with the team during the pandemic", which received the *Ser Humano* Award, promoted by the Brazilian Human Resources Association of Paraná state (*Associação Brasileira de Recursos Humanos do Paraná*, ABRH-PR)

In 2020, the CoE also continued its diversity activities. Promoted mainly by a Diversity Committee, the discussions have increased knowledge of diversity issues and resulted in changes in attitude.

As part of this effort, the CoE hired and promoted a total of five women to management positions (at the end of the year, 48% of all leaders were women), accelerated the hiring of People with Disabilities (PWD) and contributed to the redesign of the Internship Program selection process, carried out in partnership with a consulting firm specialized in diversity.

Solutions Against COVID-19

The CoE supported the Votorantim Institute and the strategy of Votorantim and portfolio companies to combat the COVID-19 pandemic. The activities conducted by the CoE included mapping and working with partners in the area of digital services and strategic and epidemiological data intelligence solutions to assist governments in decision-making, in addition to developing a platform to provide psychological support to health professionals (learn more on page 39).

Innovation and Product Development 102-15

Innovation is at the core of the CoE's purpose to develop original, effective and integrated solutions to the common challenges of companies. During the year, the CoE began offering these solutions to companies outside Votorantim's portfolio.

Product development happens through BoXUp, an accelerator of innovative initiatives that since its creation has produced 21 approved ideas. Four of them stood out in 2020:

Digital Buyer: a procurement intelligence product based on artificial intelligence that automates purchasing processes, evaluates commercial proposals, conducts negotiations and concludes purchases after considering the procurement strategies and policies of each company.

Registration Intelligence: uses artificial intelligence to analyze inventories; it interprets their descriptions and specifications, points out stock redundancies and directs the appropriate systemic treatment for the material.

Flight Risk: an algorithm that can predict which employees are likely to leave the company and when they might resign. The tool has 94% accuracy and helps human resources leaders manage people through a new perspective.

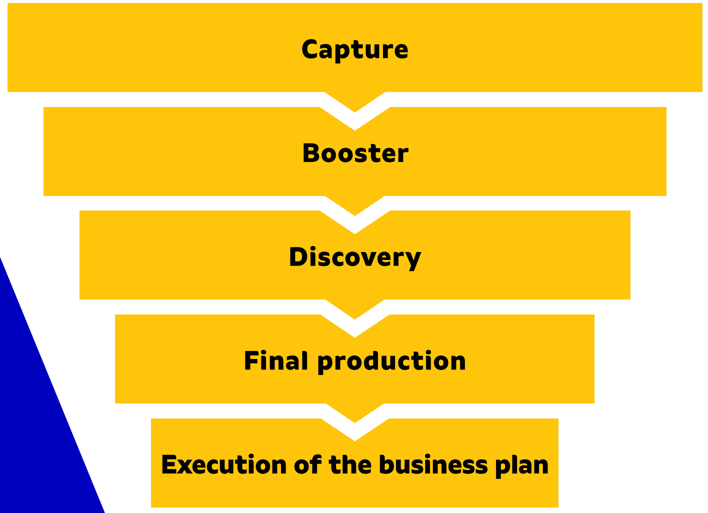
IzCheck: a web platform that analyzes data of companies and individuals with regard to meeting legal and compliance requirements through due diligence reviews of business integrity issues.

Using artificial intelligence, the CoE develops solutions to enable decision making through data analysis, including intelligent algorithms in the collection area that predict client movements in the payment and credit area, to strategically manage this flow for the companies in the Votorantim portfolio. Similar initiatives were developed for product pricing and to analyze the dynamics of industrial processes, anticipating potential problems in production.

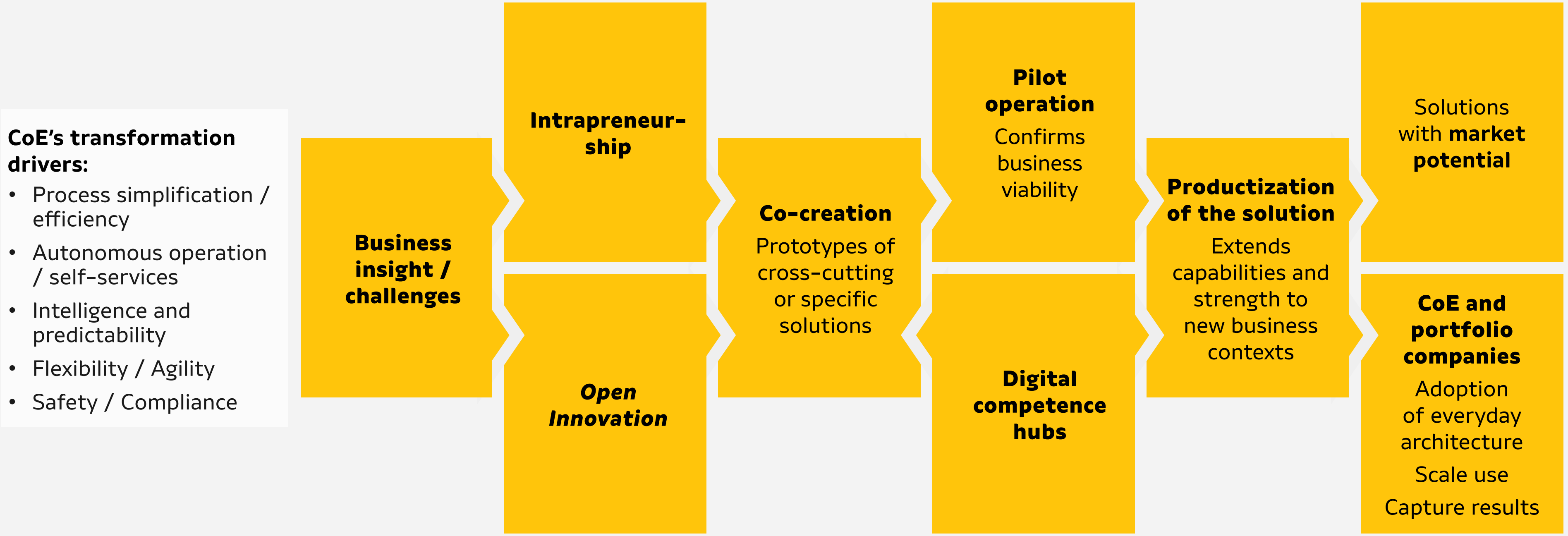
Some of the CoE's solutions are already available to the market; the three that stand out are:

Sykn: with a focus on loss prevention, it identifies risks and waste in business transactions through the intensive use of technology; it monitors activities virtually and continuously. Sykn is used by the portfolio companies and, in 2020, the CoE signed its first contract to provide the solution to an external client.

BoxUp stage funnel



Summary of CoE dynamics



Critera: with a focus on health and benefit management, it provides access to information on claims, user profile and costs through a single system, which ensures greater autonomy for Human Resources employees and provides a redefined, unique experience for them, as well as for doctors. In addition to segregated access, the solution ensures medical confidentiality and compliance with the General Data Protection Regulation (GDPR). It is used by portfolio companies and centralizes the management of 87,000 lives and 20,000 employees.

Avaliei: the goal of this startup is to accelerate the property appraisal process and contribute to the digital transformation of the sector through data use. In 2020, Avaliei performed approximately 10,300 evaluations for banks and fintechs, and was included in the proptech maps (startup selection).

Reservas Votorantim

103-1 | 103-2 | 103-3

Nature based solutions.

Reservas Votorantim materializes Votorantim's commitment to the conservation of land and water resources and to the development of communities through the management of Legado das Águas.

Visit the Legado das Águas website

Legado das Águas is the largest private Atlantic Forest reserve in Brazil, covering 31,000 hectares across the municipalities of Juquiá, Miracatu and Tapiraí. Acquired in the 1950s, this land was instituted as Legado das Águas by the four founding companies (CBA, Votorantim Cimentos, Votorantim Energia and Nexa) in 2012, when Votorantim formally committed to protect and maintain the area.

As a result of the COVID-19 pandemic, the Legado das Águas production and commercial processes were interrupted between March and September 2020. Despite that, Reservas made the commitment to maintain all jobs, including outsourced workers, and contracts with suppliers, with whom it negotiated process and cost optimizations to ensure the continuity of the partnerships.

While it waited for the reopening, Reservas involved BP – A Beneficência Portuguesa de São Paulo in an effort to prepare for the return of public activities (ecotourism, environmental studies and environmental education), which included training teams and producing a video and a safety protocol manual that is being used as a reference by other organizations. It also strengthened its relationships with the municipalities surrounding the Legado, which benefited from the activities to address the pandemic led by the Votorantim Institute; they received technical support and donations of personal protective equipment (PPE) and respirators for their health institutions and food vouchers for local families in situations of vulnerability.

In addition, the company maintained close contact with its partners through live virtual events and other interactive initiatives, such as a children's contest for painting images of the Atlantic Forest. These activities helped increase the social media engagement of Legado das Águas, which, between March and December 2020, gained more than 4,000 new followers on Instagram. Public activities were partially resumed at the end of September, when some contracts were also already in progress for the execution of environmental compensation.

Another initiative developed by Reservas, in partnership with the Office of Infrastructure and Environment of the State of São Paulo, the Pomar Urbano Project (Urban Orchard) to revitalize the Marginal Pinheiros (São Paulo) using seedlings grown in Legado das Águas, maintained its pace of expansion by caring for the existing specimens at the beginning of the year and initiating a second phase of planting in November. In total, more than 200 trees and 2,000

Forest for Legal Reserve

According to the Brazilian Forest Code, the Legal Reserve required for the Atlantic Forest biome must correspond to 20% of the total property.

Farmland owners opting to use the environmental compensation system, by leasing an area of native vegetation existing on another property, can follow the Legal Reserve business model of Legado das Águas. In this model, the owner leases, for an annual fee, an area within Legado corresponding to the necessary offset, where there is already a conserved forest, with Reservas Votorantim being responsible for managing and maintaining it.

seedlings of shrub species from the Atlantic Forest were planted in the 12 km stretch included in the project. *Pomar Urbano* was strengthened during the year by the inclusion of new partners that, like banco BV, became a *Companhia Amiga do Legado* (Corporate Friend of Legado), a seal of recognition for companies and institutions that define activities, work plans and strategies to help the conservation of the Atlantic Forest and/or directly or indirectly create mechanisms to generate revenues to maintain the area.

Also in the area of landscaping but with a focus on retail, Pátio Caeté, a space for the sale of native species from the Atlantic Forest, was inaugurated at the end of the year in the Vila Leopoldina neighborhood, in São Paulo, where Altre develops real estate projects. Its target market is professional landscapers and enthusiasts of native flora, who have increasingly used these species in their projects, thereby promoting Brazilian biodiversity. Most of the products sold in the space, including emblematic trees such as cambuci, embaúba and palmito-jussara, are grown in Legado das Águas.

Scientific research conducted in the area was also maintained during the year. One of the studies led Legado das Águas to be labeled a Global Priority Area by the International Union for the Conservation of Nature and Natural Resources (IUCN), as one of the last refuges for southern muriquis, the largest primate in the Americas in risk of extinction.

At the end of 2020, there were six studies underway, of which four were internal projects and two were developed through partnerships. One of them is studying the possibility of reintroducing jaguars into the Atlantic Forest in partnership with the Onçafari Association, aiming at the conservation of the species—this is the objective of a project being carried out by the association in the Pantanal. Another highlight was the discovery of a new species of orchid, named after Legado das Águas, during a study conducted by the São Paulo Botanical Institute and Zandoná Conservação in the area.

Reservas intensified a partnership with the Butantan Institute to raise the awareness of the communities of Vale do Ribeira about the importance of preserving species of snakes, spiders and other animals living in the region, ways of coexisting with them and how to respond in case of bites or other emergencies.

altre

More than a Real Estate company.

ARCA

Visit the Arca website

PIU

Visit the PIU website

Altre is Votorantim's real estate investment platform, focused on creating value with its current portfolio of assets and deploying additional capital seeking income generating assets.

The process for creating this platform started in 2015 with the analysis of existing real estate assets and their potential, from a strategic and operational standpoint. Since then,this initiative has been organized around three major strategies: monetize assets with limited development and strategic potential; maintain and preserve a strategic land bank; and develop projects for properties with further development potential.

Altre was born as a robust company with income generating assets and urban development projects. Its main projects are located in large urban areas in Brazil: two in the state of São Paulo (city of Votorantim and the state capital, São Paulo) and one in the state of Pernambuco (city of Paulista). In addition to sustainable urban development and ESG criteria, these projects also incorporate concepts of smart cities, which leverage the entire system of cities with populations of more than 100,000 to catalyze development and improve local quality of life. The first two projects, in phase one, are at the end of the licensing stage and are scheduled to be launched between 2021 and 2022.

In São Paulo, where Altre projects are concentrated in the Vila Leopoldina neighborhood, ARCA, an old warehouse retrofitted into an entertainment space, was completed in 2018 and despite the pandemic continued to host events in 2020: Drive Thru Art, an exhibit of paintings, videos and photographs by 18 contemporary artists from different generations, and ALIVE, a special end-of-year live virtual event by Brazilian DJ Alok. Votorantim used the temporary interruption of activities to make improvements on the site, which will make the space safer and more enjoyable.

Part of another restored warehouse, STATE, which functions as a hub for innovation, technology and creative economy, ended the year with 100% occupancy and launched its own restaurant, which is expected to open as soon as office operations are fully resumed after being interrupted by the pandemic. In addition, an expansion project expected to be completed in 2021 was initiated in the same warehouse and in an adjacent building to accommodate new tenants. In total, there will be more than 26,000 m² of gross leasable area (GLA), with more than 17,000 m² of office space.

ARCA, STATE and other spaces in transformation are part of a broad reframing project including the entire complex where they are located. The goal is to transform the old industrial facilities into a mixed and diversified project, with offices, homes, cultural activity venues and a large green area where more than 2,000

ALTRE

Visit the Altre website

STATE

Visit the STATE website

Atlas Office Park

Visit the Atlas Office Park website

seedlings of species from the Atlantic Forest will be planted. These changes will have positive social and environmental impacts on the entire region. Altre filed a proposal for an Urban Intervention Project (Projeto de Intervenção Urbana, PIU) with the São Paulo City Council and is awaiting approval to start improvements on public spaces included in the project. Also in the same neighborhood, Votorantim is one of the sponsors and shareholder of the Atlas Office Park project, with an area of more than 36,000 m² of office space.

Altre has a dedicated team of employees, with extensive market experience, who carry Votorantim's DNA in their way of doing business and seek to align the development of company assets with strategies that have a positive impact, especially with regard to environmental and social aspects.

Initiatives to Combat COVID-19

One of the highlights during the pandemic was the emergency social assistance activities carried out in Vila Leopoldina, one of the neighborhoods where Altre's real estate assets are located. One example was the distribution of food and/or cleaning product vouchers to 1,000 families in the communities of Linha, Nove and Cingapura, who also had access to health initiatives conducted in partnership with BP – *A Beneficência de São Paulo*, through which they could ask questions regarding the pandemic and receive medical care (learn more on page 39).

Portfolio Companies 103-2 | 103-3

Despite the challenges they faced, the companies once again demonstrated their capacity to create value and reaffirmed their commitment to society by working to prevent and combat COVID-19.

One of the main highlights of the year was the announcement of the combination of the operations of Votorantim Cimentos in North America with McInnis Cement, which resulted in a partnership with Caisse de dépôt et placement du Québec (CDPQ). Also, the joint venture between Votorantim Energia and CPP Investments announced an investment of R$ 2 billion in wind farms in the Ventos do Piauí II and Ventos do Piauí III complexes. In addition, CBA acquired the operations of a rolled steel unit located in in Itapissuma, in Pernambuco state, strengthening its leadership position in the packaging market in Brazil.

In the face of the health crisis, all companies in the portfolio adopted measures to ensure the health and well-being of their employees. They instituted remote working for most employees in corporate offices and, whenever that was not feasible, they put in place strict safety protocols that included periodic testing, shift rotation and sanitization of spaces. In parallel, among other benefits, they provided telemedicine services and virtual psychological support to employees and their families.

With coordination by the Votorantim Institute, the initiatives were extended to the general public. Through the All Against the Coronavirus (*Todos Contra o Coronavirus*) initiative (learn more on page 39), companies engaged in activities to meet the needs created by the pandemic in different locations in Brazil and abroad. Highlights include the donation of personal protective equipment (PPE) kits, handmade masks, COVID-19 tests, general equipment for hospitals and for setting up intensive care units (ICU), as well as boxes of food for families in situations of social vulnerability.

In the area of ESG (Environmental, Social and Governance), progress was made in all companies. Read on to learn about the performance of each of the companies in Votorantim's portfolio.

Votorantim Cimentos

A commitment
to overcome.

Visit the Votorantim Cimentos website

Visit the 2030 Global Sustainability Commitments

Votorantim Cimentos

In 2020, Votorantim Cimentos once again proved its management capacity and operational leverage while facing the challenges of the COVID-19 pandemic in all 11 countries where it operates, demonstrating the resilience of a regionally diversified portfolio. During the year, it also advanced its decarbonization and positioning strategies in North America.

From the business standpoint, contingency activities to mitigate the impact of the pandemic focused on people's health, well-being and safety, in addition to preserving the company's cash position and financial health, which resulted in circumstantial postponement of a few modernization projects. Others, already underway, were forced to pause temporarily, because of external factors. These postponed initiatives returned to the company's active investment pipeline in 2021, as is the case with the project to expand the Pecém unit, in the state of Ceará, where construction has already been resumed.

Votorantim Cimentos' consolidated net revenues was R$ 16.7 billion and the consolidated adjusted EBITDA was R$ 3.8 billion, an increase of 29% and 43%, respectively, compared to 2019. Brazil contributed positively to the results, thanks to reduced interest rates, the emergency aid granted by the Federal Government and its use in the purchase of building materials, including cement, the upturn in the real estate sector and higher market demand in the self-construction segment. The company also maintained the strategy of expanding its adjacent businesses, which included Viter (an aglime unit), Verdera (a waste management and co-processing provider) and the digital platform *Juntos Somos+*. In the United States and Canada, the cement sector maintained a stable dynamic, with a slight recovery at the end of the year thanks to the reopening of businesses after the initial restrictions imposed by the pandemic. The same occurred in the Europe, Asia and Africa region, where operations were the most affected by social distancing measures adopted by local governments.

In 2020, Votorantim Cimentos advanced its strategic agenda. One of the main initiatives was the publication of its 2030 Global Sustainability Commitments, which seek to

Net revenues:
R$ 16.7 bn

Adjusted EBITDA:
R$ 3.8 bn

Social investment[1]:
R$ 11.7 mm

Company resources:
R$ 8.7 mm

Votorantim Institute:
R$ 3 mm

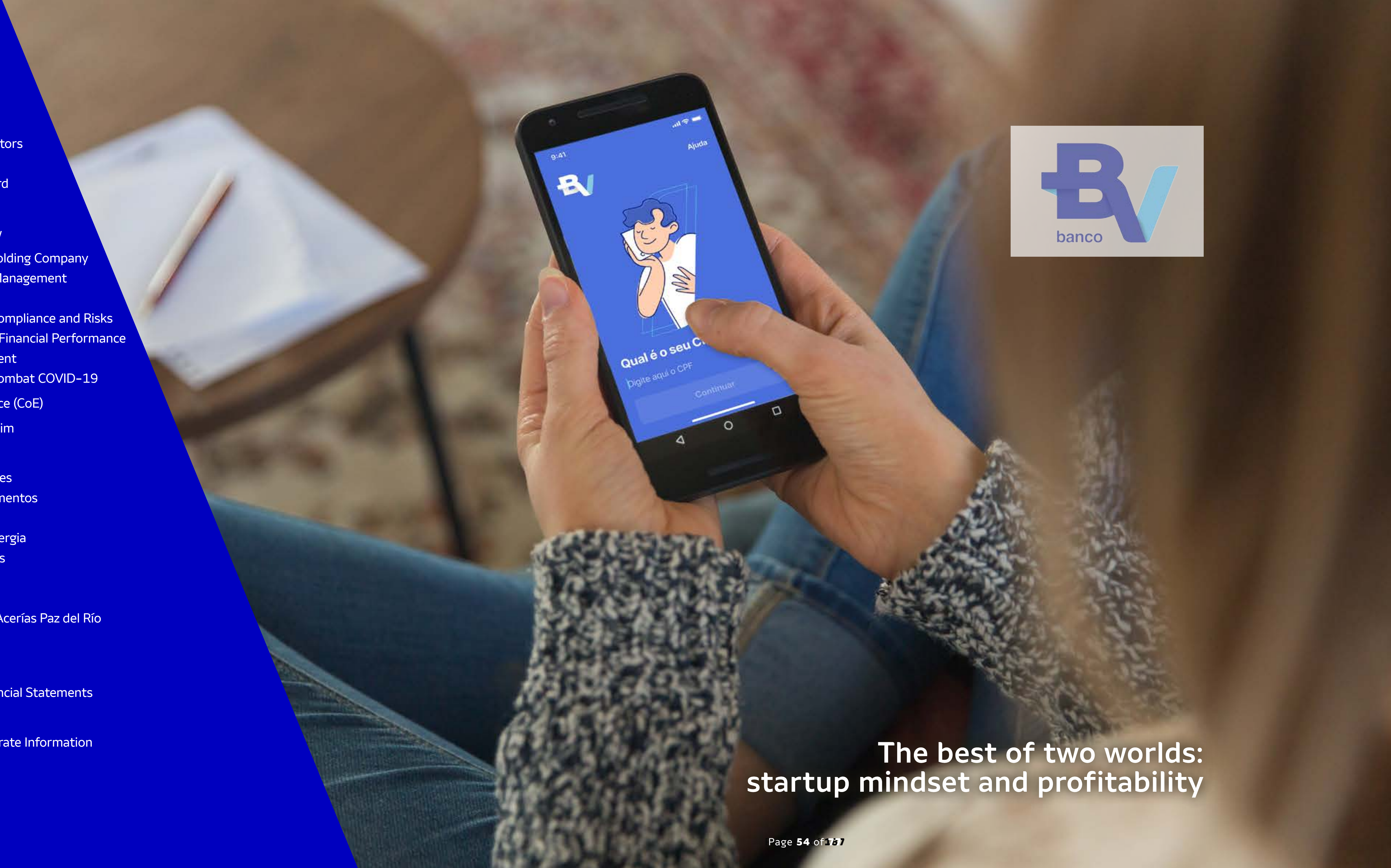
[1] Amount managed by the Votorantim Institute. It does not include additional resources for initiatives to combat COVID-19.

align the operations with the demands from society and the market. The document establishes specific targets and directs the efforts over the next ten years in seven areas: Health, Safety and Well-Being; Ethics and Integrity; Diversity and Inclusion; Innovation; Environmental impact; Circular Economy; and Communities and Shared Value. Examples that stand out include the goal of reducing CO2 emissions per ton of cement to 520 kg by 2030, representing a 12% decrease in relation to 2019, and the commitment to implement technologies that would enable the production of carbon-neutral concrete by 2050. These issues have always been treated as a priority by the company, which has been working throughout its value chain and engaging other stakeholders to ensure that the industry can reduce its carbon emissions to meet the objectives set by the global climate agenda.

In November, Votorantim Cimentos announced the expansion of Cementos Artigas, in Uruguay, a company it operates in partnership with Cementos Molins. This will result in gains in industrial efficiency, cost competitiveness and sustainability, in addition to reducing electricity consumption.

In December, a joint project with Votorantim Energia was approved, which includes the construction of 220 MW-capacity wind farms that will start operating in 2023. The agreement will allow Votorantim Cimentos to purchase 25% of the energy generated, increasing the company's share of electricity from renewable sources in Brazilian operations from 35% to 56%.

Also in December, the company announced the combination of its North American operations with McInnis Cement, resulting in a partnership between Votorantim Cimentos and Caisse de dépôt et placement du Québec (CDPQ), based in Canada. Once customary closing conditions are met, including approval by regulatory authorities in Brazil, the United States and Canada, Votorantim Cimentos will hold an 83% interest in the company. This transaction will result in increased agility and efficiency in cement supply, through an increase in production of 2.2 million tons per year and the combination of the distribution networks of the two companies, mainly in eastern Canada, the Great Lakes region and the northeast coast of the United States. The agreement is in line with Votorantim Cimentos' portfolio management strategy to prioritize investments in markets with strong currency and growth potential where the company already operates, and optimize its exposure to mature and emerging markets, while maintaining an appropriate capital structure.



The best of two worlds: startup mindset and profitability

banco BV

Visit the banco BV website

The COVID-19 pandemic tested several aspects of banco BV's strategy and culture, mainly the dimensions of digital transformation and business resilience. In retail, where BV is the national leader in used light vehicle financing, digital transactions were expanded to connect storeowners and consumers. Even though stores throughout Brazil remained closed during the height of the pandemic, BV continued to operate through digital platforms, which were enhanced by a new car delivery service to clients.

As seen in past economic crises, the market of used vehicle sales and financing proved to be resilient. Although impacted in the first weeks of the pandemic, with a drop of approximately 80% in demand, the segment recovered gradually and, in July 2020, origination volume presented the same level in comparison with 2019.

Also in retail, given the need to renegotiate debts resulting from unemployment and the interruption of economic activity, banco BV launched initiatives that benefited clients in two ways: i) a 60-day grace period without interest charges, allowing clients to defer two installments to the end of the contract period; and ii) lengthening of debt maturity, which lowered monthly installments. The two campaigns benefited more than 800,000 clients and helped maintain the portfolio's default rate at levels below the historical average.

In the wholesale segment, BV benefited from a rise in demand caused by an increase in the acquisition of credit lines by companies, as a way of reinforcing their cash position, and by the temporary interruption in the capital market, the volatility of which did not have a significant effect on the company's credit portfolio.

With regard to results, the bank prudently raised its provisioning level, which increased the cost of credit in 2020. This combination of factors led BV to end the year with net income of R$ 1.1 billion, 22% lower than in 2019, but with profitability (ROE) in the last quarter of the year similar to pre-pandemic levels (13%); the return on equity during the year was 10.3%.

In the areas of management and culture, the principle of putting people first was demonstrated through activities to address the effects of the pandemic. The effort to preserve the health of employees and their family members was recognized in the annual organizational climate survey, carried out in May in the form of a questionnaire answered by the teams. It registered a satisfaction index of 89 points,

Net income:
R$ 1.1 bn

Return on equity (ROE):
10.3%

placing BV among the best companies to work for in Brazil.

The bank acted in a timely manner to support its employees, clients and society during the pandemic. In addition to donations to support vulnerable families and provide medical equipment throughout Brazil, BV implemented an online donation campaign through which the company matched each real donated, doubling the amount collected, for a total of R$ 2.6 million. In addition, it offered subsidized credit lines to the amount of R$ 50 million to national manufacturers of hospital equipment, which led BV to be named one of the 30 most charitable companies in Brazil by Forbes magazine.

BV also continued 28 projects already supported by the company in the areas of culture, sports and protection of children and the elderly, among others. In 2020, investments in these projects totaled R$ 11.7 million.

Banco BV also reinforced its commitment to ESG standards by creating a Sustainability Committee and establishing a new sustainable performance strategy within its ecosystem. The new aspiration includes four goals: (i) neutralize environmental impact; (ii) accelerate social inclusion; (iii) multiply and humanize financial knowledge and; (iv) mobilize resources to promote sustainable businesses. In addition, BV, which already follows the Equator Principles and the Principles for Responsible Investment (PRI), became a signatory to the United Nations (UN) Global Compact.

BV also announced a pioneering initiative to neutralize 100% of CO_2 emissions from vehicles financed in 2021 and beyond. Approximately 4 million tons of CO_2 will be offset each year through the purchase of carbon credits.

The company also advanced its digital partnership strategy by connecting more than 180 companies to its Applications Programming Interface (APIs) library, which centralizes a series of standards for software development and integration. Approximately 30 of the connected companies are BV's strategic partners.

In the areas of revenue diversification and new product development, banco BV continued to make progress in residential solar panel financing, a segment in which it is already one of the leading national banks.

VOTORANTIM energia

Energy for tomorrow, always.

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Votorantim Energia

Votorantim Energia is positioned as one of the main electricity companies in Brazil, operating in the segments of generation, commercialization and energy management services. In generation, the joint venture with CPP Investments, formed in 2018, has an installed capacity of 2.2 GW through 21 wind farms and the control of CESP, a publicly traded company valued at R$ 9.4 billion at the end of 2020. In commercialization, the company ended the year with more than 400 clients, with sales of 2 GWm in the free market, establishing itself as one of the three largest energy traders in the country, according to the Chamber of Electric Energy Commercialization (*Câmara de Comercialização de Energia Elétrica*, CCEE). In energy services, Votorantim Energia manages capacity of 2.6 GW in hydroelectric power plants and 21 wind farms spread across the south, midwest and northeast of Brazil.

Advancing its growth strategy, even in the midst of the pandemic the joint venture approved an investment of R$ 2 billion for the construction of the Ventos do Piauí II and Ventos do Piauí III wind complexes, which are scheduled to start operating in 2022. Combined, they will add 409 MW to the joint venture's installed capacity, bringing the total to 2.6 GW. Approximately 60% of the energy generated by these complexes is committed to CBA and Votorantim Cimentos, reflecting a self-production model. Since CESP was added to the joint venture portfolio, its structure and management processes have been revised, with an emphasis on the remediation of active and passive contingencies, as a way to continue in the direction of becoming one of the most efficient companies in the electricity sector.

In the commercialization segment, due to the restrictions imposed by the COVID-19 pandemic, electricity consumption fell in 2020. In addition, there was a decrease in the price of electricity in the spot market (short term)—through which companies sell surplus energy. On the other hand, the company took advantage of market opportunities to manage its energy balance and renegotiated contracts with some of its clients, making future payments more flexible. In 2020,

Votorantim Energia	Joint venture[2]
Net revenues: **R$ 3.6 bn**	Net revenues: **R$ 2.3 bn**
Adjusted EBITDA: **R$ 44 mm**	Adjusted EBITDA: **R$ 1.2 bn**
Social investment[1]: **R$ 7.7 mm**	

Company resources: **R$ 5.4 mm**

Votorantim Institute: **R$ 2.3 mm**

[1] Amount managed by the Votorantim Institute. It does not include additional resources for initiatives to combat COVID-19.

[2] 50% Votorantim Energia and 50% CPP Investments.

it reached 420 active clients, excluding Votorantim's portfolio companies, an increase of 6% compared to the previous year.

In the energy management services segment, the year was marked by the development of initiatives focused on increasing process agility and efficiency.

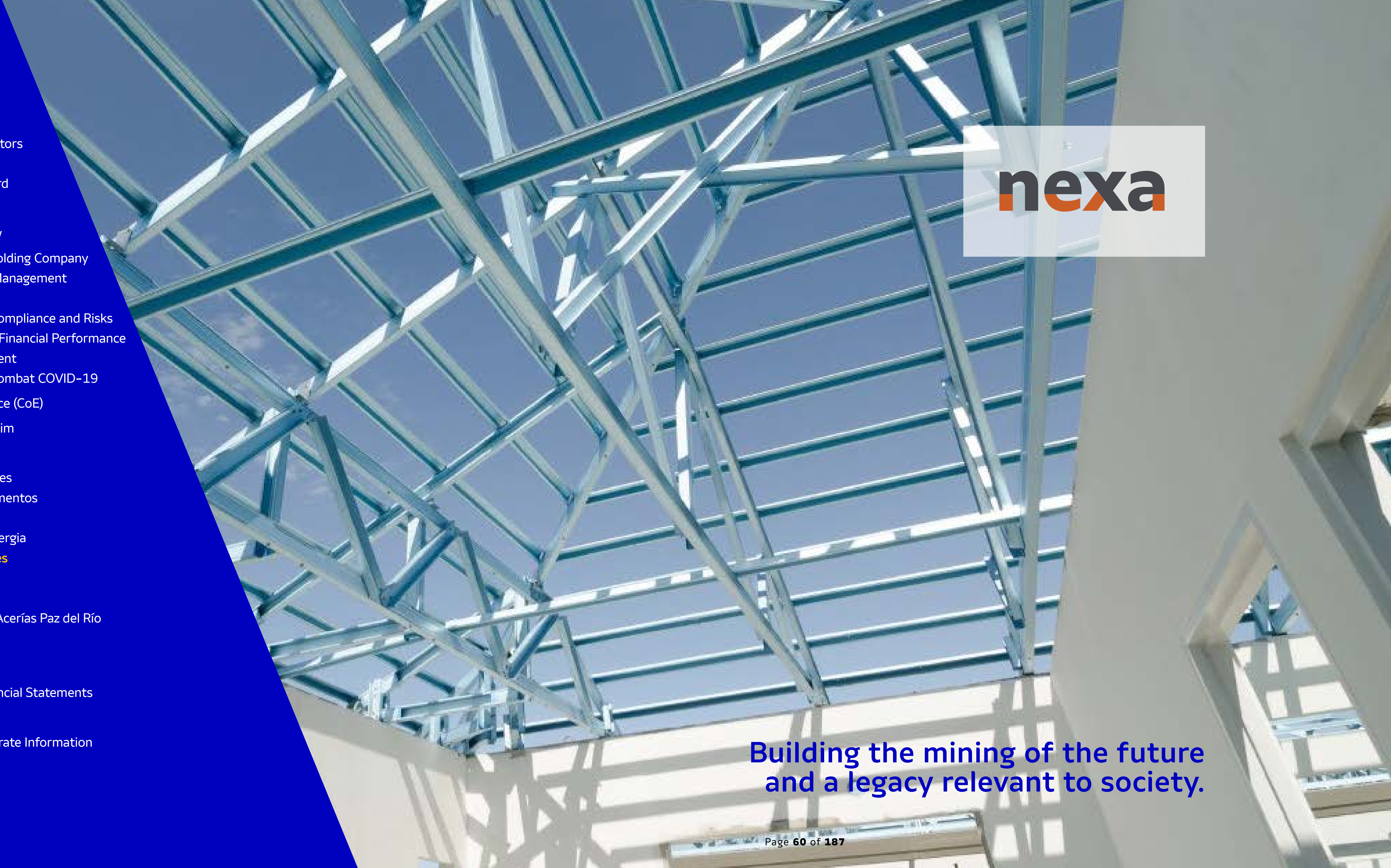
The joint venture, a generation platform, had solid operational and financial performance. In 2020, considering the results of CESP, Ventos do Piauí I and Ventos do Araripe III, it had total net revenues of R$ 2.3 billion and adjusted EBITDA of R$ 1.2 billion. Considering the commercialization and energy management segments as well as the joint venture, through equity, the consolidated net revenues was R$ 3.6 billion and consolidated adjusted EBITDA was R$ 44 million.

From an environmental standpoint, following the 2019 certification of the wind farms for carbon emission credits, the company sold approximately 1.2 million credits, preventing the emission of 1.3 million tons of carbon dioxide equivalent (tCO2e).

With regard to governance, the company carried out an evaluation of its processes based on best practices from the Brazilian Institute of Corporate Governance (*Instituto Brasileiro de Governança Corporativa*, IBGC), which resulted in a review of internal forums and improvements in the management system, to enable Votorantim Energia to influence changes in governance in its portfolio companies.

Another step taken by Votorantim Energia toward adherence to ESG principles was the definition of the company's position in three main objectives: (i) achievement of clean energy certificates; (ii) identification, through inclusion in rankings and ratings, of the company's reputation in this area; and (iii) issuance of green bonds. In parallel, the company became a signatory to the United Nations (UN) Global Compact, thereby committing to its agenda. Additionally, the company launched a diversity and inclusion program, which prioritized the training of young apprentices and interns and the hiring of people in situations of social vulnerability.

