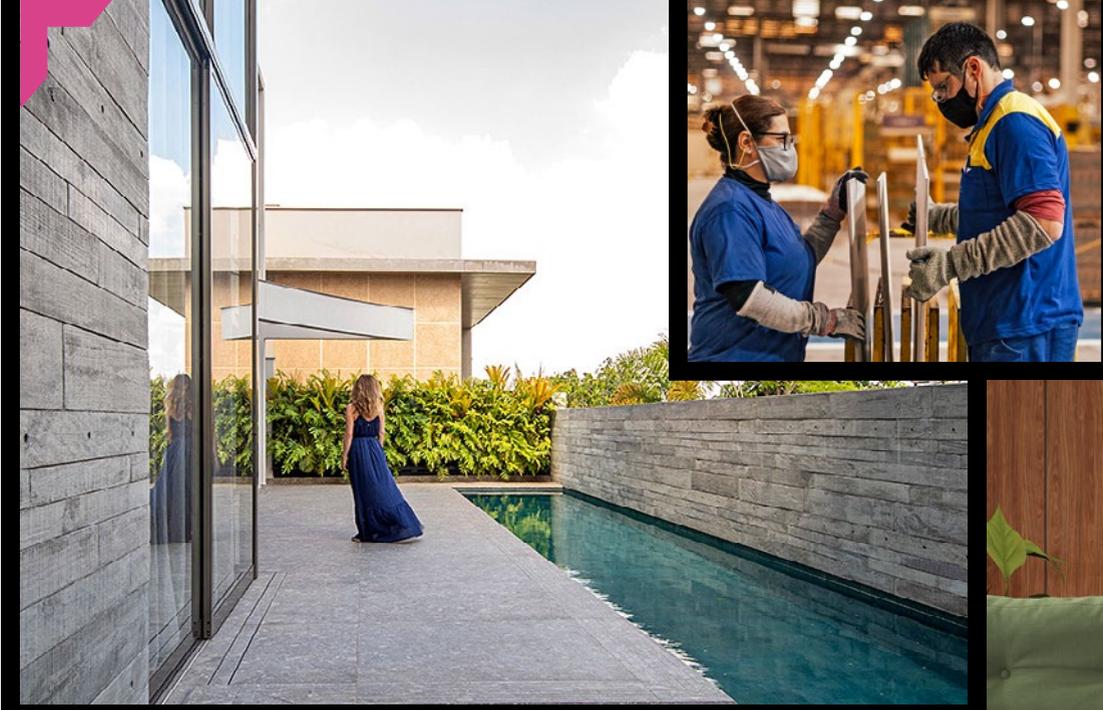


# Integrated Report 2023



**DEXCO**  
Living environments.

# Contents

**Message from the Board of Directors** 3

**Message from the CEO** 4



**About this report** 5



**Our Way of Being and Doing** 32

- Employee profiles 34
- Diversity, equity and inclusion (DE&I) 35
- Attractiveness and selection 37
- Career development and talent management 38
- Occupational health and safety 42
- Health and wellbeing 44
- Human rights 45



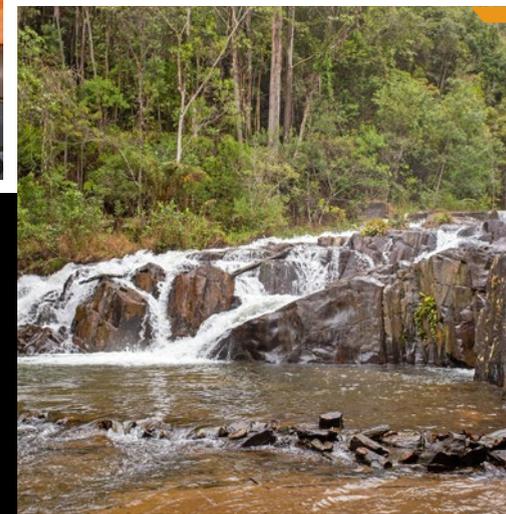
**Solutions for Better Living** 54

- Customers and consumers 55
- Suppliers 59
- Communities 62



**Living Environments** 65

- Energy 67
- Climate change 68
- Emissions 69
- Biodiversity 69
- Forestry 70
- Water resources 71
- Waste 72



**Our vision for the future** 74

**We are Dexco** 7

- Business Divisions 9
- Where we are 15
- Performance in 2023 16
- Awards and recognition 17
- Materiality 17
- Sustainability Strategy 19
- Business model 21
- Corporate governance 22
- Ethics and compliance 26
- Risk management 30

**Digital transformation journey** 46

- SAPiens Project 47
- DX Ventures 48
- Forestry 4.0 50
- Imagine Program 52
- Open Dexco 53
- Data security 53

**Supplementary Information Booklet** 76

**GRI and SASB Content Summaries** 172

**Assurance report** 182

**Credits** 186

# Message from the Board of Directors

| GRI 2-22

The expectation that 2023 would be a challenging year was confirmed, and Dexco went through important movements to balance itself amid the instability of the external scenario and macroeconomic uncertainties. We are feeling the impact of the downturn in the construction market, particularly in the Finishing Materials for Construction Division, due to the rise in interest rates, which is affecting the financing of real estate and renovations. On the other hand, we confirm the resilience of the Wood Division, which achieved good results during the year.

With the reorganization of the Executive Committee (Comex), we have carried out an important and successful administrative reform, which is preparing us to resume our commitments and targets with enthusiasm. We are completing the



investment cycle and now it is time to consolidate, believing in the results of the investments we have made.

The new ceramic tile factory in Botucatu (SP) is one of these investments, which is foreseen to start operating in 2024, in an eco-efficient way with use of advanced technologies. We have also expanded the area of planted forests in the northeast of Brazil, confirming the relevance of the business both for the use of wood in various applications and to prepare us to take advantage of opportunities that may arise from new climate-related regulations, which are being discussed in Brazil.

Thinking about the efficiency of our business and the generation of differentiated results, we reviewed our medium-term strategic plan and made the decision to reorganize our industrial park, choosing to close or suspend some operations. We are focused on the recovery agenda.

In 2023, we put our house in order to achieve our financial goals, in line with our Sustainability Strategy, which has been revised with an even more focused view on the scenario we are in today.

For 2024, we will continue this journey, looking to the future and growth opportunities, in line with our corporate culture. With our skilled professionals, serious and committed management, progress in digital transformation and a consistent strategic plan, we continue to work for a Dexco that is a reference in the sectors in which it operates, a company that values people, the environment and society. ■

*"We continue to work for a Dexco that is a reference in the sectors in which it operates, a company that values people, the environment and society."*



**Alfredo Egydio Setubal**  
Chairman of the Board of Directors

# Message from the CEO

| GRI 2-22

Our Way of Being and Doing formed the basis for Dexco's actions and decisions in 2023, a challenging year, with different repercussions in each business. In times of instability, knowing who we are and what we want has helped guide us toward our purpose.

In terms of our business, the Wood Division showed robust demand and performed very well during the year, including a new EBITDA record in the last quarter, confirming the consistent performance of panels and profitability of the assets of the forestry operations, driven by the recognized excellence of our management of the forests that supply panel production.

The situation was the opposite in Finishings for Construction. The year was weak for the construction sector as the market experienced post-pandemic apathy, delaying the recovery of results.

Motivated to make our operations increasingly efficient, we shut down the operations of a Sanitaryware unit

(Queimados-RJ) and a panel unit in Colombia (Manizales), in addition to suspending the activities of a ceramic tile factory in the south of the country. These were difficult decisions, and we recognize the impact of decisions of this magnitude.

Even in the face of an adverse scenario, we have an expansion plan. The ceramic tile factory in Botucatu (SP) will start its operations in 2024, with important competitive components: lower costs, market proximity, production scale and more advanced technology. It is part of the investment cycle that we started in 2021 and which is nearing its end, with which we also aim to automate sanitaryware, expand our forests in the Northeast and improve the product mix.

The business of the future is omnichannel, and we understand the importance of channels that enhance our relationship with the end consumer. That's why we're getting closer to our customers and the retail industry. On the digital transformation

journey, we have advanced in the integration of our systems with the SAPIens project, and taking care of our people by strengthening our diversity and safety agenda.

