

Sustainability Strategy

20
25

2023
REVIEW



DEXCO
Living environments.

Summary



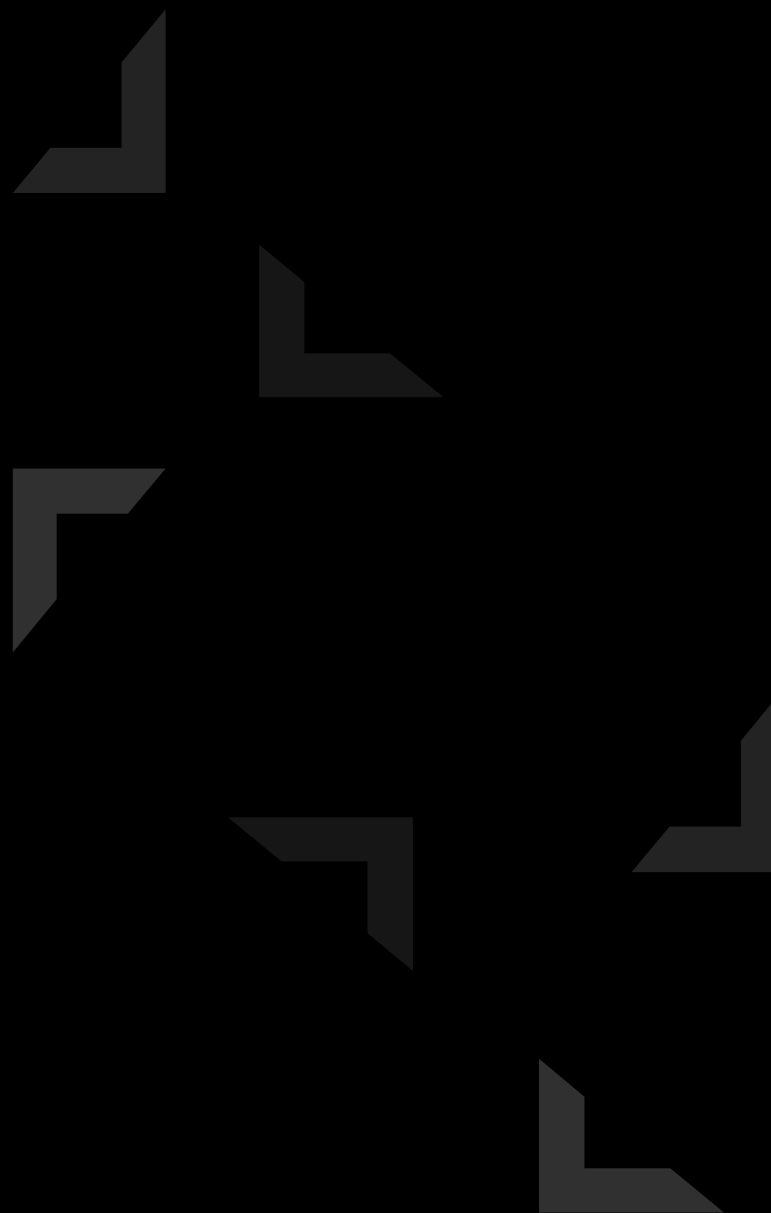
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Antonio Joaquim de Oliveira

CEO

Dear reader,

In recent years, Dexco has undergone several changes. In a challenging market scenario, with a drop in demand that directly affected the Company's business, we chose to optimize our assets and ensure the sustainability of our business in a responsible manner.

Such measures, which we consider structuring, involved difficult decisions, such as the closure of manufacturing units and the reduction of the Investment Cycle announced in 2021.

As a result, we had impacts not only on the volumes produced, but also on the way in which we operate our business.

At that point we saw the need to revisit our commitments linked to sustainability practices, ensuring that we continue to adhere to the best market practices and the ambitions that we believe are important for the future of our planet.

However, without abandoning our goal and ensuring that we remain, even in the face of adversity, committed to what can make a difference in the day-to-day business in which we operate, especially regarding the best practices in environmental management, social responsibility and corporate governance. Therefore, we remain determined in our purpose of offering Solutions for Better Living.

We are sure that those who are interested in Dexco, certain of its commitment to the long term, will see this revisiting movement as a sign of the Company's commitment to all its stakeholders, certain of its positive impact on the planet and society.

In 2021, when we approved Dexco's 2025 Sustainability Strategy Goals, we were living in a different moment, and we knew that the speed in which demands related to ESG themes – focused on the environmental, social responsibility and corporate governance subjects – demanded from our Company would be challenging.

As a pioneering company on the matter, we understand that the level of maturity we have reached in recent years guarantees us a more critical and committed perspective, not only with the message, but also with the actions that impact our stakeholders.

We reached the halfway point of these commitments cycle and realized the importance of adjusting some of our goals to ensure that transparency and, consequently, corporate governance, continue to be important drivers for Dexco's strategy.

Good reading!

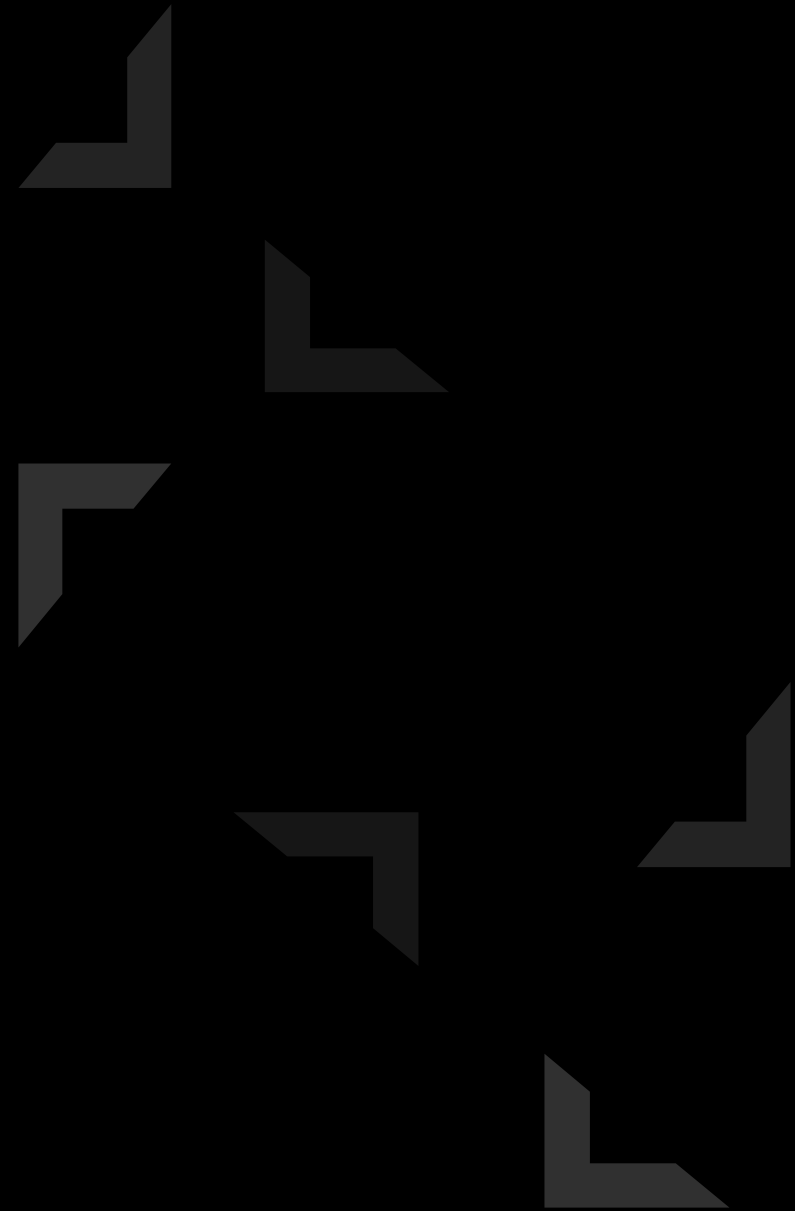


Guilherme Setubal

ESG & IR Executive Manager

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Building the
**2025 Sustainability
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Building the 2025 Sustainability Strategy

Materiality

2019 HISTORIC

In 2019, we carried out the first exercise to define material issues for Dexco.

At that time, the methodology considered institutional documents, such as the corporate strategy, the guidelines for each business division, the sustainability strategy, in addition to sectoral studies, from which the central themes were identified for prioritization by investors, customers and suppliers.

More than ten in-depth interviews were conducted by external consultants, so that interviewees felt confident in expressing their perceptions regarding our operations

and the way we manage issues relating to socio-environmental and corporate governance aspects.

The priority themes were also presented to members of the Executive Board and the Board of Directors so that they could validate them, considering the maturity of our management instruments, the sectoral context in which we operate and other elements of our strategic planning.

The analysis considered, at the time, four axes of relevance for Dexco, separated by level of priority within the organization.



Suitable business environment

It involves our strategy and the elements that support it, such as ethical principles and innovation culture.

Ethics and Compliance

Innovation and digitalization

Cash generation and funding

Business portfolio diversification



People who transform

It refers to the care which we attract, develop and retain the talents that make up our team.

Health and safety

Diversity

Professional training

Local development

Environmental education



Responsible processes

It demonstrates the extent of our socio-environmental accountability to the entire value chain and around our operations.

Supply chain

Forest Management

Environmental performance

Climate Change

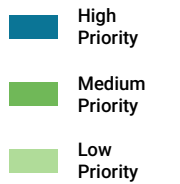


Sustainable solutions

It highlights the solutions created to improve living, which includes the eco-efficiency of our products and comfort for our customers.