In innovation, Votorantim Energia's digital transformation process matured, resulting in productivity gains, business development and more efficient information management. The company also made progress in the *Usinas Conectadas* (Connected Plants) Program, which enables centralized management of assets and aims to interconnect all hydroelectric and wind power plants by 2021. In addition, it became part of Energy Future, an innovation hub for the Brazilian electricity sector that will assist the company in pursuing projects, creating partnerships with startups, universities and research centers, and developing new products, services and business models.



nexa

Building the mining of the future and a legacy relevant to society.

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Nexa Resources

Uncertainties resulting from the coronavirus pandemic caused significant volatility in the prices of base metals, which fell in the first half of the year due to reduced global economic activity, and recovered in the second half as a result of government stimuli, the recovery of the Chinese economy and advances in vaccine development.

The operations of Nexa Resources, one of the largest zinc producers in the world, were also impacted: in Peru, where approximately 70% of its zinc production is concentrated, mining operations were halted for two months due to a declaration of a national emergency. In Brazil, the impact was less severe, which allowed activities to continue at a normal pace, with the exception of the Juiz de Fora unit in Minas Gerais, which also had its production reduced for two months due to a drop in demand for metallic zinc. With the adoption of safety protocols and the gradual recovery of the economy, Nexa resumed its operations at full capacity in the second half of the year. The agility to adopt safety protocols in the midst of the crisis made the company the first in the mining sector in Peru to have government authorization to restart operations.

In this challenging environment, Nexa recorded net revenues of US$ 2 billion, a decrease of 16% compared to 2019, mainly due to lower volumes and prices. The adjusted EBITDA was US$ 403 million, an increase of 16% that is mainly explained by the reduction in operating costs and expenses. The company's leverage, measured by the net debt/adjusted EBITDA ratio, was 2.29x at the end of the year, compared to 2.26x in 2019. During the year, a series of measures were taken to ensure liquidity, including debt rescheduling and the use of a revolving credit line, which was subsequently paid off with funds from the issuance of bonds in the amount of US$ 500 million.

The execution of the Aripuanã project also continued as a priority. The project's schedule was reviewed as a result of the impact of restrictions imposed by the pandemic, greater volume of rain than forecasted and the delay of engineering studies. The facilities are expected to be completed in the fourth quarter of 2021, with commercial start-up in 2022. With a total investment

Net revenues:
US$ 2 bn

Adjusted EBITDA:
US$ 403 mm

Social investment[1]:
R$ 37.9 mm

Company resources:
R$ 36.6 mm

Votorantim Institute:
R$ 1.3 mm

[1] Amount managed by the Votorantim Institute. It does not include additional resources for initiatives to combat COVID-19.

of approximately US$ 547 million, Aripuanã is forecasted to produce an average of 119,000 tons of zinc equivalent per year. It aims to have processes within its facilities become benchmarks in sustainability, with emphasis on: (i) the goal of reusing 100% of water; (ii) the construction of a dry tailings deposit (as an alternative to conventional dams); and (iii) a focus on co-creating a legacy for the local community. Aripuanã considers an effort to train and hire local labor and to ensure gender equity. It will also be a worldwide benchmark in the industry for the number of women who make up its workforce.

In a time of so many challenges, the Nexa Way (Jeito Nexa) came to the forefront. This is a project to transform the organizational culture that led the company to look at different ways of managing its operations. The program had a positive impact estimated at US$ 98 million in 2020 annualized EBITDA , resulting from cost reduction initiatives and improvements in plant recovery that were implemented in 2019 and translated into performance gains. Part of the project, the Plurality Program (Programa Pluralidade) facilitated the creation of affinity groups and involved the entire company on diversity issues, including gender equity, race, ethnicity and age. In addition, it fostered discussions on the inclusion of LGBTQIA+ populations and People with Disabilities (PWD).

Other progress during the year was the readjustment of the Sustainability and Capital Projects Committee, whose name was changed to include strategic projects in progress, e.g., monitoring the progress of the Aripuanã project. Also on ESG, for the first time Nexa responded to the CDP questionnaire in the climate category, receiving a score of “C”. In addition, it conducted its first pilot project on emissions inventory following the GHG Protocol guidelines. In the scope of corporate governance, Jaime Ardilla was appointed chairman of the Board of Directors.

Nexa remains committed to innovation and works for the development of new technologies in the sectors in which it operates. In partnership with the Votorantim Institute and BP – A Beneficência Portuguesa de São Paulo, the company held a special edition of the Mining Lab, which seeks innovative solutions in the areas of mining and metallurgy to benefit the company’s operations, named COVID-19 Challenge. It received a total of 132 projects and initiatives to help address the pandemic, with a focus on data intelligence for public management and the protection of hospital workers. Through initiatives like these, Nexa continues to work on the construction of a positive legacy for society, while seeking greater competitiveness.


citrosuco
Much more than juice.

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Citrosuco

One of the world leaders in orange juice production, Citrosuco started the 2019/2020 crop year (July 2019 to June 2020) with a 35% increase in the supply of oranges in the São Paulo belt. During the crop year, the volume of Brazilian exports increased by 17%. The drop in the price of orange juice affected the results of the company, which uses the US dollar as its functional currency. Citrosuco ended the crop year with net revenues of US$ 979 million and EBITDA of US$ 68 million, 16% and 54% lower than the previous year, respectively. This led the company to incur a breach of contractual financial covenants, which were negotiated with the lending institutions. The company's established track record, together with the improvement in the competitive environment expected in the coming years, enabled this negotiation to happen without the need to prepay debts.

The COVID-19 pandemic, which began at the end of the 2019/2020 crop year, had a specific impact on the orange juice market. However, there were no relevant changes in Citrosuco's supply, due to the implementation of a series of measures by the company, which prevented logistical restrictions. Demand remained stable in most markets and, in a few developed countries, it grew due to the recognition of the health benefits of orange juice, such as the strengthening of the immune system.

Despite uncertainties around the global economy caused by the pandemic, during the 2019/2020 crop year the company invested US$ 64 million in product development and efficiency gaining initiatives. This move reinforced the growth strategy and the pursuit of competitiveness in the long term, through the promotion of technologies applied to the production process, such as scanning, telemetry, connectivity and irrigation systems and the use of pesticides.

In the social arena, the company supported new initiatives to address the challenges imposed by the COVID-19 pandemic, aimed at the communities where it operates. With a focus on inclusion, diversity, education and professional qualification, Citrosuco maintained projects aimed at strengthening the quality of education and preparing youth for the workplace. Due to the pandemic, educational

Net revenues:
US$ 979 mm

EBITDA:
US$ 68 mm

Social investment[1]:
R$ 1.8 mm

Company resources:
R$ 1.1 mm

Votorantim Institute:
R$ 0.7 mm

[1] Amount managed by the Votorantim Institute. It does not include additional resources for initiatives to combat COVID-19.

projects were adapted to a remote format with virtual classes, requiring its re-planning. In addition, the company also maintained the initiative *Para Todos*, a diversity program dedicated to promoting the inclusion of People with Disabilities (PWD) in different jobs within the company, from harvesters to business leaders, with support from different agents within the communities, in a movement that goes beyond meeting quotas. In a progressive and consistent evolution of inclusion, the program included 426 professionals, which corresponded to approximately 4% of the company's total employees. The program also advanced discussions and planning to include other minorities and create an increasingly diverse environment.

In line with the demand for a low-carbon and sustainable economy, Citrosuco operations reached approximately 60% renewable energy in its 2019 energy matrix. This achievement includes a joint investment with Votorantim Energia for the construction of wind farms.

Since 2017, Cistrosuco has audited 100% of its company-owned operations against sustainable production standards, including the Rainforest Alliance, SAI Platform and Fairtrade certifications. In 2020, the company committed to sustainable supply by joining the Sustainable Juice Covenant (SJC), a global initiative centered on the target of 100% sustainable supply of juices and ingredients derived from fruits and vegetables by 2030. At the end of the 2019/2020 crop year, approximately 50% of all production was in compliance with SJC's sustainability standards. Similarly, as an evolution of the *Trilhar* Program, which focuses on improving relationships and promoting the social and environmental development of the fruit supply chain, Citrosuco entered into a partnership with the NGO *Produzindo Certo*, with the goal of promoting awareness, performing assessments and creating a social and environmental action plan in 100% of its fruit suppliers.

These initiatives illustrate Citrosuco's sustainable way of doing business, which is summarized by the expression "much more than juice" and demonstrates how the commitment to sustainable development is part of products, people and the planet. In addition to orange juice, the company produces natural ingredients that support the global trend of replacing non-renewable raw materials with renewable ones, and serve different economic sectors, such as cosmetics, health and cleaning, among others, maintaining sustainability as a nonnegotiable value.

cba

Visit the CBA website

CBA

The aluminum market started 2020 with challenges beyond the COVID-19 pandemic. Volatility in the markets caused by the trade war between the United States and China, uncertainties about industrial activity in the main aluminum consuming markets and announcements about China's increased capacity created a scenario of aluminum oversupply and drop in prices. With the adoption of social distancing measures and reduced activity in some economic sectors due to the pandemic, the already-challenging situation deteriorated, causing the price of aluminum on the London Metal Exchange (LME) to reach US$ 1,422 per ton in April, a record low since 2009.

Under this situation, CBA installed a Crisis Committee to review commercial and operational strategies in order to protect its financial position, the health and well-being of its employees and the communities where the company operates. With agility, it sought alternatives in the market, seizing opportunities such as the export of ingots and increased demand for aluminum sheets for packaging, caused by food and beverage consumption during the pandemic.

The normalization of markets starting in July, the recovery of confidence and the resumption of industrial activity also brought an improvement in prices and premium. On the other hand, there was a drop in sales of products with higher added value. In this scenario, the company recorded net revenues of R$ 5.4 billion and adjusted EBITDA of R$ 536 million for the year, an increase of 3% and a decrease of 38%, respectively.

In the organizational field, the company took important steps to reinforce its position on ESG issues: it participated in the Global Compact and the Brazilian Business Council for Sustainable Development (*Conselho Empresarial Brasileiro de Desenvolvimento Sustentável*, CEBDS) actively; developed a project to set internal targets to contribute to the global sustainability agenda; joined the Science Based Targets, committing to reduce its emissions to limit global temperature rise to 1.5 ºC by 2030; and responded to the CDP questionnaire for the first time, achieving a score of "A-", which puts CBA in a leadership position in this area.

Net revenues:
R$ 5.4 bn

Adjusted EBITDA:
R$ 536 mm

Social investment[1]:
R$ 3.3 mm

Company resources:
R$ 2.1 mm

Votorantim Institute:
R$ 1.2 mm

[1] Amount managed by the Votorantim Institute. It does not include additional resources for initiatives to combat COVID-19.

CBA also did extensive work to publicize its purpose and sustainability mandate, leading environmental, social and governance issues to be incorporated across the board within the company. In this area, the Sustainability Committee worked to include best practices in ESG in all internal decisions, including the operation of bauxite mines, investment allocation, and validation of the supply chain. The ambition to be a benchmark company in sustainability involves the production of low carbon aluminum, an area where the company stands out globally. One example during the year was the contracting of R$ 500 million in Green Export Credit Notes (*Notas de Crédito de Exportação*, NCEs) linked to sustainable projects that encourage exports. These were the first NCE green bonds issued in Brazil, demonstrating the company's leading role in sustainability.

Within the scope of corporate culture, significant progress was made during the year in the area of diversity, with the engagement of the company's leadership, specific training and the creation of the Diversity Committee. CBA also launched the Diversity and Inclusion Guide, which details the internal policy that guides these issues and addresses concepts like gender equity, race, LGBTQIA+, People with Disabilities (PWD) and age.

CBA also advanced projects focused on increasing productivity and sustainability, such as the Green Soderberg, which aims to reduce gas emission in aluminum production; the installation of a filter press in the Alumínio unit, in São Paulo, which replaces wet waste disposal in the dam with dry waste disposal; and the execution of joint contracts with Votorantim Energia for the construction of wind farms and energy generation to further diversify the company's energy matrix, which is primarily made up of renewable sources. Another highlight was the installation of a biomass boiler at the alumina refinery, which enabled the substitution of fossil fuels for wood chips, leading to significant reductions in greenhouse gas emissions.

Also in 2020, the Metalex brand, a CBA scrap recycling subsidiary, was repositioned through an investment announcement of R$ 50 million to increase production from 70,000 to 90,000 tons and the use of aluminum scrap from 60% to 80%, thereby reducing the production's carbon footprint.

Another highlight in the year was the conclusion of the acquisition of a rolled steel unit located in Itapissuma, in the state of Pernambuco, which established CBA's leadership in the packaging market in Brazil and placed it in an important position in the Americas. Also, Jervois Mining's intention to purchase the São Miguel Paulista nickel unit, in São Paulo, was formalized and is currently subject to customary closing conditions.


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Long Steel

The COVID-19 pandemic led the governments of Argentina and Colombia—countries where Votorantim's long steel operations, Acerbrag and Acerías Paz del Río, are respectively headquartered—to impose restrictions on the movement of people and production activities. This situation affected the behavior of the local economies and, consequently, Votorantim's businesses in these locations. Together, the operations registered net revenues of R$ 2.5 billion, and adjusted EBITDA of R$ 545 million, 16% and 20% higher, respectively, compared to 2019.

In 2020, Argentina, which was already experiencing a challenging economic situation, registered a 10.5% drop in gross domestic product (GDP), a 37.9% exchange rate devaluation and 36.1% inflation. Due to the pandemic, Acerbrag's production was interrupted for approximately 50 days, during which the company concentrated its efforts on initiatives to protect the health and well-being of its employees and its financial structure, with initiatives to reduce costs and reinforce liquidity. This immediate response ensured business stability and Acerbrag was able to benefit from the gradual recovery of the economy in the second half of the year. An increase in demand was followed by an increase in prices, which had a positive effect on the company's results.

In Colombia, operations were partially halted for approximately 60 days. Faced with this situation, the company adopted measures to protect its cash flow. Despite a drop in sales in the country, contingency initiatives and the reopening of the market enabled Acerías Paz del Río to register better results than in 2019. Despite the pandemic, some of the projects scheduled by the company were maintained, including the operational stability and cost reduction project, which proceeded at a reduced pace with initiatives including general maintenance of the rolling mill and energy cogeneration. This set of activities resulted in the company's best operational stability in the last four years, including record production of rolled steel between June and July.

Within the scope of social responsibility, in addition to initiatives to address the effects of the pandemic, other Acerbrag projects, aimed at education and health, were adapted to ensure continuity. In 2020, the Technical

Net revenues:
R$ 2.5 bn

Adjusted EBITDA:
R$ 545 mm

Social investment[1]:
R$ 2.1 mm

Company resources:
R$ 2.1 mm

[1] Amount managed by the Votorantim Institute. It does not include additional resources for initiatives to combat COVID-19.

School was recognized by local authorities for maintaining, albeit remotely, 100% attendance in their professionalization activities. One of the highlights was the donation of a CT scanner to the San Luis Municipal Hospital, in Bragado, which will continue to be used even after the pandemic.

At Acerías Paz del Río, in addition to the activities to address the health emergency, the company's Social Foundation continued its internal volunteer program including initiatives to support education, leadership development and income generation. During the year, the company received recognition from the National Association of Entrepreneurs of Colombia for its support for technical training and formal employment, benefiting youth in the region where the company operates.

Regarding the management of the two companies, in addition to a change in the organizational structure—with Adailson Pompeu becoming Acerbrag's CEO, in addition to his position on the Board of Directors of Acerías Paz del Río and his responsibility for the Long Steel business at Votorantim—there were important lessons learned in overcoming challenges. The need to reduce costs and protect cash highlighted the companies' flexibility, even in stressful situations.

In addition to Acerbrag and Acerías Paz del Río, Votorantim holds a 15% stake in the long steel operations of ArcelorMittal Brasil.

About this Report

Click here and send your comments, criticism and suggestions

This is the tenth consecutive Annual Report prepared by Votorantim in this format, in line with its commitment to transparency and accountability to all stakeholders. Covering the 2020 fiscal year, this report has been prepared in accordance with the GRI Standards: Core option – as well as observes the International Integrated Reporting Council (IIRC). The content of this report is also correlated with the United Nations (UN) Sustainable Development Goals (SDGs). 102-50 I 102-52 I 102-54

The reported economic and financial results are consolidated and have been externally assured by PwC. The information on operational, social and environmental performance also includes Reservas Votorantim, the Votorantim Institute and the portfolio companies Votorantim Cimentos, banco BV, Votorantim Energia—including the joint venture with CPP Investments (except CESP)—Nexa, Citrosuco (crop year: July 2019 to June 2020), CBA, Acerbrag and Acerías Paz del Río. 102-45 I 102-56

The previous report was published in March 2020. This document does not include changes in scope and boundaries. Additionally, the reformulations of information from previous reports, when necessary, were described and justified throughout the text of this report. This year, it is presented in online and PDF versions and includes consolidated Financial Statements and a GRI Content Index. Both versions can be found at www.votorantim.com/relatorioanual. 102-48 I 102-49 I 102-51

Questions and comments about this report can be directed to relatoriovsa@votorantim.com. 102-53

Materiality 102-15 I 102-21 I 102-46

In 2018, assisted by a specialized consulting firm, Votorantim defined the scope and boundaries of its Annual Report, as well as the most relevant topics to be reported, according to the interests of its stakeholders (learn more on page 17).

This materiality assessment, which was validated by the Executive Board of Votorantim and guides the entire content of this report, was reinforced in 2019 by a study of the expectations of financial stakeholders with regard to environmental, social and governance (ESG) issues. The assessment, conducted by a specialized company, was based on the evaluation of methodologies used by the main providers of sustainability indexes and ESG consultants in Brazil and abroad. It also considered initiatives such as the CDP and the Task Force on Climate-related Financial Disclosures (TCFD). The integration of the stakeholders' expectations with the materiality matrix and the characteristics of the activities of the holding company and its portfolio companies resulted in the prioritization of issues to be addressed in the investment strategy, in communications with stakeholders and in the reporting of indicators within the Annual Report. **102-32 | 102-44**

In 2020, Votorantim conducted a study on the SDGs (learn more on page 15). This information is indicated throughout the document; information on GRI standards is also identified in the report and included in GRI Disclosures (learn more on page 74).

More information about the economic, financial, operational, social and environmental performance of the portfolio companies can be found in their own annual reports, available on their websites.

General disclosures

Consolidated portfolio indicators

General Disclosures

Information on employees and other workers |GRI 102-8|

	2020		
	Brazil	Other countries	Total
Own employees			
Monthly	24,278	6,328	30,606
Hourly	1,610	2,213	3,823
Trainees	16	1	17
Total	**25,904**	**8,542**	**34,446**
Interns and apprentices			
Interns and summer students	613	102	715
Apprentices	559	59	618
Total	**1,172**	**161**	**1,333**
Total of direct employees	**27,076**	**8,703**	**35,779**
Contractors			
Permanent activities	4,070	6,265	10,335
Total	**4,070**	**6,265**	**10,335**
Total workforce	**31,146**	**14,968**	**46,114**

Economic Disclosures

Direct economic value generated and distributed GRI 201-1

Value added breakdown (R$/million)	2018	2019	2020
Direct economic value generated			
Revenues			
Sales of products and services	35,493	35,271	41,773
Other operating income (expense), net	543	6,721	595
Estimated loss on doubtful accounts	(15)	(17)	(31)
Total Revenues	**36,021**	**41,975**	**42,337**
Inputs acquired from third parties			
Cost of goods sold and services provided	(21,095)	(21,029)	(25,596)
Materials, energy, third party services and others	-	(930)	(821)
Impairment of assets	52	(714)	(2,777)
Gross value added	**14,978**	**19,302**	**13,143**
Depreciation, amortization and depletion	(2,455)	(3,067)	(3,293)
Net value added generated by the Company	**12,523**	**16,235**	**9,850**
Value added received through transfers			
Equity in the results of investees	1,938	919	727
Finance income and foreign exchange losses	5,204	1,748	2,245
Total value added received through transfers	7,142	2,667	2,972
Total value added to distribute	**19,665**	**18,902**	**12,822**

NOTE:
• 2019 data shows restated values in accordance with accounting models of the company

Value added breakdown (R$/million)	2018	2019	2020
Distribution of value added			
Personnel and payroll charges	**4,700**	**4,500**	**4,838**
Direct compensation	2,951	2,787	3,007
Benefits	709	647	709
Social charges	1,040	1,066	1,122
Taxes and contributions	**5,119**	**6,254**	**6,416**
Federal	2,276	3,200	2,909
State	2,220	2,332	2,798
Municipal	15	17	18
Deferred taxes	608	705	691
Third-party capital remuneration	**7,623**	**3,223**	**4,633**
Finance costs and foreign exchange losses	7,244	2,884	4,288
Rentals	379	339	345
Own capital remuneration	**2,223**	**4,925**	**(3,065)**
Dividends	1,265	(1,692)	(1,005)
Non-controlling interest	208	(245)	(1,429)
Reinvested profits (offset losses)	1,003	6,918	(632)
Loss on discontinued operations	(253)	(56)	1
Value added distributed	**19,665**	**18,902**	**12,822**

Confirmed incidents of corruption and actions taken GRI 205-3

	2018	2019	2020
Employees dismissed or disciplined	0	0	1
Termination or non-renewal of contracts with business partners	0	0	0
Involvement in investigations and / or legal process for involvement in corruption cases	0	0	0
Total number of confirmed incidents of corruption	**0**	**0**	**1**

Lawsuits brought on by unfair competition, trust and monopoly practices GRI 206-1

	2018	2019	2020
Nexa	0	0	0
Citrosuco	0	0	0
Votorantim Energia	0	0	0
Votorantim Cimentos	36	45	35
Long Steel	0	0	0
CBA	0	0	0
Banco BV	0	0	0
Reservas Votorantim	0	0	0
Vototantim S.A.	0	0	0

Environmental Disclosures

Energy consumption within the organization (GJ) GRI 302-1

	2018	2019	2020
Total energy consumption from non-renewable sources	72,570,154	123,214,876	134,698,752
Total energy consumption from renewable sources	24,219,259	28,849,828	22,467,505
Total energy consumption at the company	205,152,052	182,625,386	203,835,350

NOTES:
- This indicator is not reported by Votorantim S.A.
- 2020 information not available from Citrosuco. The information reported is from January to December 2019.
- The energy figures reported by Votorantim Cimentos cover all the company's operations, except operations for concrete, cement, mortar, aggregates (or others) in countries other than Brazil.

Energy intensity (GJ/t) GRI 302-3

Company	Main products	2018	2019	2020
Nexa	Zinc and zinc oxide sold	13.570	16.120	57.690
Votorantim Cimentos	Cement	2.686	2.650	2.505
	Aggregates	0.027	0.020	0.030
	Concrete	0.129	0.140	0.140
	Mortar	0.069	0.040	0.018
	Limes and agricultural inputs	2.187	0.020	0.010
	Clinker	3.533	-	-
CBA	Cast aluminum production	-	-	109.630
	Production of processed aluminum	-	-	291.370
	Beneficial bauxite	0.001	0.072	15.930
	Liquid aluminum	81.910	83.690	88.630
Long steel	Bars	-	2.777	2.954
	Wires	-	0.260	0.018
	Wire rod	-	1.306	1.976
	Mesh	-	0.301	0.024
	Nail	-	0.018	0.015
	Steel (bar)	-	77.617	78.890
	Mineral (iron, limestone, carbon)	0.071	0.083	0.074
Citroscuo	Total Production	-	-	8.609

NOTES:
- Data includes renewable and non-renewable energy sources and operations outside and within the organization.
- Not applicable to Votorantim Energia, banco BV, Reservas Votorantim and Votorantim S.A.

Water withdrawal by source (m³) GRI 303-3

Total water use by source	2018	2019	2020
Surface water (rivers, lakes, wetlands, oceans)	60,680,105.1	68,160,068.1	66,713,345.4
Ground water	122,617,573.1	130,239,651.6	168,638,722.6
Rainwater collected	9,614,774.6	4,588,048.2	5,629,124.2
Reused water	-	-	3,796,835.5
Waste water from another organization	4,620,554.0	0	0
Water utilities	828,710.2	926,865.2	740,171.8
Total	**198,361,716.9**	**203,914,633.1**	**245,518,199.6**

NOTES:
- This indicator is not reported by Votorantim S.A.
- The figures reported by Citrosuco do not include data from operations abroad and The São Paulo office.
- The values reported by Citrosuco for reuse water refer to the water produced by the organization.
- The data reported by Votorantim Cimentos cover all operations of the company, except operations of concrete, mortar, aggregates (or others) in countries other than Brazil.
- The Votorantim Cimentos groundwater data includes the volumes of water collected from the mines

Habitats protected or restored GRI 304-3

Biome	Total area (km²)	Areas where the success of restoration measures was approved by independent external professionals, or that comply with external standards/protocols
Amazon	33.7	33.7
Caatinga	7.0	7.0
Savanna (Cerrado)	470.9	457.9
Atlantic Forest	571.2	508.5
Tropical wetland (Pantanal)	1.7	1.7
Pampa	4.2	4.2
Other	0.1	0.1
Total	**1,088.8**	**1,013.1**

Total area by company (km²)	2018	2019	2020
Long steel	0.1	0.1	0.1
Citrosuco	134.8	175.3	189.8
Nexa	56.2	16.7	20.0
Reservas Votorantim	299.4	310.0	630.0
CBA	331.5	624.0	36.1
Votorantim Cimentos	113.6	113.6	158.2
Votorantim Energia	57.0	55.9	54.6
Total	**992.6**	**1,295.6**	**1,088.8**

NOTES:

- Protected or restored habitats are in Brazil (in the states of BA, CE, DF, GO, MG, MT, MS PE, PA, PI, PR, RJ, RO, RS, SC, SP and TO) and in Colombia (in the province of Boyacá).
- Not applicable to Votorantim S.A.
- The data reported by Votorantim Cimentos include only operations in Brazil.

Direct (Scope 1) GHG emissions (tCO2eq) GRI 305-1

Company	Gases included in the calculation	2018	Gases included in the calculation	2019	Gases included in the calculation	2020 Non-Biogenic Emissions	2020 Biogenic emissions
Long steel	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6-NF_3	926,126.0	CO_2-CH_4-N_2O-HFCs-SF_6	1,186,269.1	CO_2-CH_4-N_2O-HFCs-SF_6	1,236,234.2	0
Citrosuco	CO_2-CH_4-N_2O	470,687.0	CO_2-CH_4-N_2O	528,522.6	CO_2-CH_4-N_2O-HFCs-SF_6	406,714.2	833,687.0
Nexa	CO_2-CH_4-N_2O-CF_4	201,024.0	CO_2-CH_4-N_2O	251,460.3	CO_2-CH_4-N_2O-HFCs	1,258,873.6	168,360.9
Votorantim Cimentos	CO_2-CH_4-N_2O	22,568,591.7	CO_2-CH_4-N_2O	19,215,648.0	CO_2-CH_4-N_2O	20,692,288.4	1,322,730.7
CBA	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6	1,370,377.5	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6	1,259,208.4	CO_2-CH_4-N_2O-HFCs-PFCs- SF_6	1,063,942.1	2,267.9
Votorantim Energia	CO_2-CH_4-N_2O-HFCs	29,092.5	CO_2-CH_4-N_2O	124,094.0	CO_2-CH_4-N_2O-HFC	202,043.7	66.1
Reservas	-	-	-	-	CO_2	16,028.4	0
Total		**25,565,898.6**		**22,565,202.4**		**24,876,124.5**	**2,327,112.5**

NOTES:

- Indicator not reported by Votorantim S.A. and banco BV.
- 2020 information not available from Citrosuco. The information reported relates to the period from January to December 2019.
- The values reported by Acerías Paz del Río refer to data from industrial plants.
- The emission data reported by Votorantim Cimentos covers all the company's operations, except for concrete, cement, mortar, aggregates (or others) in countries other than Brazil.

Energy indirect (Scope 2) GHG emissions (tCO_2eq) GRI 305-2

Company	Gases included in the calculation	2019	Gases included in the calculation	2020	
				Non-Biogenic Emissions	Biogenic emissions
Long steel	CO_2-CH_4	178,233.06	CO_2-CH_4	150,089.45	0
Citrosuco	CO_2-CH_4-N_2O	30,663.00	CO_2-CH_4-N_2O	29,167.00	0
Nexa	CO_2	633,286.99	CO_2	434,465.94	0
Votorantim Cimentos	CO_2	665,973.81	CO_2	537,363.68	0
CBA	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6-NF_3	9,894.05	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6	72,495.83	266,229.44
Votorantim Energia	CO_2	28.51	CO_2	57.96	0
Total		**1,518,079.42**		**1,223,639.86**	**266,229.44**

NOTES:
- Indicator not reported by Votorantim S.A., banco BV and Reservas Votorantim.
- 2020 information not available from Citrosuco. The information reported is from January to December 2019.
- The emission data reported by Votorantim Cimentos covers all the company's operations, except for concrete, cement, mortar, aggregates (or others) in countries other than Brazil.
- The values reported by Acerbrag refer only to the data of the industrial units.

Other indirect (Scope 3) GHG emissions (tCO_2eq) GRI 305-3

Company	Gases included in the calculation	2019	Gases included in the calculation	2020	
				Non-Biogenic Emissions	Biogenic emissions
Nexa	CO_2	132,997.2	CO_2-CH_4-N_2O	86,276.2	5,136.4
Votorantim Cimentos	CO_2-CH_4-N_2O	583,525.6	CO_2-CH_4-N_2O	249,060.7	30,661.0
CBA	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6	24,970.3	CO_2-CH_4-N_2O-HFCs-PFCs-SF_6	22,232.3	2,602.5
Votorantim Energia	CO_2-CH_4-N_2O	230.4	CO_2-CH_4-N_2O	487.3	61.1
Citrosuco	CO_2-CH_4-N_2O	106.5	CO_2-CH_4-N_2O	117,937.0	0.0
Total		**741,830.0**		**475,993.5**	**38,461.0**

NOTES:
- This indicator is not reported by Votorantim S.A., Long steel, CBA, banco BV and Reservas Votorantim.
- The data reported by Votorantim Cimentos cover all operations of the company, except operations of concrete, cement, mortar, aggregates (or others) in countries other than Brazil.

Intensity of greenhouse gas emissions (GEE) (tCO_2eq/t)

GRI 305-4

Company	Main Product	2018	2019	2020
Votorantim Cimentos	Cement	0.622	0.591	0.576
	Aggregates	0.001	0.001	0.002
	Concrete	0.009	0.009	0.011
	Mortar	0.002	0.003	0.002
	Limes	0.487	0.076	0.088
Nexa	Zinc and zinc oxide sold	0.822	1.470	3.040
Long steel	Steel (bar)	3.070	-	3.250
	Bars	0.696	0.870	0.729
	Wires	13.298	-	12.558
	Wire rod	1.567	-	1.525
	Construction mesh	6.621	8.000	9.240
Reservas	Ecotourism Services	-	0.039	-
	Food and accommodation services and space rental	-	0.002	-
	Seedlings and forest restoration services	-	0.001	-
CBA	Aluminum	0.219	3.740	3.080
	Processed bauxite	-	5.140	4.670
	Molten aluminum	3.905	2.555	2.660

NOTES:
- This indicator is not reported by Citrosuco, Votorantim Energia, banco BV and Votorantim S.A.
- Data considers renewable and non-renewable energy sources and includes emissions outside and within the organization.
- CBA adapted its categorization with standards used by the global market, to guarantee comparability

Total water discharge (m^3) GRI 303-4

Total water discharge	2018	2019	2020
Total discharged volume	152,557,874.6	190,241,652.8	201,855,720.4

NOTES:
- This indicator is not reported by Votorantim S.A.

Waste by type and disposal method (t) GRI 306-2

Non-hazardous waste	2018	2019	2020
Composting	80,626.3	39,574.8	53,099.5
Reuse	113,417.0	47,859.0	73,443.5
Recycling	65,482.8	229,087.0	229,594.6
Recovery, including energy recovery	3,830.4	5,400.3	6,488.2
Incineration (mass burn)	2,074.3	816.3	1,086.2
Landfill	50,440.5	161,987.0	9,483.7
Deep well injection	-	-	2,050.9
On-site storage	52,273.4	52,738.0	614,971.5
Other	1,623,509.2	1,442,440.6	616,957.1
Total	**1,991,653.9**	**1,979,903.0**	**1,607,175.2**

Hazardous waste	2018	2019	2020
Composting	-	-	0.6
Reuse	8,904.5	2,295.9	4,474.9
Recycling	2,265.4	3,436.0	2,220.6
Recovery, including energy recovery	9,437.6	360.8	25,867.1
Incineration (mass burn)	606.5	761.1	749.4
Landfill	7,920.0	6,347.6	8,182.1
On-site storage	134.6	1,711.9	412.0
Other	2,717.6	15,917.2	30,058.4
Total	**31,986.2**	**30,830.5**	**71,965.0**

NOTES:
- This indicator is not reported by Votorantim S.A. and Reservas Votorantim.
- Banco Votorantim reports only the amount of waste sent for recycling and generated on construction site.

Percentage of new suppliers that were screened using environmental criteria GRI 308-1

New suppliers that were screened using environmental criteria	2018	2019	2020
Total number of new suppliers	8,286	5,527	6,206
Total number of new suppliers screened using environmental criteria	379	823	1,623
Percentage of new suppliers screened	4.6%	14.9%	26.2%

NOTES:
- The data reported by Votorantim Cimentos include only operations in Brazil.

Negative environmental impacts in the supply chain and actions taken GRI 308-2

Suppliers that were screened using environmental criteria	2018	2019	2020
Total number of suppliers	27,641	23,312	38,422
Total number of suppliers assessed for environmental impacts	1,155	557	5,446
Percentage of suppliers assessed for environmental impacts	4.2%	2.4%	14.2%

NOTES:
- Assessments can be motivated by audits, contractual reviews, involvement of both parties and grievance and claims mechanisms.
- The data reported by Votorantim Cimentos include only operations in Brazil.