All this with a major reorganization of our leadership and a critical look at our Sustainability Strategy, in the belief that pursuing solid socio-environmental commitments is more than a will, it is a business strategy.

We are a structured company with a differentiated portfolio, and we believe in growth through new businesses and processes. Strong and connected to our culture, because the company is a living organism and the culture accompanies the movements of change, I am sure that 2024 will be another year of recognitions for Dexco. We count on all of our employees on this journey, and in this report we share another chapter of our story.

Enjoy reading! ■

*"We are a structured company, with a differentiated portfolio, and we believe in growth through new businesses and processes."*



Antonio Joaquim de Oliveira  
CEO



# About this Report



# About this Report

| GRI 2-1, 2-2, 2-3, 2-4, 2-5, 2-14

This is the 2023 Integrated Report of Dexco S.A., a publication carried out annually and which, in this cycle, includes the Company's strategic vision and the main actions and results of operations in the year from January 1 to December 31, 2023. It also includes the financial results for the same period, released in March 2024, as well as prominent initiatives related to the environment, social responsibility practices and corporate governance.

| GRI 2-1, 2-3

For the fifth consecutive year, this document has been prepared using the Integrated Report Format, in accordance with the standards of the Global Reporting Initiative (GRI), following the guidelines of the International Integrated Reporting Council (IIRC) and the framework of the Sustainability Accounting Standards Board (SASB), covering the Construction Products & Furniture and Forest Stewardship sectors. The Report is also in line with the criteria of the Brazilian Association of Publicly-Held Companies (ABRASCA). | GRI 2-3



The chapters are organized according to the capitals of the Integrated Reporting methodology (Financial, Produced, Human, Intellectual, Social and Relationship, and Natural), relating the content to ESG (Environmental, Social and Governance), the pillars of corporate culture and Dexco's material issues.

This report includes our two main fronts of action: Wood (Panels, Forestry, Dissolving Wood Pulp) and Finishings for Construction (Metals and Sanitaryware, Tiles), the results of which are accounted for on a consolidated basis, covering the operations of Brazil and Colombia. Scope restrictions regarding GRI and SASB reporting are specified in each indicator. | GRI 2-4

The data reported in the 2023 Integrated Report include all businesses in which Dexco has full direct or indirect control (100% participation and/or majority shareholding). Information relating to investments accounted for using the equity method, such as LD Celulose and ABC da Construção, is not included in the consolidated financial statements data reported in sustainability indicators. | GRI 2-2

Dexco's financial information is reported as described in its Consolidated Financial Statements. Considering the recent acquisition of Caetex Florestal S.A. in December 2022, some indicators are undergoing adjustments and may be signaled as to inclusion or exclusion in their entirety. | GRI 2-2

Minority shares are only considered in the construction of Dexco's carbon balance, which is historically built using the equity approach. The evaluation of material topics contemplates only the businesses in which we have full direct and indirect control (100%), including in the construction of the material topics in the Wood and Finishings materials for Construction business.

Adjustments related to data revisions from previous years are reported directly in each indicator, throughout the report and/or in the Supplementary Information Booklet.

The information in the 2023 Integrated Report and financial statements<sup>1</sup> underwent an external audit by Ernst & Young Auditores Independentes SS Ltda. to verify adherence to GRI Standards and methodologies of Integrated Reporting

and SASB, in addition to the inventory of greenhouse gases (GHG). Read the [assurance report](#) to the end of this publication. | GRI 2-5

The Report had the direct participation of the Executive Managers in directing the topics and approaches to be followed and, subsequently, approval. The document was also evaluated and approved by the Sustainability Committee and the Board of Directors, whose chairman was involved in the definitions and highlights. | GRI 2-14

The materials were sent to regulatory bodies and are available on the Investor Relations website. Questions regarding this document can be directed to our Investor Relations Team ([investidores@dex.co](mailto:investidores@dex.co)) and ESG ([sustentabilidade@dex.co](mailto:sustentabilidade@dex.co)). | GRI 2-3 ■

<sup>1</sup> On December 13, 2023, Dexco announced, through a Notice to the Market, the approval of the hiring of Ernst & Young Auditores Independentes SS Ltda. to provide independent audit services on the Company's financial statements, in compliance with Article 31 of CVM Resolution No. 23/2021.



# We are Dexco

**Financial Capital**

**Manufactured Capital**

**ESG pillars corresponding to the chapter**

**E** (environmental), **S** (social) e **G** (governance)

**Pillars of Culture**

We are efficient and deliver differentiated results; We innovate, simplify and learn from mistakes

**Material topics covered in the chapter**

Profitability and financial performance  
Research and innovation

# We are Dexco



| GRI 2-1, 2-2, 2-6

We are the **largest producer of industrialized wood panels in Brazil**, a **reference in the production of sanitaryware and metals** in the Southern Hemisphere and **one of the largest manufacturers of tiles** in the country. With reference products in quality and design, we operate on two business fronts – Wood and Finishings for Construction | **GRI 2-6**

As a **publicly-held corporation**, our shares are traded on the B3 under the ticker DXCO3. Since 2009, we have been part of the Novo Mercado, the highest level of corporate governance of the Brazilian stock exchange. | **GRI 2-1**

The Company's control is held by the Itaúsa blocks (Itaúsa S.A. and members of the Setubal and Villela families) and Seibel (members of the Seibel family), respectively with 40.8% and 20.4% of Dexco's share capital. At the end of 2023, Dexco had 820,566,246 shares issued, of which 37.3% were free float and 1.5% in Treasury. | **GRI 2-1**

Currently, 23 industrial and forestry units are part of our business, in Brazil and

**OUR BRANDS OFFER SOLUTIONS THAT COMBINE AESTHETICS AND FUNCTIONALITY, PROMOTING COMFORT AND WELLBEING.**

Colombia, a joint venture for the production of Dissolving Wood Pulp (LD Celulose) and a fund for investments in startups and scale-ups (DX Ventures). In addition, we have commercial offices, operations and warehouses in Argentina, Belgium, the United States and Peru, which give us international reach. | **GRI 2-6**

In 2021, when we completed seven decades of operation, we entered a new moment in the Company, with a new digital journey towards the 21st century company: more modern and ever closer to the consumer. With a new corporate name, we started a virtuous cycle.

Through our brands - Deca, Portinari, Hydra, Duratex, Castelatto, Ceusa and Durafloor - we offer solutions that combine aesthetics and functionality, promoting the comfort and well-being of people and their environments. The Dexco brand promise – **Living Environments** – fulfills the purpose of offering **Solutions for Better Living**. | **GRI 2-6**