Eco-efficient solutions

Environment solutions



High Priority

Medium Priority

Low Priority



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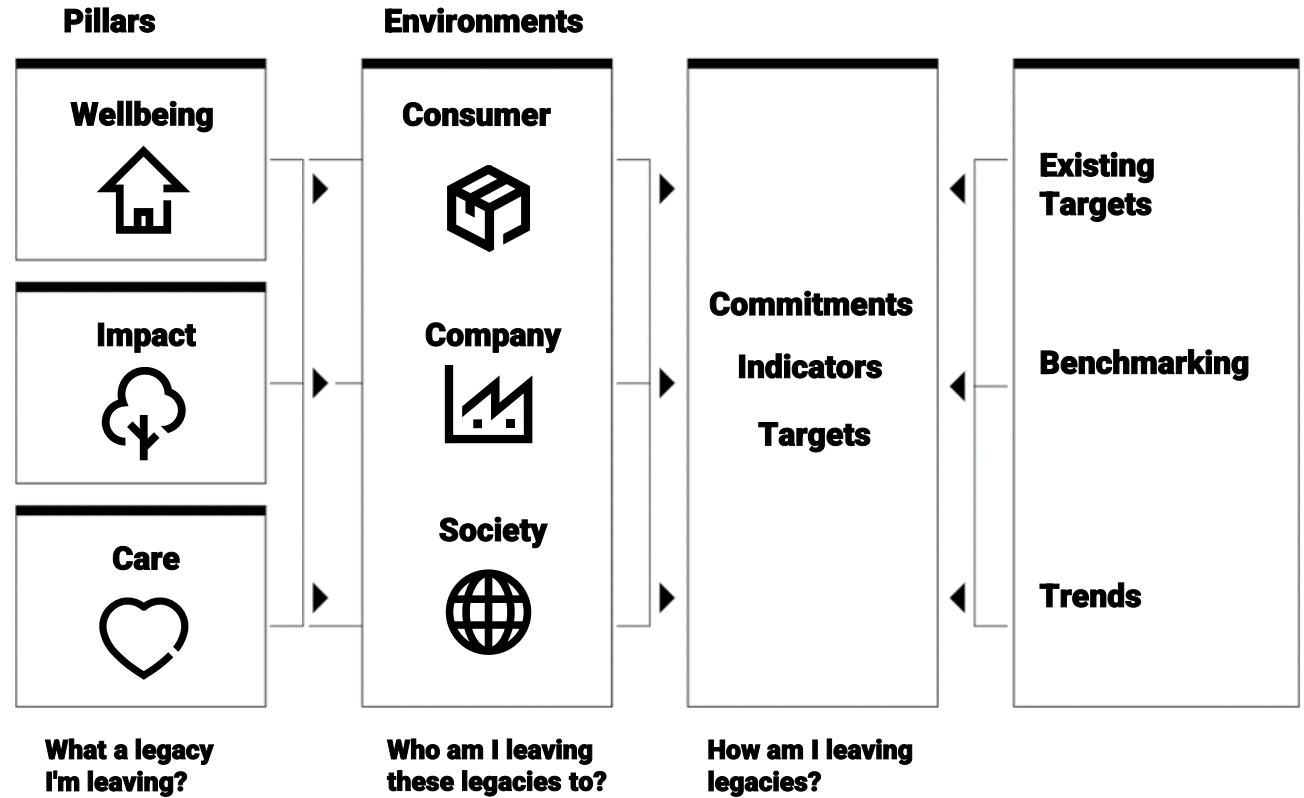
> Building the **2025 Sustainability Strategy**

Strategic framework

In 2016, Dexco's Sustainability Strategy contained 45 goals, all of them very relevant to the organization in that context. However, as some were achieved or integrated into our daily lives, we realized the need to evolve towards a more assertive model.

When we started working on building the 2025 Sustainability Strategy, we sought to understand the means to reduce our environmental and social impacts.

Based on the essential question "how can a company in the construction, renovation and finishing sector contribute to society?", we outlined three fundamental values - well-being, impact and care - that represent our brand. These values guide our actions in three dimensions: consumer, company and society.





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Strategic framework

We work with the values we deliver, from the perspective of strategic drivers, migrating to an operation that covers three dimensions, supported by performance indicators that replicate for Dexco's business.

In the 2025 Sustainability Strategy matrix, nine focus areas materialize the strategic drivers and the affected dimensions.





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Strategic commitments

Make the
construction and
renovation
journey easier



Promote health
and wellbeing in
environments



Ensure sustainable
growth while
maintaining a positive
carbon balance





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Strategic commitments

During the drafting of the Sustainability Strategy, still in 2020, we defined our **strategic commitments**, aiming to direct Dexco's best efforts towards the development of the organization itself and the community in which it operates, maintaining good relationships with stakeholders and seeking the longevity of its businesses.

Such commitments are directly related to the sectors of activity in which we operate – civil construction and forestry products – and the impact that our products can have on the lives of our customers and consumers, intrinsically related to our purpose: **Solutions for Better Living.**



Wellbeing:¹

1 - state of full satisfaction of the demands of the body and/or spirit.

2 - feeling of security, comfort, tranquility.

One of the pillars of our strategy is well-being.

Through it, we wish to demonstrate to consumers that the comfort provided by our products extends to the well-being of the environment. In this sense, we recognize the importance of raising consumer awareness about environmental issues through the involvement and training of specifiers. Our certified practices aim to take care of the ecosystems in which we operate, and the people involved in the production process, as well as those who live close to our operations.

¹ – Definition according to Oxford Languages



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Indicators

In view of the establishment of the Strategic Commitments that we are committed to addressing, and armed with the matrix that relates our purposes with our brand promise – Living Environments – we were able to stipulate which indicators (Key Performance Indicator) would be monitored throughout the journey and which could reflect our evolution in the themes.

In this review process, the 16 strategic indicators were revisited, so that the objectives achieved so far are associated with their most adherent pillars. Furthermore, we had the opportunity to evaluate the best way to indicate the development of these indicators and their developments.



Our Strategic Commitments and our KPIs were initially structured as follows:

**Make the
construction and
renovation journey
easier**



- Investment in initiatives that promote conscious renovation;
- Investment in initiatives that promote a change in the construction paradigm; and
- Professionals involved in our engagement and training programs.

**Ensure sustainable
growth while
maintaining a
positive carbon
balance**



- Carbon Balance;
- Efficient use of supplies and raw materials;
- Own and fostered areas with certified management; and
- Supplier selection considering social and environmental criteria.

**Promote health
and wellbeing in
environments**



- Demographic diversity with representation;
- Employee engagement and cultural alignment ratio;
- Digital transformation index;
- Consumer satisfaction index;
- Net operating revenue (NOR) with eco-efficient products;
- Water, energy and carbon footprints, at the product use phase;
- Composition and offset of packaging;
- Net operating revenue (NOR) from products with technologies that promote health and wellbeing; and
- Wood products with E1 or lower formaldehyde emission.



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SDG at Dexco

In 2021, during studies to build our 2025 Sustainability Strategy, it was defined which Sustainable Development Goals (SDG) would be a priority on Dexco's agenda, that is, which would be directly related to our activities and could be driven by commitments settled down.

In this process, we rely on the direct participation of Senior Management, as an interested party in defining the topics relevant to our strategy. We understand that being aligned with the SDG is a way to generate shared value for and with our stakeholders.

During the process of prioritizing the SDG, we identify our impacts, as well as the risks and opportunities related to ESG themes and where we have the greatest potential and capacity to contribute positively to the advancement of the goals. To achieve this, we involve internal stakeholders in identifying business models, products and processes and the supply chain, taking the Sustainability Strategy as guiding principle for achieving corporate objectives, aligned with the SDG.

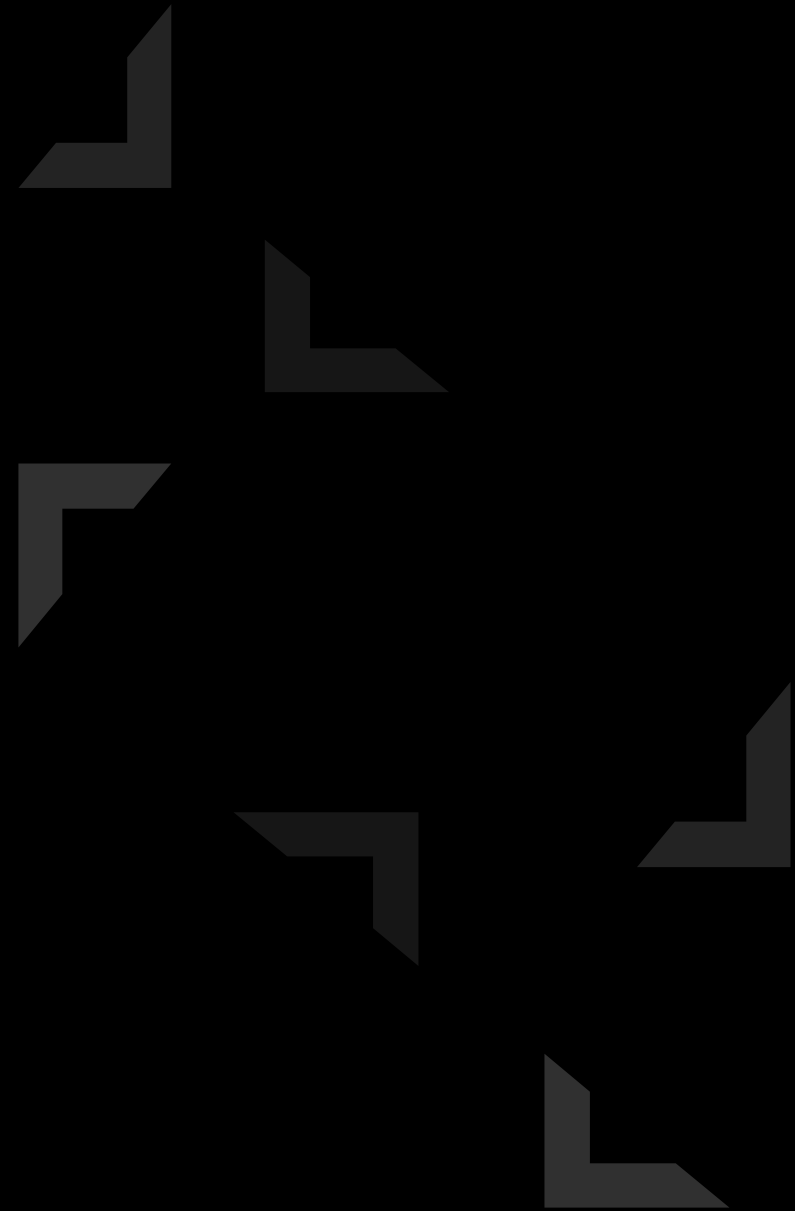
In conjunction with the materiality matrix and priority themes for Dexco, SDG 8, 9 and 12 were those that appeared most frequently, which refer directly to economic growth, industrialization, innovation and sustainable production.

From a detailed look at the effects of climate change and the need for increasingly rational use of natural resources, we identified, in addition to those previously prioritized, SDG 13 and 15, directly linked to our essence, with recognized forest management practices as a reference for the sector, and our purpose of offering solutions for better living.