Social disclosures

New employee hires and employee turnover GRI 401-1

	Gender		Age Range		
2018	**Men**	**Women**	**Under 30 years old**	**30-50 years old**	**Over 50 years old**
New hires	4,303	1,520	2,977	2,437	409
Employees	27,849	6,139	6,535	22,085	5,368
Termination of employment	4,644	1,398	2,078	3,022	942
Percentage of new hires	15.5%	24.8%	45.6%	11.0%	7.6%
Turnover	16.7%	22.8%	31.8%	13.7%	17.5%

	Gender		Age Range		
2019	**Men**	**Women**	**Under 30 years old**	**30-50 years old**	**Over 50 years old**
New hires	4,015	1,787	2,815	2,768	219
Employees	27,526	6,318	6,390	22,159	5,295
Termination of employment	4,505	1,569	1,998	3,237	839
Percentage of new hires	14.6%	28.3%	44.1%	12.5%	4.1%
Turnover	16.4%	24.8%	31.3%	14.6%	15.8%

	Gender		Age Range		
2020	**Men**	**Women**	**Under 30 years old**	**30-50 years old**	**Over 50 years old**
New hires	3,925	1,544	2,546	2,773	243
Employees	27,813	6,633	6,180	22,572	5,694
Termination of employment	4,844	1,678	2,025	3,427	1,070
Percentage of new hires	14.1%	23.3%	41.2%	12.3%	4.3%
Turnover	17.4%	25.3%	32.8%	15.2%	18.8%

Occupational health and safety indicators GRI 403-9

				2018
	Own employees		Contractors	
Occupational health and safety	**Abroad**	**Brazil**	**Abroad**	**Brazil**
Hours/men worked	18,974,315	63,193,343	-	-
Number of injuries	32	74	-	-
Number of fatalities	0	1	0	4
Number of lost days	1,597	3,095	-	-

				2019
	Own employees		Contractors	
Occupational health and safety	**Abroad**	**Brazil**	**Abroad**	**Brazil**
Hours/men worked	18,520,875	64,448,150	-	-
Number of injuries	68	112	-	-
Number of fatalities	1	0	1	0
Number of lost days	10,882	4,796	-	-

	2020			
	Own employees		Contractors	
Occupational health and safety	**Abroad**	**Brazil**	**Abroad**	**Brazil**
Hours/men worked	18,063,365	68,436,974	23,569,658	33,033,822
Number of injuries	26	53	25	41
Number of fatalities	0	1	0	6
Number of lost days	2,531	1,831	5,298	1,104
Number of accidents with serious consequences	12	23	16	17
Number of mandatory reporting occupational accidents	275	228	102	220

NOTES:

- Data on the number of serious accidents does not consider accidents with deaths.
- The values reported by Acerbrag refer only to the data of the industrial units.
- The values reported by Acerbrag for Hours/men worked are obtained by estimate.
- The values reported by the Acerías Paz del Río for the number of injuries refer to accidents classified as level 4 (for which the average number of days off is 15 days).
- The values reported by Votorantim Cimentos for the number of accidents with serious consequences consider accidents with more than 180 days of absence and / or accidents with amputation. For accidents with mandatory communication, those that depend on the opening of CAT (Work Accident Communication) and internal communication within the organization are considered.
- The values reported by Citrosuco for the number of accidents with serious consequences only consider accidents with lost time. For accidents with mandatory reporting, those that depend on the opening of CAT (Work Accident Communication) are considered.
- The values reported by Long Steel for the number of accidents with serious consequences consider accidents involving fractures, traumas and intoxications with the need for sick leave. For Acerbrag, accidents with mandatory communication are those involving fractures and traumas. For Acerías Paz del Río, accidents with mandatory reporting are those that must be reported to the organization's board.
- The figures reported by the CBA for the number of accidents with serious consequences only consider accidents with work leave. For accidents with mandatory communication, those that depend on the opening of CAT (Work Accident Communication) and internal communication within the organization are considered.
- The values reported by Nexa for the number of accidents with serious consequences only consider accidents with work leave. For accidents with mandatory communication, those that depend on internal communication in the organization are considered.
- Nexa considers, for the reporting of accident numbers, those recorded in its operational units and in the projects: Aripuanã, Azulmina, Cañon Florida, El Padrino, Hilarión, Morro Agudo Exploração, Vazantes Exploração and Namibia.

Average hours of training per year per employee GRI 404-1

Employee category	Gender	2018	2019	2020
Senior management	Women	0.0	0.0	0.0
	Men	5.2	4.0	0.0
Middle management	Women	17.4	9.7	0.0
	Men	24.2	13.3	2.5
Coordinator/Adviser	Women	26.7	8.1	4.4
	Men	27.5	13.5	3.9
Technicians/Analysts/Supervisors	Women	21.6	6.7	3.8
	Men	29.8	6.8	2.5
Trainee	Women	0.0	0.0	0.0
	Men	0.0	0.0	0.0
Operational	Women	17.6	0.0	0.0
	Men	17.2	0.0	0.0
Interns	Women	45.2	0.0	0.0
	Men	83.6	0.0	0.0
Apprentices	Women	23.6	0.0	0.0
	Men	27.2	0.0	2.5

NOTE:

- The data related to the training applied by Academina Votorantim.

Diversity of governance bodies GRI 405-1

Company's minority groups	2018	2019	2020
Employees over 50 years old	5,370	5,295	6,461
Women	7,092	6,318	9,034

Governance members - gender	2018	2019	2020
Men	89	104	97
Women	18	19	11

Governance members - age	2018	2019	2020
Under 30 years old	0	0	0
30 and 50 years old	49	57	55
Over 50 years old	58	56	53

Board members - gender	2018	2019	2020
Men	-	-	48
Women	-	-	9

Board members - age	2018	2019	2020
Under 30 years old	-	-	0
30 and 50 years old	-	-	19
Over 50 years old	-	-	38

Diversity of Employees in each category GRI 405-1

Position	Age Group % -30 years	Age Group % 30 to 50 years	Age Group % +50 years	Men %	Women %
Senior management	0.0	50.5	48.6	89.0	10.1
Middle management	0.9	80.0	19.1	77.8	22.2
Coordinators/Advisers	9.2	81.1	9.7	68.8	31.2
Technicians/Analysts/Supervisors	21.1	68.3	10.6	65.7	34.3
Trainee	94.1	5.9	0.0	35.3	64.7
Operational	21.0	60.6	18.4	84.7	15.3
Interns	96.5	3.5	0.0	46.7	53.3
Apprentices	99.2	0.8	0.0	53.9	46.1
Total	**22.1**	**62.3**	**15.6**	**78.2**	**21.8**

Incidents of discrimination and corrective actions taken

GRI 406-1

Discrimination cases	2018	2019	2020
Ethnicity	-	-	7
Gender	-	-	1
Religion	-	-	2
Political opinion	-	-	1
Nationality	-	-	4
Harassment and abuse of power	51	44	11
Other cases (discrimination and retaliation) involving internal and / or external stakeholders in the operations	95	112	9
Total number of discrimination cases	**146**	**156**	**35**

Incidents of discrimination	2018	2019	2020
Complaints received by the Ombudsman	92	156	74
Complaints with grounds	54	79	17

Operations and suppliers at significant risk for incidents of child labor GRI 408-1

banco BV, CBA, Citrosuco, Nexa, Reservas Votorantim, Aços Longos, Votorantim Energia and Votorantim S.A.	2018	2019	2020
Number of operations and suppliers considered to have significant risk for incidents of child labor and/ or young workers exposed to hazardous work	0	0	1

NOTES:

- Citrosuco's results reflect the evaluations carried out on the operations and suppliers maintained by the company in Brazil.
- This indicator is not reported by Votorantim Cimentos.

Operations and suppliers with significant risk for incidents of forced or compulsory labor GRI 409-1

CBA, Citrosuco, Nexa, Reservas Votorantim, Long steel, Votorantim Energia and Votorantim S.A.	2018	2019	2020
Number of operations and suppliers at risk of occurrence forced or compulsory labor	0	0	0

NOTES:

- Citrosuco's results reflect the evaluations carried out on the operations and suppliers maintained by the company in Brazil.
- This indicator is not reported by Votorantim Cimentos.

banco BV	2019	2020
Number of operations with significant risk for incidents of forced or compulsory labor	168	276
Number of suppliers with significant risk for incidents of forced or compulsory labor	23	28

NOTE:

- The banco BV considers the number of new customers with socio-environmental risk analysis in 2020. The bank reports the total number of customers analyzed in 2020 by the socio-environmental risk area whose activity fits into sectors with high risk to be involved in slave-like labor.

Operations that have been subject to human rights reviews or impact assessments GRI 412-1

CBA, Citrosuco, Nexa, Reservas Votorantim, Long steel, Votorantim Energia and Votorantim S.A.	2018	2019	2020
Total number of operations (Brazil and abroad)	383	404	454
Operations subject to reviews	65	64	60
Percentage of operations subject to reviews	17.0%	15.8%	13.2%

NOTE:
- This indicator is not reported by Votorantim Cimentos

banco BV	2018	2019	2020
Total number of operations (Brazil and abroad)	1,390	1,420	1,368
Operations subject to reviews	717	458	434
Percentage of operations subject to reviews	51.6%	32.3%	31.7%

NOTE:
- banco BV considered the number of new clients that entered the flow in with socio-environmental risk analysis in 2020. The bank reported the total number of clients analyzed in 2020 by the socio-environmental risk area and had activities under sectors with risks of engaging in forced labor.

Operations with local community engagement, impact assessments and development programs GRI 413-1

	2018	2019	2020
Total number of operations (Brazil and abroad)	357	433	441
Operations with community engagement	142	201	204
Percentage of operations with local community engagement	39.8%	46.4%	46.3%

NOTE:
- This indicator is not reported by banco BV.

New suppliers that were screened using social criteria GRI 414-1

	2018	2019	2020
Total number of new suppliers	**8,286**	**5,527**	**6,206**
Labor practices			
New suppliers screened using criteria relative to labor practices	434	2,342	2,436
Percentage of new suppliers screened	5.2%	42.4%	39.3%
Impacts on society			
New suppliers screened using criteria relative to impacts on society	198	814	1,261
Percentage of new suppliers screened	2.4%	14.7%	20.3%
Human rights			
New suppliers screened using human rights criteria	1,567	1,974	1,733
Percentage of new suppliers screened	18.9%	35.7%	27.9%

NOTE:
- The data reported by Votorantim Cimentos includes only operations in Brazil.

Negative social impacts in the supply chain and action taken GRI 414-2

	2018	2019	2020
Total number of suppliers	27,641	23,312	38,422
Labor practices			
Suppliers assessed for labor practices	5,204	12,028	5,805
Percentage of suppliers assessed	18.8%	51.6%	15.1%
Impacts on society			
Suppliers assessed for impacts on society	263	1,586	917
Percentage of suppliers assessed	1.0%	6.8%	2.4%
Human rights			
Suppliers assessed for human rights issues	13,026	10,440	6,003
Percentage of suppliers submitted assessed	47.1%	44.8%	15.6%

NOTE:
- The data reported by Votorantim Cimentos includes only operations in Brazil.

GRI Content Index GRI 102-55

GRI Standards	Disclosure	Page and/or link	Assurance
GRI 102: Foundation 2016			
GRI 102: General disclosures 2016	**Organizational profile**		
	102-1 Name of the organization	Votorantim S.A. The Investment Holding Company, p.9	
	102-2 Activities, brands, products, and services	The Investment Holding Company, p. 9	
	102-3 Location of headquarters	The Investment Holding Company, p. 9	
	102-4 Location of operations	Portfolio Overview, p. 8 The Investment Holding Company, p.9	
	102-5 Ownership and legal form	The Investment Holding Company, p. 9	
	102-6 Markets served	Portfolio Overview, p.8 The Investment Holding Company, p. 9 Center of Excellence (CoE), p. 41 This report reports information pertinent to markets served by Votorantim S.A .. Information on sectors served and types of customers and beneficiaries of each investee company and their specificities are available in the their individual reports.	
	102-7 Scale of the organization	The Investment Holding Company, p. 9 2020 Results, p. 32 Consolidated Financial Statements, p. 75 This report reports information pertaining to the size of Votorantim SA Information on each company's net revenue and Ebitda can be found in the chapter Portfolio Companies on pages 50 to 71. Data such as capitalization, broken down in terms of net worth, and quantity of products and services offered are available in the individual reports of each company in the portfolio.	Yes
	102-8 Information on employees and other workers	Portfolio Overview, p. 8 The Investment Holding Company, p.9 The indicator consolidates the data of all invested companies, which in turn, have their own premises and autonomy in the management of their data, which prevents the reporting of some segregations. All employees reported are permanent, considering all units and plants of the portfollio companies.	
	102-9 Supply chain	The Investment Holding Company, p. 9 Strategy and Management, p. 12 Risk Management, p. 20 Center of Excellence (CoE), p. 41 This report reports the management structure of Votorantim S.A. Information on the supply chain of each company in the portfolio and its specificities are available in the individual reports.	

GRI Standards	Disclosure	Page and/or link	Assurance
GRI 102: Foundation 2016			
	102-10 Significant changes to the organization and its supply chain	A Message From the Board of Directors, p. 1 A Message From the Executive Board, p. 4 2020 Highlights, p. 7 Risk Management, p. 30 During the period covered by this report, there were no significant changes in the share capital structure of Votorantim S.A., as well as in the organization's location/operations. There were also no significant changes in the selection and exclusion processes for suppliers in the chain. Information on the significant changes in each portfolio company is available in their individual reports.	Yes
	102-11 Precautionary Principle or approach	Risk Management, p. 30	Yes
	102-12 External initiatives	ESG engagement, p. 15	
	102-13 Membership of associations	**Amcham**: João Schmidt (Chairman) serves as a Director. **Global Compact**: Mariana Mayumi Oyakawa (General Manager of Investor Relations) is a member of the Advisory Board. **FIESP**: David Canassa (Director of Votorantim Reserves) serves as a member of the Superior Environment Council (Cosema). **CGESP** (Environmental Management Council of the State of São Paulo - Consultative Body of the Government of the State of SP): David Canassa (Director of Reserves Votorantim) serves as a member of the Board. Votorantim S.A. is associated to the **Council of The Americas: Chairman's International Advisory Council (CIAC)**. All initiatives are considered strategic for Votorantim S.A.	
	Strategy		
	102-14 Statement from senior decision-maker	A Message From the Board of Directors, p. 1 A Message From the Executive Board, p. 4	
	102-15 Main impacts, risks, and opportunities	The Investment Holding Company, p. 9 Strategy and Management, p. 12 Materiality, p. 17 Innovation and Product Development, p. 42 Materiality, p. 72	Yes
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	Values, p. 10	
	102-17 Mechanisms for advice and concerns about ethics	Compliance, p. 29 Compliance resources, p. 30	

GRI Standards	Disclosure	Page and/or link	Assurance
GRI 102: Foundation 2016			
	Governance		
	102-18 Governance structure	ESG engagement, p. 15 Governance Structure, p. 25	
	102-19 Delegating authority	Governance Structure, p. 25	
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance Structure, p. 25	Yes
	102-21 Consulting stakeholders on economic, environmental, and social topics	Materiality, p. 17 About this Report, p. 72	Yes
	102-22 Composition of the highest governance body and its committees	Board of Directors, p. 28 Executive Board, p. 29	
	102-23 Chair of the highest governance body	Board of Directors, p. 28 Executive Board, p. 29	
	102-24 Nominating and selecting the highest governance body	Governance Structure, p. 25	
	102-25 Conflicts of interest	Compliance, p. 29	
	102-26 Role of highest governance body in setting purpose, values, and strategy	ESG engagement, p. 15 Governance Structure, p. 25	
	102-27 Collective knowledge of highest governance body	ESG engagement, p. 15 Governance Structure, p. 25	Yes
	102-29 Identifying and managing economic, environmental, and social impacts	ESG engagement, p. 15 Governance Structure, p. 25	Yes
	102-30 Effectiveness of risk management processes	Risk Management, p. 30	Yes
	102-31 Review of economic, environmental, and social topics	Governance Structure, p. 25	Yes
	102-32 Highest governance body's role in sustainability reporting	ESG engagement, p. 15 About this Report, p. 72	Yes
	Stakeholder engagement		
	102-40 List of stakeholder groups	Materiality, p. 17 • Executives of Votorantim S.A. • Professionals in the areas of sustainability and governance of the portfolio companies. • Specialists in finance and sustainability. • Academic experts. • Investors in the national and international markets.	Yes
	102-41 Collective bargaining agreements	The percentage of employees covered by collective bargaining agreements is 91%. The indicator consolidates information from Votorantim S.A., Reservas Votorantim, Votorantim Institute and Center of Excellence. Data on the portfolio companies are available in their individual reports.	
	102-42 Basis for identifying and selecting stakeholders with whom to engage	Materiality, p. 17 The review of material topics, conducted in 2018 by an external consultancy, came from the audiences with which Votorantim S.A. relates and which make demands related to ESG themes.	Yes
	102-43 Approach to stakeholder engagement	Materiality, p. 17 The review of material topics, conducted in 2018 by an external consultancy, was carried out through in-depth interviews with selected stakeholders.	Yes
	102-44 Key topics and concerns raised through stakeholder engagement	About this Report, p. 73 Material topics are presented in an aggregated form, according to the commitment assumed with stakeholders at the time of consultation.	Yes

GRI Standards	Disclosure	Page and/or link	Assurance
GRI 102: Foundation 2016			
	Reporting practice		
	102-45 Entities included in the consolidated financial statements	About this Report, p. 72	
	102-46 Defining report content and topic boundaries	Materiality, p. 17 About this Report, p. 72 The themes were structured in two dimensions, due to the diversity of Votorantim's portfolio: 1) Transversal to the holding and its portfolio companies; and 2) Specific, according to the nature of each business.	Yes
	102-47 List of material topics	Materiality and SDGs at Votorantim, p. 18	Yes
	102-48 Restatements of information	About this Report, p. 72 Due to adjustments after the closing of the 2019 report, Votorantim Energia updated its information on scope 1 (305-1) greenhouse gas emissions from 99,847.21 tCO2eq issued by VE to 124,094 tCO2eq. The data were adjusted in the indicator book. For indicator 403-2, related to data on health and safety at work, the value of days lost relative to own employees operating in Brazil is 4,796 and not 3,128 as reported. For indicator 302-1, related to energy consumption within the organization, the value of total energy consumption within the organization is 184,077,052 Gj and not 182,625,386, as reported. In 2019, this indicator was not reported by Banco BV.	
	102-49 Changes in the list of material topics and topic boundaries	About this Report, p. 72	Yes
	102-50 Reporting period	About this Report, p. 72	
	102-51 Date of most recent previous report	About this Report, p. 72 2020, published April 2020	
	102-52 Reporting cycle	About this Report, p. 72	
	102-53 Contact point for questions regarding the report	About this Report, p. 72	
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report, p. 72	Yes
	102-55 GRI content index	GRI Disclosures, p. 75	
	102-56 External assurance	About this Report, p. 72 The entire contents of this document are verified externally by PwC. This practice is requested by the company's leaders and is one of the annual goals of those responsible for developing the Annual Report. External and independent verification keeps Votorantim S.A. updated with the best accountability practices in the market.	Yes

GRI Standards	Disclosure	Page and/or link	Omission – Part omitted	Omission – Reason	Omission – Explanation	Global Compact	Assurance
Material topics							
GRI 200 Standards Economic Series							
Economic Performance							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Economic and Financial Performance, p. 31					Yes
	103-2 The management approach and its components	Economic and Financial Performance, p. 31					Yes
	103-3 Evaluation of the management approach	Economic and Financial Performance, p. 31					Yes
GRI 201: Economic performance 2016	**201-1** Direct economic value generated and distributed	Economic Disclosures, p. 76					Yes
Anti-corruption							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Governance, Compliance and Risks, p. 25					Yes
	103-2 The management approach and its components	Governance, Compliance and Risks, p. 25					Yes
	103-3 Evaluation of the management approach	Governance, Compliance and Risks, p. 25					Yes
GRI 205: Anti-corruption 2016	**205-2** Comunicação e treinamento sobre políticas e procedimentos anticorrupção	Governance, Compliance and Risks, p. 30					
	205-3 Confirmed incidents of corruption and actions taken	Economic Disclosures, p. 77				P. 10	Yes
Anti-competitive behavior							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Governance, Compliance and Risks, p. 25					Yes
	103-2 The management approach and its components	Governance, Compliance and Risks, p. 25					Yes
	103-3 Evaluation of the management approach	Governance, Compliance and Risks, p. 25					Yes
GRI 206: Anti-competitive behavior 2016	**206-1** Legal actions for anti-competitive behavior, antitrust, and monopoly practices	Economic Disclosures, p. 77					Yes
GRI 300 Standards Environmental series							
Energy							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates the consumption and energy intensity of each invested company. For more detailed information, see the annual and sustainability reports for each portfolio company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes

GRI Standards	Disclosure	Page and/or link	Omission			Global Compact	Assurance
			Part omitted	Reason	Explanation		
Material topics							
GRI 302: Energy 2016	**302-1** Energy consumption within the organization	Environmental Disclosures, p. 78					Yes
	302-3 Energy intensity	Environmental Disclosures, p. 78				P. 7, P.8, P.9	
Water							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Reservas Votorantim, p. 44					Yes
	103-2 The management approach and its components	The indicator reported in the Disclosure GRI chapter consolidates the withdrawal of water by each portfolio company by source. For more information, consult their annual and sustainability reports.					Yes
	103-3 Evaluation of the management approach						Yes
GRI 303: Water 2018	**303-3** Water withdrawal by source	Environmental Disclosures, p. 78					Yes
	303-4 Water discharge	Environmental Disclosures, p. 80					Yes
Biodiversity							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Reservas Votorantim, p. 44					Yes
	103-2 The management approach and its components	Reservas Votorantim, p. 44					Yes
	103-3 Evaluation of the management approach	Reservas Votorantim, p. 44					Yes
GRI 304: Biodiversity 2016	**304-3** Habitats protected or restored	Environmental Disclosures, p. 78				P.7, P.8, P.9	Yes
Emissions							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Reservas Votorantim, p. 44					Yes
	103-2 The management approach and its components	The indicator reported in the GRI Disclosures consolidates the investees's GHG emissions by scope. For more detailed information, see the annual and sustainability reports for each company.					Yes
	103-3 Evaluation of the management approach						Yes
GRI 305: Emissions 2016	**305-1** Direct (Scope 1) GHG emissions	Environmental Disclosures, p. 79					Yes
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Disclosures, p. 80					Yes
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Disclosures, p. 80					Yes
	305-4 GHG emissions intensity	Environmental Disclosures, p. 80				P.7, P.8, P.9	
Waste and effluents							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates the water discharge and waste disposal of each invested company. For more detailed information, see the annual and sustainability reports for each company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes
GRI 306: Waste and effluents 2018	**306-2** Waste by type and disposal method	Environmental Disclosures, p. 81					Yes

GRI Standards	Disclosure	Page and/or link	Omission: Part omitted	Omission: Reason	Omission: Explanation	Global Compact	Assurance
Material topics							
Supplier environmental assessment							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates data of suppliers that were screened using environmental criteria of each invested company. For more detailed information, see the annual and sustainability reports for each investee					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes
GRI 308: Supplier Environmental Assesment 2016	**308-1** New suppliers that were screened using environmental criteria	Environmental Disclosures, p. 81				P.7, P.8, P.9	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken	Environmental Disclosures, p. 81				P.7, P.8, P.9	Yes
GRI 400 Standards Série Social							
Employment							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	People, p. 20 The report consolidates new employee hires and turnover of each invested company. For more detailed information, see the annual and sustainability reports for each company.					
	103-2 The management approach and its components						
	103-3 Evaluation of the management approach						
GRI 401: Employment 2016	**401-1** New employee hires and employee turnover	Social Disclosures, p. 82				P.3, P.6	
Occupational health and safety							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates rates of injury, occupational diseases, lst days, and absenteeism and fatalities of each invested company. For more detailed information, see the annual and sustainability reports for each company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes
GRI 403: Occupational health and safety 2018	**403-9** Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social Disclosures, p. 82				P.3, P.6	Yes
Training and Education							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	People, p. 20					
	103-2 The management approach and its components	People, p. 20					
	103-3 Evaluation of the management approach	People, p. 20					
GRI 404: Training and education 2016	**404-1** verage hours of training per year per employee	Social Disclosures, p. 83				P.3, P.6	

GRI Standards	Disclosure	Page and/or link	Omission: Part omitted	Omission: Reason	Omission: Explanation	Global Compact	Assurance
Material topics							
GRI 400 Standards Social Series Diversity and equal opportunity							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	People, p. 20					
	103-2 The management approach and its components	People, p. 20					
	103-3 Evaluation of the management approach	People, p. 20					
GRI 405: Diversity and equal opportunity 2016	**405-1** Diversity of governance bodies and employees	Social Disclosures, p. 84				P.3, P.6	
Não-discriminação							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates incidents of discrimination of each invested company. For more detailed information, see the annual and sustainability reports for each portfolio company.					
	103-2 The management approach and its components						
	103-3 Evaluation of the management approach						
GRI 406: Non-discrimination 2016	**406-1** Incidents of discrimination and corrective actions taken	Social Disclosures, p. 84				P.1, P.2, P.6	
Child labor							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates significant risk for incidents of child labor of each invested company. For more detailed information, see the annual and sustainability reports for each portfolio company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes
GRI 408: Child labor 2016	**408-1** Operations and suppliers at significant risk for incidents of child labor	Social Disclosures, p. 84				P.1, P.2, P.5	Yes
Forced or compulsory labor							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates significant risk for incidents of forced or compulsory labor of each invested company. For more detailed information, see the annual and sustainability reports for each portfolio company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes
GRI 409: Forced or compulsory labor 2016	**409-1** Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social Disclosures, p. 84				P.1, P.2, P.4	Yes
Human rights assessment							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates human rights reviews of each invested company. For more detailed information, see the annual and sustainability reports for each portfolio company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes

			Omission				
GRI Standards	**Disclosure**	**Page and/or link**	**Part omitted**	**Reason**	**Explanation**	**Global Compact**	**Assurance**
Material topics							
GRI 412: Human rights assessment 2016	**412-1** Operations that have been subject to human rights reviews or impact assessments	Social Disclosures, p. 85				P.1, P.2	Yes
Local communities							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Social Investment, p. 35					Yes
	103-2 The management approach and its components	Social Investment, p. 35					Yes
	103-3 Evaluation of the management approach	Social Investment, p. 35					Yes
GRI 413: Local communities 2016	**413-1** Operations with local community engagement, impact assessments, and development programs	Social Disclosures, p. 85				P.1, P.2, P.4	Yes
Supplier social assessment							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	The report consolidates data of suppliers that were screened using social criteria of each invested company. For more detailed information, see the annual and sustainability reports for each portfolio company.					Yes
	103-2 The management approach and its components						Yes
	103-3 Evaluation of the management approach						Yes
GRI 414: Supplier social assessment 2016	**414-1** New suppliers that were screened using social criteria	Social Disclosures, p. 85				P.1, P.2, P.3	Yes
	414-2 Negative social impacts in the supply chain and actions taken	Social Disclosures, p. 85				P.1, P.2, P.3	Yes
Public policy							
GRI 103: Management approach 2016	**103-1** Explanation of the material topic and its boundary	Governance, Compliance and Risks, p. 25					Yes
	103-2 The management approach and its components	Governance, Compliance and Risks, p. 25					Yes
	103-3 Evaluation of the management approach	Governance, Compliance and Risks, p. 25					Yes
GRI 415: Public policy 2016	**415-1** Political contributions	In line with the guidelines of our code of conduct, which prohibits financial contributions to political parties, there were no such donations in the year 2020.				P. 10	Yes

Consolidated Financial Statements 102-7

Consolidated balance sheet

As at December 31

All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	2020	2019
Assets			
Current assets			
Cash and cash equivalents	9	9,783	6,262
Financial investments	10	5,678	4,444
Derivative financial instruments	6.1.1 (a)	221	62
Trade receivables	11	3,209	2,196
Inventory	12	4,724	4,129
Taxes recoverable	14	2,033	1,968
Dividends receivable	15	176	81
Future energy contracts	16	49	
Other assets		538	621
		26,411	19,763
Assets classified as held-for-sale		25	
		26,436	19,763
Non-current assets			
Long-term receivables			
Financial investments	10	20	23
Financial instruments - shares	13	2,590	2,749
Derivative financial instruments	6.1.1 (a)	1,945	337
Derivative financial instruments - put option	6.1.1 (b)	252	655
Taxes recoverable	14	2,966	3,477
Related parties	15	196	229
Deferred income tax and social contribution	24 (b)	2,731	3,341
Judicial deposits	25 (b)	193	345
Future energy contracts	16	9	29
Securitization of receivables		149	140
Other assets		701	586
		11,752	11,911

	Note	2020	2019
Investments	17 (c)	12,698	11,720
Property, plant and equipment	18 (a)	30,105	27,148
Intangible assets	19 (a)	14,594	13,283
Right-of-use assets	20	797	813
Biological assets		96	85
		70,042	64,960
Total assets		96,478	84,723

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet

As at December 31

All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	2020	2019
Liabilities and equity			
Current assets			
Borrowing	21 (a)	1,407	954
Derivative financial instruments	6.1.1 (a)	511	69
To rent	22	235	210
Confirming payables	23	2,380	1,415
Trade payables		5,404	4,429
Salaries and payroll charges		1,174	836
Taxes payable		760	424
Advances from clients		182	102
Dividends payable		44	120
Use of public assets	26	97	87
Financial instruments - firm commitment	16	75	81
Deferred revenue - silver streaming		141	106
Other liabilities		924	870
		13,334	9,703
Liabilities related to assets held-for-sale		2	2
		13,336	9,705
Non-current assets			
Borrowing	21 (a)	23,658	18,801
Derivative financial instruments	6.1.1 (a)	2,412	383
To rent	22	623	631
Deferred income tax and social contribution	24 (b)	2,373	2,087
Related parties	15	11	50
Provision	25 (a)	3,586	3,137
Use of public assets	26	1,400	1,151
Pension plan and post-employment health care benefits	27	524	367
Financial instruments - firm commitment	16	210	122
Deferred revenue - silver streaming		722	621
Other liabilities		827	761
		36,346	28,111
Total liabilities		49,682	37,816

	Note	2020	2019
Equity			
Share capital		28,656	28,656
Revenue reserves		8,806	11,165
Carrying value adjustments	28 (c)	4,879	1,948
Total equity attributable to the owners of the Company		42,341	41,769
Non-controlling interests		4,455	5,138
Total equity		46,796	46,907
Total liabilities and equity		96,478	84,723

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of income

Years ended December 31

All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2020	2019
Continuing operations			
Net revenue from products sold and services rendered	29	36,667	30,907
Cost of products sold and services rendered	30	(29,620)	(25,812)
Gross profit		**7,047**	**5,095**
Operating income (expenses)			
Selling	30	(900)	(873)
General and administrative	30	(2,626)	(2,492)
Other operating income (expenses), net	31	(2,182)	6,007
		(5,708)	**2,642**
Operating profit before equity results and finance results		**1,339**	**7,737**
Results from equity investments			
Equity in the results of investees	17 (c)	727	919
Realization of other comprehensive income on disposal of investments			108
		727	**1,027**
Finance results, net	32		
Finance income		680	1,269
Finance costs		(3,075)	(2,514)
Result of derivative financial instruments		(121)	(235)
Foreign exchange losses, net		(1,024)	(137)
		(3,540)	**(1,617)**
Profit (loss) before income tax and social contribution		**(1,474)**	**7,147**
Income tax and social contribution	24 (a)		
Current		(901)	(1,461)
Deferred		(691)	(705)
Profit (loss) from continuing operations		**(3,066)**	**4,981**

The accompanying notes are an integral part of these consolidated financial statements.

	Note	2020	2019
Discontinued operations			
Profit (loss) on discontinued operations		1	(56)
Profit (loss) for the quarter attributable to the owners of the Company		**(3,065)**	**4,925**
Profit (loss) attributable to the owners of the Company		(1,636)	5,170
Loss attributable to non-controlling interests		(1,429)	(245)
Profit (loss) for the quarter		**(3,065)**	**4,925**
Weighted average number of shares - thousands (to the owners of the Company)		18,278,789	18,278,789
Basic and diluted earnings (loss) per thousand shares, in reais		**(89.50)**	**282.84**
From continuing operations			
Basic and diluted earnings (loss) per thousand shares, in reais		**(89.55)**	**285.90**
From discontinued operations			
Basic and diluted earnings (loss) per thousand shares, in reais		**0.05**	**(3.06)**

Consolidated statement of comprehensive income

Years ended December 31

All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	2020	2019
Profit for the quarter		(3,065)	4,925
Other components of comprehensive income to be subsequently reclassified to profit or loss			
Attributable to the owners of the Company			
Foreign exchange variations	28 (c)	3,062	96
Hedge accounting for net investments abroad, net of taxes	28 (c)	(289)	92
Hedge accounting for the operations of subsidiaries	28 (c)	(636)	(39)
Fair value of financial assets available-for-sale of the non-consolidated investments	28 (c)	(25)	43
Realization of comprehensive results from the sale of investments	28 (c)	(173)	(15)
Adjust the fair value of the shares, net of tax	28 (c)	712	(121)
Loss on capital contribution to investee	28 (c)		(120)
Inflation adjustments for hyperinflationary economies	28 (c)	426	340
Realization of comprehensive results on settlement of investments			(108)
Participation in other comprehensive results of investees	28 (c)	(2)	(24)
Attributable to non-controlling			
Foreign exchange variations attributable to non-controlling interests		960	(50)
Hedge accounting for the operations of subsidiaries		(3)	3
Participation in other comprehensive results of investees		(7)	28
		4,025	**125**

	Note	2020	2019
Other components of comprehensive income that will not be reclassified to profit or loss			
Attributable to the owners of the Company			
Remeasurement of retirement benefits, net of tax	28 (c)	(169)	(133)
Credit risk of debts measured at fair value		25	
Attributable to non-controlling interests			
Remeasurement of retirement benefits, net of taxes		1	(1)
Other components of comprehensive income for the quarter		**3,882**	**(9)**
Comprehensive income (loss) from			
Continuing operations		816	4,972
Discontinued operations		1	(56)
		817	**4,916**
Comprehensive income attributable to			
Owners of the Company		1,295	5,181
Non-controlling interests		(478)	(265)
		817	**4.916**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of charges in equity

Years ended December 31

All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

		Attributable to the owners of the Company								
			Revenue reserves							
	Note	Share capital	Tax incentives	Legal	Profit retention	Retained (loss) earnings	Carrying value adjustments	Total	Non-controlling interests	Total equity
At January 1, 2019		28,656	10	771	6,307		1,475	37,219	5,623	42,842
IAS 29 adjustment					(295)		419	124		124
St Marys goodwill					94		43	137		137
CESP purchase allocation					356			356		356
At January 1, 2019 after restatement impacts		**28,656**	**10**	**771**	**6,462**		**1,937**	**37,836**	**5,623**	**43,459**
Profit (loss) for the year						5,170		5,170	(245)	4,925
Other comprehensive income							11	11	(20)	(9)
Comprehensive income for the year						**5,170**	**11**	**5,181**	**(265)**	**4,916**
Loss on capital increase in investee					(188)			(188)		(188)
Acquisition of non-controlling interest									(3)	(3)
Distribuition of dividends					(1,475)			(1,475)	(217)	(1,692)
Reversal of deliberate dividends					415			415		415
Allocation of net income for the year										
Constitution of legal reserve				261		(261)				
Profit retention					4,909	(4,909)				
Total contributions and distributions to shareholders				**261**	**3,661**	**(5,170)**		**(1,248)**	**(220)**	**(1,468)**
At December 31, 2019		**28,656**	**10**	**1,032**	**10,123**		**1,948**	**41,769**	**5,138**	**46,907**
At January 1, 2020		**28,656**	**10**	**1,032**	**10,123**		**1,948**	**41,769**	**5,138**	**46,907**
Loss for the year						(1,636)		(1,636)	(1,429)	(3,065)
Other comprehensive income							2,931	2,931	951	3,882
Comprehensive income (loss) for the year						**(1,636)**	**2,931**	**1,295**	**(478)**	**817**
Distribution of dividends	28 (c)				(800)			(800)	(205)	(1,005)
Effect of liquidation of related parties on the spin-off of subsidiary					37			37		37
Reversal of deliberate dividends and interest on equity					40			40		40
Allocation of net income for the year										
Absorption of injury					(1,636)	1,636				
Total contributions and distributions to shareholders					**(2,359)**	**1,636**		**(723)**	**(205)**	**(928)**
At December 31, 2020		**28,656**	**10**	**1,032**	**7,764**		**4,879**	**42,341**	**4,455**	**46,796**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of cash flows

Years ended December 31

All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	2020	2019
Cash flow from operating activities			
Profit (loss) before income tax and social contribution		(1,474)	7,147
Profit (loss) on discontinued operations		1	(56)
Adjustments to items that do not represent changes in cash and cash equivalents			
Depreciation, amortization and depletion	30	3,293	3,067
Equity in the results of investees	17 (c)	(727)	(919)
Interest, indexation and foreign exchange variations		2,066	510
Provisions (reversal) for the impairment of fixed, intangible assets and investments	30	2,777	714
Loss (gain) on sales of fixed and intangible assets, net	30	74	(8)
Fair value adjustment	21 (b)	95	22
Constitution of provisions		202	98
Derivative financial instruments		252	152
Financial instruments – firm commitment		54	195
Net revenue on sale of investments	30	(427)	(6,720)
Net gain from financial instrument – put option	6.1.1 (b)	403	89
Gain on purchase of investee	1.1 (a)	(366)	
Credit of ICMS on the calculation bases of PIS and COFINS		(168)	(747)
Provision for estimated losses from doubtful accounts	11 (c)	(44)	17
Realization of comprehensive income on the sale of investment			(108)
Loss on debt renegotiation		17	
		6,028	**3,453**
Decrease (increase) in assets			
Financial investments		(1,040)	(695)
Derivative financial instruments		(239)	136
Trade accounts receivable		73	333
Inventory		45	(207)
Taxes recoverable		754	(494)
Related parties		33	42
Judicial deposits		125	356
Other accounts receivable and other assets		(64)	(99)
Increase (decrease) in liabilities			
Trade payables		(111)	292

	Note	2020	2019
Salaries and social charges		250	(9)
Use of public assets		(8)	(17)
Taxes payable		(230)	(51)
Advances from customers		57	(26)
Other obligations and other liabilities		487	(476)
Cash provided by operating activities		**6,160**	**2,538**
Interest paid on borrowing and use of public assets		(1,320)	(1,252)
Income tax and social contribution paid		(407)	(189)
Net cash provided by operating activities		**4,433**	**1,097**
Cash flow from investment activities			
Proceeds from disposals of fixed and intangible assets		242	132
Investment sale		1,462	8,181
Dividends received		172	546
Acquisitions of property, plant and equipment	18	(3,516)	(3,189)
Increase in biological assets		(7)	(11)
Acquisitions of investments	17	(222)	(156)
Increase in intangible assets	19	(22)	(59)
Income tax and social contribution paid			(1,287)
Net cash provided by (used in) investment activities		**(1,891)**	**4,157**
Cash flow from financing activities			
New borrowing	21 (b)	11,772	4,323
Repayment of borrowing	21 (b)	(10,846)	(9,356)
Repayment of leasing contracts	22	(251)	(217)
Derivative financial instruments		55	(7)
Dividends paid		(1,041)	(1,639)
Net cash used in financing activities		**(311)**	**(6,896)**
Increase (decrease) in cash and cash equivalents		**2,231**	**(1,642)**
Effect of companies excluded from consolidation		7	
Effect of fluctuations in exchange rates		1,283	162
Cash and cash equivalents at the beginning of the year		**6,262**	**7,742**
Cash and cash equivalents at end of the year		**9,783**	**6,262**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of value added

Years ended December 31

All amounts in millions of reais (A free translation of the original in Portuguese)

	Note	2020	2019
Revenue			
Sales of products and services		41,773	35,271
Estimated loss on doubtful accounts	11	(31)	(17)
Other operating income, net	31	595	6,721
		42,337	**41,975**
Inputs acquired from third parties			
Raw materials and other production inputs		(25,596)	(21,029)
Materials, energy, outsourced services and others		(821)	(930)
Impairment of assets	31	(2,777)	(714)
Gross value added		**13,143**	**19,302**
Depreciation, amortization and depletion	18, 19 e 20	(3,293)	(3,067)
Net value added generated by the Company		**9,850**	**16,235**
Value added received through transfers			
Equity in the results of investees	17	727	919
Finance income and foreign exchange losses		2,245	1,748
		2,972	**2,667**
Total value added to distribute		**12,822**	**18,902**

	Note	2020	2019
Distribution of value added			
Personnel and payroll charges			
Direct remuneration		3,007	2,787
Social charges		1,122	1,066
Benefits		709	647
		4,838	**4,500**
Taxes and contributions			
Federal		2,909	3,200
State		2,798	2,332
Municipal		18	17
Deferred taxes		691	705
		6,416	**6,254**
Third-party capital remuneration			
Finance costs and foreign exchange losses		4,288	2,884
Rentals		345	339
		4,633	**3,223**
Own capital remuneration			
Non-controlling interests		(1,429)	(245)
Dividends		(1,005)	(1,692)
Reinvested profits (offset losses)		(632)	6,918
Loss on discontinued operations		1	(56)
		(3,065)	**4,925**
Value added distributed		**12,822**	**18,902**

The accompanying notes are an integral part of these consolidated financial statements.

at December 31, 2020 – All amounts in millions of reais unless otherwise stated

1 General considerations

Votorantim S.A. (the "Company", the "parent company", or "VSA"), is a long-term Brazilian holding company. With its headquarters in the city of São Paulo, Brazil, the Company's purpose is to manage assets and companies, as well as to invest in other companies in order to further its objectives.