# Dexco

deca portinari hydra duratex castelatto ceusa durafloor

# Business Divisions

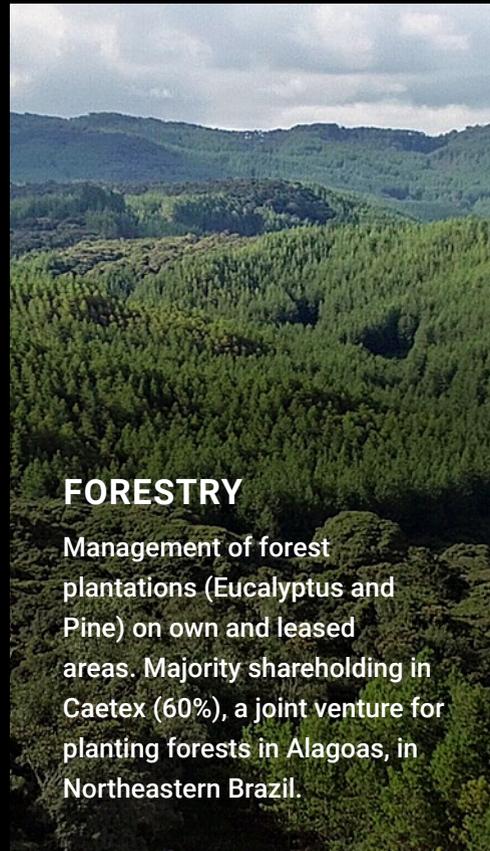
| GRI 2-6

## Wood



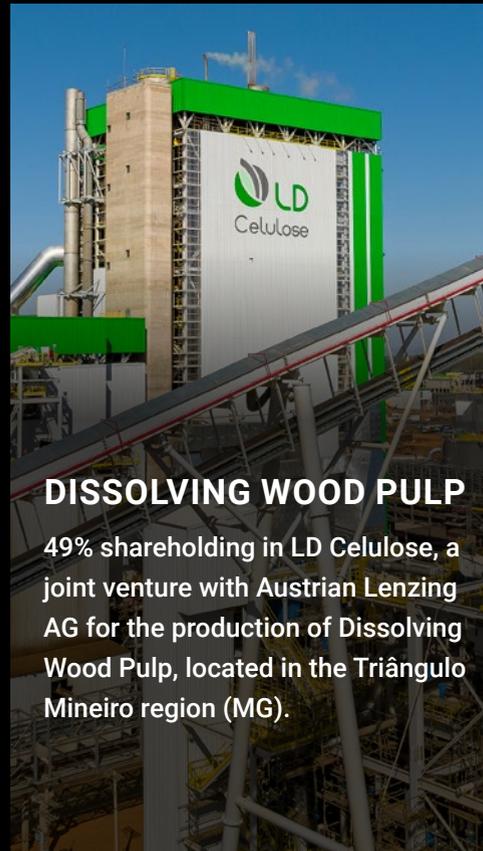
### PANELS

Production and commercialization of MDP and MDF panels under the Duratex brand and laminate and vinyl flooring under the Durafloor brand, with four plants in Brazil and two in Colombia.



### FORESTRY

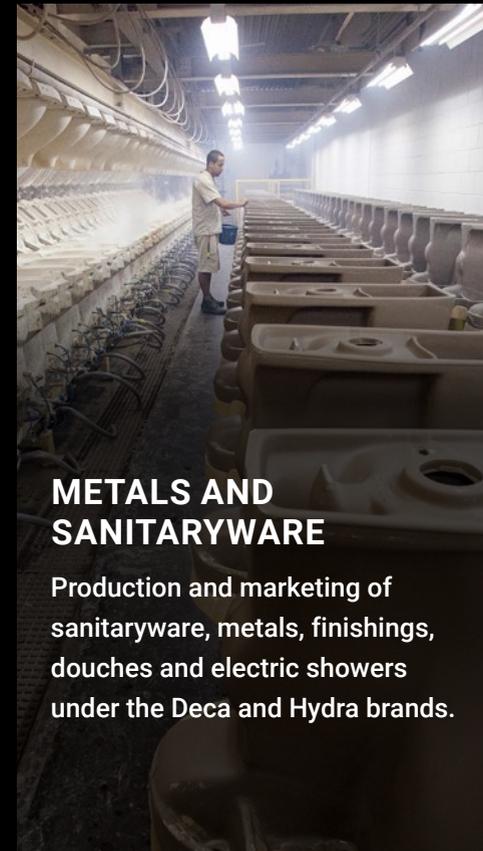
Management of forest plantations (Eucalyptus and Pine) on own and leased areas. Majority shareholding in Caetex (60%), a joint venture for planting forests in Alagoas, in Northeastern Brazil.



### DISSOLVING WOOD PULP

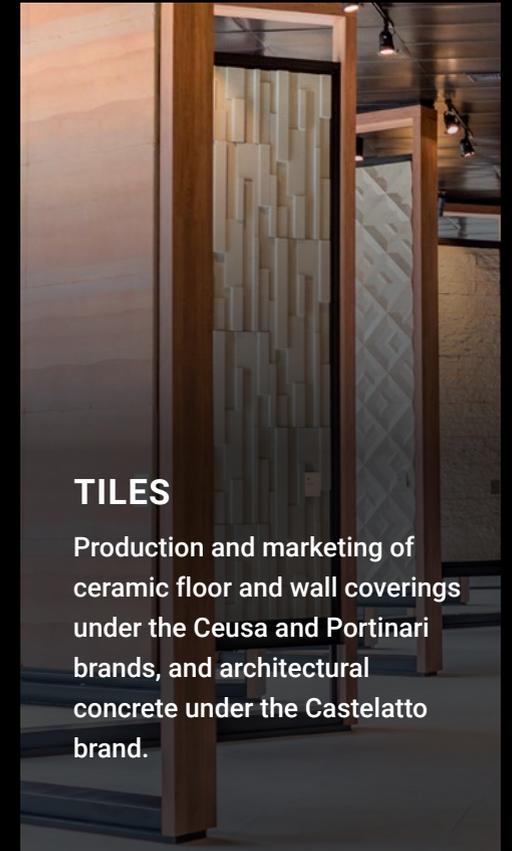
49% shareholding in LD Celulose, a joint venture with Austrian Lenzing AG for the production of Dissolving Wood Pulp, located in the Triângulo Mineiro region (MG).

## Finishing Materials for Construction



### METALS AND SANITARYWARE

Production and marketing of sanitaryware, metals, finishings, douches and electric showers under the Deca and Hydra brands.



### TILES

Production and marketing of ceramic floor and wall coverings under the Ceusa and Portinari brands, and architectural concrete under the Castelatto brand.

# Wood

| GRI 2-6

In the five-year strategy of the Wood Division, we established three priority action axes to assist us in the definition of our product portfolio:

## Protagonism in the Customer and Consumer Journey

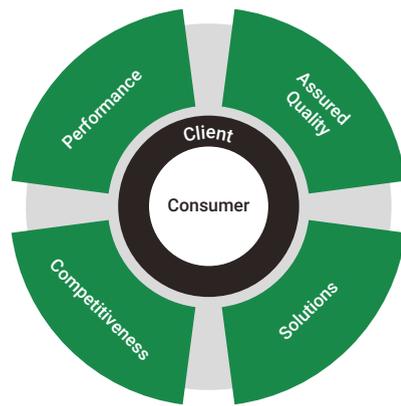
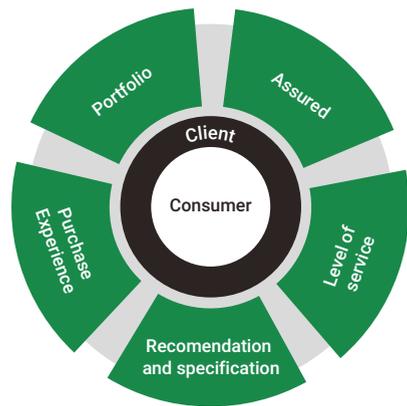
## Build resilience

## Anticipate trends

Consumer Journey

Efficiency Journey

New uses for wood



- Investees
  - LD Celulose
  - Caetex
- DX Ventures
  - Urbem
  - Noah
  - Brasil ao Cubo
- Tech -
  - Prospections



In terms of management, the **Wood Division** had an important change in 2023 with the arrival of the new vice-president director, as a result of strategic moves in the Executive Managers (read more in the topic [Corporate governance](#)).

Despite the unstable market at the beginning of the year, we remained **focused** and ensured **resilience** in the business thanks to a **solid management model** and the **corporate culture** of our team. In a capital-intensive industrial operation like this, with long production cycle, discipline is fundamental, and we showed in 2023 that we have achieved the maturity to face the challenges that present themselves.

As an opportunity to boost the Company's cash generation, we conducted forestry business, for projects linked to this raw

material. All negotiations were carried out in order to prioritize the supply of our panel factories, according to the optimization of production capacities in the year and in the future.

Our perspective for the coming years is to move forward on three fronts: getting closer to customers, consumers and specifiers (architects, carpenters, etc.); maintaining a resilient business with a high level of operational excellence; and focusing on the future through reforestation and new uses for wood.

## Highlights of the year in Wood

### Panels

In 2023, we delivered the panels investment cycle, with R\$ 216 million invested in reducing bottlenecks in manufacturing operations and in increasing panel tiling capacity. Two new coating lines, in Agudos (SP) and Itapetininga (SP), are already operating, contributing positively to our strategy and increasing our share of the coated product mix. The implementation of a third line is still under analysis, depending on the demand projections.