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Dexco in
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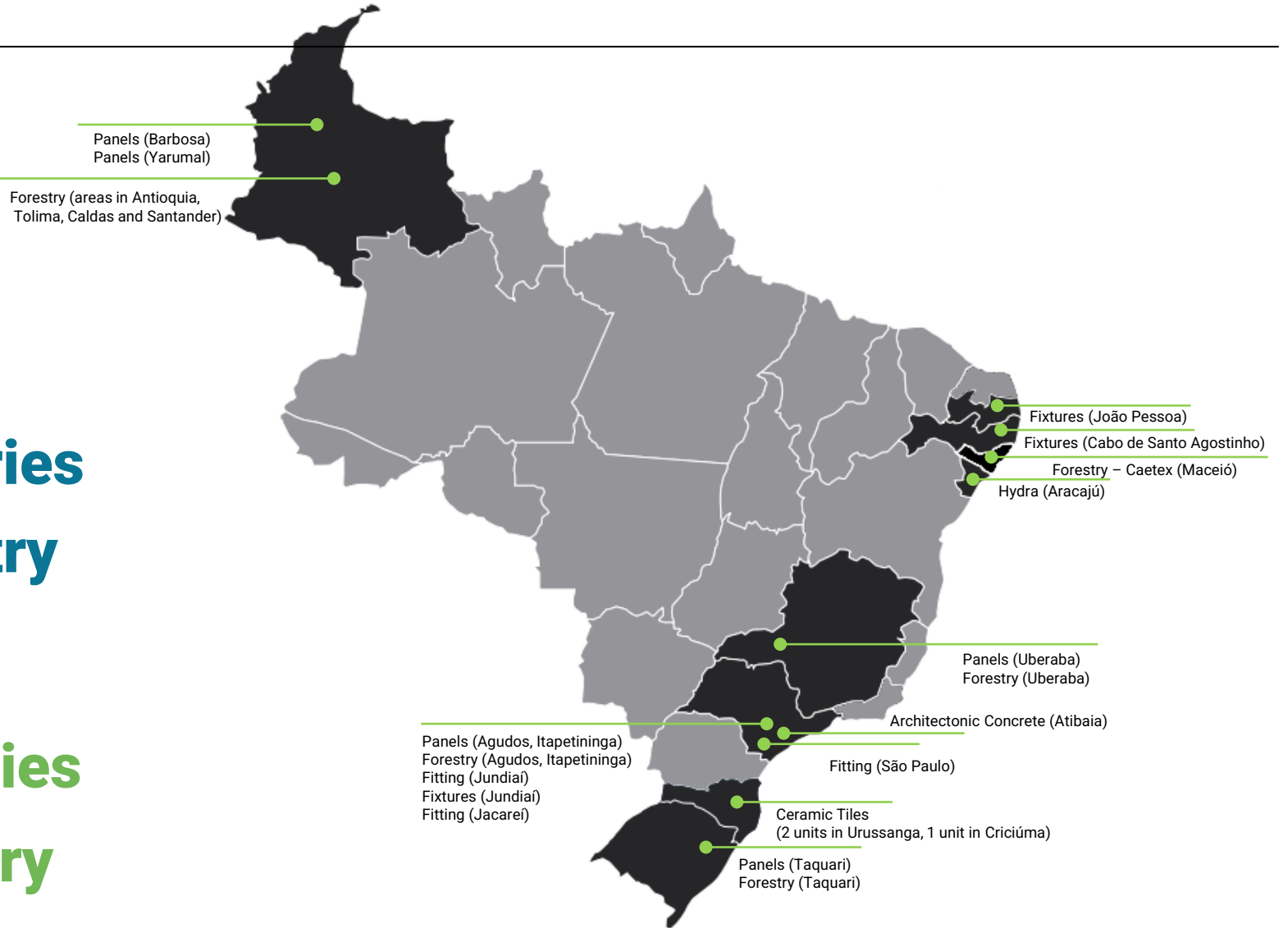
Where are we?

in Brazil

15 Factories
and 5 Forestry

na Colômbia

2 Factories
and 1 Forestry





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In the second half of 2022, we announced the temporary suspension of activities at the former Ceusa plant in Urussanga (SC) and transfer the production to other operations. This plant, opened in the 1950s, and in addition to being expensive, had an environmental performance, especially in terms of energy efficiency, that was lower than current modern and efficient production lines.

In 2023, in June, the Fixtures operations in Queimados (RJ) were closed, seeking to optimize the use of industrial assets, and in July, production at the Ceramic Tiles unit in Criciúma (SC) was

suspended for an indefinite period. These movements were carried out in search of improvements in the efficiency and productivity of operations, in addition to adapting our business to the current market demand scenario.

In the third quarter of the year, we closed the Panels manufacturing operation at the Manizales – Colombia unit, focusing on cost competitiveness and adequate capital allocation in the Wood Division. The assets of this factory used less efficient technologies and did not have representative production capacity.

Furthermore, in compliance with its Investment cycle published in 2021, we announced, in 2022, the acquisition of a majority stake (60%) in the operations of Caetex (joint-venture for the planting of forests), whose forestry operations represent an important asset in the current wood demand scenario. We also made significant progress in the construction of the new Ceramic Tiles unit in Botucatu (SP), a 4.0 factory with a difference in the optimization of inputs – such as clay and energy – and a strategic location in a highly competitive region for our products.



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Culture

NEW SEASON

In 2022, we revitalized our cultural behaviors and disseminated them to all employees through leadership. To understand this trajectory, it is important to highlight that, in 2021, a series of consultations were carried out with experts on culture from a consumer, digital and ESG perspective, with the participation of various internal and external stakeholders, including executives and the Board of Directors.

We evolved in concepts and began to promote with greater focus our Way of Being and Doing, the Dexco culture, which gained simplification and modernization of behaviors, with the incorporation of attitudes, such as ESG, digital and consumer themes that appear as topics transversal to all business areas.

Cuidamos
da vida
onde ela
estiver

Investimos
em pessoas
e construímos
times incríveis

Somos ágeis
e buscamos
as melhores
soluções em digital

Inovamos,
simplificamos
e aprendemos
com os erros

Inspiramos
clientes e
consumidores

Somos eficientes
e geramos resultados
diferenciados

Cultural evolution over recent years has required reviewing processes to promote changes and accelerate the practice of new behaviors. It was needed to develop leaders to disseminate and strengthen cultural change. In this sense, we carried out several actions to engage our leaders in the new endeavor.

The role of leadership was essential in this process, which included specific training, engagement actions and guidance for this group to work on disseminating new themes with their teams. After disclosing it to leadership, we carried out actions to ensure that the culture theme was sustained among employees. Among the initiatives carried out for this purpose, Culture Dialogues, workshops and moments of discussion of behavior among employees were held.

Other important actions were carried out, such as the creation of a Reference Group, the launch of an e-book about Our Way Being and Doing and a Culture Week, a moment in which cultural evolution was celebrated, conducted in units in Brazil and Colombia .

Throughout this period, cultural alignment meetings and actions were also held with Senior Management, where reflections and practical actions regarding culture, management practices and multi-business interactions were addressed.





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Corporate Social Responsibility Guideline

The main goal is to contribute to local development in the territories where we operate, through initiatives related to the pillars described below.



The Social Responsibility area operates **on 3 (three) pillars**, having as transversal axis looking at the employee (the “internal social”), with transversal actions with internal areas and action in situations of extreme weather events.



Community Pillar

Focus on the surrounding communities and **local development**, through donations, educational program, dialogue circles and corporate volunteering.



Tax Incentive Pillar

Efficiency in proposing and managing initiatives, taking as a starting point the dialogues with the communities.



Strategic Investment Pillar

Investments in initiatives focused on and decent housing, identification of networks, coalitions and strengthening of the ecosystem of impact businesses focused on the theme.



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SDG and Social Responsibility Guideline

In 2022, with the structuring and progress of the socio-environmental agenda at Dexco, we identified the opportunity to develop and implement strategic Social Responsibility planning.

The definition of these investments considers projects aligned with the UN Sustainable Development Goals. In addition to the SDG priority for Dexco, projects may cover others, due to their performance characteristics.

In this sense, some of the established goals may also be linked to SDG 4, 6, 10 and 14, associated with themes addressed by social projects that we seek to encourage.

By investing in more resilient communities, reliable access to natural resources, and an educated and healthy population to support our workforce, we seek to drive progress toward distinguished results and shared value creation, helping to ensure the ability to generate capital and value for long-term shareholders.





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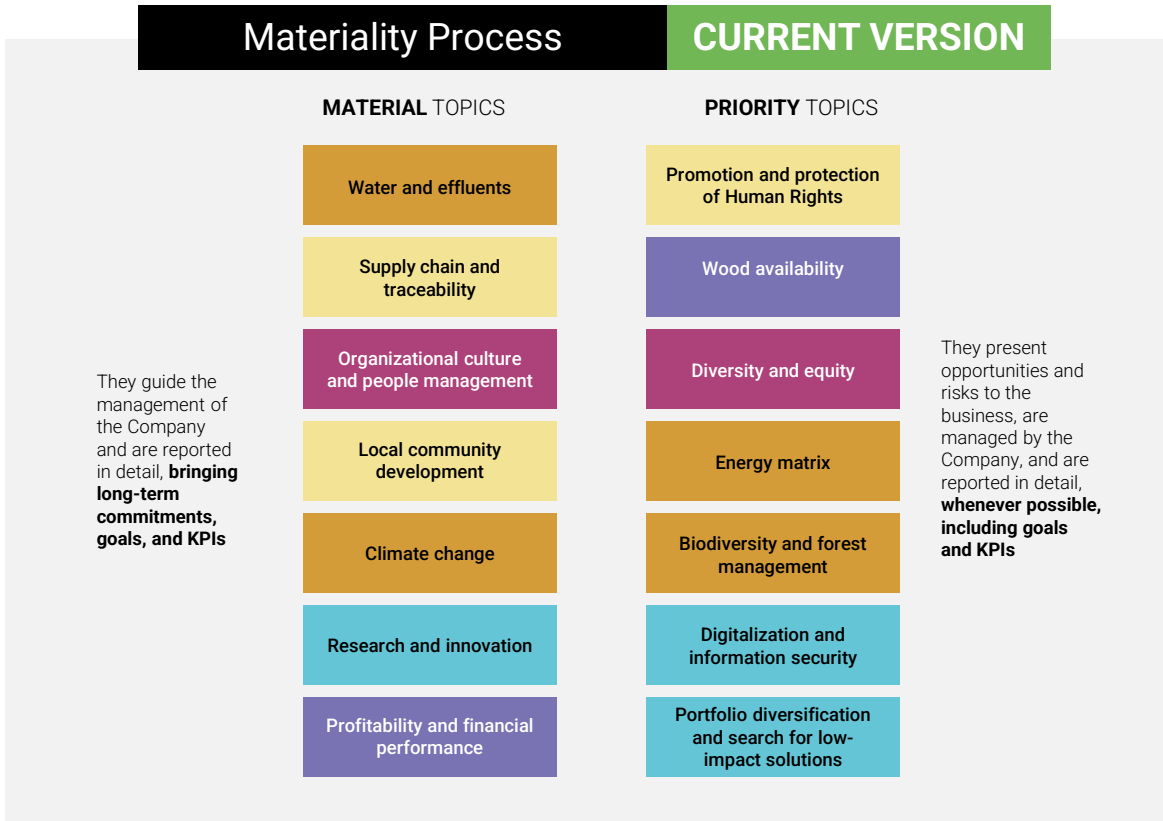
Revisiting Process

Three years after the first definition of material issues for Dexco, in a different moment and with a critical look at the changes we have undergone, considering a new season of corporate culture, new strategic ambitions, a new investment plan and good market practices, **the material issues for Dexco were revisited in 2022.**

During this process, studies were conducted on dozens of documents, including reports, sectoral and impact analyses, risk maps, management strategies and benchmarking.