The Company, through its subsidiaries and associates, operates in the following segments: construction, finance, electrical energy, metals and mining, agribusiness, aluminum and long steel.

1.1 Main events that occurred during the year of 2020

(a) Acquisition of factory unit – CBA

In August 2019, the Company announced the signing of the share purchase and sale agreement with the purpose of fully acquiring the shares of Arconic Indústria e Comércio de Metais Ltda., A unit located in Pernambuco, in the Northeast of Brazil, which will complement the line of rolled products from CBA.

In accordance with IFRS3 / CPC 15 (R1) – "Business combination", in the event of an advantageous purchase, the acquirer must recognize the resulting gain in the income statement for the year, on the acquisition date. Before recognizing the gain from an advantageous purchase, CBA carried out a prior review to make sure that all assets acquired and liabilities assumed were correctly identified and recognized them during the review. CBA hired a specialized company to issue a PBA (Purchase Price Allocation) report from the acquired company, concluded in December 2020.

In February 2020, the corporate name of the acquired investment was renamed CBA Itapissuma Ltda.

The price paid for the acquisition totaled R$ 204, generating a gain for a favorable purchase in the amount of R$ 466, using the acquisition method provided for in IFRS 13 / CPC 15 (R1), recorded under the heading "Other income operating expenses, net", with a tax effect of R$ 100, resulting in a gain of R$ 366. Additionally, there was a tax effect in the amount of R$ 124 referring to the gain from an advantageous purchase due to the effective taxation, which will occur upon its realization (sale, incorporation, spin-off or merger), if applicable.

The preliminary composition of the acquired net assets is detailed below:

	Opening balance 02/01/2020	Adjust selling price	Added value	Deferred tax	Final balance 12/31/2020
As of December 31, 2020					
Cashier	224	(20)			204
Total consideration transferred	**224**	**(20)**			**204**
Recognized values of acquired identifiable assets and assumed liabilities					
Cash and cash equivalents	7				7
Financial investments	20				20
Accounts receivable	58				58
Stocks	139				139
Immobilized	216		294	(100)	410
Other assets acquired	21		1		22
Suppliers	(69)				(69)
Other assets assumed	(16)				(16)
Total identifiable net assets	**376**		**295**	**(100)**	**571**
Gain for Advantageous Purchase	151	20	295	(100)	366
Deferred taxes (34%) on advantageous purchases					(124)
Total net advantageous purchase					**242**

b) Option to purchase Winds from Piauí II and III – VE

In January 2020, the joint venture VTRM Energia Participações S.A. ("VTRM"), with shared control between Votorantim Geração de Energia ("VGE") and CPP Investments exercised its option to purchase the Ventos do Piauí II and III wind complexes for the development of new wind farms in the Northeast region of Brazil, with an investment of approximately R$ 2,000. The purchase and sale contract was signed on July 10, 2020, after the fulfillment of the precedent conditions established in the agreement, for the amount of R$ 115. The construction of the parks is scheduled to start in 2021, and the park are due to start operating in 2022. Each of the complexes will consist of five wind farms located in the Serra do Inácio region. Ventos do Piauí II will have 100% of its structure distributed among 3 Piauí municipalities (Curral Novo, Paulistana and Betânia do Piauí) and the Ventos do Piauí III complex will have wind turbines installed in Curral Novo (Piauí), Araripina and Ouricuri (Pernambuco). Together, the new complexes will have an installed power generation capacity of 409.2 MW and will make VTRM responsible for approximately 1 GW of installed generation capacity in that region.

(c) Resolution of dividends – VSA

On January 20, 2020, the Company resolved to pay R$ 401 to its parent company Hejoassu Administração S.A., corresponding to dividends related to the portion of the "Profit Reserves" account balance, accumulated from previous years. The amount was paid in full on February 10, 2020.

On December 01, 2020, the Company resolved and paid its parent company Hejoassu Administração S.A. the amount of R$ 399 corresponding to dividends related to part of the balance of the "Profit reserves" account accumulated up to December 31, 2019.

(d) Amendment to the loan agreement under Law No. 4,131 / 1962 – Votorantim Cimentos

On January 30, 2020, the Company renegotiated the contractual conditions of the loan under Law No. 4,131 / 1962, contracted in March 2018, in the total amount of USD 100 million (R$ 426). The Company extended the final maturity from 2023 to 2025, and contracted a new swap (derivative financial instrument) at a cost of 107.00% of the CDI. The previous swap, at a cost of 112.00% of the CDI, was extinguished at the time of renegotiating the main loan agreement.

On March 9, 2020, the subsidiary VCNNE renegotiated the contractual terms of the loan under Law 4,131 / 1962, signed in September 2018, in the total amount of USD 50 million (R$ 239). VCNNE extended the final maturity from 2023 to 2025, and contracted a new swap (derivative financial instrument) at a cost of 111.00% of the CDI. The previous swap, at a cost of 108.00% of the CDI, was extinguished at the time of renegotiating the main loan agreement.

The swaps tied to the operations were contracted jointly with the same financial institution as the loan, and aim at both the exchange of exposure to the floating rate LIBOR to the floating rate CDI and the exchange of currency from dollar to real (debt in USD + swap to BRL in%) CDI).

(e) Export Credit Notes ("NCE") – CBA and Nexa

In February 2020, the subsidiary CBA signed an NCE contract to finance its exports in the amount of R$ 250, with final maturity in 2029. The operation has a swap contract linked to it (derivative financial instrument – hedge accounting), which aims to exchange exposure to the floating rate CDI in reais for a fixed rate in US dollars, resulting in a weighted average cost of 4.25% per year. It is noteworthy that the loan is characterized as green financing based on the guidelines of the Green Loan Principles.

At the end of March 2020, to expand its short-term liquidity in Brazil, the subsidiary Nexa signed 4 NCE contracts in the total principal amount of R$ 1,247 (approximately USD 250 million) at costs between 134.20% of the CDI and CDI + 1.80% to 4.20%, with maturities between 1 and 5 years.

On April 9, 2020, the subsidiary Nexa entered into an additional NCE contract in the total principal amount of R$ 230 (approximately USD 45 million) and CDI + 3.90%, maturing in 1 year, which was settled on October 30, 2020.

(f) Distribution of dividends – Nexa

On February 13, 2020, the Board of Directors of the subsidiary Nexa approved, in accordance with the laws of Luxembourg, distribution of dividends to its shareholders registered on

March 16, 2020, in the amount of R$ 260 (USD 50 million), paid on March 30, 2020.

(g) Loan agreement entered into by – Nexa

On March 12, 2020, in order to expand its short-term liquidity, the subsidiary Nexa contracted a loan with a global financial institution in the principal amount of R$ 477 (approximately USD 100 million) at a fixed cost in reais of 8.50 % pa, maturing in 5 years. At the same time, the subsidiary Nexa contracted a swap to exchange the pre-fixed interest rate in US dollars of 2.45% p.a., as well as the currency of the debt service payments from BRL to USD.

(h) Borrowing under the terms of Law No. 4,131 / 1962 – Votorantim Cimentos

On March 16, 2020, VCSA entered into a loan agreement under Law No. 4,131 / 1962 in the total amount of USD 50 million (R$ 249) with maturity on March 20, 2025.

The operation has a swap contract (derivative financial instrument) that aims at both the exchange of exposure from the fixed dollar rate to the floating rate CDI, as well as the exchange of dollar to real currency, resulting in a final cost of 110.80% a.a. of the CDI. This swap was contracted jointly with the same financial institution as the loan (debt in USD + swap to BRL in% of CDI).

(i) Use of a revolving credit facility (Revolving Credit Facility) – Votorantim Cimentos and Nexa

During the year, the indirect subsidiaries St. Mary's and Votorantim Cimentos International ("VCI") made several movements in the available revolving credit line, although the line was fully withdrawn until mid-September 2020. These borrowings were part of the strategy of the indirect subsidiaries to reinforce their liquidity position and face the uncertainties generated by the pandemic and the seasonality period that recurrently affects markets located abroad.

On September 28, 2020, indirect subsidiary VCI made a partial prepayment of Committed Credit Facility in the amount of USD 126 million, using its own cash position and capital contributions from subsidiary VCSA.

In the fourth quarter of 2020, indirect subsidiary St. Marys prepaid the amount of USD 152 million of its revolving credit line (Committed Credit Facility), continuing its capital optimization strategy. After this transaction, the amount of USD 12 million remains in use by St. Marys.

As of December 31, 2020, the amount of USD 278 million was available to the indirect subsidiary for new withdrawals, if necessary. During the period of subsequent events, additional withdrawals were made, as per Note 37.

On May 13, 2020, indirect subsidiary Votoratim Cimentos Europe Asia and Africa ("VCEAA") withdrew the revolving credit line in the amount of USD 200 million. The proceeds from this withdrawal were used to repurchase the bonds (bonds) of the indirect subsidiary VCI maturing in April 2021.

On September 14, 2020, indirect subsidiary VCEAA made the total prepayment of the outstanding balance at the Revolving Credit Facility in the amount of USD 200 million. The proceeds of this prepayment came, predominantly, from capital contributions of the subsidiary VCSA. This credit line was contracted by the subsidiary VCSA and its subsidiaries in the total amount of USD 500 million and maturing in August 2023. The funds remain available for new withdrawals, if necessary.

On April 14, 2020, in order to increase its short-term liquidity, the subsidiary Nexa fully withdrawn its revolving credit line in the amount of USD 300 million. On June 30, 2020, the amount was fully reimbursed with funds obtained from the Bond Offering, as per note 1.1 (j). The revolving credit line remains available to the subsidiary until October 2024.

(j) Bond Offering – NEXA

On June 15, 2020, the subsidiary Nexa made a Bond Offering in the amount of R$ 2,738 (USD 500 million), with maturity in January 2028 at an interest rate of 6.50% per year. This new offer was made in accordance with the subsidiary's strategy of increasing its liquidity and refinancing part of its current debt, extending its average term.

With the funds raised through the Bond Offering mentioned above, the subsidiary anticipated the payment of the following liabilities:

(i) on June 19, 2020, the principal outstanding and accrued interest in an Export Prepayment Agreement in the amount of USD 100 million; (ii) on June 23, 2020, the principal outstanding and accrued interest of the Revolving Credit Line in the total amount of USD 301 million; (iii) on June 29, 2020, the principal outstanding and the accrued interest of an Export Credit Note in Brazil in the amount of USD 96 million.

(k) Recognition of impairment loss – Nexa and Votorantim Cimentos

The subsidiary Nexa recognized, during the year of 2020, an impairment loss, classified in property, plant and equipment, in the class of works in progress, in the total amount of R$ 217. The amount refers mainly to the Jarosita project. The execution of the project is suspended and there is no expectation that it will resume.

In addition, the subsidiary Nexa, during the year 2020, recognized impairment loss in its Cash Generating Unit ("CGU") Cerro Pasco in the amount of R$ 1,101 and in goodwill in the mining segment in the amount of R$ 1,191. The impairment loss represents an overvaluation of the book value of the assets included in the UGC and in the Peruvian mining segment over their respective fair values less disposal costs ("FVLCD") of the included assets.

Such impairment losses occurred mainly as a result of the drop in metal prices, suspension of production and increase in operating costs, totaling an impairment loss in the amount of R$ 2,509, recognized in "Other operating results, net".

For the subsidiary VCSA, within the Europe, Asia and Africa segment, Turkey's operations are considered, in a manner consistent with previous years, as a single CGU. Through the value-in-use method, impairment was identified in the second quarter of 2020 in the classes of fixed assets of land and land, buildings and construction, and in the classes of intangible software assets, rights to exploit natural resources, asset retirement obligation and others, in the amount of R$ 143, mainly due to the update of sales volume assumptions for the coming years. However, in the fourth quarter of 2020, during the annual review of the recoverability of assets, the subsidiary VCSA confirmed that the impairment provision previously realized must be maintained and the updated amount of the impairment for the conversion rate on the date of the financial statements is R$ 146.

Likewise, Spain's operations are considered, in a manner consistent with previous years, to be a single CGU.

Using the value in use method, impairment reversal was identified in the Europe, Asia and Africa segment and in the Brazil segment, in the machinery and equipment, computer equipment, buildings and construction, intangible asset class , and rights to explore natural resources, in the amount of R$ 13.

In the Latin America segment, Bolivia's operations are considered, in a manner consistent with previous years, to be a single CGU. Through the value in use method, in the second quarter of 2020, impairment was identified in the asset classes of machinery and equipment, in the amount of R$ 136, mainly due to the increase in the discount rate, due to an upward revision of the country risk. and cost of debt, and the reduction in expected cement sales volumes for 2020. However, in the fourth quarter of 2020, during the annual review of the recoverability of assets, the subsidiary identified the need for partial reversal of impairment, by the amount of R$ 74, and the updated impairment value for the conversion rate on the date of the financial statements is R$ 65.

In the period ended in September 2020, the subsidiary CBA recorded an impairment provision, in its fixed assets, in the amount of R$ 18.

(l) Return of the mining sector in Peru – Nexa

Currently, although Peruvian subsidiaries continue to operate subject to additional measures to control and mitigate the spread of COVID-19, they have returned to their normal adjusted production levels, except for the Atacocha subsoil, which remains suspended. On January 27, 2021, the Peruvian government, among other measures in response to the "second wave" of COVID-19, declared a new blockade in certain areas of the country for a two-week period ending on February 14, 2021. This initial period was extended on February 10, 2021 for two more weeks ending on February 28, 2021, with the possibility of extension.

(m) Loan agreement with BNDES – Nexa

In July 2020, the subsidiary Nexa contracted a loan, approved by the BNDES, in the total principal amount of R$ 750 (approximately

at December 31, 2020 – All amounts in millions of reais unless otherwise stated

USD 140 million) at a cost of TLP + 3.39%, with a 20-year term. The amount will be used to finance the Aripuanã project.

During the fourth quarter of 2020, the subsidiary Nexa disbursed the following amounts:

(i) On October 26, 2020, the amount of approximately USD 40 million was used;
(ii) On December 28, 2020, the amount of approximately USD 47 million was used.

(n) Reversal of the deferred tax credit constitution – CBA

In the third quarter of 2020, the subsidiary CBA reevaluated the recovery of deferred taxes recorded in its tax calculation and the technical study carried out showed that it was not possible to fully book the credit related to Provisions (impairment and miscellaneous losses). Accordingly, the deferred tax credit was reversed in the amount of R$ 376.

In the fourth quarter of 2020, the subsidiary CBA reevaluated the recovery of deferred taxes recorded in its tax calculation, based on the technical study, and due to the lack of expectation of realization, it resulted in the reversal of the deferred tax credit currently constituted on Niquelândia's impairment, São Miguel Paulista and Ferro Níquel, in the total amount of R$ 446.

(o) Exclusion of ICMS from the PIS and COFINS calculation base

During the year ended December 31, 2020, the tax credit related to the exclusion of the Tax on Circulation of Goods and Services ("ICMS") was recognized on the calculation basis of the Social Integration Program ("PIS") and Contribution for Social Security Financing ("COFINS"), with an asset recorded in the amount of R$ 156, of which R$ 69 of the principal, recorded under "Other operating income, net" and R$ 86 from monetary restatement, is recorded in "Net financial result".

(p) Contract of intention to sell the São Miguel Paulista Unit – CBA

The subsidiary CBA signed an agreement to sell the São Miguel Paulista (Nickel) Unit on September 28, 2020, and the closing of the transaction will only occur after a period of evaluations of the plant by the buyer, and if successful, it will be completed by December 2021.

(q) Sales of shares held by Suzano shares

On December 2, 2020, the VSA sold 25,000,000 common shares in Suzano S.A ("Suzano") held by the Company, for the amount of R$ 55.71 each, totaling R$ 1,393 million. After the sale, VSA holds 50,180,059 common shares, corresponding to approximately 3.7% of Suzano's total and voting capital. The impacts of the transaction are detailed in the table below:

Other operating results	**406**
Revenue from the sale of shares	1.393
Fees and Fees	(12)
Cost of selling shares	(1.238)
Realization of other comprehensive results	263
Income tax and social contribution	**(138)**
Chains	(341)
Deferred	203
Net gain on sale	**268**

(r) Distribution of interest on own capital – CESP

On December 16, 2020, the investee Companhia Energética de São Paulo ("CESP") approved the proposal for the distribution of interest on own capital ("JCP"), attributable to the minimum mandatory dividend, in the gross amount of R$ 150, relating to the year ended December 31, 2020. The gross amount per share is R$ 1.8245 for preferred shares A and R$ 0.4265 for preferred shares B and common shares, with payment in the year 2021, on coinciding with the next dividend payment, to be defined by the investee's Shareholders' Meeting.

(s) Prepayment of Bond 2021 – VSA

On December 23, 2020, the Company prepaid the remaining amount of the debt security with a coupon of 6.75% per year and maturity in 2021 ("Bond 2021"), in the total principal amount of US $ 240 million. This operation is in line with VSA's debt management strategy. With this liquidation, there are no more outstanding debts at the holding company level.

(t) GSF (Generation Scale Factor) – Votorantim Cimentos and CBA

Law No. 14,052, published on September 9, 2020, amended Law No. 13,203, of December 8, 2015, to establish new conditions for the renegotiation of the hydrological risk of electricity generation, providing that the generators will be compensated through extension of the granting period for their grants due to the occurrence of non-hydrological risks that negatively influenced the GSF (Generation Scaling Factor or Adjustment Factor of the MRE of the Marketing Rules) after 2012, with the worsening of the water crisis. The events classified as non-hydrological risks are mainly those related to: (i) hydroelectric projects called "structuring" (Belo Monte, Jirau and Santo Antônio hydroelectric plants), which were delayed in their construction and affected the supply of the entire sector ; (ii) anticipation of physical guarantee from structuring plants (between January 2013 to October 2017), and restriction on the flow (transmission) of energy from these plants; (iii) in addition to generation outside the order of merit, which caused damage to hydraulic generators that stopped generating because they were "replaced" by thermal generation outside the order of merit – GFOM (electric and energy) and imports. The extension of the grant is limited to 7 years, subject to the withdrawal of any lawsuits or the right to discuss issues related to the Energy Reallocation Mechanism – MRE by the eligible agents.

By extending the concession period for hydroelectric generators, since they are not subject to IFRIC 12 (ICPC 01) – Concessions, the Granting Authority compensates companies by granting a non-pecuniary right, in the form of an extension of the concession period, with the character of recovery of costs incurred as of 2012, recognized as capital spent by law.

During the regulatory process by ANEEL, which culminated in the publication of Normative Resolution No. 895 of 2020 ("Resolution"), the Electricity Trading Chamber ("CCEE" or "Chamber") carried out, at the request of the National Agency of Electricity ("ANEEL" or "Agency"), preliminary calculations of the estimated extension time of the eligible agents' concession, according to the initial premises of the opening of the public consultation, disclosed on the Agency's website in October 2020, of some plants of the subsidiaries CBA and VCSA.

Certain factors considered for the initial calculation of the CCEE were, to some extent, changed by ANEEL in the approval of the final version of the regulation, which is in force today and which subsidizes the calculations, which, on this date, are being prepared by the Chamber. Additionally, some factors for the correct calculation of the extension of the grant are not known by the Company, mainly regarding the effects caused by the Belo Monte, Jirau and Santo Antônio Hydroelectric Plants (the so-called "structuring plants"), restrictions originated by the non-conclusion, by companies' transmission, construction of lines and installations for the outflow of the Belo Monte Hydroelectric Plant.

In this regard, it is worth mentioning that, depending on the Company's concession period, these input data, ascertained by the National Electricity System Operator – ONS and Energy Research Company – EPE, and sent directly to the Chamber to be considered in the calculation and calculation processing of final compensation amounts, without public disclosure or to agents, are relevant in determining the estimated total grant extension time and in determining cost recovery.

Therefore, it is impracticable, at this moment, to come to a reliable estimate on the part of the Administration of compensation applicable to the titleholders of hydroelectric plants participating in the MRE, it is necessary to wait for the CCEE to make and make available the final calculations, considering all the parameters given by the Resolution, with grant in force on the date of publication of the Law.

As of the date of disclosure of this Financial Statement, there was no confirmation that the calculations had already been completed by CCEE and sent to ANEEL. This step is expected to occur before March 3, 2021, and ANEEL will disclose before April 2, 2021, with the beginning of the adhesion by the agents. In possession of the figures released, Management will submit it for the approval of the Board of Directors for adhesion and registration of the regulatory asset. It is worth mentioning that the plants managed by the CBA do not have a lawsuit whose object is the exemption or mitigation of hydrological risks related to the MRE, nor any obligation in relation to the subject.

Thus, the Management concluded that the previous calculation published by CCEE in

October 2020 does not consider all parameters given by the Resolution, and thus, the registration will be made from the disclosure of the extension by ANEEL, scheduled for April 2, 2021 and after the approval of the adhesion by the Company and the Board of Directors.

(u) Effects of the pandemic caused by the new Coronavirus ("COVID-19")

In view of the emergence of the pandemic related to the new Coronavirus, which caused impacts on public health and the economy of Brazil and several countries, the Company reports that it has been taking preventive and risk mitigation measures according to the guidelines established by national the international health authorities, aiming to minimize impacts on the health and safety of employees, family, partners and communities, as well as to ensure the continuity of all its operations. These measures are in accordance with the laws in force in the countries in which the Company operates and its internal regulations.

The extent of the impacts of COVID-19 will depend on the duration of the pandemic, possible restrictions imposed by governments and other possible developments in the countries in which the Company and its subsidiaries operate. The Company and its subsidiaries constantly evaluate and implement action plans together with customers, suppliers and other stakeholders involved, according to the current scenario and the best possible projections. In this scenario, the Company and its subsidiaries have been monitoring the effects on the main critical accounting estimates and judgments, as well as other balances with the potential to generate uncertainties and impacts on the financial information disclosed. Below, the most relevant evaluations:

(i) Impairment of non-financial assets

The Company and its subsidiaries consider that the potential effects of the pandemic represent a change in the facts and circumstances considered in the future scenarios projected by Management for the annual analysis of the recoverability of non-financial assets prepared for the consolidated financial statements for the year ended December 31 2019. Therefore, the Company and its subsidiaries are constantly reassessing and monitoring the indications of impairment of non-financial assets, with the intention of identifying evidence of impairment losses.

During the year 2020, the subsidiaries Nexa, VCSA and CBA recorded impairment of R$ 2,777, as detailed in Note 1.1 (k).

(ii) Recoverability of deferred tax assets

During the year of 2020, given the scenario of uncertainty, the subsidiary VCSA did not record new amounts of tax loss and negative base in the segments Brazil, Latin America, Europe, Asia and Africa. However, during the annual review of the recoverability of deferred tax assets, carried out in the fourth quarter of 2020, which considers future taxable profits calculated based on the updated Strategic Planning, VCSA recorded the amount of R$ 27 for the year ended on December 2020.

The subsidiary CBA assessed deferred tax assets on tax loss / negative basis and temporary differences recorded in its balance sheet as of December 31, 2020 and verified the need to reverse part of the deferred tax assets, based on the recoverability tests carried out in the fourth quarter of 2020, as per Note 1.1 (n).

(iii) Analysis of liquidity ratios and available credit lines

The Company has a solid liquidity position, reinforced by revolving credit lines available in the amount of USD 200 million. Its subsidiaries Votorantim Cimentos and Nexa also have similar lines. Votorantim Cimentos has a line of USD 778 million. Nexa, in turn, has a USD 300 million credit line. This position provides the Company with conditions to mitigate, the impacts of this adverse scenario, even if not fully known.

Considering the aforementioned uncertainty, addition to the review of ratings of Brazilian and foreign institutions by specialized agencies, the Company and its subsidiaries continue to monitor their liquidity ratios.

(iv) Compliance with obligations contained in debt contracts (covenants)

In accordance with the contracts in force, the financial ratios that are monitored by the Company have been achieved, since they are calculated in accordance with the annual financial statements. Considering that the Company and its subsidiaries are exposed to risks arising from COVID-19, which may deteriorate their operating results, it is not possible to ensure that these covenants will be reached in the future. Accordingly, Management assiduously monitors the covenants assumed in its financial contracts, making it possible to anticipate possible non-compliances.

(v) Compliance with obligations assumed with customers and suppliers

The Company and its subsidiaries evaluated their main supply and supply contracts with customers and suppliers, respectively, and concluded that, despite the impacts caused by the COVID-19 pandemic, their main contractual obligations were fulfilled.

(vi) Risk matrix for calculating the estimate of losses due to doubtful debts

The Company and its subsidiaries monitor the need for reassessment of the risk rating assumptions of customers that base the calculation of the estimate of losses on doubtful accounts. Until the issuance of these financial statements, the Company and its subsidiaries did not identify the need for a relevant change in the risk classification of their customers that would generate a material increase in the estimated amount of loss on doubtful debts recorded on December 31, 2020 or other adverse effects to be accounted for in the group of accounts receivable from customers.

(vii) Inventory loss estimate due to low turnover and change in realizable value

The Company and its subsidiaries monitor the inventory turnover, considering that this represents the main premise for the constitution of the estimated loss recorded by the Company and its subsidiaries. Assumptions for the net realizable value of inventories were revised after the effects of the pandemic caused by COVID-19 in the normal course of business. Until the issuance of these financial statements, the Company and its subsidiaries did not identify any material changes in the realizable value of inventories, nor did they identify the need to increase the estimated loss of inventories accounted for, due to the pandemic caused by COVID-19, considering the inventory turnover analysis.

(viii) Final considerations

As of the date of issuance of these annual financial statements, the Company and its subsidiaries have not identified any other relevant impacts to be disclosed and have no visibility of impacts or accounting evidence arising from the pandemic caused by COVID-19 that imply changes in accounting policies, in the main established estimates and in the critical accounting judgments mentioned above.

2 Presentation of the consolidated financial statements

2.1 Basis of preparation

(a) Consolidated financial statements

The consolidated financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, in effect on December 31, 2020, which includes the pronouncements issued by the Accounting Pronouncements Committee ("CPCs") and in accordance with the International Financial Reporting Standards (International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB)) and interpretation of ("IFRIC") and evidence all relevant information specific to the financial statements and are consistent with those used by Management in its management.

The Company voluntarily discloses its consolidated statement of value added, according to the accounting practices adopted in Brazil, applicable to public companies and presented as an integral part of these financial statements. In accordance with international practice, this statement is presented as additional information, without prejudice to the set of financial statements.

The financial statements require the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting practices. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(b) Approval to the financial statements

The Board of Directors approved the consolidated financial statements for issue on March 30, 2021.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

Unrealized balances and gains on transactions between Company companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of a loss (impairment) of the transferred asset. In the acquisition, the accounting policies of the subsidiaries are changed when necessary, to ensure consistency with the policies adopted by the Company.

The consolidated financial statements were prepared separately from the individual financial statements, issued on March 12, 2021.

(b) Transactions with non-controlling interests

The Company treats transactions with non-controlling shareholders as transactions with owners of the Company's assets. For purchases of non-controlling interests, the difference between any consideration paid and the acquired portion of the carrying amount of the subsidiary's net assets is recorded in equity. Gains or losses arising from the sale of non-controlling interests are also recorded directly in equity, in the "Retained earnings" account.

(c) Loss of control of subsidiaries

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in book value recognized in the income statement. The amounts previously recognized in equity value adjustments are reclassified to the result.

(d) Associates and joint arrangements

Joint operations are accounted for in the financial statements in order to represent the Company's contractual rights and obligations. Therefore, the assets, liabilities, revenues and expenses related to its interests in joint operations are individually accounted for in its financial statements.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost.

The Company's investments in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss.

Dilution gains and losses on investments in associates and joint ventures are recognized in the statement of income.

2.3 Foreign currency conversion

(a) Functional and presentation currency of the financial statements

The functional currency of the Company is the Brazilian Real ("R$" or "BRL").

(b) Transactions and balances

Foreign currency transactions are translated into reais. When items are remeasured, the exchange rates prevailing at the dates of the transactions or the dates of valuation are used. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in equity as net investment hedges.

(c) Subsidiaries with a different functional currency

The results and financial positions of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) Income and expenses for each statement of income are translated at average exchange rates;

(iii) All resulting exchange differences are recognized as a separate component of equity, in "Carrying value adjustments".

The amounts presented in the cash flow are extracted from the translated movements of the assets, liabilities and profit or loss, as detailed above.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other foreign currency instruments designated as hedges of such investments, are recognized in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

Goodwill and fair value arising from the acquisition of an entity abroad are treated as assets and liabilities of the entity abroad and converted at the closing rate.

Below are the functional currencies defined for the significant foreign subsidiaries:

Company	Country	Functional currency	Main activity
St. Marys Cement Inc. - "St. Mary's"	Canada	US Dollar	Cement
Votorantim Cimentos EAA Inversiones, S.L. - "VCEAA"	Espanha	Euro	Cement
Votorantim Cimentos International S.A. - "VCI"	Luxemburgo	US Dollar	Holding
Nexa Resources Cajamarquilla S.A.	Peru	US Dollar	Zinc
Nexa Resources Perú S.A.A.	Peru	US Dollar	Mining
Nexa Resources S.A.	Luxemburgo	US Dollar	Holding
Acerbrag S.A.	Argentina	Argentine Peso	Steel
Acerías Paz del Río S.A.	Colombia	Colombian Peso	Steel
Votorantim FinCO GmbH	Luxemburgo	US Dollar	Trading
Janssen Capital B.V.	Netherlands	US Dollar	Holding

3 Changes in accounting policies and disclosures

3.1 New standards issued and amendments to the accounting standards adopted by the Company and its subsidiaries

The following changes to standards issued by the International Accounting Standards Board (IASB) were adopted for the first time for the year beginning January 1, 2020:

(i) Definition of material: changes to IAS 1 / CPC 26 "Presentation of Financial Statements" and IAS 8 / CPC 23 "Accounting Policies, Change in Estimates and Correction of Errors";

(ii) Definition of business: changes to IFRS 3 / CPC 15 "Business Combination";

(iii) IBOR reform: amendments to IFRS 9 / CPC 48, IAS 39 / CPC 38 and IFRS 7 / CPC 40 "Financial Instruments";

(iv) Revised Conceptual Framework for Financial Reporting;

(v) Benefits Related to COVID-19 Granted to Leaseholders in Lease Contracts: amendments to IFRS 16 / CPC 06 (R2) "Leases".

The Company analyzed the amendments to the accounting standards mentioned above and did not identify any impacts on its operating and accounting policies.