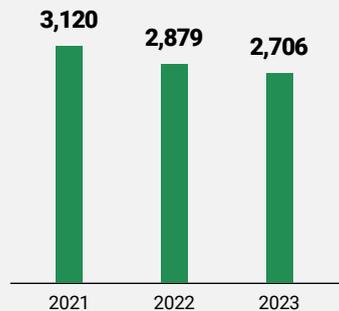


### Changes in Colombia | GRI 2-6

The political changes that have occurred in the country in the last year have generated some uncertainties, which impacted the dynamics of the local economy and business. The 2022 year brought to Dexco Colombia record sales, profitability and EBITDA, but 2023 showed strong decreases. However, the fall in prices of fundamental raw materials, such as urea, melamine and other products that are part of the resin for the panels production, offset the decrease in volume in the year.

Another relevant move in Colombia's operations, as a way of optimizing assets and thinking about the coming years, was the closure of the Manizales unit, one of the three factories in operation in the country. It was an old unit with a small production capacity, the closure of which did not have a relevant impact from the point of view of results and customer service, as the demand was met with the production of factories in Brazil, requiring only a few logistical adjustments.

SALES VOLUME  
(‘000 m³) | SASB CG-BF-000.A



### E1 – Panels with low formaldehyde emission

During 2023, we consolidated the development of our MDF and MDP panel lines to qualify 100% of production at the E1 level formaldehyde emission, a target stipulated in our Sustainability Strategy for 2025.

The target initially stipulated in our Sustainability Strategy to be achieved in 2025 was brought forward to 2023, when we started the transition in the first half and completed it at the end of the



year, allowing our production of panels to be 100% in the E1 category in 2024.

This achievement, addressed in the Wood Division executives goals, was accomplished in advance of the expected goal for 2025 and continues to be monitored within our principles of corporate governance and technical compliance in our operation.

Even with our E1-based production, we were able to balance productivity of our lines,

ensuring that we meet the national demand for panels, stomers operating in the export market of furniture and our direct exports.

Our factories also meet the requirements of the EPA (Environmental Protection Agency) and CARB (California Air Resources Board), used in the North American market. We continue to advance in this topic, following international trends and with part of our production compliant to E0.5 and E0 standards.

## Forestry operations | GRI 2-6

Expanding our forestry base in the Northeast is the main focus for future growth. We have reached almost 18,000 hectares already planted and ratified the long-term plan to reach 40,000 hectares in the next 4 years, analyzing alternatives for its use, such as use as raw material for panels and other industrial purposes, or as a renewable source for energy generation.

The prospects are good and the region is surprisingly productive, with levels close to those of São Paulo and Minas Gerais. Investing in forest assets by increasing our stake in Caetex to 60%, in which we became the majority shareholders in 2022, was the right decision and is now our main focus.

In the midst of a wood shortage in the country, we see the growth of pulp projects competing with the wood panel sector for this input. We guarantee our forest self-sufficiency to supply the wood used to make the panels, giving us a competitive advantage and the ability to monetize standing timber through other forestry operations.



# 18,000

hectares planted in our expanded base in the Northeast



# 60%

interest in Caetex

In Colombia, we have been working on productivity. There is a great opportunity to work together between Colombia and Alagoas due to the similarity of the needs in the regions where we work. We are beginning to mechanize the harvest in Antioquia, which until now has been done in a semi-mechanized way, with a chainsaw. We have five machine operators from Alagoas in Colombia who are developing the implementation of this new system in a synergistic way, bringing gains in efficiency and safety for employees.

There have been training sessions throughout the year, and transportation has also been carried out using more modern vehicles. Another new development is the planting of forests with seedlings produced from clones instead of seeds. In 2023, this initiative grew with the transfer of technology from Brazil, which promises greater productivity in the future.



## Dissolving Wood Pulp

| GRI 2-6

In 2022, we started up the LD Celulose Dissolving Wood Pulp mill in Triângulo Mineiro (MG), the result of a joint venture with Austria's Lenzing AG, in which Dexco holds a 49% stake. The product is used as a fibre for the production of technological fabrics, with 100% of the production destined for Lenzing units in Europe, Asia and North America.



In 2023, the operation stood out in terms of efficiency and operational excellence, working with higher than expected quality levels, being the best type of cellulose used for the production of more sophisticated textiles around the world. Productivity is also highlighted: we have already been able to extract almost 5% more from the operating capacity of the nominal limit, which is 500 thousand tons per year. This additional volume ends up being efficient as a result and in building the sustainability of the business.

**From its beginnings, the project envisioned an operation with sustainable practices, with ambitious commitments related to water treatment, closed-loop reuse, and the generation of clean, renewable energy from pulping waste. In 2023, 27.7% of the electricity consumed by Dexco in Brazil was acquired from LD Celulose, produced from waste from the cellulose manufacturing process.**

# Finishing Materials for Construction

| GRI 2-6

The strategic movement process in the executive management of Dexco brought the Division a new vice-president director, who came from the Wood Division (read more in the topic [Corporate governance](#)). The new directorate dealt with a year of **important adjustments** in the business, linked to a challenging time for civil construction. If 2022 had already been a year of slowing demands, anticipation of maintenance shutdowns and price adjustment actions, 2023 was no different, also dealing with loaded inventories.

In this context, we understand that our industrial structure was larger than ideal for the size of the market, with fixed costs incompatible with the sales volume. Adjustment decisions in this scenario were harsh, with the closure of operations at the Queimados (RJ) a sanitaryware factory, relocating assets and employees in Recife (PE) and Jundiá (SP), and the temporary shutdown of the ceramic tile factory in Criciúma (SC), with no scheduled date for resumption.

Thus, we adjusted to compete in the market on an equal basis, we gained in **productivity** and were able to dedicate ourselves to **improving the service** and **quality**, especially through the Sanitaryware Quality Plan, and the recovery of customer focus, resuming the Customer Committees, which in 2023 addressed topics such as quality control, logistics, pricing policy, marketing and new products.

We also reinforced our strategic plan, **Conecta**, through a participatory action with the teams, developed our commercial team, and adapted to the implementation of a new operating system through the SAPIens project (read more in the [Digital Transformation Journey](#) chapter).

We have a solid growth plan for 2024, supported by everything we put in place in 2023, with a team focused on execution and guided by the creation of a resilient and consistent business.

## Conecta

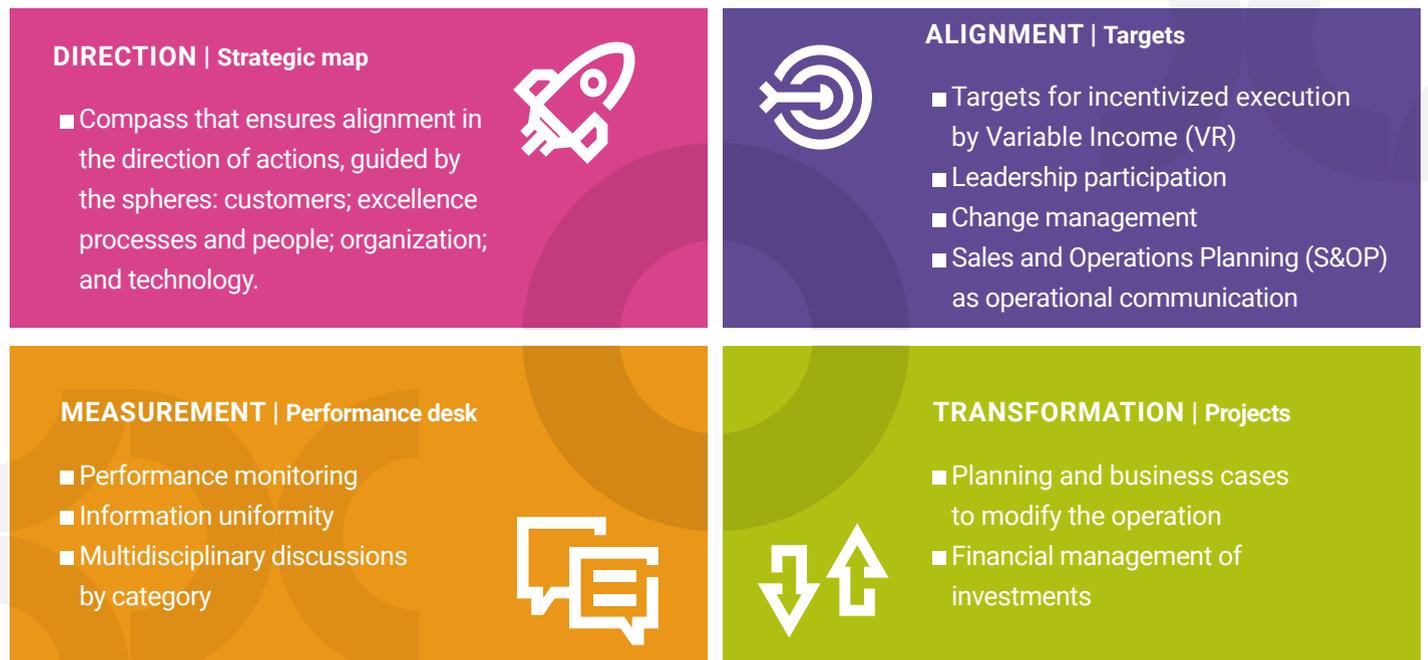
This is the new strategic agenda of Deca and Tiles that connects business, people and brands to drive solid partnerships, process optimization, innovative solutions and achievement of differentiated results.