10 internal interviews were also carried out with directors and managers, 4 conversation circles with 42 employees from Brazil and Colombia and 10 external interviews with Dexco's main stakeholders. An online consultation with diverse audiences returned 743 responses. In total, more than 820 people were consulted.

The result of the materiality analysis was approved by the Executive Board. During the process of revisiting the Strategy, we conducted a detailed analysis of each of the topics addressed and their links with Dexco's material topics.





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ESG demands acceleration boosting global reporting and **strengthening Dexco's practices**

The pandemic period we experienced sped up the focus of governments and regulatory bodies on many issues, including the responsibility that companies have for their impacts, both positive and negative, on their employees, operations and the surrounding community.

Culminating with this more critical look, we have observed the extreme effects of climate change coming from years of natural resources exploitation, such as droughts and floods, temperatures reaching historic highs and lows, and the need for quick adaptation of populations experiencing such changes.

On the side of companies that seek to be aligned with best market practices, there are evaluation and rating mechanisms that charge increasingly timely and accurate information, bringing, once again, the discussion about the need to combine financial and sustainability effects in the same discussion, considering the relevance that these themes gained recently.

More and more, we see the strength that the data measurement has gained for stakeholders, and we have been working to monitor such demands, in a transparent and connected way with the reality of the operations and sectors in which we are included.

Nationals Indexes

Updating your practices and
boosting the ESG agenda in
companies in Brazil

Standards

Accelerating
discussions
between
companies from
all sectors

ISEB3

S&P Global



ICO2 B3

SASB
STANDARDS
Now part of IFRS Foundation



International Indexes

Following the
most current
discussions from
world bodies and
demanding
positions from
companies

Legal Reports

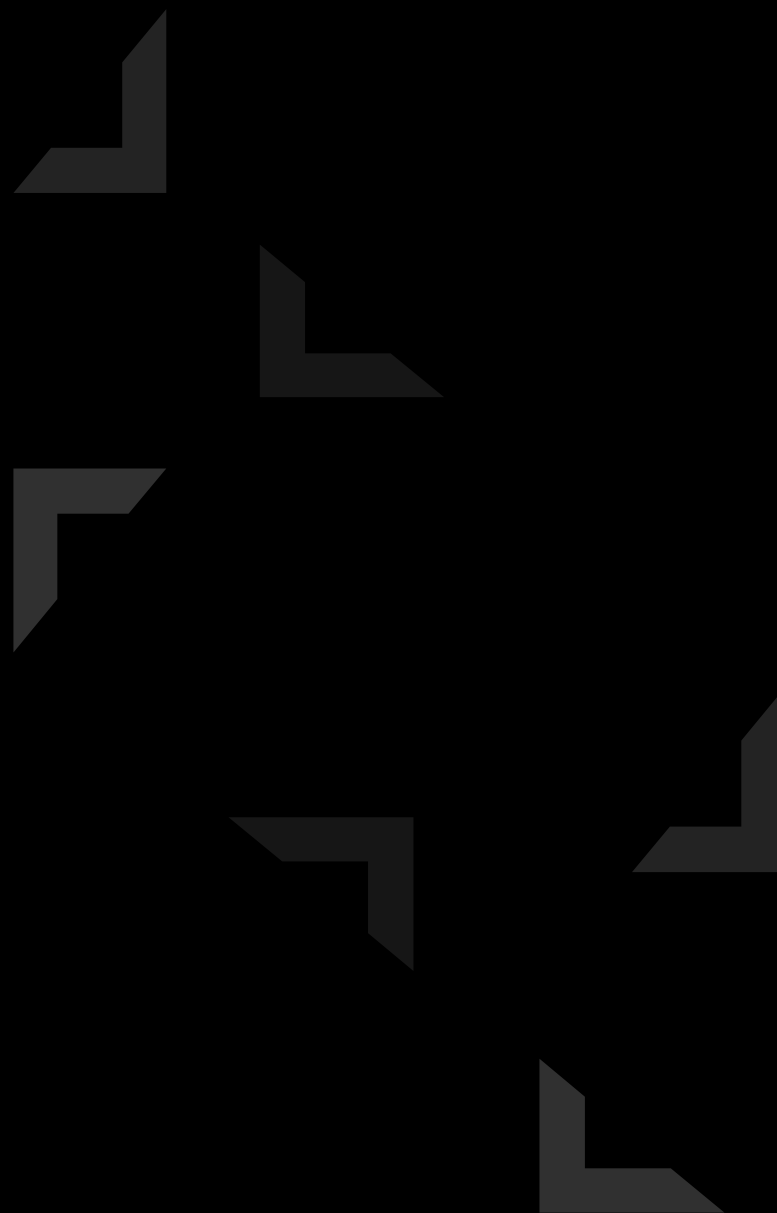
New obligations
established by
regulatory agencies
for sustainability
information

Frameworks

Updating your
commitments and
boosting the quality and
volume of public
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SUB KPIS



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STRATEGIC COMMITMENTS

**Make the
construction
and
renovation
journey easier**

**Ensure sustainable
growth while
maintaining a
positive carbon
balance**

**Promote
health and
well-being in
environments**

PERFORMANCE INDICATORS

- Investment in initiatives that promote conscious renovation and change in the constructive paradigm **CONCLUDED**
- Professionals involved in our engagement and training programs
- Consumer satisfaction ratio
- Digital Transformation ratio

- Carbon Balance
- Packaging compensation **CONCLUDED**
- Energy and carbon footprint at the product use stage **CONCLUDED**
- Efficient use of inputs and raw materials
- Water footprint in the product use phase
- Packaging composition
- Hiring suppliers considering socio-environmental criteria
- Relationship and engagement with the community
- Own and supported areas with certified management

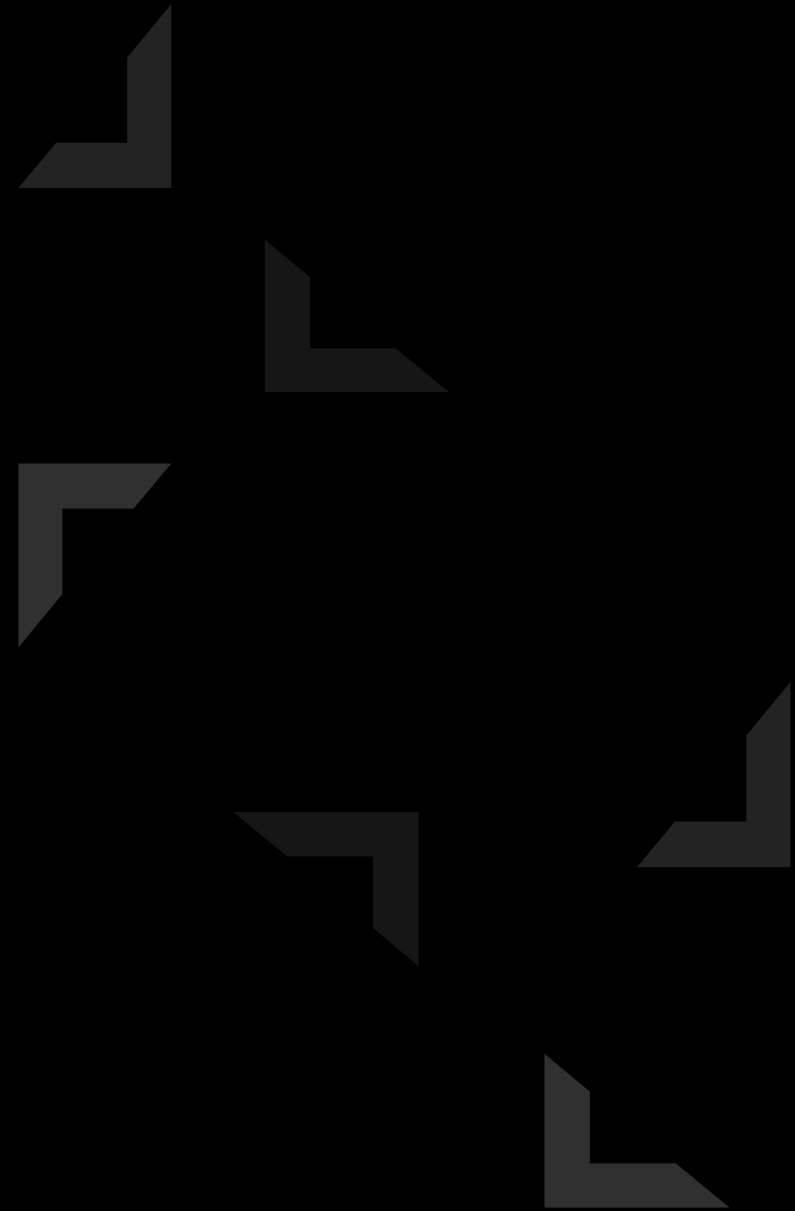
- Net Operating Revenue (NOR) from eco-efficient products and technologies that promote health and wellbeing **CONCLUDED**
- Diversity of demographics, with representation
- Wood products with E1 or lower formaldehyde emission
- Employee engagement and cultural alignment ratio

DETERMINED TARGETS

- Increase to 34 thousand professionals involved in training and engagement programs with Dexco brand products
- Achieve and maintain NPS 75 in the unified SAC consumer satisfaction ratio
- Reach NPS 85 in the satisfaction ratio of consumers served by Deca's authorized service network
- Reach 80% in ICTd (CESAR Digital Transformation Index)
- Accumulated net removals until 2030
- Reduce absolute emissions (Scope 1 + 2) by 37% by 2030
- Reduce emissions intensity by 15% (Scope 1 + 2) in the Ceramic Tiles Division, by 2030
- Maintain the proportion of renewable sources in the energy matrix above 50% by 2030
- Reduce energy consumption at Dexco by 5% by 2025
- Reduce water abstraction at Dexco by 10% by 2025
- Reduce waste generation by the organization by 30% by 2025
- Reduce the organization's disposal of waste to landfill by 50% by 2025
- Increase the percentage of plastic materials reused internally to 95%
- Water saving potential in the product use stage reaches 900 million m³ by 2025
- Eliminate or replace plastic in Deca packaging that reaches the end consumer
- Improve the average performance index of strategic suppliers by 10%
- Ensure 100% presence in municipalities where we have industrial operations in Brazil
- Reach 100% of our own areas with certified management
- Reached 80% of areas promoted with certified management
- Reach 35% of women in leadership positions
- Have Panels (Brazil) with E1 or lower formaldehyde emission
- Reach 80% employee engagement and cultural alignment by 2025

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Metrics **and Targets**





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Revisitation Process

The Sustainability Strategy Revisitation process was approved by the Executive Committee, the Sustainability Committee and the Company's Board of Directors in the second half of 2023. After this approval, the revisit was conducted by Dexco's ESG team, with the participation of the focal of the topics mentioned in the material and the members of the ESG Committee.