3.2 New standards issued and amendments to accounting standards not yet adopted by the Company and its subsidiaries

The following changes to standards issued by the International Accounting Standards Board (IASB) will be adopted for the first time in years beginning after January 1, 2021:

(i) Classification of liabilities between current and non-current: changes to IAS 1 / CPC 26 "Presentation of Financial Statements";

(ii) Gains on the sale of inventories produced while the asset is not ready for use: changes to IAS 16 / CPC 27 "Property, plant and equipment";

(iii) Initial adoption of IFRS in subsidiaries: changes to IFRS 1 / CPC 37 "Initial adoption of international accounting standards";

(iv) Borrowing costs in the derecognition test of financial liabilities: changes to IFRS 9 / CPC 48 "Financial instruments";

(v) Lease incentives: changes to IFRS 16 / CPC 06 "Leases"

(vi) Cost of fulfilling onerous contracts: changes to IAS 37 / CPC 25 "Provisions, contingent liabilities and contingent assets";

(vii) Concessions related to COVID-19: amendments to IFRS 17 "Insurance contracts";

(viii) Reform of Interbank offered rates (IBORs): amendments to IFRS 9 / CPC 48 "Financial instruments", IAS 39 / CPC 38 "Financial instruments – recognition and measurement", IFRS 7 / CPC 40" Financial instruments: disclosure", IFRS 4 / CPC 11 "Insurance contracts" and IFRS 16 / CPC 06 "Leases".

The Company analyzed the amendments to the accounting standards mentioned above and did not identify any impacts on its operating and accounting policies to be adopted retrospectively or at the beginning of the year 2021.

4 Critical accounting estimates and judgments

Based on assumptions, the Company and its subsidiaries make estimates regarding the future. By definition, accounting estimates and judgments are continuously reviewed and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances. Revisions to the estimates are recognized prospectively.

The accounting estimates will rarely be the same as the actual results. Estimates and assumptions that present a significant risk and are likely to cause a material adjustment to the carrying amounts of assets and liabilities for the next fiscal year are described in the respective notes below:

(i) Financial and derivative instruments (Note 6.1.1);

(ii) Accounts receivable from customers (Note 11);

(iii) Future energy contracts (Note 16);

(iv) Property, plant and equipment (Note 18);

(v) Intangible assets (Note 19);

(vi) Lease liabilities (Note 22);

(vii) Current and deferred income and social contribution taxes (Note 24);

(viii) Provisions (Note 25);

(ix) Pension plan and post-employment health benefits (Note 28).

5 Social and environmental risk management

The Company, through its subsidiaries and associates, operates in various segments and consequently, these activities are subject to several Brazilian and international environmental laws, regulations, treaties and conventions, including those that regulate the discharge of materials into the environment, which establish the removal and cleaning of the contaminated environment, and those relating to environmental protection. Violations of the environmental regulations in force expose the violator(s) to significant fines and monetary penalties, and may require technical measures or investments to ensure compliance with the mandatory emissions levels.

The Company and its subsidiaries carry out periodic studies to identify any potentially affected areas and records, based on the best estimates of costs, and the amounts expected to be disbursed for the investigation, treatment and cleaning of the potentially affected areas.

The Company and its subsidiaries believe they are in compliance with all of the applicable environmental standards in the countries in which they operate.

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6 Financial risk management

6.1 Financial risk factors

The activities of the Company and its subsidiaries expose them to a variety of financial risks, namely: (a) market risk (including currency, commodity price and interest rate risk), (b) credit risk and (c) liquidity risk.

A significant portion of the products sold by the Company and its subsidiaries, such as aluminum, nickel and zinc are commodities, with prices pegged to international indexes and denominated in US Dollars. Their costs, however, are mainly denominated in reais, and therefore, there is a mismatch of currencies between revenues and costs. Additionally, the Company and its subsidiaries have debts linked to different indexes and currencies, which may have an impact on their cash flow.

In order to mitigate the various effects of each market risk factor, the Company and its subsidiaries follow a Market Risk Management Policy, approved by the Finance Committee, with the objective of establishing governance and the overall guidelines of the process of managing these risks, as well as the metrics for their measurement and monitoring.

The financial risk management process aims to protect the cash flow and its operational (revenues and costs) and financial (financial assets and liabilities) components against adverse market events, such as fluctuations in the prices of currencies, interest rates and commodity prices, and against adverse credit events. In addition, it aims to preserve liquidity.

The following financial instruments may be taken out in order to mitigate and manage risk: conventional swaps, call options, put options, collars, currency futures contracts and Non-Deliverable Forward contracts. Strategies that include simultaneous purchases and sales of options are authorized only when they do not result in a net short position in volatility of the underlying asset. The Company and its subsidiaries do not carry out transactions involving financial instruments for speculative purposes.

(a) Market risk

(i) Foreign exchange risk

The Company and its subsidiaries have certain investments in foreign operations, the net assets of which are exposed to foreign exchange risk. The foreign exchange exposure arising from the Company's and its subsidiaries' participation in foreign operations is mainly hedged by borrowing in the same currency as these investments, classified as net investment hedges.

Presented below are the accounting balances of assets and liabilities indexed to a foreign currency at the closing date of the balance sheets:

	Note	2020	2019
Assets denominated in foreign currency			
Cash and cash equivalents	9	7,992	5,125
Financial investments	10	1,209	96
Trade receivables	11	1,875	1,178
Derivative financial instruments		382	234
Related parties		105	82
		11,563	**6,715**
Liabilities denominated in foreign currency			
Borrowing (*)	21	18,755	15,172
Derivative financial instruments		1,173	155
Lease liabilities		634	567
Trade payables		2,917	2,227
Confirming payables	23	1,840	1,159
Deferred revenue - silver streaming		863	727
		26,182	**20,007**
Net exposure		**(14,619)**	**(13,292)**

(*) It does not consider funding costs.

(ii) Hedge of net investments in foreign operations

Accounting policy

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

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Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in "Carrying value adjustments". The gain or loss relating to the ineffective portion is recognized immediately in income. Gains and losses accumulated in equity are included in the statement of income when the foreign operation is partially or fully disposed of or sold.

The investments shown in the following table were designated as hedged objects and the portion of the debt of the Company and its subsidiaries CBA, Votorantim Cimentos International S.A. and St. Marys Cement Inc., denominated in euros and dollars, as a hedge instrument.

			2020
Investment		**Debt**	
Nexa Resources Cajamarquilla S.A.	822	Votorantim S.A. (i)	
		CBA	747
St. Marys Cement Inc.	1,245	St. Marys Cement Inc.	1,245
Votorantim Cimentos EAA Inversiones, S.L.	2,598	Votorantim Cimentos International S.A.	2,598
	4,665		**4,590**

			2019
Investment		**Debt**	
Nexa Resources Cajamarquilla S.A.	1,616	Votorantim S.A.	968
		CBA	580
St. Marys Cement Inc.	2,015	St. Marys Cement Inc.	2,015
Votorantim Cimentos EAA Inversiones, S.L.	1,581	Votorantim Cimentos International S.A.	1,581
	5,212		**5,144**

(i) Early settlement of the debt, as per note 1.1 (s).

The Company and its subsidiaries document and evaluate monthly the effectiveness of investment hedge operations prospectively, as required by CPC 48 / IFRS 9 – "Financial instruments".

The exchange variation loss on debt conversion, net of income tax and social contribution, recognized as "Equity valuation adjustments" on December 31, 2020, was R$ 289 (December 31, 2019, net gain in the amount of R$ 92) (Note 29 (c)).

(iii) Cash flow and fair value interest rate risk

The interest rate risk arises from the fluctuations of each of the main indexes of interest rates from borrowing and from financial investments, which have an impact on the payments and receipts of the Company and its subsidiaries. Borrowing at fixed rates exposes the Company and its subsidiaries to fair value interest rate risk.

(iv) Commodity price risk

The Financial Policy of the Company's operating subsidiaries establishes guidelines to mitigate the risk of fluctuations in commodity prices that have an impact on the cash flow of the Company's operating subsidiaries.

The exposure to each commodity price considers the monthly projections of production, purchases of inputs and flows of maturities of the related hedges. Hedge transactions are classified into the following categories:

Fixed-price commercial transactions – hedge transactions that switch, from fixed to floating, the price contracted in commercial transactions with customers interested in purchasing products at a fixed price;

Hedges for "quotation periods" – hedges that set a price for the different "quotation periods" between the purchases of certain inputs (metal concentrate) and the sale of products arising from the processing of these inputs;

Hedges for "costs of inputs" – intended to ensure protection against volatility in the prices/costs of its operating subsidiaries for commodities such as oil and natural gas;

Hedges for "operating margin" – intended to set the operating margin for a portion of the production of certain operating subsidiaries.

(b) Credit risk

Derivative financial instruments and financial investments create exposure to credit risk of counterparties and issuers. The Company and its subsidiaries adopt a policy of working with issuers which have, at a minimum, been assessed by two of the following three rating agencies: Fitch Ratings, Moody's or Standard & Poor's ("S&P"). The minimum rating required for the counterparties is "A" (Brazilian scale) or "BBB-" (international scale), or equivalent. For financial assets where issuers do not meet the minimum credit risk ratings, criteria proposed by the Finance Committee are applied as an alternative, criteria approved by the Board of Directors.

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The credit quality of financial assets is disclosed in Note 8. The ratings disclosed in this Note always represent the most conservative ratings of the agencies in question.

The pre-settlement risk methodology is used to assess counterparty risk on derivatives transactions, determining (via Monte Carlo simulations) the likelihood of a counterparty not honoring the financial commitments defined by the contract. The use of this methodology is described in the Votorantim Financial Policy.

(c) Liquidity risk

The following table analyzes the financial liabilities of the Company and its subsidiaries, by maturity, corresponding to the period remaining from the balance sheet date up to the contractual maturity date. The amounts disclosed in the table represent the undiscounted contractual cash flows, these amounts may not be reconciled with the amounts disclosed in the balance sheet.

	Note	Up to one year	From one to three years	From three to five years	From five to ten years	From ten years	Total
At December 31, 2020							
Borrowing (i)	21	2,258	1,869	11,654	13,418	5,998	35,197
Derivative financial instruments	6.1.1 (a)	514	334	635	1,269	171	2,923
To rent	22	253	208	169	173	55	858
Confirming payables	23	2,380					2,380
Trade payables		5,404					5,404
Dividends payable		51					51
Related parties	15		11				11
Use of public assets	26	100	177	312	828	1,213	2,630
		10.960	**2,599**	**12,770**	**15,688**	**7,437**	**49,447**
At December 31, 2019							
Borrowing (i)	21	1,362	5,506	6,918	9,126	4,544	27,456
Derivative financial instruments		69	117	51	213	2	452
To rent	22	229	288	177	119	28	841
Confirming payables	23	1,415					1,415
Trade payables		4,429					4,429
Dividends payable		120					120
Related parties	15		50				50
Use of public assets		88	152	254	732	1,233	2,459
		7,712	**6,113**	**7,400**	**10,190**	**5,807**	**37,222**

(i) Does not consider adjustment to fair value of the operations contracted in Law No. 4131/1962.

6.1.1 Derivatives contracted

Accounting policy

Initially, derivatives are recognized at fair value on the date of their contracting and are subsequently re-measured at their fair value.

The fair value of financial instruments that are not traded on active markets is determined using valuation techniques. The Company and its subsidiaries use their judgment to choose between different methods and to define assumptions that are mainly based on the market conditions existing at the balance sheet date.

The method for recognizing the resulting gain or loss depends on whether the derivative is designated or not as a hedge instrument in cases of adoption of hedge accounting. This being the case, the method depends on the nature of the item being hedged. The Company and its subsidiaries adopt hedge accounting and designate certain derivatives as:

(i) Cash flow hedge

With a view to ensuring a fixed operating margin in reais for a portion of the production of the metal businesses, the subsidiaries enter into commodity forward contracts (zinc, aluminum and nickel) on sales of certain commodities combined with the sale of US Dollar forward contracts. These subsidiaries adopt hedge accounting for the derivative instruments entered into for this purpose.

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The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity within "Carrying value adjustments". The gain or loss relating to the ineffective portion is recognized as "Operating income (expenses)". The amounts recognized in equity are recorded in the statement of income (in the same line item affected by the transaction originally hedged) upon realization of the hedged export and/or sales referenced to London Metal Exchange ("LME") prices.

(ii) Fair value hedges

With the objective of maintaining the flow of the metal businesses' operating revenue pegged to LME prices, the subsidiaries enter into hedging transactions under which they convert sales at fixed prices to floating prices in commercial transactions with customers interested in purchasing products at a fixed price. Changes in the fair values of derivatives that are designated derivatives are recognized in the income for the year.

(a) Effects of derivative financial instruments on the balance sheet and cash flow

The table below summarizes the derivative financial instruments and the underlying hedged items:

					2020											
	Principal Value			2019	Changes in fair value							2020	Fair value by maturity			
Programs	2020	2019	As per unit	Fair value	Inventory	Net revenue from products sold and services rendered	Cost of products sold and services rendered	Other operating income (expenses), net	Finance results, net	Other comprehensive income	Gain (loss) Realized	Fair value	2021	2022	2023	2024+
Hedges for sale of zinc at a fixed price																
Zinc forward	15,695	15,252	ton	(4)				(3)			(17)	10	10			
				(4)				**(3)**			**(17)**	**10**	**10**			
Hedges for mismatches of quotational period																
Zinc forward	204,394	258,220	ton	(3)	(3)	48	(93)	6			(56)	11	11			
				(3)	**(3)**	**48**	**(93)**	**6**			**(56)**	**11**	**11**			
Operating margin hedging																
Aluminum forward	203,130	151,800	ton	(19)		38				(307)	62	(350)	(326)	(24)		
Collars	5	18	USD millions	3		(14)				(2)	(13)					
USD forward	337	273	USD millions	42		(231)				24	(217)	52	46	6		
				26		**(207)**				**(285)**	**(168)**	**(298)**	**(280)**	**(18)**		
Foreign exchange risk																
Collars		181	USD millions	(2)					(98)		(100)					
Turkish Lira Term (EUR/TRY)	1		EUR millions						(1)			(1)				
Turkish Lira Term (USD/TRY)			USD millions						(2)			(2)				
				(2)					**(101)**		**(100)**	**(3)**	**(3)**			

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	Principal Value			2019	2020							2020	Fair value by maturity			
					Changes in fair value											
Programs	**2020**	**2019**	**As per unit**	**Fair value**	**Inventory**	**Net revenue from products sold and services rendered**	**Cost of products sold and services rendered**	**Other operating income (expenses), net**	**Finance results, net**	**Other comprehensive income**	**Gain (loss) Realized**	**Fair value**	**2021**	**2022**	**2023**	**2024+**
Interest rates risk																
LIBOR floating rate vs. CDI floating rate swaps	225	315	USD millions	54					325		189	190	(14)	(40)	(13)	257
IPCA floating rate vs. CDI floating rate swaps	760	227	BRL	6					39		8	37	6	(10)	(16)	57
USD vs. CDI floating rate swaps		50	BRL						14		(1)	15	(2)	(9)	(11)	37
CDI floating rate swaps vs.USD floating swaps	1,335	747	BRL	(127)		(44)				(563)	(44)	(690)	(48)	(10)	(9)	(623)
IPCA floating rate vs. USD floating rate swaps	160	139	BRL	(3)		2				(49)	2	(52)	(3)	(4)	(4)	(41)
BRL vs. USD floating rate swaps		477	BRL						(2)			(2)	30	29	26	(87)
				(70)		**(42)**			**376**	**(612)**	**154**	**(502)**	**(31)**	**(44)**	**(27)**	**(400)**
Hedge of operational contracts																
Floating rate swap at IPCA vs. floating rate in USD	823		USD thousands							25		25			23	2
										25		**25**			**23**	**2**
Total value of the derivative instruments				**(53)**	**(3)**	**(201)**	**(93)**	**3**	**275**	**(872)**	**(187)**	**(757)**	**(293)**	**(62)**	**(4)**	**(398)**

As of December 31, 2020, derivative transactions net of taxes recognized in "Equity valuation adjustment" totaled R$ 636. In addition, there are hedge accounting transactions net of taxes, with gains in the amount of R$ 17, in subsidiaries' non-consolidated accounts also recognized in "Equity valuation adjustment".

(b) Derivative financial instruments – Put-option

During the year ended on December 31, 2018, the transaction was concluded as a result of which Votorantim Siderurgia S.A. became a subsidiary of ArcelorMittal Brasil S.A. ("AMB"). According to the agreement between the parties, VSA now holds a minority interest of 15% in the AMB combined long steel business which, in compliance with accounting rules, was recognized as a financial instrument, in accordance with CPC 48 – "Financial instruments". The change in the fair value of this operation in the period resulted in a net loss of R$ 403 (December 31, 2019, loss of R$ 89), recorded in the "Net financial result" account.

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6.1.2 Fair value estimation

The main financial assets and liabilities are described below, as well as their valuation assumptions:

Financial assets – considering the nature and the terms, the amounts recorded approximate their realizable values.

Financial liabilities – these instruments are subject to the usual market interest rates. The market value was based on the present value of the expected future cash disbursements, at interest rates currently available for the issue of debts with similar maturities and terms.

The Company discloses fair value measurements according to their level of the following fair value measurement hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

As of December 31, 2020, financial assets measured at fair value and financial liabilities disclosed at fair value were classified in hierarchy levels 1 and 2, see classification below.

		Fair value measured based on		2020
	Note	Prices quoted in an active market (Level 1)	"Valuation supported by observable prices (Level 2)"	Fair value
Assets				
Cash and cash equivalents	9	4,391	5,392	9,783
Financial investments	10	1,279	4,419	5,698
Derivative financial instruments (i)	6.1.1 (a)		2,166	2,166
Derivative financial instruments - put option			252	252
Financial instruments - shares			2,590	2,590
		5,670	**14,819**	**20,489**
Liabilities				
Borrowing (i)	21	16,633	13,377	30,010
Derivative financial instruments	6.1.1 (a)		2,923	2,923
To rent			858	858
Confirming payables	23		2,380	2,380
Deferred revenue - silver streaming			863	863
		16,633	**20,401**	**37,034**

		Fair value measured based on		12/31/2020
	Note	Prices quoted in an active market (Level 1)	"Valuation supported by observable prices (Level 2)"	Fair value
Assets				
Cash and cash equivalents	9	3,833	2,429	6,262
Financial investments	10	1,392	3,075	4,467
Derivative financial instruments	6.1.1 (a)		399	399
Derivative financial instruments - put option			655	655
Financial instruments - firm commitment			29	29
Financial instruments - shares	13		2,749	2,749
		5,225	**9,336**	**14,561**
Liabilities				
Borrowing	21	13,014	8,068	21,082
Derivative financial instruments	6.1.1 (a)		452	452
To rent	22		841	841
Confirming payables			1,415	1,415
Deferred revenue - silver streaming			727	727
		13,014	**11,503**	**24,517**

(i) The fair value of these financial instruments takes into account the credit risk of the Company and its subsidiaries; the value of the change in the fair value of the financial liability that is attributable to changes in credit risk is recorded in equity in other comprehensive income. If the classification of credit risk in other comprehensive income creates or increases the accounting mismatch in the result, the entity must present all gains or losses in the income for the year. The accumulated amount of changes in credit risk remains in other comprehensive income until the settlement of the financial instrument, when it is reclassified to retained earnings, without affecting the income for the year.

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6.1.3 Sensitivity analysis

The main risk factors affecting the pricing of cash and cash equivalents, financial investments, loans and financing and derivative financial instruments are exposure to the fluctuation in the US Dollar, Euro, Turkish Lira, New Peruvian Sun, Argentine Peso and Bolivian interest rates, LIBOR, CDI, US Dollar coupon, commodity prices and electricity purchase and sale contracts. The scenarios for these factors are prepared using both market sources and specialized sources of information, in line with the Company's governance. The scenarios as at December 31, 2020 are described below:

Scenario I – Considers a shock to the market curves and quotations at December 31, 2020, according to the base scenario defined by management as at March 31, 2021;

Scenario II – Considers a shock of + or – 25% in the market curves at December 31, 2020;

Scenario III – Considers a shock of + or – 50% in the market curves at December 31, 2020.

						Impacts on profit (loss)					Impacts on comprehensive income				
						Scenario I	Scenarios II & III				Scenario I	Scenarios II & III			
Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and related parties (i)	Derivative financial instruments/As per unit		"Changes from 2020"	"Results of scenario I"	25%	50%	+25%	+50%	"Results of scenario I"	25%	50%	+25%	+50%
Foreign exchange rates															
USD	7,939	16,604	2,829	USD millions	0.5%	(117)	(99)	(198)	99	198	(472)	3,262	6,525	(3,261)	(6,525)
EUR	318	960	0		5.4%	(1)	(6)	(12)	6	12	16	166	332	(166)	(332)
MAD	178		0		5.6%	(10)	(44)	(89)	44	89					
BOB	37	602	0		7.1%	4	151	301	(151)	(301)	(3)	(9)	(18)	9	18
TRY	21	51	0		4.4%		7	15	(7)	(15)					
CAD	31	92	0		5.2%	(1)	(6)	(12)	6	12	1	21	43	(21)	(43)
UYU	23	147	0		5.3%						4	31	62	(31)	(62)
TND	173				5.6%	(10)	(43)	(87)	43	87					
ARS	94				6.3%						(6)	(23)	(47)	23	47
NAD	10				6.7%						1	(3)	(5)	3	5
PEN	252	14			3.4%	(9)	(56)	(112)	56	112		(3)	(7)	3	7
COP	125	382			2.1%	313	96	191	(96)	(191)	(3)	(32)	(64)	32	64
	9,201	**18,852**	**2,829**			**169**		**(3)**		**3**	**(462)**	**3,410**	**6,821**	**(3,409)**	**(6,821)**
Interest rates															
BRL CDI	6,213	4,231	10,217	BRL millions	1 bps	5	5	12	(3)	(3)	28	53	114	(46)	(85)
BRL IPCA		1,437			81 bps	(12)	208	416	(208)	(416)					
BRL TJLP		120			36 bps	165	180	361	(180)	(361)					
USD LIBOR		2,418	1,326	USD millions	7 bps	7	18	36	(18)	(36)			1		(1)
Dollar coupon			763	USD millions	6 bps	2	14	28	(14)	(27)	4	(54)	(110)	50	98
	6,213	**8,206**	**12,306**			**167**	**425**	**853**	**(423)**	**(843)**	**32**	**(1)**	**5**	**4**	**12**

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						Impacts on profit (loss)					Impacts on comprehensive income				
						Scenario I	Scenarios II & III				Scenario I	Scenarios II & III			
Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and related parties (i)	Derivative financial instruments/As per unit		"Changes from 2020"	"Results of scenario I"	25%	50%	+25%	+50%	"Results of scenario I"	25%	50%	+25%	+50%
Price of commodities															
Zinc			220,089	ton	13.7%	43	78	156	(78)	(156)	(14)	(26)	(53)	26	53
Aluminium			203,130	ton	13.3%						222	482	964	(482)	(964)
			423,219			**43**	**78**	**156**	**(78)**	**(156)**	**208**	**456**	**911**	**(456)**	**(911)**
Firm Commitment electric energy															
Purchase and sale contracts fair value			227				3	7	(3)	(7)					
			227				**3**	**7**	**(3)**	**(7)**					

(i) The balances presented do not reconcile with the notes, as the analysis carried out included only the most significant currencies and rates. Interest rates only include the principal amount.

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7 Financial instruments by category

Accounting policy

The Company and its subsidiaries classify their financial instruments depending on the purpose for which the financial instruments were acquired. Management determines the classification of financial instruments upon initial recognition, in the following categories:

(a) Financial instruments at fair value through profit or loss

These are financial assets held for active and frequent trading. These assets are measured at their fair value, and the changes are recognized in the statement of income for the year.

(b) Financial instruments at fair value through other comprehensive income

These are financial instruments that meet the criteria of contractual terms, which give rise to cash flows that are exclusively the payment of principal and interest and are maintained in a business model, the objective of which is achieved both by obtaining contractual cash flows and by sale of financial assets. The instruments in this classification are measured at fair value through other comprehensive income.

(c) Financial instruments at amortized cost

These are financial instruments maintained in a business model whose purpose is to obtain contractual cash flows and their contractual terms give rise to cash flows that are exclusively the payment of principal and interest. The instruments in this classification are measured at amortized cost.

(d) Impairment of financial assets measured at cost

This is measured as the difference between the book value of the assets and the present value of the estimated future cash flows (excluding future credit losses that were not incurred), discounted at the current interest rate of financial assets. The book value of the asset is reduced and the amount of the loss is recognized in the statement of income.

If, in a subsequent period, the impairment loss decreases and the impairment can be objectively related to an event occurring after recognition of the impairment (such as an improvement in the debtor's credit rating), the reversal of the loss will be recognized in the statement of the results.

	Note	2020	2019
Assets			
At amortized cost			
Trade receivables		2,352	1,918
Related parties	15	196	229
		2,548	**2,147**
Fair value through profit or loss			
Cash and cash equivalents (i)	9	9,783	6,262
Financial investments	10	5,698	4,467
Accounts receivable from customers		857	278
Derivative financial instruments	6.1.1 (a)	1,154	265
Derivative financial instruments - put option	6.1.1 (b)	252	655
Future energy contracts		58	29
		17,802	**11,956**
Fair value through other comprehensive income			
Financial instruments - shares	13	2,590	2,749
Derivative financial instruments	6.1.1 (a)	1,012	134
		1,012	**134**
Liabilities			
At amortized cost			
Borrowing	21 (a)	23,676	18,848
Trade payables		5,404	4,429
Financial instruments - firm commitment	22	858	841
Related parties	15	11	50
Confirming payables	23	2,380	1,415
Use of public assets	26	1,497	1,238
		33,826	**26,821**
Fair value through profit or loss			
Borrowing	21 (a)	1,389	907
Derivative financial instruments	6.1.1 (a)	511	69
Financial instruments - firm commitment		285	203
		2,185	**976**
Fair value through other comprehensive income			
Derivative financial instruments	6.1.1 (a)	2,412	383
		2,412	**383**

(i) In practice, fair value and amortized cost are equivalent, considering, by definition, the characteristics of cash equivalents.

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8 Credit quality of financial assets

			2020			2019
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	1,575		1,575	1,563		1,563
AA+	309		309			
AA	158		158	1	446	447
AA-	46	136	182	416	295	711
A+		2,092	2,092		884	884
A		2,216	2,216		994	994
A-		1,790	1,790		259	259
BBB+		687	687		384	384
BBB		300	300		130	130
BBB-		292	292		102	102
BB		13	13		29	29
BB-		10	10		9	9
B+					9	9
B		60	60			
B-		1	1		76	76
CCC+		2	2			
CCC		30	30		16	16
Unrated (i)		66	66		649	649
	2,088	**7,695**	**9,783**	**1,980**	**4,282**	**6,262**
Financial investments						
AAA	3,639		3,639	3,840		3,840
AA+	26		26	45		45
AA	317		317	74	2	76
AA-	487		487	373	12	385
A+	20	29	49	20	13	33
A		131	131			
BBB-					29	29
CCC+		4	4			
CCC					36	36

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			2020			2019
	Local rating	Global rating	Total	Local rating	Global rating	Total
Sem rating (ii)		1,045	1,045	19	4	23
	4,489	**1,209**	**5,698**	**4,371**	**96**	**4,467**
Derivative financial instruments						
AAA	1,688		1,688	377		377
AA					4	4
AA-	323		323	7		7
A+		10	10		2	2
A-		145	145		9	9
	2,011	**155**	**2,166**	**384**	**15**	**399**
Financial instruments						
AAA	2,590		2,590	2,749		2,749
	2,590		**2,590**	**2,749**		**2,749**
	11,178	**9,059**	**20,237**	**9,484**	**4,393**	**13,877**

The local and global ratings were obtained from ratings agencies (Standard & Poor's, Moody's and Fitch Ratings). The Company considered the ratings of Standard & Poor's and Fitch Ratings for presentation purposes, and the classification as established in the Company's Financial Policies.

(i) Refers to values invested in offshore banks which are not rated by any ratings agency.

(ii) Refer to amounts invested in liquid assets traded abroad that are not classified by rating agencies.

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9 Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash, bank deposits and other highly liquid short-term investments whose original maturities are less than three months, which are readily convertible into a known amount of cash and which are subject to an insignificant risk of change in value.

(a) Breakdown

Cash and cash equivalents in local currency include deposits in current bank accounts and government securities (overnight operations) or financial institutions, indexed to the interbank deposit rate. Foreign currency cash equivalents are mainly composed of financial instruments in local currency of the company and its investees.

	2020	2019
Local currency		
Cash and banks	27	9
Bank Deposit Certificates - "CDBs"	798	326
Repurchase agreements - private securities	11	241
Repurchase agreements - public securities	955	561
	1,791	**1,137**
Foreign currency		
Cash and banks	3,409	3,263
Time deposits	4,583	1,862
	7,992	**5,125**
	9,783	**6,262**

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10 Financial investments

Accounting policy

Financial investments have, for the most part, immediate liquidity, however, they are classified as financial investments based on the original maturities, considering the expected destination of the funds. Investments in national currency comprise government bonds or financial institutions, indexed to the interbank deposit rate.

Investments denominated in foreign currency are mainly composed of fixed income financial instruments in local currency (time deposits). There are also investments that have immediate liquidity considering the expected allocation of funds by the Investment Policy. Such investments comprise sovereign bonds and ETFs (Exchange Traded Funds) with low risk concentration in specific assets, following restrictions defined in the Investment Policy to safeguard liquidity and mitigate risk of capital loss.

(a) Breakdown

	2020	2019
Fair value through profit or loss		
Bank Deposit Certificates - "CDBs"	2,583	2,308
Financial Treasury Bills - "LFTs"	1,169	1,218
Repurchase agreements - private securities	290	3
Repurchase agreements - public securities	110	173
Investment fund quotas	337	669
Financial investments in foreign currency (i)	1,209	96
	5,698	**4,467**
Current	5,678	4,444
Non-current	20	23
	5,698	**4,467**

(i) Balance refers substantially to investments in sovereign bonds and ETFs with low risk concentration in specific assets.

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11 Trade receivables

Accounting policy

Trade receivables correspond to the amounts referring to the sale of goods or provision of services in the normal course of the activities of the Company and its subsidiaries.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less the estimated loss on allowance for loan losses. Accounts receivable from customers in the foreign market are updated based on the exchange rates in effect on the balance sheet date.

(a) Breakdown

	2020	2019
Trade receivables - Brazil	1,475	1,144
Trade receivables - foreign customers	1,892	1,230
Related parties	64	13
	3,431	**2,387**
Allowance for doubtful accounts	(222)	(191)
	(222)	**(191)**
	3,209	**2,196**

(b) Breakdown by currency

	2020	2019
Brazilian real	1,334	1,018
U.S. dollar	1,213	764
Euro	181	60
Colombian peso	131	125
Turkish lira	71	16
Uruguayan peso	62	67
Moroccan dirham	61	35
Argentine peso	55	60
Other	101	51
	3,209	**2,196**

(c) Changes in estimated loss for doubtful accounts

	2020	2019
Opening balance	(191)	(174)
Additions, net	(44)	(56)
Receivables written off as uncollectible (i)	21	39
Effect of subsidiaries excluded from consolidation	(2)	
Foreign exchange variations	(6)	
Closing balance	**(222)**	**(191)**

(i) The debits on the estimated loss account with doubtful accounts are generally written off when there is no expectation of recovery of funds.

(d) Aging of trade receivables

	2020	2019
Current	2,945	1,864
Up to three months past due	166	282
Three to six months past due	14	4
Over six months past due	306	237
	3,431	**2,387**

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12 Inventory

Accounting policy

Presented at the lower of cost and net realizable value. The cost is determined using the weighted average cost method. The costs of finished products and products in preparation comprise raw materials, direct labor and other direct and indirect production costs (based on normal operational capacity). The raw materials from biological assets (e.g: trees from a plantation, plants, fruit trees, cattle, etc.) are measured at fair value, less selling expenses at the point of harvest, when they are transferred from non-active assets current to the inventory group.

The subsidiaries, at least once a year, carry out the physical inventory of the goods included in their inventory. Inventory adjustments are recorded under "Cost of goods sold and services provided".

The provision for inventory losses refers substantially to obsolete and low turnover materials.

(a) Breakdown

	2020	2019
Finished products	949	862
Semi-finished products	1,705	1,587
Raw materials	858	826
Auxiliary materials and consumables	1,249	995
Imports in transit	319	79
Other	114	173
Provision for inventory losses	(470)	(393)
	4,724	**4,129**

b) Changes in the estimate of inventory losses

						2020	2019
	Finished products	Semi-finished products	Raw materials	Auxiliary materials and consumables	Other	Total	Total
Balance at the beginning of the year	(25)	(64)	(7)	(211)	(86)	(393)	(482)
Addition	(31)	(31)	(19)	(98)	(50)	(229)	(200)
Reversal	43	41	9	93	33	219	308
Exchange variation	(4)	(3)		(30)	(30)	(67)	(19)
Balance at the end of the year	**(17)**	**(57)**	**(17)**	**(246)**	**(133)**	**(470)**	**(393)**

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13 Financial instruments – Shares

Accounting policy

Uses the average share price quote for the last ninety days of the closing date.

The value of financial instruments refers, substantially, to the portion of the Company's shares held by Suzano S.A.

	2020	2019
Balance at beginning of year	2,749	
Closing the operation		2,932
Change in fair value	1,078	(183)
Sale of shares	(1,238)	
Balance at the end of the year	**2,589**	**2,749**

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14 Taxes recoverable

Accounting policy

The recoverable taxes are held in assets mainly for the purpose of recognizing in the balance sheet of the entity the book values that will be the object of future recovery.

	2020	2019
Corporate Income Tax ("IRPJ") and Social Contribution on Net Income ("CSLL")	1,725	1,826
Social Contribution on Revenue ("COFINS") (i)	1,561	1,963
State Value-added Tax on Sales and Services ("ICMS")	719	695
Social Integration Program ("PIS")	368	400
Value-added Tax ("VAT") (foreign companies)	252	249
ICMS on property, plant and equipment	68	76
Withholding Income Tax ("IRRF")	59	47
State VAT on Sales and Services on PP&E	44	65
Excise Tax ("IPI")	32	31
Social Security Credit	20	20
Taxes on services - ISS	11	8
Other	140	65
	4,999	**5,445**
Current	2,033	1,968
Non-current	2,966	3,477
	4,999	**5,445**

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15 Related parties

Accounting policy

Related parties are individuals or legal entities that are related to the entity that reports the financial statements.

Assets	Trade receivables		Dividends receivable		Non-current assets	
	2020	2019	2020	2019	2020	2019
Related companies and joint ventures						
Cementos Avellaneda S.A.	3	2		9		
Banco Votorantim S.A.			36			
Citrosuco S.A. Agroindústria (i)					126	159
Citrosuco GmbH (i)					67	52
Supermix Concreto S.A.	22	5				
VTRM Energia Participações S.A	3		140	65		
Superior Building Materials LL	24					
Other	12	5		7	3	18
	64	**13**	**176**	**81**	**196**	**229**
Current	64	13	176	81		
Non-current					196	229
	64	**13**	**176**	**81**	**196**	**229**

(i) Refers to accounts receivable related to assets in excess of the basic net assets invested in Citrosuco's operation. The realization period is linked to the performance of each item under the contractual rules laid down in the shareholder agreement and the closing memorandum signed between Fischer S.A. – Commerce, Industry and Agriculture and Votorantim.