The name was born from a contest in which employees were invited to suggest options to rename our new strategic plan, revisited in 2023 with the participation of factory teams. At the end of the action, we had 17 winners, including local winners and those who chose Conecta, selected by a judging panel after the final count.



**The purpose is to honor our legacy, serving our customers and consumers with a high level of service, with strong brands and a clear path for growth.**

### GOVERNANCE AND EXECUTION MODEL





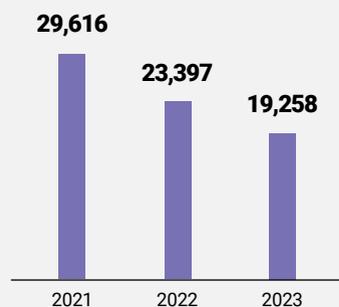
## Highlights of the year in Finishings Materials for Construction

### Bathroom Fixtures and Fittings

Facing a reduction in demand across the sector, the Metals and Sanitaryware Division decided to adjust the pace of production to the still challenging market scenario and to balance inventories, resulting in a reduction of the level of factory occupation throughout the year. We also announced the repositioning of prices in sanitary metal lines in Deca. With the stabilization of this market, we identified products with dissonant values, and the new prices have already been positioning us positively in the market.

As part of the investment plan, around R\$ 460 million were allocated to projects for improving capacity and product mix in metals, and for factory automation in sanitaryware. With these amounts, the planned investments for the Division were completed.

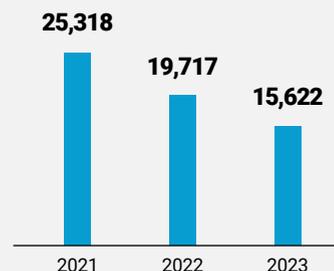
SALES VOLUME  
(’000 peças) | SASB CG-BF-000.A



## Tiles

The tiles market showed a modest improvement throughout the year, but still with low levels of occupancy factory. In addition to announcing the suspension of activities at one of our units to align operations to current demand, price repositioning was carried out in some product lines, which proved to be an effective cost management measure.

SALES VOLUME  
(’000 m<sup>2</sup>) | SASB CG-BF-000.A



## Botucatu moving forward

Our new ceramic tile factory in Botucatu (SP), in assembly stage, complements the production of the units located in Santa Catarina and is the Company's largest ongoing project. With more than R\$ 680 million invested, the works started in 2022, and the beginning of the operation is scheduled for 2024.

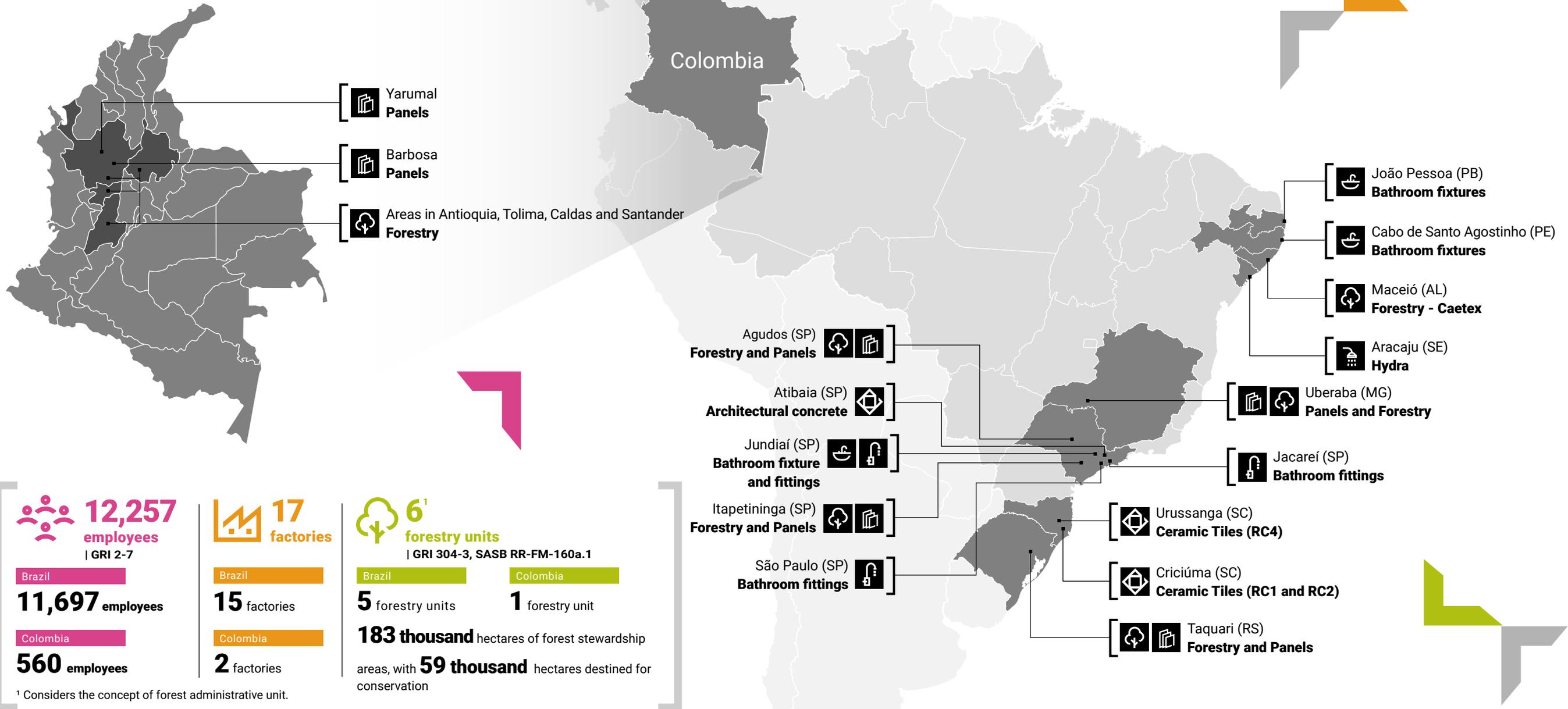
This unit has a production capacity of 11 million square meters, high technology, such as DDG (Digital Decoration & Glazing), and finishing quality, and puts us at a very relevant competitive level, leveraged by the proximity of the largest consumer market – São Paulo.

It also has a continuous press, which allows greater efficiency in the use of electricity, enables the production in smaller thicknesses for the provision of lightweight porcelain for facades, and increased transportation volume per square meter. The new plant is already born with a more modern energy matrix, using a biomass system and benefiting from a region with less pressure in terms of availability of natural gas compared to the units located in the south of the country. ■



# Where we are

| GRI 2-1, SASB CG-BF-000.B



<sup>1</sup> Considers the concept of forest administrative unit.

# Performance in 2023

| GRI 3-3 (Profitability and financial performance)

We started 2023 at a time of uncertainty in the economic context, with new governments in Brazil and Colombia, global conflicts and higher interest expenditure, which made our leverage rise to very high levels.