The process of evaluating the goals, originally created in 2020, had as its first step an assessment of the Relevance, Adherence and Feasibility of the goals, considering the Company's current situation.

This analysis included an assessment based on criteria that considered impact, structure and availability of resources; and a qualitative analysis, relying on the contextualization of the status of the goals. Next, the existing goals were crossed with the material themes and the Company's priority themes, which were revisited in 2022. From this crossing, it was possible to identify the strengths and opportunities in relation to the goals already existing.

Considering the results, we decided that the goals would be divided into four groups, with specific addresses, namely:

Completed Target

In view of the achievement of the planned objectives, or even changes in the Company's long-term Strategy, these goals will be monitored internally, with external reports through a calendar of external publications, so that its stakeholders can connect the actions to the Company's strategy in a perennial.

Unchanged Target

Commitments that have remained unchanged since their establishment in 2020, still connected with Dexco's agendas and new perspectives.

Revised Target

According to the updating of frameworks and standards in the ESG universe, as well as the scenarios in which we are inserted and the changes that have occurred in recent years, the Company sees the revisiting of some of the commitments assumed as a sign of maturity, aiming to update them and leave them closer to Dexco's reality.

Included Target

Dexco understands this moment as an opportunity to not only be aligned with the best market practices, but to bring to light topics that are considered relevant to our activities, and which can demonstrate in a more objective way our commitment to these themes.



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Metrics and Targets

Revisitation Process

The objectives were also correlated with the priority SDGs for Dexco, and those that could accelerate our social responsibility agenda, according to premises established in our policies.

As a result of the revisit process, we seek to have public commitments aligned with the growth and sustainability strategy of our businesses, including in more challenging results scenarios, which require quick and assertive positions.

Furthermore, given the speed with which topics related to sustainability and ESG have evolved, it is important that the topics are aligned with the expectations of our main stakeholders, considering Dexco's relevance in the markets in which it operates.

Furthermore, with the booming visibility of the forestry sector in Brazil and around the world, linked to the acceleration of discussions on biodiversity and wood availability in markets dependent on this raw material – such as cellulose – it is extremely important that Dexco has its strategic objectives aligned with market trends, to remain competitive and resilient, facing the challenges of the sector.

Revisitation Policy

Seeking to keep the objectives addressed in the Sustainability Strategy relevant and updated, new specific revisits may be conducted before the period stipulated for achieving the goal, in the event of facts considered material, that is, that have a significant impact on the measurement, calculation or interpretation of previously established metrics and goals. For example, new significant changes to the manufacturing, organizational or corporate structure, in addition to changes in the political and regulatory context, would be possible future triggers that could justify such action.



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Completed
Target

Make the construction and renovation journey easier

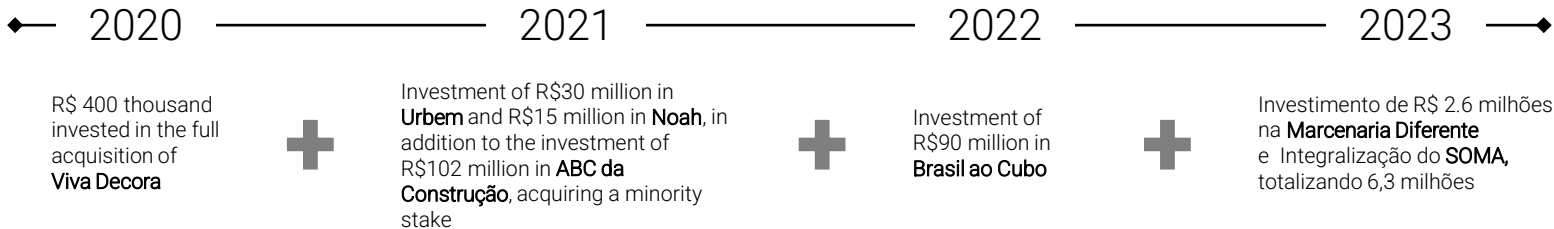
Investment in initiatives that promote conscious renovation and a change in the construction paradigm

Material Issues: Research and Innovation

Relevant information							Priority SDG
The goal was to facilitate and enhance the consumer's renovation experience, avoiding issues such as increased waste generation, higher costs, and rework. We aim to develop partnerships, products, and services that contribute sustainably to the new construction methods.	Objective	Metric	Baseline	Deadline	Reference	Target	
	Investments in initiatives that promote conscious renovation.	Reais (R\$)	2020	2025	R\$ 400 mil	R\$ 40 millions	
	Investment in acceleration initiatives that seek to change the construction paradigm.				-	R\$ 100 millions	

2023 STATUS

Where Are We?



approximately
R\$ 246_{mi}
invested in startups and
scale-ups that accelerate
the civil construction sector



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Completed Target

Ensure sustainable growth while maintaining a positive carbon balance

Packaging offset

Material Issues: Local community development

Relevant information							Priority SDG	
We deal with the implementation of a compensation model for product packaging that reaches the final consumer, that is, ensuring that the quantity of product packaging sold in the national territory has the equivalent mass directed to recycling, through cooperatives, for example.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>14</div><div>LIFE BELOW WATER</div><div></div></div></div>	
	Compensation for packaging that reaches the final consumer.	Percentage of compensated packaging¹.	2020	2025	22%	100%		
	1. Packaging that generates waste for the final consumer, composed of plastic, paper and cardboard from products sold in Brazilian territory							

2023 STATUS

Where Are We?

The equivalent of 22% of Dexco product packaging that reached final consumers nationwide in 2020 was offset through recycling, and this was just the beginning.

With the support of a partner company, this process is fully tracked and audited, with the guarantee of a noble destination for plastic, paper and cardboard packaging, strengthening our actions towards the circular economy.

Since 2021, we have **compensated 100% of the packaging** generated by Dexco that reaches the end consumer



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Completed Target

Promote health and wellbeing in environments

Net operating revenue (NOR) with eco-efficient products

Material Issues: Profitability and financial performance

Relevant information							Priority SDG
Some product lines from the Deca Hydra Division stand out because, in addition to ensuring wellbeing and comfort, they save water and energy during use. These are classified as “eco-efficient”. We intended to act strategically in expanding sales of these products within the portfolio.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div>6 CLEAN WATER AND SANITATION</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
	Increase income from eco-efficient products in the Company's results, with products ¹ from the Deca Hydra brands.	Net operating revenue (NOR) of product lines capable of containing eco-efficient characteristics	2015	2025	36%	45%	
	1.The target considers products from the Deca lines: basins with double actuation box, Hydra Duo valve, taps and washbasin mixers (mechanical, electronic public use and taps with Deca Comfort) and showers with Deca Comfort; and Hydra: electric showers with technology: electronic and digital.						

STATUS 2023

Where Are We?

The Deca Division has more than 350 water-saving product options, including taps, showers and valves, compared to traditional products. In 2022 we had already reached the 46% NOR mark for eco-efficient products and reported it in the annual reporting cycle. During 2023, we maintained this value, confirming the relevance of these products in our portfolio. In addition to the previously established lines, we have also evolved in other product benefits, such as Deca Care and the application of bactericidal technology in the products' enamel.



We exceeded the target in the last 2 years, with +45% NOR of eco-efficient products in the portfolio



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Completed Target

Promote health and wellbeing in environments

Net operating revenue (NOR) from products with technologies that promote health and wellbeing

Material Issues: Profitability and financial performance

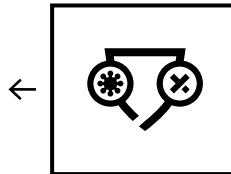
Relevant information							Priority SDG
Some product lines stand out because, in addition to providing comfort, they have specific attributes that enhance the salutary nature of our solutions, demonstrating our care for the wellbeing of our consumers.	Objective	Metric	Baseline	Deadline	Reference	Target	
	Expand net operating income from products that provide health and wellbeing in environments.	Net Operating Revenue (NOR) of lines¹ of products that have health benefits.	2020	2025	22%	34%	
	1.The target considers products from specific lines for each business, which are: Deca: tap and single-lever Twin filter, accessories for special needs, touchless basin, Deca electronic line, toilet seat with thermoset bactericide, luxury electronic basin, electronic soap dispenser ; Hydra: Puravitta filter; Wood (Brazil): coated panels (MDP and MDF) and Durafloor (laminated flooring) with Protekto Plus technology; and Ceramic Tiles: products from the Hard, Bactericida, Flossy, Santin lines and those from the Portinari brand that contribute to Floor Score certification (Products that do not emit VOCs – Volatile Organic Compounds)						

2023 STATUS

Where Are We?

We reached 40% of the NOR of products that provide health and wellbeing

The line of laminated panels and floors with Protekto Plus technology was the first in Brazil to contain antibacterial and antiviral protection. **In 2023, 100% of the Wood Division's coated product portfolio had this technology.** In this division, 60% of NOR in 2023 was made up of products that benefit consumers, also driven by the acceleration of E1 on panels.



Portinari, one of our Ceramic Tiles brands, is the only one in the country that has FloorScore certification. This certification ensures that products have reduced levels of emissions of volatile organic compounds (VOCs) throughout their useful life. In 2023, 62% of the Division's NOR was made up of products of this nature.