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Liabilities	**Trade payables**		**Dividends payable**		**Non-current liabilities**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Related companies and joint ventures						
Superior Materials Holdings, LLC	11	7				
Cementos Avellaneda S.A.	1					36
Other	6	5			11	50
	18	**12**			**11**	**50**
Non-controlling interests			51	120		
Current	**18**	**12**	**51**	**120**		
Non-current					11	50
	18	**12**	**51**	**120**	**11**	**50**

Profit and loss	**Sales (purchases), net**		**Finance income (expenses), net**	
	2020	**2019**	**2020**	**2019**
Related companies and joint ventures				
Cementos Especiales De Las Islas, S.A.	22	23		
Cementos Granadilla S.L.	20	15		
Citrosuco S.A. Agroindústria	20	44		
Midway Group, LLC	32	32		
Supermix Concreto S.A.	235	201		
Superior Materials Holdings, LLC	112	75		
Other	21	31	(4)	(4)
	462	**421**	**(4)**	**(4)**

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16 Future energy contracts

The subsidiary Votorantim Comercializadora de Energia Ltda. ("Votener") Centralizes energy purchase and sale transactions to meet the demands of Votorantim companies. A portion of these transactions takes the form of contracts that have been entered into and continue to be carried out for the purpose of receiving the energy for own use or delivering self-produced energy, in accordance with the productive demands of the Company's subsidiaries and, therefore, meets the definition of a financial instrument.

Another part of these transactions refers to energy purchases and sales, not used in the production process of Votorantim companies, being traded in an active market, therefore, it meets the definition of a financial instruments, due to the fact that transactions are settled in energy, and promptly convertible into cash. Such contracts are accounted for as derivatives under IFRS 9 / CPC 48 and are recognized in the balance sheet of their subsidiaries at fair value, on the date the derivative is entered into, and are revalued at fair value on the balance sheet date.

The operations carried out by the indirect subsidiary Votener until 2023 in the Free Contracting Environment ("ACL") were recognized at their fair value on the closing date of each operation. In 2020, the realization of the fair value of these operations, resulting from the physical settlement of the energy purchase and sale contracts, resulted in a gain of R$ 83 (R$ 81 in loss in 2019). These amounts were accounted for under "Other operating income (expenses), net". The A-0/2014 contracts, which were traded in the Regulated Contracting Environment ("ACR"), were fully settled in December 2019.

The values quoted above have the following composition:

	ACL				Total	
	Votorantim Cimentos	CBA	Votorantim Energia	Total	2020	2019
Realization	(12)	34	83	105	105	(264)
Recognition		(159)		(159)	(159)	74
Reversal						(6)
	(12)	**(125)**	**83**	**(54)**	**(54)**	**(196)**

The table below shows the composition of the assets and liabilities:

	ACL			Total	
	CBA	Votorantim Energia	Votorantim Cimentos	2020	2019
Assets					
Current		49		49	
Non-current		9		9	29
		58		**58**	**29**
Liabilities					
Current	(65)		(10)	(75)	(81)
Non-current	(153)		(57)	(210)	(122)
	(218)		**(67)**	**(285)**	**(203)**

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17 Investments

Accounting policy

Investments in affiliates, subsidiaries and joint ventures are accounted for using the equity method of accounting as of the date they become their jointly controlled joint ventures and subsidiary.

Affiliates are those entities in which the Company, directly or indirectly, has significant influence, but not control or joint control over financial and operating policies. In order to be classified as a jointly controlled entity, there must be a contractual agreement that allows the Company to share control of the entity and gives the Company the right to the net assets of the jointly controlled entity, not the right to its specific assets and liabilities.

The Company also recognizes its assets in accordance with the venturer's participation in the assets, liabilities, revenues and expenses of the controlled entity on a proportional basis. This implies recognizing the venturer's share of the assets, liabilities, income and expenses of the joint ventures by adding such amounts to its own assets, liabilities, revenues and expenses by the straight-line method, and including such amounts in corresponding to the balance sheet and income statement of the same nature.

(i) Impairment of investments

For the calculation of the recoverable amounts of the investments, the Company and its subsidiaries use criteria similar to those used to test goodwill impairment.

(a) Breakdown

	Information on December 31, 2020		Equivalence result		Balance	
	Net worth	Net income (loss) for the year	2020	2019	2020	2019
Investments accounted for under the equity method – Associates						
Cementos Avellaneda S.A.	1,261	153	28	132	717	578
Alunorte - Alumina do Norte S.A.	3,528	(45)	1		107	107
IMIX Empreendimentos Imobiliários Ltda.	12	6	(2)	2	3	5
Mineração Rio do Norte S.A.	916	(17)	2	14	92	98
Supermix Concreto S.A.	250	18	(5)	1	63	58
Jaguatirica Empreendimento Imobiliário SPE S.A.	213	12	(6)	2	112	111
Cementos Especiales de las Islas S.A.			(20)	15		77
Outros					205	81
Joint ventures						
Citrosuco GmbH	5,208	590	(249)	(88)	3,628	2,643
Banco Votorantim S.A.	10,752	1,473	(719)	797	5,871	5,383
Citrosuco S.A. Agroindústria	(1,248)	(1,145)	602	(267)	(357)	387
Juntos Somos Mais Fidelização S.A.	19	(8)	4	(1)	8	12
VTRM Energia Participações S.A.	3,879	625	(308)	271	2,076	2,058
Hutton Transport Ltda.	40	12	(6)	3	25	19
Midway Group, LLC.	51	19	(10)	9	38	26
RMC Leasing LLC	30				23	15
Superior Materials Holdings, LLC	124	56	(39)	29	87	62
			(727)	**919**	**12,698**	**11,720**

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Below are presented the balances of goodwill and surplus value, which are included in the balance of investments:

	Ágio		Mais valia	
	2020	2019	2020	2019
Citrosuco GmbH	145	145	879	718
Citrosuco S.A. Agroindústria	194	194	73	103
Cementos Avellaneda S.A.	193	117		
Jaguatirica Empreendimento Imobiliário SPE S.A.	5	5		
VTRM Energia Participações S.A.			136	141

Main consolidated companies	Percentage of total and voting capital		Headquarters	Main activity
	2020	2019		
Subsidiaries				
Acerbrag S.A.	100.00	100.00	Argentina	Steel
Votorantim FinCO GmbH	100.00	100.00	Austria	Trading
Janssen Capital B.V.	100.00		Netherlands	Holding
Companhia Brasileira de Alumínio	100.00	100.00	Brazil	Aluminum
Santa Cruz Geração de Energia S.A.	100.00	100.00	Brazil	Electric power
Silcar Empreendimentos, Comércio e Participações Ltda.	100.00	100.00	Brazil	Holding
Votener - Votorantim Comercializadora de Energia Ltda.	100.00	100.00	Brazil	Electric power
Votorantim Cimentos N/NE S.A.	100.00	100.00	Brazil	Cement
Votorantim Cimentos S.A.	100.00	100.00	Brazil	Cement
Votorantim Energia Ltda.	100.00	100.00	Brazil	Holding
Votorantim Finanças S.A.	100.00	100.00	Brazil	Finance
Votorantim Geração de Energia S.A.	100.00	100.00	Brazil	Holding
Votorantim Investimentos Latino-Americanos S.A.	100.00	100.00	Brazil	Holding
Nexa Recursos Minerais S.A.	64.67	66.40	Brazil	Zinc
Votorantim Cement North America Inc.	100.00	100.00	Canada	Holding
Acerías Paz del Río S.A.	91.20	91.20	Colombia	Steel
Votorantim Cimentos EAA Inversiones, S.L.	100.00	100.00	Spain	Holding
St. Marys Cement Inc.	100.00	100.00	USA	Cement
St. Helen Holding II B.V.	100.00	100.00	Cayman Islands	Holding
Hailstone Ltd.	100.00	100.00	British Virgin Islands	Holding
Nexa Resources S.A.	64.67	64.25	Luxembourg	Holding
Votorantim Cimentos International S.A.	100.00		Luxembourg	Holding
Votorantim RE	100.00	100.00	Luxembourg	Insurance
Compañia Minera Atacocha S.A.A.	58.85	58.85	Peru	Mining
Nexa Resources Perú S.A.A	51.77	51.77	Peru	Mining
Nexa Resources Cajarmarquilla S.A.	64.61	64.61	Peru	Zinc
Cementos Artigas S.A.	51.00	51.00	Uruguay	Cement

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Main consolidated companies	Percentage of total and voting capital 2020	2019	Headquarters	Main activity
Joint operations				
Baesa – Energética Barra Grande S.A.	15.00	15.00	Brazil	Electric power
Campos Novos Energia S.A.	44.76	44.76	Brazil	Electric power
Great Lakes Slag Inc.	50.00	50.00	Canada	Cement
Voto – Votorantim Overseas Trading Operations IV Ltd.		50.00	Cayman Islands	Trading
Exclusive investment funds				
Fundo de Investimento Pentágono VC Multimercado – Crédito Privado	100.00	100.00	Brazil	Finance
Fundo de Investimento Pentágono CBA Multimercado – Crédito Privado	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado	94.19	93.49	Brazil	Finance
Odessa Multimercado Crédito Privado Fundo de investimento VC	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado Fundo de investimento VM	100.00	100.00	Brazil	Finance

Main non-consolidated companies	Investing entity	"Percentage of total capital" 2020	2019	Head-quarters	Main activity
Associates					
Alunorte – Alumina do Norte S.A.	Companhia Brasileira de Alumínio	3.03	3.03	Brazil	Mining
Mineração Rio do Norte S.A.	Companhia Brasileira de Alumínio	10.00	10.00	Brazil	Mining
Cementos Avellaneda S.A.	Votorantim Cimentos S.A.	49.00	49.00	Argentina	Cement
IMIX Empreendimentos Imobiliários Ltda.	Votorantim Cimentos S.A.	25.00	25.00	Brazil	Mining
Supermix Concreto S.A.	Votorantim Cimentos S.A.	25.00	25.00	Brazil	Concrete
Cementos Especiales de las Islas S.A.	Votorantim Cimentos S.A.	50.00	50.00	Spain	Cement
Joint ventures					
Banco Votorantim S.A.	Votorantim S.A.	50.00	50.00	Brazil	Finance
Citrosuco GmbH	Votorantim S.A.	50.00	50.00	Austria	Agribusiness
Citrosuco S.A. Agroindústria	Votorantim S.A.	50.00	50.00	Brazil	Agribusiness
Juntos Somos Mais Fidelização S.A.	Votorantim Cimentos S.A.	45.00	45.00	Brazil	Services
Hutton Transport Ltda.	Votorantim Cimentos S.A.	25.00	25.00	Canada	Transportation
Midway Group, LLC.	Votorantim Cimentos S.A.	50.00	50.00	USA	Cement
RMC Leasing, LLC.	Votorantim Cimentos S.A.	50.00	50.00	USA	Equipament leasing
Superior Materials Holdings, LLC.	Votorantim Cimentos S.A.	50.00	50.00	USA	Cement
VTRM Energia Participações S.A.	Votorantim Geração de Energia S.A.	50.00	50.00	Brazil	Electric power

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(b) Information about the companies investees

The following is a summary of selected financial information of the principal associates and joint ventures as at December 31, 2020:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Net revenue	Operation results	Finance income (costs)	Profit (loss) for the year	Total and voting capital (%)
Investments accounted for based on the equity method - Associates										
Cementos Avellaneda S.A.	450	1,466	422	233	1,261	1,747	462	(149)	153	49%
Alunorte - Alumina do Norte S.A.	9,604		3,131	2,945	3,528	7,996	1,252	(1,326)	(45)	3%
IMIX Empreendimentos Imobiliários Ltda.	6	7	1		12	7	7		6	25%
Mineração Rio do Norte S.A.	479	3,355	991	1,927	916	1,633	339	(347)	(17)	10%
Supermix Concreto S.A.	280	312	206	136	250	1,279	29	(4)	18	25%
Cementos Especiales de las Islas S.A.										50%
Jaguatirica Empreendimento Imobiliário SPE S.A.	209	6		2	213	17	14		12	50%
Joint Ventures										
Citrosuco GmbH	5,183	1,005	573	407	5,208	4,465	490	129	590	50%
Banco Votorantim S.A.	45,124	68,729	72,412	30,689	10,752	5,299	6,678		1,473	50%
Citrosuco S.A. Agroindústria	3,259	4,924	3,598	5,833	(1,248)	3,467	(595)	(462)	(1,145)	50%
Juntos Somos Mais Fidelização S.A.	57	20	58		19	65	(8)	1	(8)	45%
VTRM Energia Participações S.A.	353	4,226	327	373	3,879		(23)	(2)	625	50%
Hutton Transport Ltda.	35	32	11	16	40	78	14	(1)	12	25%
Midway Group, LLC.	39	27	15		51	142	19		19	50%
RMC Leasing LLC	4	26			30					50%
Superior Materials Holdings, LLC	97	65	38		124	423	56		56	50%

(i) These investments below consider the goodwill paid on the acquisition of the investments and the balance of capital gain, as detailed, which is amortized in the parent company's results;

(ii) As of December 31, 2020, the investment includes an adjustment to fair value in the amount of R$ 495 (December 31, 2019 – R$ 495).

(c) Changes in investees

	2020	2019
Opening balance for the semester	11,720	11,310
Equity in the results of investees	727	919
Foreign exchange variations	734	(56)
Increase	10	156
Write-off		(68)
Dividends	(264)	(613)
Fair value of assets	(31)	44
Cash flow hedge	(115)	28
Other	(83)	
Closing balance for the semester	**12,698**	**11,720**

18 Property, plant and equipment

Accounting policy

(i) Property, plant and equipment

Property, plant and equipment are stated at their historical cost of acquisition or construction, less accumulated depreciation. Historical cost also includes finance costs related to the acquisition or construction of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to the Company and they can be measured reliably. The carrying amount of the replaced items or parts is derecognized.

All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major refurbishments is included in the carrying value of the asset when future economic benefits exceed the performance initially expected for the existing asset. Refurbishment expenses are depreciated over the remaining useful life of the related asset.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives.

An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount, in accordance with the criteria adopted by the Company in order to determine the recoverable amount.

Gains and losses on disposals are determined by comparing the sales amount with the carrying amount and are recognized within "Other operating income (expenses), net" in the statement of income.

(ii) Impairment of non-financial assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in economic, operating or technological circumstances may indicate impairment or loss of book value. An impairment loss is recognized when the carrying amount of the asset or cash generating unit ("CGU") exceeds its recoverable amount, adjusting the carrying amount to the recoverable amount.

The recoverable amount is the greater of an asset's fair value less costs to sell and its value-in-use. For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets, except goodwill, which have been impaired, are subsequently reviewed for the analysis of a possible reversal of impairment, at the balance sheet date.

The recoverability of the assets that are used in the activities of the Company and its subsidiaries is evaluated whenever events or changes in circumstances indicate that the book value of an asset or group of assets may not be recoverable based on future cash flows. If the carrying amount of these assets exceeds their recoverable value, the net amount is adjusted and their useful life is adjusted to new levels.

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(a) Breakdown and changes

	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Asset retirement obligation	Leasehold improvements	Other	2020 Total	2019 Total
Opening balance for the semester											
Cost	2,100	11,246	36,839	1,381	236	3,580	1,058	564	548	57,552	54,540
Accumulated depreciation	(67)	(5,014)	(22,888)	(1,041)	(178)		(533)	(335)	(348)	(30,404)	(28,327)
Net opening balance for the year	**2,033**	**6,232**	**13,951**	**340**	**58**	**3,580**	**525**	**229**	**200**	**27,148**	**26,213**
Additions	14	34	68	6	1	3,391			2	3,516	3,189
Disposals	(25)	(37)	(55)	(1)	(1)	(5)			(12)	(136)	(115)
Depreciation	(6)	(451)	(1,814)	(99)	(15)		(45)	(33)	(4)	(2,467)	(2,197)
Foreign exchange variation	264	519	1,407	69	10	296	59	61	(21)	2,664	323
Effect of subsidiaries included in (excluded from) consolidation (i)	(6)	33	469	7	2	13			(4)	514	42
Reversal (constitution) for impairment (ii)	(23)	(305)	(217)	(1)	(5)	(247)	(84)		3	(879)	(309)
Revision of estimated cash flow							96			96	291
Reclassification to assets classified as held-for-sale	(20)		(5)						(9)	(34)	
Write off by corporate transaction									(7)	(7)	
Adjustments to operations in countries with a hyperinflationary economy									75	75	85
Transfers (iii)	93	486	1,472	146	5	(2,564)	(49)	24	2	(385)	(374)
Closing balance for the semester	**2,324**	**6,511**	**15,276**	**467**	**55**	**4,464**	**502**	**281**	**225**	**30,105**	**27,148**
Cost	2,396	12,753	43,573	1,739	282	4,464	1,247	742	574	67,770	57,552
Accumulated depreciation	(72)	(6,242)	(28,297)	(1,272)	(227)		(745)	(461)	(349)	(37,665)	(30,404)
Net closing balance for the semester	**2,324**	**6,511**	**15,276**	**467**	**55**	**4,464**	**502**	**281**	**225**	**30,105**	**27,148**
Average annual depreciation rates - %	1	4	9	20	11		5	9			

(i) Refers mainly to the acquisition of Arconic Indústria e Comércio de Metais Ltda – Note 1.1 (a).

(ii) The impacts related to impairment refer to the subsidiaries Nexa and VCSA – Note 1.1 (k).

(iii) The transfers include the reclassification of "Works in progress" in the group of property, plant and equipment to "Softwares", "Rights over natural resources" and "Other" in the group of intangible assets.

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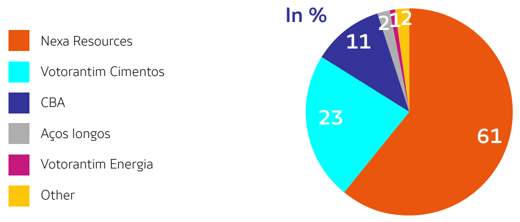
(b) Construction in progress

The balance is composed mainly of expansion and optimization projects related to industry.

Segment	2020	2019
Nexa Resources	2,741	2,123
Votorantim Cimentos	1,021	849
CBA	475	448
Long steel	97	60
Votorantim Energia	22	23
Other	108	77
	4,464	**3,580**



The main projects in progress by business segment are as follows:

Nexa Resources	2020	2019
Expansion and modernization projects	2,006	1,403
Sustaining	605	460
Security, health and enviroment projects	112	213
Information technology	16	45
Other	2	2
	2,741	**2,123**

Votorantim Cimentos	2020	2019
Sustaining	357	283
Modernization industry	182	76
Cement grinding - Pecém - Brazil	135	117
New production line in Sobral - CE	72	72
New lines of co-processing	63	33
Hardware and software	41	28
Environment and security	35	51
Geology and mining rights	31	24
Other	105	165
	1,021	**849**

CBA	2020	2019
Rondon Bauxite projects	121	118
Furnace refurbishment	115	111
Alumina factory project	66	44
Casting Projects	33	27
Plastic transformation projects	28	21
Security, health and enviroment projects	24	19
Mining projects	13	22
Projects oven rooms	13	18
Revitalization and adequacy of the plant	1	24
Other	61	44
	475	**448**

Long steel	2020	2019
Sustaining	86	53
Security projects, health and environment projects - Colombia	8	3
Other	3	4
	97	**60**

Energy	2020	2019
Corumba - GO projects	21	20
Information technology	1	3
	22	**23**

19 Intangible assets

Accounting policy

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity. Goodwill on acquisitions of subsidiaries is recorded as "assets" in the consolidated financial statements. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Annually, the Company and its subsidiaries review the net book value of goodwill, in order to assess whether there was impairment. The recoverable amounts of CGUs were determined according to the value in use, based on the discounted cash flow model. The recoverable amount is sensitive to the rate used in the discounted cash flow model, as well as the expected future cash receipts and the growth rate used for extrapolation purposes.

(ii) Rights over natural resources

Costs for the acquisition of rights to explore and develop mineral properties and to explore wind resources are capitalized and amortized using the straight-line method over their useful lives, or, when applicable, based on the depletion of the mines in question. Once the mine or wind farm starts operating, these costs are amortized and considered a cost of production.

Depletion of mineral resources and wind farms is calculated based on extraction and utilization, respectively, taking into consideration their estimated productive lives.

(iii) Computer software

Costs associated with software maintenance are amortized over their useful lives.

(iv) Use of public assets

This represents the amounts established in the concession contracts regarding the rights to hydroelectric power generation (onerous concession) under Use of Public Assets agreements.

These transactions are accounted for at the time when the operating permit is awarded, regardless of the disbursement schedule established in the contract. Upon inception, this liability (obligation) and intangible asset (concession right) correspond to the total amount of the future obligations discounted to their present value (present value of cash flow from future payments).

The amortization of the intangible asset is calculated on a straight-line basis over the period of the authorization to use the public asset. The financial liability is updated by the effective interest method and reduced by the payments contracted.

(v) Contractual customer relationships and non-competition agreements

Contractual customer relationships and non-competition agreements acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations and non-competition agreements have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives.

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(a) Breakdown and changes

									2020	2019
	Rights over natural resources	Goodwill	Asset retirement obligation	Use of public assets	Contracts, customer relation-ships and agree-ments	Software	Rights over trade-marks and patents	Other	Total	Total
Opening balance for the year										
Cost	10,253	6,008	457	540	316	602	81	1,134	19,391	18,421
Accumulated amortization	(4,587)		(157)	(217)	(227)	(429)	(53)	(438)	(6,108)	(4,929)
Net opening balance for the year	**5,666**	**6,008**	**300**	**323**	**89**	**173**	**28**	**696**	**13,283**	**13,492**
Additions	1		8			1		12	22	59
Disposals	(6)					(18)		(1)	(25)	(9)
Amortization and depletion	(413)		(15)	(19)	(26)	(70)	(1)	(6)	(550)	(633)
Foreign exchange variation	1,314	1,777	48		20	16	1	193	3,369	302
Effect of subsidiaries included in						5	1		6	12
Impairment (i)	(635)	(1,206)	(1)			(3)		(53)	(1,898)	(405)
Changes in the interest rate			(13)						(13)	91
Transfers (ii)	129				2	103		166	400	374
Closing balance for the year	**6,056**	**6,579**	**327**	**304**	**85**	**207**	**29**	**1,007**	**14,594**	**13,283**
Cost	13,078	6,579	535	540	403	770	86	1,639	23,630	19,389
Accumulated amortization	(7,022)		(208)	(236)	(318)	(563)	(57)	(632)	(9,036)	(6,106)
Net closing balance for the year	**6,056**	**6,579**	**327**	**304**	**85**	**207**	**29**	**1,007**	**14,594**	**13,283**
Average annual amortization and depletion rates - %	6		5	7	7	20				

(i) Refers, substantially, to impairment in the subsidiary Nexa described in item 1.1 (n).

(ii) Transfers include the reclassification of "Works in progress" in the group of property, plant and equipment to "Softwares", "Rights over natural resources" and "Other" in the group of intangible assets.

(b) Goodwill on acquisitions

Accounting policy

The Company and its subsidiaries use the acquisition method to account for transactions classified as a business combination. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and equity instruments. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement when applicable. Acquisition-related costs are recorded in the income statement for the year as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair values on the acquisition date. The Company and its subsidiaries recognize the non-controlling interest in the acquiree, both at fair value and at the proportional portion of the non-controlling interest in the fair value of the acquiree's net assets. The non-controlling interest to be recognized is determined on each acquisition.

	2020	2019
Votorantim Cimentos		
North America	2,163	1,499
Europe, Asia and Africa	1,831	1,302
Latin America	13	11
Brazil		
Cimento Vencemos do Amazonas Ltda.	64	64
Engemix S.A.	76	76
CJ Mineração Ltda.		16
	4,147	**2,968**
Nexa Resources		
Latin America		
Nexa Resources Perú S.A.A. (i)	1,616	2,330

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	2020	2019
Nexa Resources Cajamarquilla S.A.	481	373
Brazil		
Campos Novos Energia S.A.	26	26
Pollarix S.A.	1	1
	2,124	**2,730**
Long steels		
Latin America		
Acergroup S.A.	149	149
Acerholding S.A.	5	6
Acerbrag S.A.	1	1
	155	**156**
CBA		
Brazil		
Campos Novos Energia S.A.	31	32
Metalex Ltda.	49	49
Rio Verdinho Energia S.A.	29	29
Machadinho Energética S.A.	15	15
BAESA - Energética Barra Grande S.A.	7	7
	131	**132**
Holding and other		
Latin America		
Votorantim Andina S.A.	16	16
Fazenda Bodoquena Ltda.	1	1
Jaguatirica Empreendimento Imobiliário SPE S.A.	5	5
	22	**22**
	6,579	**6,008**

(i) Variation refers to impairment, according to note 1.1 (k).

(c) Impairment test for goodwill

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment.

The Company and its subsidiaries evaluate at least annually the recoverability of the carrying value of the operating segment of each CGU. The process of estimating these values involves the use of assumptions, judgments and estimates of future cash flows that represent the best estimate of the Company and its subsidiaries.

The Company's management determined the budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks related to the operating segment or the CGU being tested.

The calculations of the value in use are based on cash flow projections, before the calculation of income tax and social contribution, and based on the financial budgets approved by Management for the projected period for the next five years. The amounts referring to cash flows, for the period exceeding five years, were extrapolated based on the estimated growth rates. The growth rate does not exceed the long-term average for the sector.

	Growth rate	Discount rate
Cement	6.50% a 15.80%	5.86% a 14.93%
CBA	9.19%	5.57% a 10.15%
Nexa Resources (i)	0.07% a 6.75%	3.50% a 5.30%
Long steels	9.66 a 20.03%	8.63% a 16.85%
Holding and other	9.34 a 11.14%	6.31% a 8.94%

(i) The fair value calculations were based on the discounted cash flow model and are based on the premise that growth rates take into account independent information about projections, such as LME quotes (mainly zinc and copper).

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20 Right of use assets

(a) Breakdown and changes

						2020	2019
	Land and im-prove-ments	**Property, buildings and com-mercial rooms**	**Machinery, equipment and facilities**	**IT equipment**	**Vehicles**	**Total**	**Total**
Opening balance for the year							
Cost	88	206	266	29	461	1,050	
Accumulated amortization	(12)	(46)	(61)	(17)	(101)	(237)	
Net opening balance for the year	**76**	**160**	**205**	**12**	**360**	**813**	
Initial adoption							666
Remeasurement of principal	(1)	1	1	1	(3)	(1)	
New contracts	14	14	45	5	40	118	355
Amortization	(15)	(51)	(81)	(13)	(116)	(276)	(237)
Disposals	(2)	(1)				(3)	(25)
Renegotiation of contracts		(7)	(1)			(8)	
Effect of subsidiaries excluded in consolidation	1	(2)		(1)	3	1	
Foreign exchange variation	20	18	24	2	90	154	54
Transfers		(1)				(1)	
Closing balance for the year	**93**	**131**	**193**	**6**	**374**	**797**	**813**
Cost	123	234	340	39	613	1,349	1,050
Accumulated amortization	(30)	(103)	(147)	(33)	(239)	(552)	(237)
Net closing balance for the year	**93**	**131**	**193**	**6**	**374**	**797**	**813**
Average annual amortization rates - %	12	18	35	62	33		

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21 Borrowing

Accounting policy

Borrowings are initially recognized at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowings using the effective interest rate method.

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Company and costs can be measured reliably. The other borrowing costs are recognized as finance costs in the period in which they are incurred.

(a) Breakdown and fair value

		Current				Non-current			Total
Type	**Average annual charges**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Local currency									
Debentures	110.18% CDI / IPCA + 3.80%	53	424	2,511	2,287	2,564	2,711	3,214	2,678
Export credit notes	112.09% CDI	267	8	1,825	1,078	2,092	1,086	2,827	1,081
BNDES	TJLP + 2.33% / 0.67% Pré BRL / SELIC + 3.01% / IPCA + 5.00%	66	97	1,037	641	1,103	738	1,829	720
Development promotion agency	10.00% Pré BRL / TJLP + 0.65%	1	7	34	23	35	30	47	32
FINAME	4.62% Pré BRL	10	17	14	43	24	60	25	59
Syndicated loan/bilateral agreements	8.49 % Pré BRL	38		553		591		591	
Other		18	29	13	29	31	58	34	59
National Total		**453**	**582**	**5,987**	**4,101**	**6,440**	**4,683**	**8,567**	**4,629**
Foreign currency									
Eurobonds - USD	6.10% Pré USD	231	137	13,315	10,156	13,546	10,293	16,225	11,550
Eurobonds - EUR	3.50% Pré EUR		26		1,576		1,602		1,682
Loans - Law 4131/1962 (i)	Libor + 0.66% / 1.65% Pré USD	2	2	1,387	905	1,389	907	1,389	907
Eurobonds - BOB	5.38% Pré BOB	1	1	407	315	408	316	408	316
Syndicated loan/bilateral agreements	3.73% Pré BOB / 1.81% Pré CAD / 15.09% Pré TRY/ 13.09% Pré UYU / 5.55% Pré BOB	90	22	1,320	358	1,410	380	1,535	394
Export prepayments	Libor + 1.27%	209		312	799	521	799	530	823
Working capital	IBR + 4.02% / 6.90% Pré COP / 0.98% Pré PEN	368	146	29		397	146	368	146
Development promotion agency	Libor + 1.10%	40	31	181	171	221	202	229	210

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		Current				Non-current		Total
Type	**Average annual charges**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
		4	3	697	389	701	392	725	107
Other		9	4	23	31	32	35	34	318
Foreign Total		**954**	**372**	**17,671**	**14,700**	**18,625**	**15,072**	**21,443**	**16,453**
Total		**1,407**	**954**	**23,658**	**18,801**	**25,065**	**19,755**	**30,010**	**21,082**

Current portion of long-term borrowing	488	562
Interest on borrowing	358	236
Short-term borrowing	561	156
	1,407	**954**

(i) Loan agreements (NCE – Export Credit Note) of the subsidiary CBA are intended to financing export-related operations and are linked to swap contracts (derivative financial instrument), which aim to switch floating rate exposure exchange in Brazilian reais (CDI) to an exchange rate pre-fixed in US Dollars, resulting in a weighted average cost of 5.00% per year. The subsidiary Nexa also has NCE contracts, which have linked swap contracts, which aim to exchange the exposure of floating rates in LIBOR to CDI + spread. These swaps were contracted together with the financial institution.

(ii) Loans related to Law 4,131 / 1962 have swaps (derivative financial instruments) that aim at both the exchange of floating rates in LIBOR and fixed rates for floating rates in CDI, as well as the exchange in currency in dollars for reais. These swaps were contracted with the financial institution in conjunction with the loan (dollar-denominated debt + swap to reais in% of CDI). The terms and conditions of the loan and derivative are configured as a matched operation, so that economically the resulting is a debt in% of the CDI in reais. The difference in measurement between the two instruments (loan at amortized cost x derivative at fair value) generates an "accounting mismatch" in the result and, to eliminate this effect, contracts made as of August 2015 were designated as "fair value", the effect of this designation being the measurement of debt at fair value through profit or loss as per note 20.

Key:

BNDES – National Bank for Economic and Social Development.
BRL – Brazilian currency (Real).
BOB – Bolivian peso
CAD – Canadian Dollar
CDI – Interbank Deposit Certificate
CDOR – Canadian Dollar Offered Rate
COP – Colombian Peso
EUR – European Union currency (Euro)
EURIBOR – Euro Interbank Offered Rate.
FINAME – Government Agency for Machinery and Equipment Financing.
IBR – Interbank Rate (Colombia)
INR – Indian Rupee
IPCA – Extended Consumer Price Index.
LIBOR – London Interbank Offered Rate.
SELIC – Special System for Clearance and Custody.
TJLP – Long-term interest rate set by the National Monetary Council. Until December 2017, the TJLP is the BNDES basic cost of financing. As of January 2018, the Long-Term Rate (TLP) became the main financial cost of BNDES financing.
TYR – Turkish lira
USD – US Dollar
UYU – Uruguayan peso

(b) Changes

	2020	**2019**
Opening balance for the year	**19,755**	**24,451**
New borrowing	11,772	4,323
Interest	1,314	1,007
Addition of borrowing fees, net of amortization	10	17
Fair value adjustment	26	22
Foreign exchange variation	4,345	507
Payments - interest	(1,263)	(1,217)
Payments - principal	(10,846)	(9,356)
Reclassification to liabilities related to legal assets for sale	(55)	
Gain on debt renegotiation	6	
Others	1	1
Closing balance for the year	**25,065**	**19,755**

(c) New borrowing and amortizations

Through the funding and prepayment of certain debts, the Company seeks to extend the average maturities, as well as to balance the exposure to different currencies for loans and financing against cash generation in these currencies.

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The main amortization in the year was as follows:

Date	Company	Type	Currency	Principal	Principal BRL	Maturity	Cost
Feb-20	Companhia Brasileira de Aluminio	Export Credit Note (i)	BRL	250	250	2029	4,25% Pré
Mar-20	Nexa Recursos Minerais S.A.	Export Credit Note	BRL	252	252	2025	134,2% CDI
Mar-20	Nexa Resources Peru S.A.A.	Syndicated loan/bilateral agreements (ii)	BRL	477	477	2025	2,45% Pré
Mar-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	20	102	2024	LIBOR 01M + 1%
Mar-20	Votorantim Cimentos S.A.	Loans - Law 4131/1962 (iii)	USD	50	249	2025	110,8% CDI
Mar-20	Nexa Recursos Minerais S.A.	Export Credit Note	BRL	245	245	2022	CDI + 1,80%
Mar-20	Votorantim Cimentos Internacional	Syndicated loan/bilateral agreements	USD	60	304	2024	LIBOR 03M + 1%
Mar-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	28	100	2024	CDOR 01M + 1%
Mar-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	30	152	2024	LIBOR 01M + 1%
Mar-20	Votorantim Cimentos Internacional	Syndicated loan/bilateral agreements	USD	46	237	2024	LIBOR 03M + 1%
Apr-20	Nexa Resources	Syndicated loan/bilateral agreements	USD	300	1,555	2024	LIBOR 03M + 1%
May-20	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	USD	200	1,180	2023	LIBOR 03M + 1%
Jun-20	Nexa Resources	Syndicated loan/bilateral agreements	USD	500	2,673	2028	6,50% Pré
Aug-20	Companhia Brasileira de Aluminio	Syndicated loan/bilateral agreements	USD	46	250	2024	3,60% Pré
Oct-20	Mineração Dardanelos	Syndicated loan/bilateral agreements	BRL	225	225	2040	IPCA + 5,52%
Nov-20	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	50	328	2025	EURIBOR 03M + 2,40%
Nov-20	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	100	635	2025	EURIBOR 06M + 2,30%
Dec-20	Cementos Artigas S.A.	Syndicated loan/bilateral agreements	UYU	1,074	133	2025	9,50% Pré
Dec-20	Mineração Dardanelos	Syndicated loan/bilateral agreements	BRL	250	250	2040	IPCA + 5,52%

(i) Export Credit Note and BNDES modalities have a fixed rate in US dollars as described in item (a).
(ii) Syndicated / Bilateral Loans contracted by the subsidiary Nexa Resources Peru S.A.A. has a swap that aims to exchange currency in BRL to US dollar and rate at 8.5% a.a. to 2.45% p.a.
(iii) The 4131 modality has a floating rate in CDI, as described in item (a).