We finished 2023 with net revenue of approximately R\$ 7,383 million. The Wood Division represented 65%, with a net

revenue of R\$ 4,831 million, followed by Finishing Materials for Construction, which represented 23% of total revenue, with R\$ 1,683 million, and Tiles, with R\$ 869 million, representing 12% of net revenue.

In the year, our revenue came from 57 countries, distributed among the 5 continents. When analyzing the 10 main markets in which Dexco operated in 2023,

this amount represented 91% of total export revenues, especially Colombia, Dominican Republic, Peru and Paraguay. Also, in 2023, 83% of our net revenue came from domestic market and 17% from the foreign market (exports).

In an attentive and conservative posture, we live in a time of **costs and expenses review** for the Company's structure adaptation to the new context. We had a reduction in operating results, in parallel with the investment of R\$ 631 million in projects in our investment cycle.

In the face of all these challenging scenarios, we achieved results that confirm our resilience and support our plans for the future. As a publicly traded company, we disclose our financial results to shareholders and the market in general on a quarterly basis, ensuring transparency.

On a monthly basis, all projections and analyses are reviewed by the Board of Directors, the Executive Committee and the responsible management, so that agile action can be taken if necessary. All information, before its publication, also goes through the Disclosure and Negotiation Committee.

## Direct economic value generated and distributed at Dexco (DVA)

| GRI 201-1

In 2023, the economic value generated was R\$ 9.2 billion and the economic value distributed totaled R\$ 3.7 billion. Of this total, 31% was used to pay employee compensation and 18% was paid to federal, state and local governments in the form of taxes and contributions. The economic value retained resulted in R\$ 5.4 billion.

Statement of value added (DVA) <sup>1</sup> (R\$ thousand)	2021	2022	2023
<b>Economic value generated</b>			
Revenues	10,479,374	10,494,483	9,227,353
Expenses	978,456	1,422,564	1,106,213
<b>Economic value distributed</b>			
Work remuneration <sup>2</sup>	1,043,341	1,139,192	1,166,894
Return on investment of human capital	10.1	9.0	8.0
Government remuneration	919,126	831,529	688,726
Funding remuneration	305,569	915,587	1,061,295
Shareholders' remuneration <sup>3</sup>	1,725,682	764,922	811,270
<b>Total</b>	<b>3,993,718</b>	<b>3,651,230</b>	<b>3,728,185</b>
<b>Economic value withheld</b>	<b>6,485,656</b>	<b>6,843,253</b>	<b>5,449,168</b>

<sup>1</sup> The DVA does not contain the opening for investment in community. For this reason, the category is not included in the table with the information provided. The data are presented on an accrual basis, and the information is made available only to the controllership and consolidated in the Company's financial statements.

<sup>2</sup> Work remuneration includes direct pay, benefits, FGTS and others.

<sup>3</sup> Shareholders' remuneration includes third-party capital remuneration (accrued interest and non-controlling interests) and retained earnings (losses) for the year.



**R\$ 7.383 billion**  
of recurring net revenue

**R\$ 2.007 billion**  
de EBITDA<sup>1</sup>

**R\$ 649 million**  
of net profit<sup>1</sup>

**3,1x**  
of leverage

## Investor Day

We held our 5th Investor Day in 2023 in a very special way. We took a group of investors and analysts to our Castelletto factory, where the event was held in a hybrid format, with simultaneous translation into English and broadcast in Libras, a practice institutionalized by the company for all online events.

We confirmed 37 years of partnership with the Association of Capital Market Analysts and Investment Professionals of Brazil (Apimec), receiving the Emerald seal. The event, held in November, received more than 670 participants in-person and online and discussed Dexco's strategic agenda and its Q3 results. | GRI 2-29 ■

## Awards and recognition

Some awards and recognitions received in 2023, confirm the value of our business strategy and our Way of Being and Doing Things.

- **Época Negócios 360° Yearbook** – 2<sup>nd</sup> position in Construction and Decoration Materials
- **Anamaco Award** (Deca, Hydra and Portinari)
- **Top of Mind Home and Market Award** (Deca, Durafloor and Castelletto)
- **Valor 1000 Award** – 1<sup>st</sup> place in Construction Materials and Finishings for Construction.



## Materiality

| GRI 3-1

The first process of defining material topics for Dexco occurred in conjunction with the publication of our first Integrated Report in the 2019 year. In 2022, faced with many organizational changes, we carried out, with the support of a consultancy, a review process of our **materiality** matrix, approved by the Executive Managers in January of 2023.

This process covered document review, interviews with senior management, and conversation roundtables with employees, as well as online interviews and questionnaires for the participation of external stakeholders. As a result of all this effort, **seven material topics** were selected. We have also defined **seven priority topics**, which present opportunities and risks for the business and, whenever possible, will be reported with targets and metrics.

The analysis of impacts carried out for the process was based on interviews with internal and external stakeholders that relate directly to Dexco, as well as the in-depth reading of sectoral documents. For the materiality updating process of the of Dexco in 2022, the most current concepts related to the topic, such as **dynamic materiality** and **double materiality**, were considered, assuming that the basic definitions of financial materiality and start to consider the impacts of companies on society and the environment.

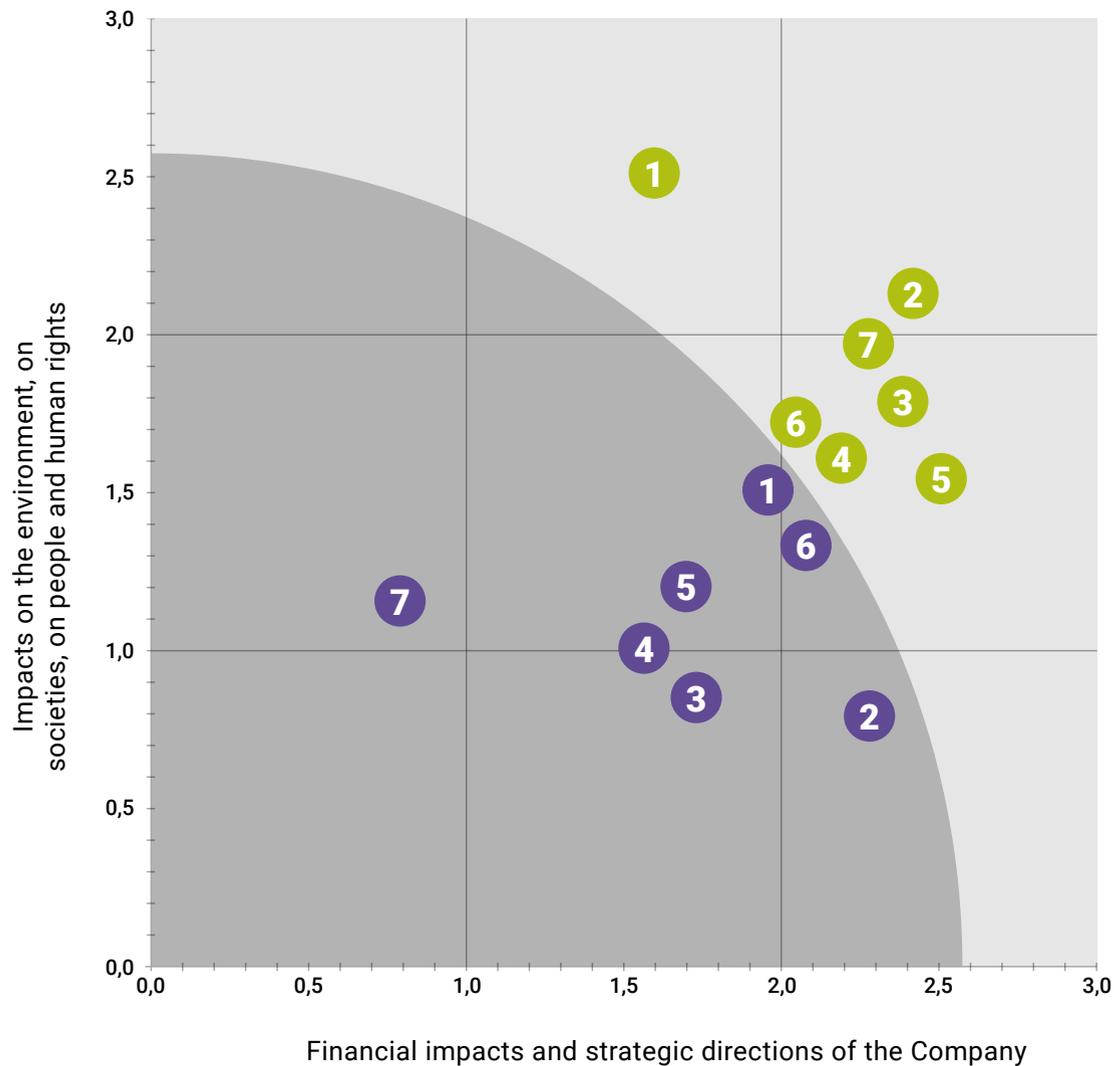
**Materiality is the process of identifying relevant topics – economic, environmental and/ or social – that impact an organization and significantly influence the evaluations and decisions of its stakeholders. These material topics support value creation and risk and opportunity management.**