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Ensure sustainable growth while maintaining a positive carbon balance

Energy and carbon footprint during the product's use phase

Material Issues : Climate Change

Relevant information							Priority SDG
Rationale for the Change	Objective	Metric	Baseline	Deadline	Reference	Target³	<div><div><div>6</div><div>CLEAN WATER AND SANITATION</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div></div>
Improved description of the premise, making the text easier to understand.	Projection of the potential for accumulated savings in energy consumption in the product use stage, in comparison between the average amount of electrical energy used by an eco-efficient¹ electric shower and a traditional electric shower.	MWh	2015	2025	190 thousand MWh	14 million MWh	
	Projection of the potential for accumulated GHG emissions² avoided during the product use stage, in comparison between the average amount of emissions resulting from the use of an eco-efficient¹ electric shower and a traditional electric shower.	tCO2e	2015	2025	14 thousand tCO2e	1 million tCO2e	
	1. Considers electronic and digital showers from the Hydra brand, which have been sold since the baseline and may have been in operation since then; 2. The carbon footprint corresponds to the conversion of the energy footprint, based on an average emission factor from the National Interconnected System (SIN); 3. The 2025 projection represents the accumulated savings since the base year						

2023 STATUS

Where Are We?

We have avoided the potential emission of approximately 2 million tCO2e in the last 9 years.

Change in the Company's strategy in relation to the Hydra business caused us to change the ambition in relation to potential energy consumption.

LEARNINGS

Throughout our journey, we have evolved in maturity in the way we manage the Sustainability Strategy and its performance indicators. We gained experience, which allowed us to identify opportunities for adjustments in the metrics used to monitor our performance, seeking to more adequately measure the results of our efforts towards our strategic commitments. The lessons learned from this cycle will serve as input in the construction of the next cycle of the Strategy, scheduled for 2025.



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Revised Target

Make the construction and renovation journey easier

Professionals involved in our engagement and training programs

Material Issues: Local Community Development

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	
Simplification of the calculation rationale, considering the differentiation between the types of professionals involved in each of Dexco's businesses.	Increase by 40% the number of hydraulic installers trained and engaged with Deca Hydra ¹ brand products.	Increase the number of professionals involved in training and engagement programs³ with Dexco brand products.	Professionals number	2020	2025	27,373	34 thousand	 
	Increase the number of professionals ² involved in engagement and training programs in the Wood Division by 13%.							
	Increase the number of specifiers involved in engagement and training programs in Ceramic Tiles by 107%.							
	Increase the number of installers involved in engagement and training programs in Ceramic Tiles by 33%.							
	1. The goals initially set for 2030 (Deca/Hydra and Madeira) will be reconsidered in due course on the delivery date of the 2025 cycle; 2. Architects, carpenters, store salespeople, installers and public from the civil construction channel; 3. In-person and digital training, promoted by teams of instructors in our Training Programs; engagement in in-person and digital solution launch events; and engagement through digital media.							

Where Are We?



One of the ways to help the renovation and construction experience improve is through the engagement and qualification of the professionals involved. This is also a means of contributing socially, training professionals, and reaching the end consumer, as these workers act as intermediaries.



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Make the construction and renovation journey easier

Consumer satisfaction index

Material Issues: Local community development

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	
Inclusion of the maintenance challenge after reaching the goal, if this occurs before the pre-established period.	Reach NPS 75 in the consumer satisfaction index of the unified SAC.	Increase and maintain the level of satisfaction in service to the consumer.	Unified SAC Net Promoter Score (NPS)	2020	2025	66	75	
Increased ambition.	Reach NPS 75 in the satisfaction index of consumers served by Deca's authorized service network.	Increase consumer satisfaction levels with an authorized Deca service network.	Net Promoter Score (NPS) of the Deca authorized service network	2020	2025	59	85	

Where Are We?

We monitor the consumer satisfaction index annually through the Net Promoter Score (NPS) and we want to continually increase our performance. As a way of standardizing our understanding and obtaining synergies, in 2020 we unified the SAC management of all business divisions. We seek to constantly improve the performance of our products and solutions, in co-creation with professionals from our segments, through routine events and meetings.

NPS & ESG

The Net Promoter Score (NPS) allows us to continuously evaluate the evolution of our consumers' average satisfaction. In this way, we understand that continuous monitoring and actions to improve the relationship with this audience allow Dexco to evolve in offering the best experience, at all stages of its journey, with its consumers.



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Ensure sustainable growth while maintaining a positive carbon balance

Efficient use of supplies and raw materials

Material Issues: Water and Effluents

Relevant information								Priority SDG
Rationale for the Change	Iniical Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	<div><div><div>6</div><div>CLEAN WATER AND SANITATION</div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div></div> <div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div></div>
Consolidation, updating in response to market demands and improvement of management at a corporate level. The relative goals initially established for each business continue to be considered for the management of the topic in the units.	Reduce relative water capture in Panels (Brazil) by 20%.	Reduce water abstraction.	m³ of water/ year	2020	2025	3.3 million m³	-10%	
	Reduce relative water capture in Ceramic Tiles by 33%.							
	Reduce relative water abstraction in Fixture by 7%.							
	Reduce relative water capture in Hydra by 10%.							
	Reduce relative water capture in Metals by 10%.							
Coverage: operations in Brazil								

Where Are We?

Water is a fundamental natural resource for human life and maintenance of biodiversity on the planet. As it is a finite resource, it is essential that it be used rationally. At Dexco, we use this resource to manufacture products in industrial units and forestry production. Furthermore, Deca and Hydra products use water for their operation, which is necessary to provide comfort and well-being to our consumers. Through constant improvements to our processes, we seek to increasingly improve the eco-efficiency of our operations, using this resource wisely.



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Efficient use of supplies and raw materials

Material Issues : Climate Change

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	
Consolidation, updating in response to market demands, and enhancement of corporate-level management. The originally established business-specific goals continue to be considered for theme management in the units.	Reduce the relative energy consumption in Wood Panels (Brazil) by 25%.	Reduce energy consumption ² .	GJ/year	2020	2025	9.5 million GJ	-5%	<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
	Reduce the relative energy consumption in Ceramic Tiles by 20%.							
	Reduce the relative energy consumption (electricity and natural gas) in Sanitary Ware by 7.5%.							
	Reduce the relative electricity consumption in Metals by 5% ¹ .							
	Reduce the relative consumption of natural gas and LPG in Metals by 15% ¹ .							
	Reduce the relative consumption of electricity at Hydra by 20%.							
1. Considering the levels of energy consumption and production of parts, the targets previously established for 2030 for Metals (reduce electricity consumption by 10% and natural gas and LPG consumption by 20%) have been incorporated into the 2025 objectives, considering the relevance of the amount consumed by the business; 2. Coverage: Operations in Brazil								

Where Are We?

→ Essential for transforming raw materials into solutions for better living, energy is a fundamental input in our processes. Aware that energy generation has the potential to cause adverse impacts, we aim not only to reduce total energy consumption in our operations but also to maintain a significant portion of renewable sources in our energy mix and use fuels with higher energy efficiency.



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Efficient use of supplies and raw materials

Material Issues: Water and Effluents

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	<div>  </div>
Consolidation, updating in response to market demands, and improvement of management at the corporate level. The initially established goals for each business unit regarding this matter continue to be considered for managing the issue in the units.	Reduce the relative waste generation in Sanitary Ware by 7%.	Reduce waste generation.	Tons of waste generated/year ²	2020	2025	323.8 thousand t	-30%	
	Reduce the relative waste generation in Ceramic Tiles by 15%.							
	Reduce the relative waste generation at Hydra by 15%.							
	Zero relative waste disposal in landfills for Wood Panels (Brazil).	Reduce waste disposal in landfills.	Tons of waste sent to landfill/year ²	2020	2025	23.2 thousand t	-50%	
	Reduce the relative waste disposal in landfills for Ceramic Tiles by 80%.							
	Reduce the relative waste disposal in landfills at Hydra by 20%.							
	Reduce the absolute waste disposal in landfills for Metals by 50% ¹ .							
1. Considering the levels of part production and waste disposal, the goals previously established for 2030 for Metals (Zero landfill disposal) have been incorporated into the 2025 objectives, considering the relevance of the amount produced by the business; 2. Coverage: operations in Brazil, all businesses; does not include the disposal of scrap from the demobilization of factory units.								

Where Are We?



Each input used in our processes has generated some type of impact to be produced, so we seek to reduce the amount of waste generated through more efficient processes and by applying circular economy concepts. For those that need to be externally disposed of, we work to find treatment and disposal methods with less environmental impact compared to landfills.



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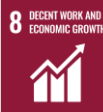

Metrics and Targets

Revised Target

Ensure sustainable growth while maintaining a positive carbon balance

Water footprint during the product's use phase

Material Issues: Water and Effluents

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target ²	  
Improvement in the description of the premise, making the text easier to understand.	Calculation of the difference (savings) between the average amount of water used in eco-efficient products sold and that of traditional products.	Projection of the potential accumulated savings in water consumption during the product use stage, comparing the average amount of water used in eco-efficient¹ products and traditional products.	m ³ of water	2015	2025	-	900 million m ³	
<p>1. It considers Deca dual-flush toilets, faucets and sink mixers (public use mechanical, electronic, and faucet taps), and Deca Comfort showers, Hydra Duo valves, and Hydra brand electric showers with technology (electronic and digital), which have been sold since the baseline and may have been in operation since then;</p> <p>2. The 2025 projection represents the accumulated savings since the base year.</p>								

Where Are We?

Some product lines from the Deca Division stand out because, in addition to ensuring well-being and comfort, they provide water and energy savings during their use stage. We classify these lines as eco-efficient. By marketing these products, we seek to consolidate our growth in a sustainable manner, reducing the environmental impact of our solutions. Our development processes aim to meet the specifications of certifications that attest, at the international level, to the environmental quality of construction projects. Some of these are:

- LEED (Leadership in Energy and Environmental Design)
- AQUA (High Environmental Quality)
- BREEAM (Building Research Establishment Environmental Assessment Methodology)



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Packaging composition

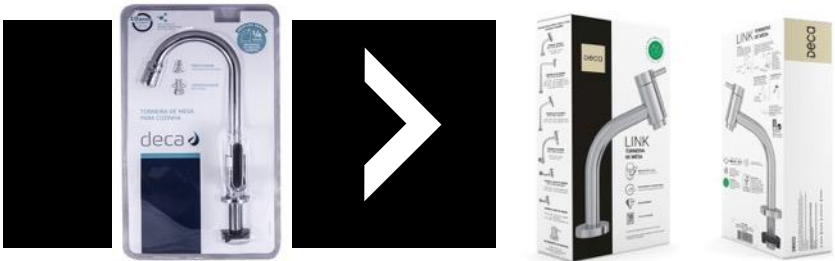
Material Issues: Research and Innovation

Relevant information							Priority SDG
Rationale for the Change	Initial Objective	Metric	Baseline	Deadline	Reference	Target	  
Improvement in the description of the products encompassed by the ambition of the goal.	Eliminate plastic and/or use biodegradable plastic in the packaging ¹ of Deca products that reach the final consumer.	Percentage of Deca product packaging that reaches the final consumer and does not use plastic or uses biodegradable plastic.	2020	2025	-	100%	
1. Considers blister clamshell packaging made of plastic materials, used in the packaging of new, finished sanitary metals.							