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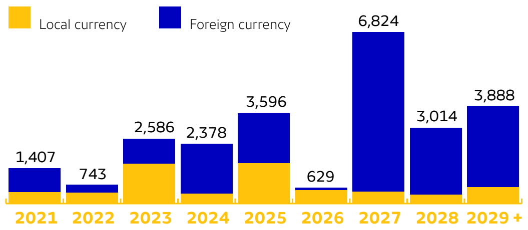
The main amortizations made in the year were as follows:

Date	Company	projects	Currency	Principal	Principal BRL	Maturity	Observation
Feb-20	Votorantim Cimentos S.A.	Debentures	BRL	113	113	2025	Pre payment
Feb-20	Nexa Resources Peru S.A.A.	Eurobonds	USD	215	952	2023	Pre payment
Mar-20	Votorantim Cimentos Internacional	Syndicated loan/bilateral agreements	USD	23	115	2024	Pre payment
Jun-20	Nexa Resources	Pre payment export	USD	100	535	2023	Pre payment
Jun-20	Nexa Resources	Syndicated loan/bilateral agreements	USD	300	1,567	2024	Pre payment
Aug-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	10	57	2024	Pre payment
Sep-20	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	USD	200	1,060	2023	Pre payment
Sep-20	Votorantim Cimentos Internacional	Syndicated loan/bilateral agreements	USD	26	706	2024	Pre payment
Oct-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	70	394	2024	Pre payment
Nov-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	25	134	2024	Pre payment
Dec-20	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	61	245	2024	Pre payment
Dec-20	Votorantim Cimentos Internacional	Eurobonds	EUR	195	1,210	2022	Pre payment

(d) Maturity



(e) Breakdown by currency

	Current		Non-current		Total	
	2020	2019	2020	2019	2020	2019
USD	488	174	15,892	12,597	16,380	12,771
Real	453	582	5,987	4,101	6,440	4,683
Euro	3	25	954	1,576	957	1,601
Boliviano	26	2	577	459	603	461
Turkish lire	22	34	29	42	51	76
Colombian peso	364	133	19		383	133
Other	51	4	200	26	251	30
	1,407	**954**	**23,658**	**18,801**	**25,065**	**19,755**

(f) Breakdown by index

	Current		Non-current		Total	
	2020	2019	2020	2019	2020	2019
Local currency						
CDI	321	431	3,796	2,848	4,117	3,279
TJLP	19	73	99	238	118	311
TLP	48	30	795	312	843	342
Fixed rate	54	28	575	74	629	102
SELIC	11	20	148	114	159	134
IPCA			574	515	574	515
National Total	**453**	**582**	**5,987**	**4,101**	**6,440**	**4,683**

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	Current		Non-current		Total	
	2020	2019	2020	2019	2020	2019
Foreign currency						
Fixed rate	565	251	14,621	12,262	15,186	12,513
LIBOR	252	36	2,077	2,438	2,329	2,474
EURIBOR	3		954		957	
Other	134	85	19		153	85
Foreign total	**954**	**372**	**17,671**	**14,700**	**18,625**	**15,072**
	1,407	**954**	**23,658**	**18,801**	**25,065**	**19,755**

(g) Collateral

On December 31, 2020, the Company guaranteed or provided guarantees for the following balance of loans and financing.

Company	2020	2019
Companhia Brasileira de Alumínio	907	955
Votorantim Cimentos International S.A.	3,226	2,502
Votorantim S.A. (i)		983
Other	13	16
	4,146	**4,456**

(i) Refers to the assumption of debt originally contracted by the subsidiary CBA.

In addition to these guarantees, the Company guarantees the balance of R$ 1,344 of the joint venture VTRM Energia e Participações S.A. (December 31, 2019, R$ 1,403).

As of December 31, 2020, the amount of R$ 879 was guaranteed by fixed assets due to chattel mortgage (December 31, 2019, R$ 895).

(h) Covenants/financial ratios

Certain loan and financing agreements are subject to compliance with certain financial ratios (covenants). When applicable, these obligations are standardized for all loan and financing contracts.

The Company and its subsidiaries complied with all the conditions established in the loan and financing contractual clauses, considering the obtaining of waivers by the subsidiary Nexa in order to correct the leverage ratio or prepayment of debts linked to these covenants. Therefore, there is no possibility that a counterparty will require payment of outstanding debts or default on other debt contracts.

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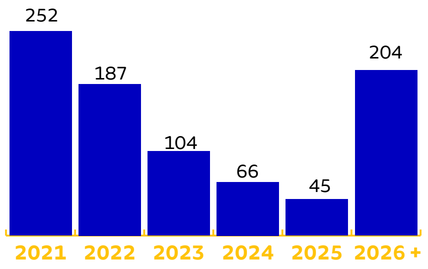
22 Lease liabilities

(a) Changes to lease obligations – IFRS16

	2020	2019
Opening balance for the year	841	
Initial adoption IFRS 16		666
Remeasurement of interest	15	
New contracts	112	355
Amortization	(251)	(217)
Fair value adjustment	(7)	
Renegociation of contracts	(8)	
Effect of subsidiaries included in consolidation	1	13
Foreign exchange variation	163	24
Closing balance for the year	**858**	**841**
Current	235	210
Non-current	623	631
	858	**841**

(b) Maturity profile



23 Confirming payables

The Company and subsidiaries have entered into agreements with financial institutions, aiming to anticipate receivables from suppliers in domestic and foreign markets. As part of this operation, suppliers transfer the right to receive their accounts receivable related to sales of goods to financial institutions.

Operations - Confirming payables	**2020**	**2019**
Domestic market	540	256
Foreign market	1,840	1,159
	2,380	**1,415**

24 Current and deferred income tax and social contribution

Accounting policy

The income tax and social contribution expense for the period comprises current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

The current and deferred income tax and social contribution is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the entities operate and generate taxable income. Management periodically evaluates positions taken by the Company in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax and current social contribution are shown net, by taxpayer entity, in liabilities when there are amounts to be paid, or in assets when the amounts paid in advance exceed the total due on the balance sheet date.

Deferred tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilized.

Deferred income tax assets and liabilities are presented net in the balance sheet when there is a legal right and the intention to offset them upon the calculation of current taxes, generally related to the same legal entity and the same taxation authority. Thus, deferred tax assets and liabilities in different entities or in different countries are presented separately, and not net.

The Company and its subsidiaries are subject to income taxes in all countries in which it operates. The provision for income tax is calculated individually by the entity based on tax rates and rules effective at the entity's location. The Company and its subsidiaries also recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the current and deferred tax assets and liabilities in the period in which the determination is made.

(a) Reconciliation of income tax and social contribution expenses

The current amounts are calculated based on the current rates levied on taxable income, adjusted upwards or downwards by the respective additions and exclusions.

The income tax and social contribution amounts presented in the statements of income for the year ended December 31 are reconciled to their Brazilian standard rates as follows

at December 31, 2020 – All amounts in millions of reais unless otherwise stated

	2020	2019
Profit (loss) before income tax and social contribution	**(1,474)**	**7,147**
Standard rates	**34%**	**34%**
Income tax and social contribution at standard rates	**501**	**(2,430)**
Adjustments for the calculation of income tax and social contribution at effective rates		
Equity	247	312
Difference related to the rate of companies abroad	(45)	(82)
Tax loss and negative basis without deferred tax constitution	(607)	(219)
Mining operation tax	(31)	(29)
Impairment of goodwill without deferred constitution (i)	(351)	
Tax effect of VCSA corporate reorganization	22	82
Addition of Profit abroad IN 1520/14	(381)	(238)
IR credit non-external payment IN 1520/14	280	166
Deferred constitution on exchange variation of fixed assets	(356)	(21)
Impairment of deferred tributes (ii)	(524)	
Permanent difference - Impairment of investments of years after amending Spain VCEAA legislation	(20)	(14)
Impairment of deferred IR	(98)	
Permanent additions (exclusions), net	(229)	307
Income tax and social contribution calculated	**(1,592)**	**(2,166)**
Current	(901)	(1,461)
Deferred	(691)	(705)
Income tax and social contribution expenses	**(1,592)**	**(2,166)**
Effective rate - %	**-108%**	**30%**

(i) Refers to goodwill impairment of subsidiary Nexa, as mentioned in note 1.1 (k)

(ii) Refers, substantially, to the reversal of deferred tax in subsidiary CBA, as mentioned in note 1.1 (n)

(b) Breakdown of deferred tax balances

	2020	2019
Tax credits on tax losses	1,843	2,371
Tax credits on temporary differences		
Estimation for losses on investments, fixed and intangible assets	990	1,011
Foreign exchange gains	318	278
Deferred of losses on derivative instruments	726	343
Tax, civil and labor provision	640	597
Tax benefit on goodwill	503	504
Asset retirement obligation	228	178
Use of public assets	143	149
Estimation for inventory losses	118	93
Environmental liabilities	98	109
PPR - Provision for profit sharing	197	129
Provision for loan	67	74
Provision for social security obligations	57	48
Financial instruments - firm commitment	77	50
Provision for energy charges	57	54
Estimated asset disposals	14	3
Other tax credit	236	168
Tax debits on temporary differences		
Adjustment of useful lives of PP&E (depreciation)	(2,472)	(1,981)
Adjust the fair value in the Suzano transaction	(623)	(549)
Goodwill amortization	(343)	(299)
Market value assets	(1,728)	(1,344)
Adjustment to present value	(151)	(179)
Capitalized interest	(136)	(206)
Fair value adjustments	(50)	(34)
Gain in fair value in VTRM´s operation		(48)
Other tax debits	(451)	(265)
Net	**358**	**1,254**
Net deferred tax assets related to the same legal entity	**2,731**	**3,341**
Net deferred tax liabilities related to the same legal entity	**(2,373)**	**(2,087)**

(c) Effects of deferred income tax and social contribution on the profit for the year and comprehensive income

	2020	2019
Opening balance for the year	**1,254**	**1,885**
Effects on the results for the year - continuing operations	(691)	(705)
Deferred income tax and social contribution - financial instruments	127	103
Effects of foreign exchange variations in other comprehensive income	(233)	(29)
Others	(99)	
Closing balance for the year	**358**	**1,254**

(d) Realization of deferred income tax and social contribution on tax losses

	2020	Percentage
In 2021	183	10%
In 2022	158	9%
In 2023	267	14%
In 2024	343	19%
After 2025	891	48%
	1,843	**100%**

25 Provision

Accounting policy

The Company and its subsidiaries are party to tax, civil, labor and other legal claims in progress at different Court levels. Provision against potentially unfavorable outcomes of litigation in progress is established and updated based on management evaluation, as supported by external legal counsel, and requires a high level of judgment regarding the matters involved.

The judicial deposits are monetarily restated and when they have a corresponding provision they are presented net in "Provision". Judicial deposits that do not have a corresponding provision are presented in non-current assets.

(i) Provision for tax, civil, labor, environmental and other legal claims

The provision for tax, civil, labor, environmental and other legal claims is recognized when: (i) the Company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount can be reliably estimated. Losses classified as possible are not recognized for accounting purposes, and are disclosed in the notes. Contingencies with probability of loss classified as remote are not provisioned nor disclosed, except when the Company and its subsidiaries consider their disclosure justified.

Provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to time elapsing is recognized as interest expense. Provision does not include future operating losses.

(ii) Asset retirement obligations

The calculation of asset retirement obligations involves judgment about certain assumptions. In environmental terms, they refer to the future obligation to restore the ecological conditions similar to those existing before the beginning of the project or activity, or to carry out compensatory measures, agreed upon with the applicable bodies, as a result of it being impossible to return the areas to the pre-existing condition. These obligations arise from the beginning of the environmental degradation of the area occupied by the operation or from formal commitments made to the environmental body, under which the degradation must be compensated. The dismantling and removal of an asset from an operation occurs when it is permanently retired, through the interruption of its activities, or by its sale or disposal.

Expenditures relating to mine retirement is recorded as asset retirement obligations. The asset retirement cost, equivalent to the present value of the obligation (liability), is capitalized as part of the carrying amount of the asset, which is depreciated over its useful life. These liabilities are recorded as provisions.

The Company and its subsidiaries recognize a liability based on the fair value for the demobilization of assets in the period in which they occur, against the corresponding intangible asset. The Company and its subsidiaries consider the accounting estimates related to the recovery of degraded areas and the costs of closing a mine as a critical accounting practice because it involves expressive amounts of provisions and these are estimates that involve several assumptions such as interest rates, inflation, useful life of the assets considering the current stage of exhaustion, the costs involved and the projected depletion dates of each mine. These estimates are reviewed annually by the Company and its subsidiaries.

(iii) Obligation for environmental liabilities

The environmental liability must be recognized when there is an obligation on the part of the Company and its subsidiaries through having incurred an environmental cost which is not yet disbursed.

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(a) Breakdown and changes

						2020	2019
		Legal claims					
	Asset retirement obligation	Tax	Labor	Civil	Other	Total	Total
Opening balance for the year	**1,801**	**878**	**176**	**252**	**30**	**3,137**	**2,595**
Additions	16	120	294	28	54	512	421
Reversals	(3)	(192)	(81)	(17)	(26)	(319)	(137)
Judicial deposits, net of write-offs		6	(13)	4		(3)	31
Settlement in cash	(69)	(2)	(67)	(8)		(146)	(122)
Settlements with escrow deposits		(26)	(4)	(4)		(34)	(163)
Present value adjustment	117					117	78
Monetary restatement	(3)	(22)	1	7	(2)	(19)	17
Foreign exchange variation	250	4	5	2	4	265	33
Revision of estimated cash flow	76					76	384
Closing balance for the year	**2,185**	**766**	**311**	**264**	**60**	**3,586**	**3,137**

(b) Provision for tax, civil, labor, other contingencies and outstanding judicial deposits

			2020				2019	
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(123)	889	766	145	(129)	1,007	878	182
Labor	(123)	434	311	22	(110)	286	176	46
Civil	(17)	281	264	3	(21)	273	252	108
Other	(1)	61	60	23	(1)	31	30	9
	(264)	**1,665**	**1,401**	**193**	**(261)**	**1,597**	**1,336**	**345**

(i) The Company and its subsidiaries have balances deposited in lawsuits classified by Management, following the indications of the legal advisors of the Company and its subsidiaries as of remote or possible loss. Therefore, no provision has been for these cases.

(c) Litigation with likelihood of loss considered possible

The Company and its subsidiaries are party to litigation representing a risk of possible loss, for which no constituted provision has been made as detailed below.

	2020	2019
Tax	12,581	11,671
Civil	7,988	7,900
Environmental	527	612
Labor and social security	367	276
	21,463	**20,459**

(c.1) Comments on contingent tax and public rights liabilities with likelihood of loss considered possible

The following are the main contingent liabilities related to tax proceedings in progress with the likelihood of possible loss, for which there is no provision recorded. In the table below we present an analysis of the relevance of these processes:

(i) Tax assessment notice – "IRPJ / CSLL"

In December 2016, the subsidiary VCSA was assessed by the Brazilian Federal Revenue Office in the historical amount of R$ 470 demanding the collection of IRPJ and CSLL relating to the period of 2011, due to the alleged undue deduction of operating expenses and costs. In January 2018, the VCSA became aware of the Lower Court decision from the Federal Revenue's Judgment Office, which judged the appeal partially with grounds, reducing the lawsuit by approximately R$ 114. In December 2018, the Appeal of the Administrative Board of Tax Appeals was dismissed and the Voluntary Appeal was partially accepted for the VCSA. At this moment we await the formalization of the Court Decision. As of December 31, 2020, the restated amount of the contingency is R$ 580, of which R$ 54 is assessed as probable and has a properly constituted provision, the amount of R$ 224 is assessed as possible and the remainder as remote totaling the amount of R$ 316.

In December 2017, the VCSA received a tax assessment notice from the Brazilian Federal Revenue Office in the amount of R$ 1,295 for alleged non-payment or underpayment of IRPJ and CSLL relating to the period from 2012 to 2013, due to: (i) capital gain allegedly obtained due to a barter made by the VCSA; and (ii) supposedly incorrect amortization of goodwill. In October 2018, the Company became aware of the lower court decision, which considered the challenge unfavorable. At the moment, the case awaits the judgment of the Voluntary Appeal by CARF. As of December 31, 2020, the updated contingency amount is R$ 1,505 and is assessed as possible.

(ii) Profits abroad – "IRPJ/CSLL"

The Company and its subsidiaries have assessments drawn up by the Brazilian Federal Revenue Office, for alleged nonpayment of IRPJ and CSLL on profits earned abroad by its subsidiaries or affiliates, in the periods of 2007, 2008, 2010, 2012, 2013 and 2014.

The balance substantially composed by the Company, amounted to R$ 1,061 at December 31, 2020 (R$ 1,096 as at December 31, 2019). All cases are awaiting judgment at the administrative level.

(iii) ICMS credit

Between 2011 and 2013, eight notices of infringement and fines were filed against the Company's subsidiary Citrovita Agro Industrial Ltda. ("CAI"), mainly aimed at the collection of ICMS credited, as highlighted in invoices for the transfer of other subsidiaries, with the specific purpose of non taxable export. The tax assessment notices totaled R$ 833 as at December 31, 2020.

(iv) PIS / COFINS credit statement

Substantially comprised by the subsidiary CBA, which has Decisional Orders and tax assessments relating to the PIS and COFINS credits, referring to the items applied in the production process, which, in the opinion of the Brazilian Federal Revenue Office, would not generate the right to credit of the said contributions. The amount restated as of December 31, 2020 was R$ 690. Currently, all the processes await administrative decisions.

In the opinion of Management and in the opinion of its independent legal advisors, in light of precedents and case law, the likelihood of loss of the process is considered possible.

(v) Financial Compensation for the Exploration of Mineral Resources – CFEM

The subsidiaries Nexa BR, CBA and VCSA had several assessments drawn up by the National Department of Mineral Production – "DNPM" for alleged failure to pay or lower collection of CFEM from 1991 to 2015. As of December 31, 2020, the amount of possible loss amounted to R$ 385.

(vi) IRPJ/CSLL negative balance credit

VSA and its subsidiaries CBA received decisions regarding the gloss of negative balance of IRPJ credits, totaling the updated amount of R$ 385 as of December 31, 2020. Currently, the cases await an administrative decision due to the presentation of a challenge by the Company and its Subsidiaries.

Currently, the cases are awaiting an administrative decision due to the presentation of a challenge by the Company and its Subsidiaries.

In the opinion of Management and in the opinion of its independent legal advisors, it appears that there was a misconception on the part of RFB when assessing the amounts presented by the Company and its subsidiaries, which is why the likelihood of loss in the lawsuits is considered possible.

(vii) Tax assessment notice – ICMS

In the fourth quarter of 2016, the subsidiary CAI received a tax assessment notice whose value up to December 31, 2020 amounts to R$ 176. The process currently awaits judgment of the special appeal filed by the company before the Tax and Taxes Court of São Paulo Paulo.

(viii) ICMS on electricity charges

The subsidiary CBA has judicial and administrative discussions regarding the incidence of ICMS on the sector charges levied on the electricity tariff. As of December 31, 2020, the amount in controversy of these discussions amounts to R$ 226.

In the opinion of Management and in the opinion of its independent legal advisors, the assessment is unfounded, which is why the likelihood of loss of the process is considered possible.

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(ix) IRPJ/CSLL – Transfer Price

Between 2007 and 2010, four tax assessments were filed against its subsidiary CAI, aiming at the collection of IRPJ and CSLL, and the adjustment in the basis of tax losses and the negative basis of CSLL, due to the losses made in the adjustments made by the Company in this transfer pricing calculations in 2003 and 2004. In October 2018, one of the cases was closed in a favorable to the CAI, with the amount of R$ 191 remaining under administrative discussion, restated up to December 31, 2020. The active processes await judgment of appeals by the Administrative Council of Tax Appeals.

(x) Tax classification mismatch – Import

In March 2017, the subsidiary CBA was assessed on account of a supposed error in the tax classification on the importation of inputs, resulting in the tax requirement (IPI, PIS, COFINS E II), whose value in December 2020 amounts to R$ 186.

Because the undisputed legal counsel wrongly understood the complaint, the subsidiary CBA filed a challenge that was favorably judged in the first administrative instance. Currently, the case awaits judgment by the CARF of the voluntary appeal filed by the Attorney General of the National Treasury.

In the opinion of Management and in the opinion of its independent legal advisors, the likelihood of loss of said process is considered possible.

(xi) Collection of ICMS due to divergences regarding the destination of the item

The subsidiary CBA was assessed for alleged failure to pay ICMS. As of December 31, 2020, the value of these assessments totals R$ 86.

In the opinion of Management and in the opinion of its independent legal advisors, the criteria adopted in relation to the destination of the assets are in accordance with the pertinent legislation and the probability of loss of the process is considered possible.

(xii) IRPJ/CSLL – Expense Deduction

In December 2016, the subsidiary CAI was assessed by the RFB for the collection of IRPJ and CSLL, due to the gloss of exclusions from the calculation base of said taxes in the 2011 calendar year. The amounts required by the tax assessment notice total R$ 78. In the last quarter of 2018, a partial cancellation of the tax assessment notice was filed by the Regional Judgment Office (DRJ), and judgment on the Voluntary Appeal filed is currently awaited.

(c.2) Comments on contingent civil liabilities with likelihood of loss considered possible

Nature	2020	2019
Public civil suit – Violation of the economic order	4,332	4,023
Administrative investigations carried out by the Secretariat of Economic Law	2,131	2,052
Other lawsuits	1,525	1,825
	7,988	7,900

(i) Civil class action – Cartel

The Office of the Public Prosecutor of the State of Rio Grande do Norte filed a civil class action against the subsidiary VCSA, together with eight other defendants, including several of Brazil's largest cement manufacturers, alleging the formation of a cartel, demanding that: (1) the defendants make an indemnity payment, jointly, amounting to R$ 5,600, in favor of the civil class action, due to pain and suffering and property collective damage; (2) the defendants make a payment of 10% of the total amount paid by the customers for the acquisition of cement or concrete under the brands owned by the defendants, during the period from 2002 to 2006, due to individual consumer damages; (3) that the defendants pay the following penalties according to Article 23 Section 1 and Article 24 of Law 8,884/1994: (i) in addition to the payment mentioned in item (1) above, a fine ranging from 1% to 30% of annual gross revenues relating to the fiscal year immediately preceding the year in which the alleged violation occurred, but not less than the monetary advantage acquired; and (ii) a prohibition, for a period not shorter than five years, from obtaining financing from governmental financial institutions or from participating in bidding processes conducted by the federal, state or municipal governments and their entities. In view of the total number of the claims in item (1) above in the amount of R$ 5,600 and because of the claims alleging joint liability, VCSA estimated that, based on its market share, its share of the liability would be approximately R$ 2,400. However, there can be no assurance that this apportionment would prevail and that VCSA will not be held liable for a different proportion, which may be larger, or for the total number of these claims. Additionally, there can be no assurance that VCSA will not be required to pay other amounts as compensation for damages caused to consumers as mentioned in item (2) above and/or the fine mentioned in item (3) above.

In the last quarter of 2018, an order was issued rejecting the arguments presented by the defendants and determining the production of expert evidence. At the moment a decision is awaited on the motions to clarify against such order. The likelihood of loss in this matter is considered possible, and the VCSA has not recorded any provision for this claim. As at December 31, 2020, the restated balance of the contingency was R$ 4,247.

(ii) Administrative Proceedings by SDE, currently CADE (Brazilian antitrust agency)

In 2006 the SDE initiated administrative proceedings against the largest Brazilian cement companies, including VCSA, alleging that the large cement companies would have breached Brazilian antitrust laws, such as in terms of price fixing and the formation of a cartel. After the finding of facts, the CADE court judged the lawsuit, issuing the final terms of the judgment on July 29, 2015, applying several penalties to the companies.

The penalties imposed on VCSA include the payment of a fine of approximately R$ 1,566 and an obligation for VCSA to sell: (1) all its interests in other cement and concrete companies in Brazil; (2) 20% of its installed capacity of concrete services in Brazil, in relevant markets in which VCSA has more than one concrete plant; and (3) a specific cement asset that, in CADE's opinion, was directly related to the alleged illegal act of which VCSA is accused. Other non-monetary penalties were also imposed on VCSA, including: (1) the obligation to publish CADE's decision in one of the five biggest Brazilian newspapers; (2) a prohibition against contracting with official financial institutions for credit lines with financing conditions subsidized by public programs or resources provided by these institutions; and (3) a recommendation to the Federal Revenue that they restrict or limit certain other benefits and tax incentives. As of December 31, 2020, the updated contingency amount is R$ 2.131.

In November 2015, VCSA filed an annulment action to cancel the decision issued at the administrative level or, at least, to reduce the applied penalties. The injunction was granted on November 24, 2015, suspending the effects of the decision issued by CADE at the administrative level, preventing CADE from demanding the fulfillment of the obligations and/or executing the penalties until a judgment of the merits. CADE was summoned and filed its defense, while VCSA presented its reply in November 2016. Recently, an economic expert evidence has been accepted. The parties indicated technical assistants and raised questions. The expert is requested to report if he accepts the charge and presents an estimate of the fees. The VCSA classified the likelihood of loss on this lawsuit as possible.

During 2017, some construction companies and concrete producers filed lawsuits for indemnity claims against Votorantim Cimentos and other companies which were convicted by CADE, due to the alleged formation of a cartel in the cement and concrete markets, in summary claiming that the cartel caused economic and non-economic losses. In January 2018, the first sentence dismissing the merit of the indemnity claims was issued. In December 2019, there were already 26 decisions dismissing the merit in the lower court. Moreover, ten of these lawsuits already recognized that eventual damages arising from the facts identified in the administrative proceeding of CADE had already expired, of which seven were final decisions.

One of these indemnity actions was proposed by Mendes Junior Engenharia S.A. In the first degree, a decision was issued declaring partially the possible damages postulated, being reversed in the second degree and, currently, the subject awaits judgment of an appeal before the Superior Court of Justice. Subsequently, a decision on the merits was rendered, dismissing the requests as unfounded the plaintiff filed an appeal, pending judgment.

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26 Use of public assets

Accounting policy

The amount is originally recognized as a financial liability (obligation) and as an intangible asset (right to use a public asset) which corresponds to the amount of the total annual charges over the period of the agreement discounted to present value (present value of the future payment cash flows).

The subsidiaries own or participate in companies that hold concession contracts in the electrical energy industry. Most of these contracts provide for annual payments from the commencement of operations and are adjusted by the General Market Price Index for the Use of Public Assets.

The contracts have an average duration of 35 years, and the amounts to be paid annually are as follows:

					2020			2019		
Plants/Companies	**Investor**	**Concession start date**	**Concession end date**	**Payment start date**	**Ownership interest**	**Intangible assets (Note 18)**	**Liabilities**	**Ownership interest**	**Intangible assets (Note 18)**	**Liabilities**
Salto Pilão	Companhia Brasileira de Alumínio	nov-01	dec-36	jan-10	60%	163	661	60%	173	538
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	aug-02	sep-37	oct-10	100%	7	27	100%	7	22
Itupararanga	Companhia Brasileira de Alumínio	nov-03	dec-23	jan-04	100%		2	100%		2
Piraju	Companhia Brasileira de Alumínio	dec-98	jan-34	feb-03	100%	1	8	100%	1	6
Ourinhos	Companhia Brasileira de Alumínio	jul-00	aug-35	sep-05	100%	1	6	100%	1	5
Baesa - Energética Barra Grande	Companhia Brasileira de Alumínio	jun-01	may-36	jun-07	15%	11	54	15%	12	45
Capim Branco I e Capim Branco II	Pollarix S.A.	aug-01	sep-36	oct-07	13%	2	14	13%	2	12
Picada	Pollarix S.A.	may-01	jun-36	jul-06	100%	16	85	100%	17	76
Enercan - Campos Novos Energia S.A	CBA Energia Participações S.A.	apr-00	may-35	jun-06	24%	2	8	24%	2	7
Enercan - Campos Novos Energia S.A	Pollarix S.A.	apr-00	may-35	jun-06	21%	2	7	21%	2	6
Pedra do Cavalo	Votorantim Cimentos N/NE S.A.	mar-02	apr-37	apr-06	100%	99	625	100%	106	519
						304	**1,497**		**323**	**1,238**
Current							97			87
Non-current						304	1,400		323	1,151
						304	**1,497**		**323**	**1,238**

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27 Pension plan and post-employment health care benefits

Accounting policy

The Company, through its subsidiaries abroad (VCNA, VCEAA, Artigas and APDR) and in Brazil (VCNNE), participates in pension plans managed by a private pension entity, which provide post-employment benefits to employees.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no active market related to such obligations, market rates for government securities are used.

Actuarial gains and losses arising from changes in actuarial assumptions are recognized within "Carrying value adjustments" in the period in which they arise.

Past-service costs are recognized immediately in the statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past-service costs are amortized on a straight-line basis over the vesting period.

For defined contribution plans, the Company pays contributions to the pension plan administrators on a compulsory, contractual or voluntary basis. The Company no longer has payment obligations once the contributions are paid. Contributions are recognized as employee benefit expense when due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company's subsidiaries have a defined contribution plan for employees. Certain subsidiaries, however, have a defined benefit plan.

The table below shows where the balances and activities related to post-employment benefit are allocated in the consolidated financial statements.

	2020	2019
Rights recorded in the balance sheet with:		
Pension plan benefits	139	40
Assets recorded in the balance sheet	**139**	**40**

	2020	2019
Obligations recorded in the balance sheet with:		
Pension plan benefits	240	172
Post-employment healthcare benefits	284	195
Liabilities recorded in the balance sheet	**524**	**367**
Expenses recognized in the statement of income with:		
Pension plan benefits	40	18
Post-employment healthcare benefits	16	13
	56	**31**
Remeasurement with:		
Pension plan benefits - gross amount	(20)	35
Deferred income tax and social contribution	12	
Deferred income tax and social contribution	11	(10)
Pension plan benefits - net amount	**3**	**25**

(a) Defined contribution pension plan

The Company and its Brazilian subsidiaries sponsor private pension plans available to all employees administered by Fundação Senador José Ermírio de Moraes ("FUNSEJEM"), a private, not for profit, pension fund. Under the terms of the regulations of the fund, the contributions of the employees to FUNSEJEM are matched by the sponsors in accordance with the level of remuneration of the employee. For employees whose remuneration is lower than the threshold established by the regulations, the Company matches the contributions that represent

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up to 1.5% of their monthly remuneration. For employees whose remuneration exceeds the threshold, the Company matches the contributions of employees that represent up to 6% of their monthly remuneration. Voluntary contributions can also be made to FUNSEJEM. Once the plan contributions are made, no additional contributions are required.

(b) Defined benefit pension plan

The Company has subsidiaries with defined pension plans in North America, South America and Europe, which follow similar regulatory standards. The defined benefit pension plans also offer health care and life insurance, among other benefits. The cost of the retirement benefits and the other benefits of the plan granted to employees are determined by the projected benefit method on a pro rata basis considering the length of service and the best expectations of management regarding the return on plan assets, salary adjustments, costs and mortality trends, and the age of retirement of employees.

The amounts recognized in the balance sheet are determined as follows:

	2020	**2019**
Present value of funded obligations	1,266	1,175
Fair value of plan assets	(1,238)	(951)
Deficit of funded plans	**28**	**224**
Present value of non-funded obligations	348	88
Total deficit of defined benefit pension plans	**376**	**312**
Impact of the minimum funding requirement/assets ceiling	9	15
Assets and liabilities in the balance sheet	**385**	**327**

The changes in the defined benefit obligation and the fair value of the plan assets during the year were as follows:

					2020	**2019**
	Present value of funded and unfunded obligations	**Fair value of plan assets**	**Total**	**Impact of the minimum requirement of the funds/asset ceiling**	**Total**	**Total**
Opening balance	**1,242**	**(930)**	**312**	**15**	**327**	**294**
Current service cost	11		11		11	8
Finance cost (income)	65	(36)	29	1	30	24
Past service cost and curtailments	(3)		(3)		(3)	(2)
	73	**(36)**	**37**	**1**	**38**	**30**
Re-measurements:						
Return on assets, excluding the amount included as finance income		(62)	(62)		(62)	(78)
Losses (gains) arising from changes in demographic assumptions	(5)		(5)		(5.0)	(8)
Losses (gains) arising from changes in financial assumptions	108		108		108	126
Losses arising from experience	(19)		(19)		(19)	(14)
Changes in the asset ceiling, excluding the amount included as finance cost				(6)	(6)	6
	84	**(62)**	**22**	**(6)**	**16**	**32**
Foreign exchange gains (losses)	331	(267)	64		64	16
Contributions:						
Employer		(10)	(10)		(10)	(10)
Payments of the plans:						
Payment of benefits	(118)	68	(50)		(50)	(35)
Closing balance	**1,612**	**(1,237)**	**375**	**10**	**385**	**327**

The defined benefit obligation and the plan assets, by country, are as follows:

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						2020						**2019**
	Brazil	**Europe**	**North America**	**South America**	**Colombia**	**Total**	**Brazil**	**Europe**	**North America**	**South America**	**Colombia**	**Total**
Present value of the obligation	48	17	869		357	1,291	44	14	825		292	1,175
Fair value of plan assets	(59)		(1,006)		(199)	(1,264)	(61)		(739)		(151)	(951)
	(11)	**17**	**(137)**		**158**	**27**	**(17)**	**14**	**86**		**141**	**224**
Present value of non-financial obligations		77	267	4		348		52	33			88
"Impact of the minimum requirement of the funds/asset ceiling"	10					10	15					15
	(1)	**94**	**130**	**4**	**158**	**385**	**(2)**	**66**	**119**		**144**	**327**

The actuarial assumptions used were as follows:

						2020						**2019**
	Brazil	**Europe**	**North America**	**South America**	**Colombia**	**Total**	**Brazil**	**Europe**	**North America**	**South America**	**Colombia**	**Total**
Discount rate	6.88%	8.40%	2.50%	12.28%	6.50%	7.31%	10.51%	6.12%	3.84%	9.55%	6.30%	7.26%
Inflation rate	4.00%	3.90%	2.50%			2.60%	5.37%	1.33%	2.00%		0.0	3.05%
Future salary increases	2.77%	8.00%	2.50%	8.28%		4.31%	4.88%	7.00%	2.50%	5.55%		4.69%
Increases in future pension plans	4.00%				3.50%	3.75%	5.37%				0.00%	2.69%

(c) Post-employment benefits (pension and health care)

The Company operates post-employment health care plans through indirect subsidiaries in North America, VCNA, and in Europe, VCEAA. The accounting method, assumptions and frequency of evaluations are similar to those used for the defined benefit pension plans. Most of these plans are not funded.

The obligations relating to these plans are included in the movement of the defined benefit obligations previously presented.

28 Equity

Accounting policy

(i) Share capital

Share capital is represented exclusively by common shares classified as equity.

(ii) Dividends

This is recognized as a liability in the Company's financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required, 25% of the profit for the year, is only recognized on the date it is approved by the stockholders at a General Meeting. When a Company presents a loss in the year, there is no dividend.

(iii) Earnings per share

Earnings per share are calculated by dividing the profit attributable to the controlling stockholders by the weighted average number of common shares during the year. The weighted average number of shares is calculated based on the periods in which the shares were outstanding.

(iv) Statutory reserve

The statutory reserve is constituted by the appropriation of 5% of the net income for the fiscal year or remaining balance, limited to 20% of the capital stock. Its purpose is to ensure the integrity of social capital. It can only be used to offset losses and increase capital. When the Company presents a loss in the year, there will be no legal reserve.

The retained earnings reserve refers to the retention of the remaining balance of retained earnings in order to meet the business growth plan established in the Company's investment plan.