The material topics were defined considering the intersection of the consultations with the audiences that represent and define the direction of the Company and senior management, capturing the most significant strategic direction, impacts mapping and financial risks to the business.

We follow the principle of including stakeholders in decision-making, based on the perception of social and environmental impacts. Stakeholders whose perspectives supported the process of identifying material issues include company management, investors and financial institutions, employees, customers, consumers, suppliers, technical support, industry associations, communities, and service providers.

Both the Sustainability Strategy and the pillars of corporate culture were fundamental inputs for revisiting and addressing Dexco's material issues.

● Material topics ● Priority topics



## Material and Priority Topics for Dexco

| GRI 3-2

### Material topics

- Water and effluents 1
- Supply chain and traceability 2
- Organizational culture and people management 3
- Local community development 4
- Climate change 5
- Research and innovation 6
- Profitability and financial performance 7

### Priority topics

- Biodiversity and forest management 1
- Digitalization and information security 2
- Wood availability 3
- Diversity and equity 4
- Portfolio diversification and search for low-impact solutions 5
- Energy matrix 6
- Promotion and protection of Human Rights 7

They guide the management of the Company and are reported in detail, **bringing long-term commitments, goals, and KPIs**

They present opportunities and risks to the business, are managed by the Company, and are reported in detail, **whenever possible, including goals and KPIs**

# Sustainability Strategy

| GRI 2-23

Historically, we have maintained commitments to environmental, social and corporate governance issues and, aware of the need and our ability to evolve, we have developed a Sustainability Strategy aligned with the purpose of bringing people not only products but Solutions for Better Living.

In 2020, we structured our **2025 Sustainability Strategy**, which was consolidated with the rebranding and organizational structure in the following year, being approved in 2021, presenting the commitments, indicators and targets for environmental, social and governance issues that address our material topics.

We have established three strategic commitments: to make the construction and renovation journey easier; to ensure sustainable growth while maintaining a positive carbon balance; and to promote health and wellbeing in the environments. These commitments are addressed by performance indicators that have been tracked throughout the journey and that reflect our evolution in the topics.

**WE REVIEWED OUR SUSTAINABILITY STRATEGY TO ENSURE THE RELEVANCE, ADHERENCE AND THE FEASIBILITY OF TARGETS.**



In 2023, we reached the middle of the cycle established for the targets and, therefore, we carried out a review of the Sustainability Strategy, which is necessary to ensure the **relevance, adherence** and **feasibility** of the targets, in line with the Company's current business scenario, as well as the new socio-environmental circumstances of the society. The review also included an intersection with the materiality matrix and the priority **Sustainable Development Goals (SDG)** for Dexco.

On the review process, we decided that the targets would be divided into four groups: completed targets; unchanged targets; revised targets; and one included target. Guidelines for revisiting these targets have been established, to ensure that the company can take a critical look at its targets in light of possible significant changes, such as changes in the manufacturing, organizational or corporate structure, as well as changes in political and regulatory contexts. See the document [Sustainability Strategy 2025 – Review 2023](#) for more information. ■

## Dexco and SDG

| GRI 2-23

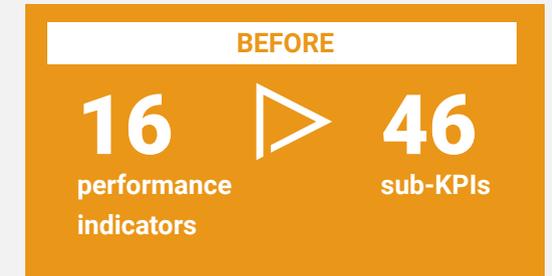
Each of our ESG pillars is aligned with a series of Sustainable Development Goals (SDG) of the 2030 Agenda, created by the United Nations (UN).

Despite the connection with several SDG, we chose five of them as priorities, which indicate the main contributions already materialized and the aspirations for adherence to sustainability practices in the future: SDG 8, 9 and 12 (linked directly to economic growth, industrialization, innovation and sustainable production) and

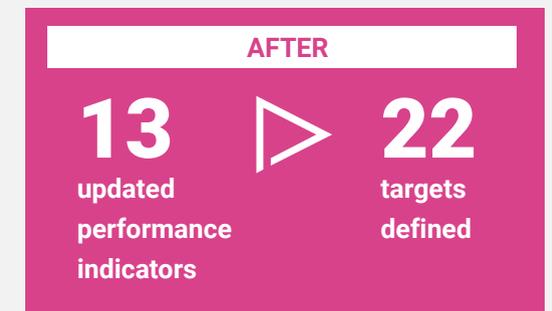


SDG 13 and 15 (linked to our essence, with forest stewardship practices recognized as a reference for the sector, and to our purpose of offering Solutions for Better Living).

## Summary of the 2025 Sustainability Strategy Review



- 1** new target
- 24** targets grouped into **6**
- 7** targets completed



# Sustainability Strategy 2025 | GRI 3-3

## STRATEGIC COMMITMENTS

## PERFORMANCE INDICATORS

## DETERMINED TARGETS



**MAKE THE CONSTRUCTION AND RENOVATION JOURNEY EASIER**

☑ *Investments in initiatives that promote conscious reform and change in the constructive paradigm COMPLETED*

- Professionals involved in our engagement and training programs
- Consumer Satisfaction Index
- Digital Transformation Index

■ 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 index

■ Achieve NPS 85 in the satisfaction index of consumers served by Deca's authorized service network

■ Achieve 80% in the ICTd (CESAR Index of Digital Transformation)

■ Accumulated net removals by 2030

■ Reduce absolute emissions (scope 1 + 2) 37% by 2030

■ Reduce by 15% the emission intensity (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 withdrawal at Dexco by 10% by 2025

■ Reduce the generation of waste by the Company by 30% by 2025

■ Reduce the organization's disposal of waste to landfill by 50% by 2025

■ Increase the percentage of plastic material reused internally to 95%

■ Potential for water savings in the product use stage: reach 900 million m<sup>3</sup> by 2025

■ Eliminate or replace plastic from Deca packaging that reaches the final consumer

■ Improve the average performance index of strategic suppliers by 10%

■ Ensure 100% presence in municipalities where we have industrial operations in Brazil