Where Are We?

We aim to reduce our impact on the environment, starting within the company itself, with options that are more sustainable and minimize environmental impact.

We are aware of the magnitude of the impact of plastic on the environment and, therefore, seek alternatives for our products.





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Ensure sustainable growth while maintaining a positive carbon balance

Supplier selection considering social and environmental criteria

Material Issues: Supply Chain and Traceability

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	 
Since the result in whole numbers does not convey the actual evolution of suppliers participating in the Excellence Program developed by Dexco, it was understood that with a percentage demonstration, it is possible to more easily assimilate such evolution.	Achieve an average score of 8 in the performance index of strategic suppliers.	Improve the average performance of strategic suppliers	Percentage of performance improvement of suppliers in the GFD Program ¹	2020	2025	7.33	10%	
	1. Considering the profile of suppliers participating in the Dexco Supplier Management Program and the ambition to increase the number of participants annually, the proposal to maintain zero suppliers with a score below seven is no longer applied. Furthermore, for those with scores below expectations, action plans and development are applied, including analyses of possible disqualifications.							

Where Are We?

The Dexco Supplier Management Program (GFD) is a risk management and opportunity induction system for improving the supply chain in terms of ESG, through cyclical and constant evaluation of strategic suppliers, in alignment with principles of continuous improvement. The GFD, as well as the Supplier Performance Index assessed in this methodology, are our main tools for monitoring this evolution. Since 2012, suppliers participating in the Program have been classified in a criticality matrix, based on a cross between risk levels and relevance to the operation. Those considered critical and very critical are understood as strategic and invited to participate in the GFD and grouped by size and areas of activity.

PROGRAMA **GFD**



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Promote health and wellbeing in environments

Employee cultural alignment

Material Issues: Organizational culture and people management

Relevant information								Priority SDG
Rationale for the Change	Initial Objective	Revisited Objective	Metric	Baseline	Deadline	Reference	Target	
Revision of the objective wording and adjustment of the metric and reference, considering the new culture season.	Achieve 80% in the employee engagement and cultural alignment index.	Ensure the consolidation of the Way of Being and Doing (Dexco culture).	Score on the culture ¹ survey and key People indicators (practical dimension of culture).	2020	2025	76 ²	Research score ≥ 76 and grade ≥ 3 in indicators	
	1. Internal research, carried out through brief and targeted questionnaires, to measure employees' perception regarding the practices of new cultural behaviors and engagement in relation to the organization's movements. 2. Considers the results of the research carried out at the end of the first culture cycle (2019) and beginning of the second cycle (2022), which obtained a similar result.							

Where Are We?

- In 2022, we conducted the survey via the Pulses platform - the first listening of the second season of the Way of Being and Doing - obtaining an average overall score of 76pp (scale of 1 to 100), used as a reference, according to the methodology adopted by Dexco.
- In 2023, we carried out several actions to reinforce Our Way of Being and Doing and develop leadership, as planned in the cultural transformation cycle, and used the main People indicators to measure progress - obtaining a Dexco score of 3.3 (scale of 1 to 5), used as a reference, according to the methodology adopted by Dexco. From this cycle onwards, this will also be one of the ways to evaluate employee engagement and the evolution of cultural transformation.



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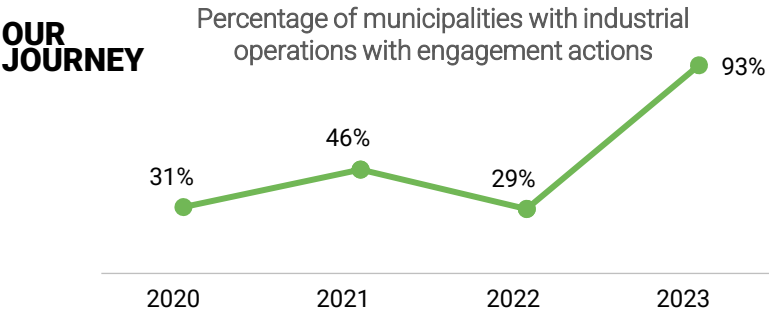
Community relationship and engagement

Material Issues: Local community development

Relevant information							Priority SDG
Aligned with the Social Responsibility Guideline, we promote engagement actions aimed at contributing to local community development.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div>9</div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div><div>10</div>REDUCED INEQUALITIES</div>
	Ensure the presence and maintain the relationship with local communities in 100% of municipalities where we have industrial operations in Brazil through engagement actions and/or community dialogues.	Percentage of municipalities with industrial operations versus municipalities with engagement actions¹.	2020	2025	31%	100%	
	1. Dialogue sessions and structured dialogues with the community; training sessions; campaigns; gardens; actions in schools; visits to the units.						

2023 STATUS

Where Are We?



Maintaining a frequent and close relationship with the communities surrounding our operations is part of the social strategy. In 2022, faced with a factory reorganization and an unstable macroeconomic scenario, the Company was not able to be present proactively in all its factories, a situation we hope will not be repeated.

For this reason, we are committed to promoting engagement and listening actions with the communities until the year 2025, identifying social risks and opportunities, contributing to local development, propagating positive impacts, and mitigating negative ones.



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Unchanged Target

Make the construction and renovation journey easier

Digital transformation index

Material Issues: Research and Innovation

Relevant information							Priority SDG
We seek to assess our performance in terms of digitization and technological adaptation through the Index of the Center for Advanced Studies and Systems of Recife (CESAR Digital Transformation Index - ICTd), based on a questionnaire that addresses eight axes: people and culture; consumers; competition; innovation; processes; business models; data; and enabling technologies.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div></div>
	Expand the culture of digitization and innovation among employees ¹ .	CESAR Digital Transformation Index (ICTd).	2021	2025	57.2%	80%	
	1. The questionnaire is applied at Dexco among members of the leadership.						

Where Are We?

Our proposal for digital transformation and innovation translates into four areas of action: shopping experience, digital retail, solutions and services, and data analysis. We aim to expand the digitization of processes, transactions, and sales, modernizing our internal infrastructure, both administrative and industrial, promoting the improvement of consumer experience, and driving the culture of digitization and innovation among employees.

DIGITAL AMBITION AT DEXCO		
PILLARS		
CONSUMER JOURNEY	EFFICIENCY JOURNEY	PEOPLE'S JOURNEY
CONSUMER at the center of decision-making, using TECHNOLOGY to bring DEXCO closer to all stages of the consumer JOURNEY for REMODELING, DECORATION, and CONSTRUCTION products and services.	Make DEXCO a more COMPETITIVE, AGILE, PRODUCTIVE, and SECURE company, with TECHNOLOGY and a DIGITAL MINDSET as the main agents of this transformation.	Create an inclusive environment that fosters a DIGITAL and ESG MINDSET, forming cross-business teams for the generation of EXCEPTIONAL RESULTS.
CAPABILITIES		
CYBER SECURITY ENTERPRISE ARCHITECTURE DATA & ANALYTICS OPEN INNOVATION ESG LEADERSHIP & BUSINESS MANAGEMENT		



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Carbon balance

Material Issues : Climate Change

Relevant information							Priority SDG
Goals related to the management of greenhouse gas (GHG) emissions from our operations, as well as carbon removal by our forests, developed based on scientific methodologies. These challenges have been established in alignment with the global commitment to limit global warming to 1.5°C, in line with the Paris Agreement.	Objective	Metric	Baseline	Deadline	Reference	Target	 
	Maintain a positive carbon balance (cumulative net removals) ² .	tCO ₂ e	2020	2030	- ³	Accumulated balance > 0	
	Reduce absolute GHG emissions (Scope 1+2).	tCO ₂ e/year	2020 ¹	2030	615 thousand tCO ₂ e/ano	-37%	
	Reduce emissions intensity in the Tiles Division ⁴ .	tCO ₂ e/t product	2020	2030	0.3255 tCO ₂ e/t ⁵	-15%	
	1. Composite baseline, with specific reference date for each business, as published in the 2021 version of the Strategy (available here). As the most recent baseline among the businesses, the year 2020 is considered the consolidated reference date; 2. Net removals = removals - emissions. The balance includes Dexco and its shareholdings, without information from Colombia, which is accounted for according to local regulations; 3. There is no baseline for this target, as it considers the cumulative carbon balance from 2020 to 2030; 4. Dexco's most carbon-intensive business Division; 5. Adjusted reference due to an update in the indicator calculation method; the ambition of the goal remains unchanged.						

Where Are We?

→ The effects of climate change are being felt worldwide in an increasingly intense manner, and we understand our role in combating it. Therefore, we seek to reduce emissions of these gases through innovations and improvements in eco-efficiency in our processes, as well as the use of alternative sources of energy to fossil fuels. Additionally, we generate positive impacts on the climate through the management of our forests, which remove carbon dioxide from the air through photosynthesis.



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Metrics and Targets

Unchanged Target

Ensure sustainable growth while maintaining a positive carbon balance

Efficient use of supplies and raw materials

Material Issues : Climate Change

Relevant information							Priority SDG
We aim to manage the energy matrix, seeking opportunities to expand the use of renewable fuels.	Objective	Metric	Baseline	Deadline	Reference	Target	
	Proportion of renewable sources in the energy matrix.	Percentage of renewable sources in the energy matrix.	2020	2030	56%	>50%	

Where Are We?

Aware of the limitations and global discussions about the real possibilities of a structural change in the energy matrix of energy-intensive companies, we are directing our focus towards new possibilities and dedicating ourselves to finding inputs that guarantee the quality of our products while also reducing their environmental impacts.

To achieve the goal of maintaining a significant percentage of renewable sources in Dexco's energy matrix, the Company has committed to:

- Gradually reduce the consumption of energy sources with significant pollution potential, such as mineral coal used in Ceramic Tiles factories;
- Invest in alternative energy sources, such as solar panels, which are already used at the Castelatto unit as a pilot project;
- Purchase the surplus energy produced by LD Celulose, generated from waste from the soluble cellulose production process, making the process more efficient;
- Change the energy matrix, replacing the use of LFO (Light Fuel Oil) and natural gas with biomass, used for thermal energy generation in Panels units.