(v) Government grants

The tax incentive reserve is credited with tax incentive benefits, which are recognized in the income statement for the year and allocated to retained earnings for this reserve. These incentives are not included in the calculation of the mandatory minimum dividend.

(vi) Equity valuation adjustments

The equity valuation adjustments include:

(a) Effective portion of the cumulative net change in fair value of hedge instruments used in hedge of cash flow until the recognition of the cash flows that were hedged.

(b) Cumulative translation adjustments with the exchange differences arising from the translation of the financial statements of foreign operations.

(c) Effective portion with exchange differences of hedge of the Company's net investments in a foreign operation.

(d) Actuarial losses (gains) and measures with retirement benefits.

(a) Share capital

On December 31, 2020 and December 31, 2019, the fully subscribed and paid-up capital of the Company was R$ 28,656, consisting of 18,278,789 thousand common shares.

(b) Dividends

During the first half of 2020, the Company resolved to pay its parent company Hejoassu Administração S.A. the amount of R$ 800 corresponding to dividends related to part of the balance of the "Profit reserves" account accumulated up to December 31, 2019.

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(c) Carrying value adjustments

	Attributable to the owners of the Company								
	Currency translation of investees located abroad	***Hedge accounting for net investments abroad, net of taxes***	***Hedge accounting for the operations of subsidiaries, net of taxes***	**Fair value of available-for-sale financial assets**	**Shares fair value**	**Remeasurement of retirement benefits**	**Adjustment for hyperinflationary economies**	**Other comprehensive income**	**Total**
At January 1, 2019	**6,545**	**(5,106)**	**40**	**192**		**(47)**		**(106)**	**1,937**
Currency translation of investees located abroad	96								96
Hedge accounting for net investments abroad, net of taxes		92							92
Hedge accounting for the operations of subsidiaries, net of taxes			(39)						(39)
Fair value of available-for-sale financial assets of non-consolidated investments				43					43
Remeasurement of retirement benefits						(133)			(133)
Adjustment for hyperinflationary economies							340		340
Adjustment to the fair value of shares, net of tax effects					(121)				(121)
Loss on investee's capital contribution								(120)	(120)
Realization of other comprehensive results in the sale of investments	(108)							(15)	(123)
Other comprehensive income								(24)	(24)
Reclassification between components of comprehensive income	(103)	22	(16)			(7)		104	
At December 31, 2019	**6,430**	**(4,992)**	**(15)**	**235**	**(121)**	**(187)**	**759**	**(161)**	**1,948**
At January 1, 2020	**6,430**	**(4,992)**	**(15)**	**235**	**(121)**	**(187)**	**759**	**(161)**	**1,948**
Currency translation of investees located abroad	3,062								3,062
Hedge accounting for net investments abroad, net of taxes		(289)							(289)
Hedge accounting for the operations of subsidiaries, net of taxes			(636)						(636)
Fair value of available-for-sale financial assets of non-consolidated investments				(25)					(25)
Adjust the fair value of the shares, net of the tax					712				712
Remeasurement of retirement benefits						(169)			(169)
Adjustment for hyperinflationary economies							426		426
Fair value - measurement of credit risk								25	25
Realization of other comprehensive results on the sale of investments					(173)				(173)
Participation in other comprehensive results of investees								(2)	(2)
At December 31, 2020	**9,492**	**(5,281)**	**(651)**	**210**	**418**	**(356)**	**1,185**	**(138)**	**4,879**

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(d) Non-controlling interests

	2020	2019
Nexa Resources S.A.	2,602	3,158
Nexa CJM	717	826
Nexa Perú	332	446
Cementos Artigas S.A.	240	203
Yacuces, S.L.	130	124
Itacamba Cemento S.A.	100	100
Acerías Paz Del Rio S.A.	78	63
Other	254	218
	4,455	**5,138**

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29 Net revenue from products sold and services rendered

Accounting policy

Revenue represents the fair value of the consideration received or receivable from the sale of goods in the ordinary course of business of the subsidiaries. Revenue is shown net of value added tax, rebates and discounts after elimination of sales among consolidated companies.

The subsidiaries recognize revenue when: (i) the amount of revenue can be measured reliably; (ii) is probable that future economic benefits will flow to the entity; and (iii) specific criteria have been met for each of the Company's and its subsidiaries' activities.

Revenue will not be reliably measured if all terms of sale are not resolved. The subsidiaries bases their estimates on historical results, taking into account the type of customer, the type of transaction and the specificities of each agreement.

Revenue recognition is based on the following principles:

(i) Sales of products and service

Revenue is shown net of value added tax, returns, rebates and discounts, after eliminating sales within the consolidated companies.

(ii) Sale of surplus energy

The Company's energy sales contracts are carried out in the free and regulated environments of Brazilian commercialization, being fully registered with CCEE, the agent responsible for accounting and settlement of the entire national integrated system (SIN).

The accounting measurement of the volume of energy to be billed results from the processing of the physical measurement, adjusted to the apportionment of losses reported by the CCEE.

Energy sales operations, which meet the definition of a financial instrument, are recognized in the financial statements at fair value.

(a) Reconciliation of revenue

	2020	2019
Gross revenue		
Sales of products - domestic market	18,584	15,478
Sales of products - foreign market	19,571	16,189
Supply of electrical energy	3,140	3,180
Services provided	668	600
	41,963	**35,447**
Taxes on sales, services and other deductions	(5,296)	(4,540)
Net revenue	**36,667**	**30,907**

(b) Information on geographical areas in which the Company operates

The geographical areas are determined based on the location of the customers. The net revenue of the subsidiaries classified by currency and destination, is as follows:

(i) Revenue by destination

	2020	2019
Brazil	17,508	15,049
United States	4,740	3,664
Peru	2,537	2,350
Argentina	1,491	1,346
Colombia	1,471	1,196
Canada	1,789	1,224
Spain	789	605
Turkey	480	414
Luxembourg	388	571
Switzerland	540	417
Morocco	546	487
Uruguay	513	353
Japan	242	282
Bolívia	357	351
Belgium	157	101
Tunisia	337	253
Taiwan	148	132
Chile	259	322
Austria	180	157
Singapore	399	392
Germany	185	90
Equador	46	51
Italy	78	73
Other countries	1,487	1,027
	36,667	**30,907**

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(ii) Revenue by currency

	2020	2019
Real	17,052	14,696
US dollar	12,385	10,478
Canadian Dollar	1,788	1,224
Euro	922	698
Colombian pesos	1,271	1,043
Argentine pesos	1,186	1,088
Moroccan Dirham	546	487
Tunisian dinar	337	257
Turkish lira	351	275
Uruguayan peso	470	289
Boliviano	355	372
Other currencies	4	
	36,667	**30,907**

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30 Expenses by nature

				2020	2019
	Cost of products sold and services rendered	**Selling**	**General and administrative**	**Total**	**Total**
Raw materials, inputs and consumables	17,589	25	1	17,615	15,045
Employee benefit expenses (a)	3,072	447	1,319	4,838	4,500
Depreciation, amortization and depletion	3,114	47	132	3,293	3,067
Transportation expenses	2,518	48	2	2,568	2,077
Outsourced services	1,617	83	747	2,447	2,412
Other expenses	1,710	250	425	2,385	2,076
	29,620	**900**	**2,626**	**33,146**	**29,177**

(a) Employee benefit expenses

(i) Health care (post-retirement)

The liability related to the health care plan for retired employees is stated at the present value of the obligation, less the market value of the plan assets, adjusted by actuarial gains and losses and past-service costs, in a manner similar to the accounting methodology used for defined benefit pension plans. The post-retirement health care obligation is calculated annually by independent actuaries. The present value of the post-retirement health care obligation is determined based on an estimate of the future cash outflow.

Actuarial gains and losses arising from changes in actuarial assumptions are fully recognized within “Carrying value adjustments” in the period in which they arise.

(ii) Employee profit sharing

Provision is recorded to recognize the expenses related to employee profit sharing. This provision is calculated based on qualitative and quantitative targets established by management and recorded in the statement of income as “Employee benefits”.

	2020	2019
Salaries and bonuses	3,007	2,787
Payroll charges	1,122	1,066
Benefits	709	647
	4,838	**4,500**

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31 Other operating expenses, net

	Note	2020	2019
Constitution of impairment of property, plant and equipment and intangible assets	12 e 13	(2,777)	(714)
Expenses on not activatable projects		(320)	(467)
Judicial provisions, net		(191)	(270)
Gain (loss) on sale of fixed and intangible assets, net		(74)	8
Royalties on natural resources		(55)	(56)
Future energy contracts	16	(54)	(196)
Hedge gain		11	7
Income from rentals and leasing		59	56
Net income from waste sale		60	54
Tax recovery		174	817
Tax benefits		175	144
Gain on investment sale		427	6,719
Gain on purchase of investee	1.1 (a)	366	
Other income (expenses), net		17	(95)
		(2,182)	**6,007**

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32 Finance results, net

Accounting policy

(i) Financial income (expenses)

These comprise interest rates on loans and financial investments, monetary and exchange variation on assets and liabilities, linked to loans with a swap instrument, as a result of the exchange variation net of gains and losses on derivative financial instruments (swap contracts) and various discounts that are recognized in the income for the year on the accrual basis.

(ii) Foreign exchange variations

A foreign currency transaction shall be initially recognized in the functional currency by applying the spot exchange rate between the functional currency and the foreign currency on the transaction date on the amount in foreign currency.

At the end of each reporting period, monetary items in foreign currency must be converted using the closing exchange rate.

Foreign exchange variations arising from the settlement of monetary items or the translation of monetary items at rates different from those for which they were converted at the initial measurement during the period or in previous financial statements shall be recognized in the statement of income in the year in which they arise.

	2020	2019
Finance income		
Interest on financial assets	211	568
Income from financial investments	211	434
Fair value of borrowing	72	59
Monetary updating of assets	27	45
Reversal of monetary restatement of provision	75	120
Discounts obtained	18	20
Other finance income	66	23
	680	**1,269**
Finance costs		
Interest on borrowing	(1,386)	(1,178)
Capitalization of borrowing costs	7	49
Award paid in bond buyback (tender offer)	(190)	(172)
Monetary restatement of provision	(228)	(219)
Fair value of borrowing and financing	(167)	(127)
Borrowing fees	(58)	(140)
Interest and monetary restatement - use of public assets	(324)	(101)
Interest on anticipation of receivables	(8)	(101)
Adjustment to present value CPC 12	(135)	(101)
"PIS/COFINS" on financial results	(38)	(60)
Income tax on remittances of interest abroad	(42)	(45)
Interest on silver streaming	(32)	(26)
Commissions on financial transactions	(147)	(17)
Other finance costs	(327)	(276)
	(3,075)	**(2,514)**
Results of derivative financial instruments		
Revenue	420	139
Expenses	(541)	(374)
	(121)	**(235)**
Foreign exchange variation, net	(1,024)	(137)
Finance results, net	**(3,540)**	**(1,617)**

33 Tax benefits

VCSA and its subsidiaries have tax incentives within certain state and federal industrial development programs. The state programs are aimed at attracting industrial investments seeking regional decentralization, promoting employment and income generation, besides complementing and diversifying the industrial matrix of the states. These fiscal incentives are approved by the states in the form of percentage financing of up to 75%, presumed credit with a percentage of up to 95% and deferral of the payment of taxes or partial reductions of the amount due for imports of assets and inputs.

34 Insurance

The Company and its subsidiaries maintain civil liability policies for executives and directors, in addition to insurance coverage for equity risks and loss of profits. Such policies have coverage, conditions and limits, considered by Management to be adequate to the inherent risks of the operation.

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35 Supplementary information – Business segments

In order to provide a higher level of information, the Company opted to disclose financial information by business segment. The information below refers to the opening of VSA by business segments and considers the elimination of balances and transactions between companies in the same segment, before: (i) eliminations between business segments; and (ii) the elimination of investments held by holding companies.

Additionally, the eliminations and reclassifications between the companies are highlighted, so that the net result corresponds to the consolidated financial information of the VSA, disclosed as supplementary information. This supplementary information is not intended to be in accordance and is not required by accounting practices adopted in Brazil or by IFRS.

(a) Capital management

The financial leverage ratios are calculated according to the information of the industrial segments, considering the accumulated results for 12 months, as loan covenants, and are summarized as follow:

		Industrial segments	
Adjusted EBITDA (unreviewed)	**Note**	**2020**	**2019**
Net income (loss) for the year		**(3,066)**	**4,925**
Plus (less):			
Continuing operations			
Equity in the results of investees		(715)	(1,022)
Net financial results		3,536	1,624
Income and social contribution taxes		1,599	2,168
Depreciation, amortization and depletion		3,293	3,067
Discontinued operations			
Net financial results			38
Income and social contribution taxes			(3)
EBITDA before other additions and exceptional items		**4,647**	**10,797**
Plus :			
Dividends received		142	65
Extraordinary items			
EBITDA - discontinued operations			21
Gain on sale of investments, net		(427)	(6,719)
Impairment of property, plant, equipment and intangible assets		2,802	723
Other		(247)	252
Adjusted annualized EBITDA (A)		**6,917**	**5,139**
Net debt			
Borrowing	21	25,065	19,755
Lease liabilities	22	858	841
Cash and cash equivalents, financial investments and derivative financial instruments		(14,662)	(10,614)
Net debt (B)		**11,261**	**9,982**
Gearing ratio (B/A)		**1.63**	**1.94**

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(b) Balance sheet – business segments

											2020
Assets	**Votorantim Cimentos**	**Nexa Resources**	**CBA**	**Long steels (*)**	**Votorantim Energia**	**Holding and other**	**Eliminations**	**Total, industrial segments**	**Votorantim Finanças**	**Eliminations**	**Total, consolidat-ed**
Current											
Cash and cash equivalents, financial investments and derivative financial instruments	4,424	5,911	1,364	219	229	3,473		15,620	62		15,682
Trade receivables	1,031	1,189	475	241	400	63	(190)	3,209			3,209
Inventory	1,915	1,333	1,070	404		2		4,724			4,724
Taxes recoverable	557	350	442	100	7	480		1,936	97		2,033
Dividends receivable					174	181	(215)	140	36		176
Financial instruments - firm commitment					49			49			49
Other assets	190	179	54	53	1	61		538			538
	8,117	8,962	3,405	1,017	860	4,260	(405)	26,216	195		26,411
Assets classified as held-for-sale	6	11		8				25			25
	8,123	8,973	3,405	1,025	860	4,260	(405)	26,241	195		26,436
Non-current assets											
Long-term receivables											
Financial investments and derivative financial instruments	986	81	898					1,965			1,965
Financial instruments - Suzano						2,590		2,590			2,590
Derivative financial instruments - put option						252		252			252
Taxes recoverable	1,411	449	848	29		229		2,966			2,966
Related parties	4		17			194	(19)	196			196
Deferred income tax and social contribution	278	1,151	279	200		548	241	2,697	34		2,731
Judicial deposits	132	29	15	1		16		193			193
Financial instruments - firm commitment					9			9			9
Other assets	548	96	34	82		58	32	850			850
	3,359	1,806	2,091	312	9	3,887	254	11,718	34		11,752
Investments	1,042	(10)	198		2,997	34,682	(26,159)	12,750	5,872	(5,924)	12,698
Property, plant and equipment	14,132	8,911	5,106	1,335	34	587		30,105			30,105
Intangible assets	8,258	6,724	531	34	6	145	(1,104)	14,594			14,594
Right-of-use assets	534	98	15	129	5	16		797			797
Biological assets			1	6		89		96			96
	27,325	17,529	7,942	1,816	3,051	39,406	(27,009)	70,060	5,906	(5,924)	70,042
Total assets	35,448	26,502	11,347	2,841	3,911	43,666	(27,414)	96,301	6,101	(5,924)	96,478

(*) Relates to long steel operations abroad (Argentina and Colombia).

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											2020
Liabilities and equity	**Votorantim Cimentos**	**Nexa Resources**	**CBA**	**Long steels (*)**	**Votorantim Energia**	**Holding and other**	**Eliminations**	**Total, industrial segments**	**Votorantim Finanças**	**Eliminations**	**Total, consolidated**
Current liabilities											
Borrowing	223	759	55	364		6		1,407			1,407
Lease liabilities	105	83	9	16	3	19		235			235
Derivative financial instruments	37	28	446					511			511
Confirming payable	1,031	755	594					2,380			2,380
Trade payables	2,481	1,923	426	319	376	13	(134)	5,404			5,404
Salaries and payroll charges	548	292	176	56	27	75		1,174			1,174
Taxes payable	311	218	74	128	9	13		753	7		760
Advances from customers	50	10	32	68	8	14		182			182
Dividends payable	87	68	34	1	101		(247)	44			44
Use of public assets	41	8	48					97			97
Related parties			1				(1)				
Financial instruments - firm commitment	9		66					75			75
Deferred revenue - silver streaming		141						141			141
Other	470	178	69	33	1	171		922	2		924
	5,393	4,463	2,030	985	525	311	(382)	13,325	9		13,334
Liabilities related to assets held-for-sale	2							2			2
	5,395	4,463	2,030	985	525	311	(382)	13,327	9		13,336
Non-current liabilities											
Borrowing	11,376	9,761	2,488	19		14		23,658			23,658
Lease liabilities	449	50	7	115	2			623			623
Derivative financial instruments	720	112	1,580					2,412			2,412
Deferred income tax and social contribution	745	1,110	5	33	48	264		2,205	168		2,373
Related parties	21	3	3		1	4	(21)	11			11
Provision	1,170	1,350	761	127	1	177		3,586			3,586
Use of public assets	584	100	716					1,400			1,400
Pension plan	365			159				524			524
Financial instruments - firm commitment	57		153					210			210
Deferred revenue - silver streaming		722						722			722
Other	325	241	54	92	20	95		827			827
	15,812	13,449	5,767	545	72	554	(21)	36,178	168		36,346
Total liabilities	21,207	17,912	7,797	1,530	597	865	(403)	49,505	177		49,682
Equity											
Total equity attributable to owners of the Company	13,515	6,960	3,375	1,006	3,314	42,801	(28,661)	42,310	5,924	(5,893)	42,341
Non-controlling interests	726	1,630	175	305			1,650	4,486		(31)	4,455
Total equity	14,241	8,590	3,550	1,311	3,314	42,801	(27,011)	46,796	5,924	(5,924)	46,796
Total liabilities and equity	35,448	26,502	11,347	2,841	3,911	43,666	(27,414)	96,301	6,101	(5,924)	96,478

(*) Relates to long steel operations abroad (Argentina and Colombia).

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(c) Statement of income – business segments

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Elimi-nations	Total, industrial segments	Votorantim Finanças	Elimi-nations	2020 Total, consolida-ted
Continuing operations											
Net revenue from products sold and services rendered	16,740	10,097	5,411	2,465	3,588	76	(1,710) (**)	36,667			36,667
Cost of products sold and services rendered	(12,816)	(8,059)	(4,831)	(2,005)	(3,571)	(48)	1,710 (**)	(29,620)			(29,620)
Gross profit	**3,924**	**2,038**	**580**	**460**	**17**	**28**		**7,047**			**7,047**
Operating income (expenses)											
Selling	(708)	(129)	(37)	(23)		(3)		(900)			(900)
General and administrative	(1,061)	(673)	(284)	(158)	(101)	(335)		(2,612)	(14)		(2,626)
Other operating income (expenses), net	(113)	(2,906)	175	109	84	469		(2,182)			(2,182)
	(1,882)	**(3,708)**	**(146)**	**(72)**	**(17)**	**131**		**(5,694)**	**(14)**		**(5,708)**
Operating profit (loss) before equity results and finance results	**2,042**	**(1,670)**	**434**	**388**		**159**		**1,353**	**(14)**		**1,339**
Result from equity investments											
Equity in the results of investees	51		(3)		445	(1,411)	1,633	715	719	(707)	727
	51		**(3)**		**445**	**(1,411)**	**1,633**	**715**	**719**	**(707)**	**727**
Finance results, net											
Finance income	281	80	136	36	12	143	(11)	677	3		680
Finance costs	(1,349)	(880)	(415)	(227)	(20)	(188)	11	(3,068)	(7)		(3,075)
Results of derivative financial instruments	279	2	1			(403)		(121)			(121)
Foreign exchange gains (losses), net	(277)	(545)	(215)	10		3		(1,024)			(1,024)
	(1,066)	**(1,343)**	**(493)**	**(181)**	**(8)**	**(445)**		**(3,536)**	**(4)**		**(3,540)**
Profit (loss) before income tax and social contribution	**1,027**	**(3,013)**	**(62)**	**207**	**437**	**(1,697)**	**1,633**	**(1,468)**	**701**	**(707)**	**(1,474)**
Income tax and social contribution											
Current	(375)	(321)	(52)	(109)	(1)	(43)		(901)			(901)
Deferred	(215)	213	(766)	(12)	(19)	101		(698)	7		(691)
Profit (loss) from continuing operations	**437**	**(3,121)**	**(880)**	**86**	**417**	**(1,639)**	**1,633**	**(3,067)**	**708**	**(707)**	**(3,066)**
Discontinued operations											
Loss from continuing operations	1							1			1
Profit (loss) for the year	**438**	**(3,121)**	**(880)**	**86**	**417**	**(1,639)**	**1,633**	**(3,066)**	**708**	**(707)**	**(3,065)**
Profit attributable to the owners of the Company											
Profit attributable to non-controlling interests	1							1			1
Profit (loss) for the year	**438**	**(3,121)**	**(880)**	**86**	**417**	**(1,639)**	**1,633**	**(3,066)**	**708**	**(707)**	**(3,065)**

(*) Relates to long steel operations abroad (Argentina and Colombia).
(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

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											2019
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Elimi-nations	Total, industrial segments	Votorantim Finanças	Elimi-nations	Total, con-solidated
Continuing operations											
Net revenue from products sold and services rendered	13,027	9,200	5,264	2,133	4,229	75	(3,021) (**)	30,907			30,907
Cost of products sold and services rendered	(10,689)	(7,669)	(4,606)	(1,715)	(4,103)	(51)	3,021 (**)	(25,812)			(25,812)
Gross profit	**2,338**	**1,531**	**658**	**418**	**126**	**24**		**5,095**			**5,095**
Operating income (expenses)											
Selling	(714)	(99)	(36)	(21)		(3)		(873)			(873)
General and administrative	(910)	(803)	(214)	(155)	(94)	(302)		(2,478)	(14)		(2,492)
Other operating income (expenses), net	701	(1,073)	(178)	110	(56)	6,503		6,007			6,007
	(923)	**(1,975)**	**(428)**	**(66)**	**(150)**	**6,198**		**2,656**	**(14)**		**2,642**
Operating profit (loss) before equity results and finance results	**1,415**	**(444)**	**230**	**352**	**(24)**	**6,222**		**7,751**	**(14)**		**7,737**
Result from equity investments											
Equity in the results of investees	189	(3)	14		356	880	(522)	914	797	(792)	919
Realization of comprehensive results on the sale of investments	108							108			108
	297	**(3)**	**14**		**356**	**880**	**(522)**	**1,022**	**797**	**(792)**	**1,027**
Finance results, net											
Finance income	547	122	313	25	99	283	(127)	1,262	7		1,269
Finance costs	(1,240)	(487)	(447)	(145)	(116)	(206)	127	(2,514)			(2,514)
Results of derivative financial instruments	(77)	12	(68)			(102)		(235)			(235)
Foreign exchange gains (losses), net	(42)	(49)	(46)	(52)		52		(137)			(137)
	(812)	**(402)**	**(248)**	**(172)**	**(17)**	**27**		**(1,624)**	**7**		**(1,617)**
Profit (loss) before income tax and social contribution	**900**	**(849)**	**(4)**	**180**	**315**	**7,129**	**(522)**	**7,149**	**790**	**(792)**	**7,147**
Income tax and social contribution											
Current	(290)	(171)	(42)	(87)	(14)	(857)		(1,461)			(1,461)
Deferred	(5)	411	11	14	25	(1,163)		(707)	2		(705)
Profit (loss) for the year from continuing operations	**605**	**(609)**	**(35)**	**107**	**326**	**5,109**	**(522)**	**4,981**	**792**	**(792)**	**4,981**
Discontinued operations											
Loss from continuing operations	(56)							(56)			(56)
Profit (loss) for the year	**549**	**(609)**	**(35)**	**107**	**326**	**5,109**	**(522)**	**4,925**	**792**	**(792)**	**4,925**
Profit (loss) attributable to the owners of the Company	479	(486)	(64)	55	326	5,109	(249)	5,170	792	(792)	5,170
Profit (loss) attributable to non-controlling interests	70	(123)	29	52			(273)	(245)			(245)
Profit (loss) for the year	**549**	**(609)**	**(35)**	**107**	**326**	**5,109**	**(522)**	**4,925**	**792**	**(792)**	**4,925**

(*) Relates to long steel operations abroad (Argentina and Colombia).
(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

at December 31, 2020 – All amounts in millions of reais unless otherwise stated

(d) EBITDA ajustado – Segmentos de negócio

										2020
	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, con-solidated
Net revenue from products sold and services rendered	16,740	10,097	5,411	2,465	3,588	76	(1,710) (**)	36,667		36,667
Cost of products sold and services rendered	(12,816)	(8,059)	(4,831)	(2,005)	(3,571)	(48)	1,710 (**)	(29,620)		(29,620)
Gross profit	**3,924**	**2,038**	**580**	**460**	**17**	**28**		**7,047**		**7,047**
Operating income (expenses)										
Selling	(708)	(129)	(37)	(23)		(3)		(900)		(900)
General and administrative	(1,061)	(673)	(284)	(158)	(101)	(335)		(2,612)	(14)	(2,626)
Other operating income (expenses), net	(113)	(2,906)	175	109	84	469		(2,182)		(2,182)
	(1,882)	**(3,708)**	**(146)**	**(72)**	**(17)**	**131**		**(5,694)**	**(14)**	**(5,708)**
Operating profit (loss) before equity results and finance results	**2,042**	**(1,670)**	**434**	**388**		**159**		**1,353**	**(14)**	**1,339**
Plus:										
Depreciation, amortization and depletion - continuing operations	1,420	1,248	431	157	5	32		3,293		3,293
EBITDA	**3,462**	**(422)**	**865**	**545**	**5**	**191**		**4,646**	**(14)**	**4,632**
Plus:										
Dividends received	129		11		38	2	(38)	142	111	253
Exceptional items										
Impairment - fixed assets	215	2,561	26					2,802		2,802
Gain for Advantageous Investee Purchase			(366)					(366)		(366)
Net gain on sale of investments						(427)		(427)		(427)
Other	29					91		120		120
Adjusted EBITDA	**3,835**	**2,139**	**536**	**545**	**43**	**(143)**	**(38)**	**6,917**	**97**	**7,014**

(*) Relates to long steel operations abroad (Argentina and Colombia).
(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

at December 31, 2020 – All amounts in millions of reais unless otherwise stated

										2019
	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	*Holding and other*	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	13,027	9,200	5,264	2,133	4,229	75	(3,021) (**)	30,907		30,907
Cost of products sold and services rendered	(10,689)	(7,669)	(4,606)	(1,715)	(4,103)	(51)	3,021 (**)	(25,812)		(25,812)
Gross profit	**2,338**	**1,531**	**658**	**418**	**126**	**24**		**5,095**		**5,095**
Operating income (expenses)										
Selling	(714)	(99)	(36)	(21)		(3)		(873)		(873)
General and administrative	(910)	(803)	(214)	(155)	(94)	(302)		(2,478)	(14)	(2,492)
Other operating income (expenses), net	701	(1,073)	(178)	110	(56)	6,503		6,007		6,007
	(923)	**(1,975)**	**(428)**	**(66)**	**(150)**	**6,198**		**2,656**	**(14)**	**2,642**
Operating profit (loss) before equity results and finance results	**1,415**	**(444)**	**230**	**352**	**(24)**	**6,222**		**7,751**	**(14)**	**7,737**
Plus:										
Depreciation, amortization and depletion – continuing operations	1,222	1,245	463	104	5	28		3,067		3,067
EBITDA	**2,637**	**801**	**693**	**456**	**(19)**	**6,250**		**10,818**	**(14)**	**10,804**
Plus										
Dividends received	65				69		(69)	65	540	605
Exceptional items										
Net gain on sale of investments						(6,719)		(6,719)		(6,719)
Impairment – fixed assets	14	564	145					723		723
Net gain on sale of investments						(427)		(427)		(427)
Other	(39)		24			267		252		252
Adjusted EBITDA	**2,677**	**1,365**	**862**	**456**	**50**	**(202)**	**(69)**	**5,139**	**526**	**5,665**

(*) Relates to long steel operations abroad (Argentina and Colombia).
(**) Relates substantially to the net revenue from electric energy operations to CBA and VCSA.

36 Subsequent events

(a) Sale of Suzano shares – VSA

On January 23, 2021, VSA sold 25,000,000 common shares in Suzano S.A.("Suzano") held by the Company for R$ 64.60 each, totaling R$ 1,615 million. After the sale, VSA holds 25,180,059 common shares, corresponding to approximately 1.9% of Suzano's total and voting share capital.

(b) Dividend resolution – VSA

On January 26, 2021, the Company decided on its parent company Hejoassu Administração S.A., the amount of R$ 499 corresponding to dividends related to the balance of the "Profit Reserves" account, accumulated from previous years. The amount was paid in full as at February 10, 2021.

(c) Prepayment export credit note – Nexa

On January 22, 2021, Nexa paid in advance the principal open and the accrued interest of an Export Credit Note in Brazil in the amount of R$ 250 and R$ 13 of interest accrued.

(d) Use of a Committed Credit Facility by St. Marys

In January and February 2021, indirect subsidiary St. Marys made withdrawals on the available Committed Credit Facility, reaching the total equivalent to USD 50.4 million, maturing in August 2024.

The amount of USD 239.6 million remains available to the Company and its subsidiaries for further payments, if necessary.

(e) Distribution of dividends – Nexa

On February 11, 2021, Nexa's Board of Directors approved a distribution of dividends to shareholders in the amount of approximately USD 35 million to be paid on March 26, 2021.

(f) Incident occurred in a collecting substation of the jointly controlled VTRM

On February 12, 2021, a new incident in the collector substation that connects the companies of the Ventos do Araripe III complex, formed by wind farms belonging to jointly controlled VTRM, caused the shutdown of the remaining power transformer (trafo) of this substation, which caused the total interruption of the flow of the power generation of the complex, since the totality of the energy that had been generated by the complex had already been directed to the disposal for this transformer a results of an incident that occurred in June 2020, which caused the other transformer to shut down in this substation.

VTRM Management is working to obtain an opinion on the feasibility of repair or need for transformer replacement, as well as the deadline for solving the problem in both scenarios.

The interruption of the flow of power generation of the complex should be reflected in the provision for annual reimbursement that companies obtain monthly due to the effective generation of energy, with consequent reduction in the net revenue of companies, until the situation is normalized. This impact tends to be minimized due to the insurance policy that subsidiaries have for the main risks associated with the assets, including damage to transformers, with coverage for material damage and lost profits.

Until the date of approval of these financial statements, no definitive diagnosis of the feasibility of the repair has been received or the opinion of the insurer regarding compensation.

(g) Approval of dividend distribution by VCSA

At VCSA's Extraordinary General Meeting, held on February 25, 2021, the shareholders approved the distribution of dividends in the amount of R$ 345.

(h) Issuance of Certificates of Real Estate Receivables (CRI) – Votorantim Cimentos

On February 8, 2021, through RB Capital Companhia de Securitização, VCNNE and its parent company VCSA signed the offer documents for the 2nd issue of Certificates of Real Estate Receivables ("CRI") in the Brazilian capital market, the amount being issued by the Company of R$ 136, which are guaranteed by the parent company VCSA. The operation has a 12-year maturity and the cost of IPCA + 4.4657% a.a .. Investors are expected to disburse the amounts on March 17, 2021.

On March 9, 2021, VCNNE contracted a forward derivative financial instrument (swap), in the total amount of R$ 136, beginning on March 15, 2021, which aims to exchange the IPCA floating rate exposure + for CDI + floating rate, resulting in a final cost of CDI + 1.33% pa The funds raised will be used for investments and expenses in civil works, whether for the renovation, maintenance and / or expansion of our operating units in Brazil, as well as for reimbursement of expenses of this nature that occurred in the last two years.

This operation is in line with the Company's strategy to diversify its financing sources and increase its operations in the local market.

(i) Prepayment of the 1st issue of debentures – Votorantim Cimentos

On March 5, 2021, VCNNE made an early redemption of the total outstanding debentures of its 1st public issue of debentures in the amount of R$ 450, with original maturity in April 2023. The proceeds of this prepayment came from the 12th public issue of VCSA debentures, issued on February 24, 2021, in the total amount of R$ 450, cost of CDI + 1.45% per year and maturity in February 2026.

Independent auditor's limited
assurance report on sustainability information in the 2020 Annual Report

To the Board of Directors and Stockholders
Votorantim S.A.
São Paulo- SP

Introduction

Votorantim S.A. "Votorantim" or "Company" engaged us to present our limited assurance report on the compilation of sustainability information contained in the Votorantim S.A. 2020 Annual Report for the year ended December 31, 2020.

Management's responsibilities

Management of Votorantim S.A. is responsible for the preparation and fair presentation of the information in the 2020 Annual Report, presented in accordance with the Global Reporting Initiative (GRI Standards) and for such internal controls as it determines necessary to prepare information free from material misstatement, whether due to fraud or error.

Independent auditor's responsibilities

Our responsibility is to express a conclusion on the information included in the 2020 Annual Report based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01, "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that we comply with ethical and independence requirements, and other responsibilities, including in relation to the Brazilian Standard on Quality Control (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including formal compliance policies and procedures for ethical requirements, professional standards and legal and regulatory requirements.

These standards also require the work to be planned and performed to obtain limited assurance that the information included in the 2020 Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the

Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of the entity involved in the preparation of the sustainability information, as well as applying analytical procedures to obtain evidence that enables the issue of a limited assurance conclusion on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead the auditor to believe that the information taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the procedures applied in the compilation and presentation of the information in the 2020 Annual Report, other engagement circumstances and our analysis of the areas in which significant misstatements might exist. The following procedures were adopted:

(a) Planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems used to prepare the information in the 2020 Annual Report;

(b) Understanding the calculation methodology and the procedures adopted for the compilation of indicators through interviews with the managers responsible for the preparation of the information;

(c) Applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the information in the 2020 Annual Report;

(d) Comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the application of procedures to assess compliance with the guidelines and criteria of the Global Reporting Initiative (GRI Standards) applied in the compilation of the information related to sustainability included in the 2020 Annual Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less detailed than those applied in a reasonable assurance engagement, the objective of which is the issuance of an opinion on the sustainability information in the 2020 Annual Report. Consequently, we were not able to obtain reasonable assurance that we might become aware of all significant matters that might be identified in an assurance engagement, the objective of which is the issue of an opinion. Had we performed an engagement with the objective of issuing an opinion, we might have identified other matters and possible misstatements in the information related to sustainability in the 2020 Annual Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not carry out any work on the data reported for prior periods, nor future projections and goals.

The preparation and presentation of the sustainability indicators were performed pursuant to the criteria of the GRI Standards and, therefore, do not aim to provide assurance with regard to the compliance with social, economic, environmental, or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our limited assurance report should be read and understood in this context, which is inherent to the criteria selected (GRI Standards).

Conclusion

Based on these procedures, no matter has come to our attention that causes us to believe that the information included in the 2020 Annual Report of Votorantim S.A. has not been compiled, in all material respects, in accordance with the Global Reporting Initiative (GRI Standards).

São Paulo, April 7, 2021.

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