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Metrics and Targets

Unchanged Target

Ensure sustainable growth while maintaining a positive carbon balance

Efficient use of supplies and raw materials

Material Issues: Water and Effluents

Relevant information							Priority SDG
Dexco encompasses a multitude of businesses, each with its own characteristics and process challenges. The intention is to continuously monitor and improve production processes to optimize the use of natural resources and materials across all divisions of the Company.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>9 INDUSTRY INNOVATION AND INFRASTRUCTURE</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>
	Expand internal reuse of plastic materials ¹ .	Percentage of rejected parts reincorporated for the injection of new parts (Hydra)	2020	2025	1.5%	95%	
	1. Relevant goal for Hydra brand products, where the use of plastic material is significant.						

Where Are We?

The characteristics of plastic make it a suitable material for Hydra products to bring comfort and well-being to people's environments with technology and safety.

However, as it is a raw material produced from finite natural resources, we understand the importance of its rational use. Therefore, we seek to continuously improve our operations to enable the reuse of this input within our production process through circular economy concepts, contributing to reduce plastic pollution in the environment.





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Target

Ensure sustainable growth while maintaining a positive carbon balance

Managed and fostered areas with certified forest management

Material Theme: Supply chain and traceability

Relevant information							Priority SDG
Of the more than 130 thousand hectares of planted forests and conservation areas that we maintain in Brazil to supply our wood panel factories, a large part of our own areas has FSC® certification for responsible forest management. We seek to maintain and continually improve the management system and operational controls that allow us to meet the requirements of FSC® certification.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div><div>6 CLEAN WATER AND SANITATION</div></div><div><div>13 CLIMATE ACTION</div></div><div><div>15 LIFE ON LAND</div></div></div>
	Maintenance of forest management certification for managed areas¹, in accordance with FSC standards.	Percentage of managed areas certified².	2020	2025	97.5%	100%	
		Percentage of fostered areas (planted forests)³ certified.	2020	2025	20%	80%	
	1. Does not include Caetex. 2. Calculation basis: areas under Dexco's possession (managed) in January of each year. 3. Scope: only developments in the State of Rio Grande do Sul.						

Where are we?

Dexco was the first company in the Southern Hemisphere and the fifth in the world to obtain FSC forest management certification. To obtain the seal, it is essential to meet requirements such as labor guarantees, assessment and minimization of environmental and social impacts and preference for the use of local labor. As new areas are acquired, they are included in the scope of certification.



Dexco maintains publicly available documents that bring transparency to management practices and corroborate certification requirements. Among them are:

- **Corporate Standard for Responsible Management;**
- **Forest Management Plan;**
- **Commitment to Biodiversity;**
- **Biodiversity Report: Management and Indicators.**



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Unchanged Target

Promote health and wellbeing in environments

Diversity of demographics, with representation

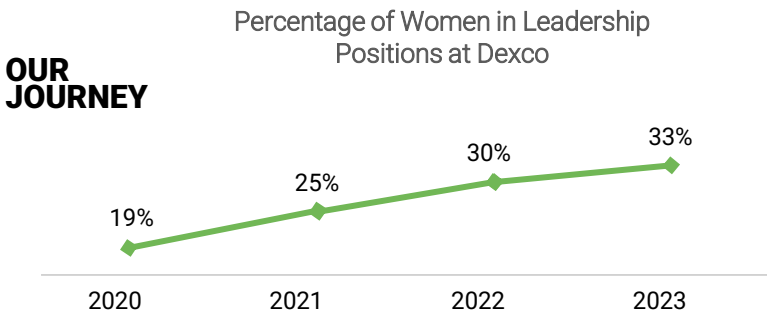
Material Issues: Organizational culture and people management

Relevant information							Priority SDG
We want to make Dexco an increasingly diverse and inclusive place. Our goal of being a company that delivers solutions for everyone aligns with a company that practices diversity and inclusion internally. We believe that by bringing together people with different experiences and points of view, we enrich our environment and our decision-making processes.	Objective	Metric	Baseline	Deadline	Reference	Target	<div><div>8 DECENT WORK AND ECONOMIC GROWTH</div><div>10 REDUCED INEQUALITIES</div></div>
	Gender: women in leadership positions ¹ .	Percentage of women among total employees.	2020	2025	19%	35%	
	1. Vice Presidents, Directors, Managers, Coordinators, Specialists, and Supervisors in Brazil and Colombia.						

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Where Are We?

In 2020, we developed an action plan for Diversity, Equity & Inclusion (DE&I). We understand that all social markers are important, but, considering our greatest challenges, we focus on affirmative actions to attract a more diverse workforce to Dexco, starting with greater diversity in the selection process. It's not just about attracting, it's about including. Bringing in diverse people is not enough; we need to offer working conditions that meet the needs of each individual and ensure that we are prepared for inclusion. This is the challenge we have maintained and address through this commitment.





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Promote health and wellbeing in environments

Wood products with E1 or lower formaldehyde emission.

Material Issues: Research and Innovation

Relevant information							Priority SDG
Some product lines stand out because, in addition to providing comfort, they have specific attributes that enhance the beneficial nature of our solutions, demonstrating our care for the well-being of our consumers.	Objective	Metric	Baseline	Deadline	Reference	Target	
	To strategically expand sales of products that promote health and well-being, as well as to continuously improve processes to gradually reduce formaldehyde emission levels in panels.	Average formaldehyde level (in mg) per 100g of panels produced at the Agudos, Itapetininga, Uberaba, and Taquari units, encompassing the MDF and MDP production lines.	2020	2025	Standard: E2 <20 mg/100g Dexco average: 15.4 mg/100g	E1 (<8mg/100g)	

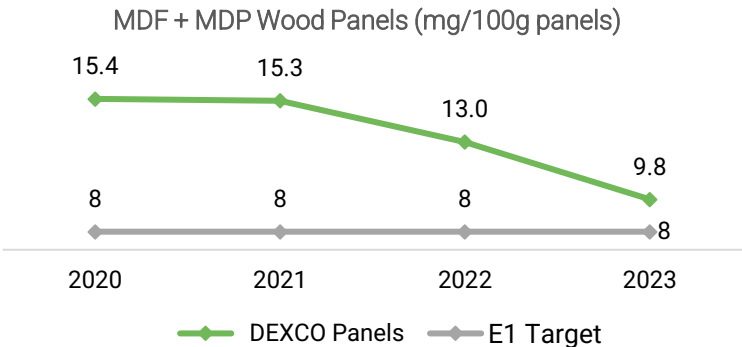
2023 STATUS

Where Are We?



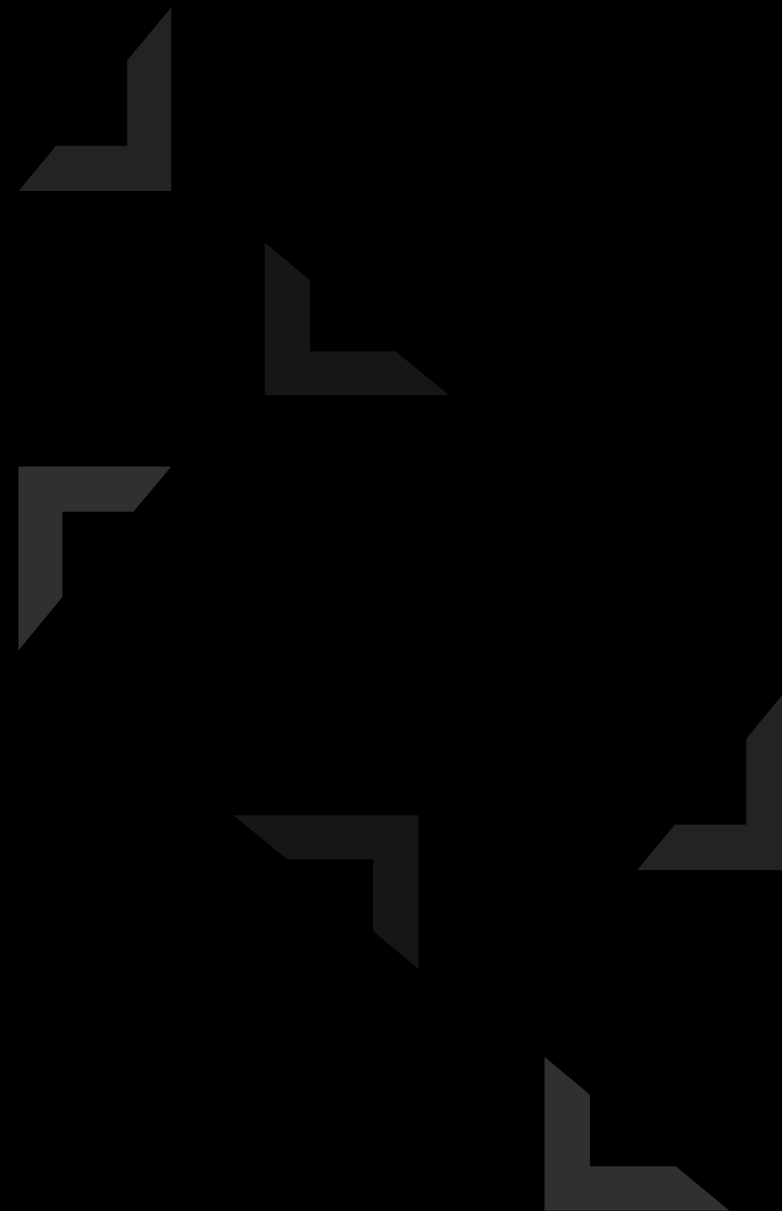
In the Wood Division, products from the MDF and MDP panel line comply with Brazilian and European standards regarding the level of residual formaldehyde emission in the products. Although the national standard sets E2 as the benchmark category, **Dexco already produces 100% of its panels in the E1 category**, which have even lower residual levels, both for Brazil and other markets like Europe. For other regions, we produce according to the specific standards of each locality, and all our units are certified according to EPA (Environmental Protection Agency) and CARB (California Air Resources Board) certifications.

OUR JOURNEY



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 Attachments

References

[2025 Sustainability Strategy Book – 2021 Version](#)

[Corporate Social Responsibility Guideline](#)

[2021 Integrated Report](#)

Pages 21, 22, 23, 24 e 25 – Creation of the 2025 Sustainability Strategy

Pages 101, 102, 103, 104, 105, 106 – Status of the Sustainability Strategy

[2022 Integrated Report](#)

[Status of the Sustainability Strategy – 2022 year](#)

Dexco

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Credits

Director of Finance, IR and ESG
IR and ESG Management