■ Achieve 100% of own areas with certified management

■ Achieve 80% of areas promoted with certified management

■ Achieve 35% of women in leadership positions

■ Having panels (Brazil) with E1 or lower formaldehyde emission

■ Achieve 80% in the employee engagement and cultural alignment index by 2025



**ENSURE SUSTAINABLE GROWTH, AND KEEP A POSITIVE CARBON BALANCE**

■ Carbon balance

☑ *Packaging compensation COMPLETED*

☑ *Energy and carbon footprint at the product use stage COMPLETED*

- 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



**PROMOTE HEALTH AND WELLBEING IN ENVIRONMENTS**

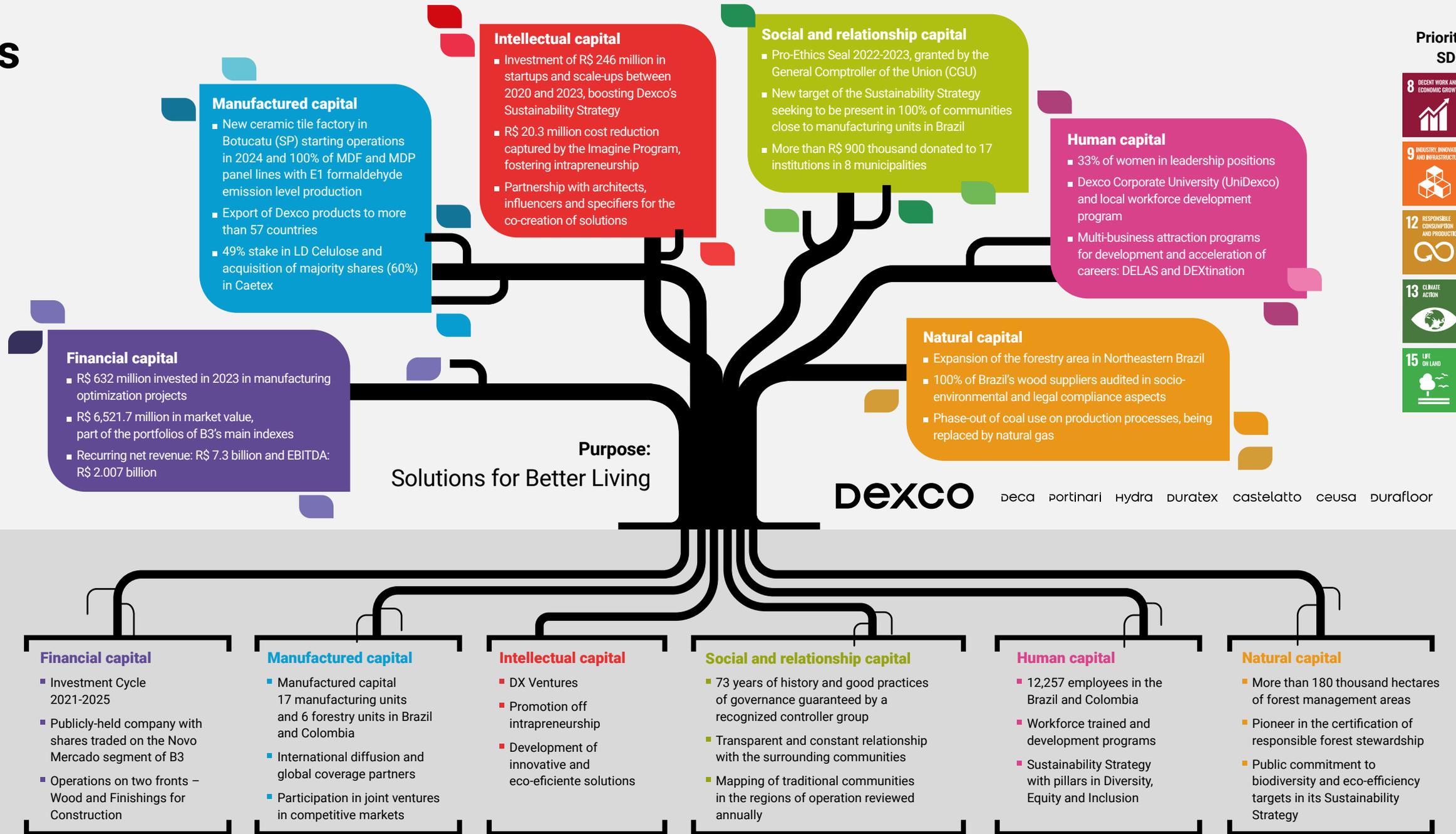
☑ *Net Operating Revenue (NOR) from eco-efficient products and with technologies that promote health and wellbeing COMPLETED*

- Diversity of demographics, with representation
- Wood products with E1 or lower formaldehyde emission
- Employee engagement and cultural alignment index

# Business Model

RESULTS OUTPUTS

RESOURCES INPUTS



# Corporate governance

| GRI 2-9

Our governance structure acts in a **transversal way**, helping the business areas to **generate value** for our shareholders, employees and other stakeholders.

We comply with all legal requirements relevant to our business and adopt as references the best market practices, such as the frameworks of the Institute of Internal Auditors (IIA), the Novo Mercado Listing Segment (B3), the Brazilian Institute of Corporate Governance (IBGC) and the Office of the Comptroller General (CGU). We use the Committee of Sponsoring Organizations of the Treadway Commission (COSO) methodology to map and classify risks, and are a signatory to the UN Global Compact, the Business Compact for Integrity and Against Corruption, and the Ethos Institute's Working Group on Integrity and Against Corruption.

Our daily effort related to practices connected to our ESG commitments is recognized in indexes and certifications. We integrate the main Sustainability indexes of B3 and others, with emphasis on:

## ISE B3

■ **ISE-B3 (Corporate Sustainability Index B3)** – 16 years in the portfolio.

## ICO2 B3

■ **ICO2-B3 (Carbon Efficient Index B3)** – Since 2020.

■ **S&P/B3 Brazil ESG Index** – Portfolio participant since launch in 2020.



FTSE4Good

■ **FTSE4Good** – The Financial Times Stock Exchange (FTSE) is one of the most important international indices, and Dexco first integrated the portfolio in 2023.



■ **UN Global Compact** – Signatory since 2007.

## Governance structure

| GRI 2-9

Dexco's governance structure is formed by the General Shareholders' Meeting, the Board of Directors (CA), the Fiscal Council and their advisory committees.

### Meetings held in 2023

Board of Directors	37
People, Governance and Nomination Committee	9
IT and Digital Innovation Committee	9
Audit and Risk Management Committee	8
Sustainability Committee	8
Finance Committee	5
Fiscal Council	4
Committee for the Evaluation of Related Party Transactions	4

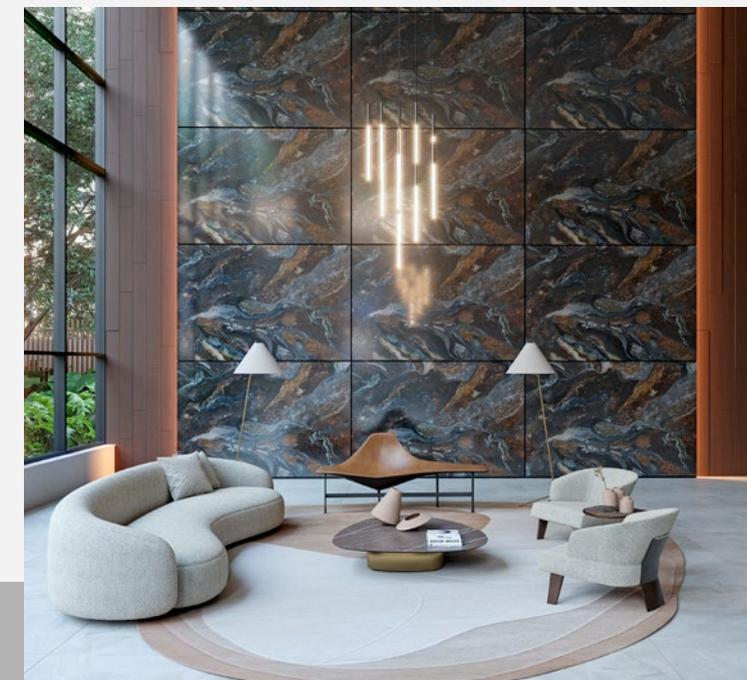
Learn about Dexco's governance structure on the [ESG Portal](#).

OUR GOVERNANCE STRUCTURE HELPS CREATE VALUE FOR SHAREHOLDERS, EMPLOYEES AND OTHER STAKEHOLDERS.

### General Shareholders' Meeting

| GRI 2-10

Elects the Board of Directors members, decides on forms of corporate reorganization and decides on financial statements and allocation of profits, among other attributions.





## Board of Directors

| GRI 2-12, 2-13

Defines business strategies considering the impacts of Dexco's activities or business relationships in society and the environment, such as climate change and biodiversity, in addition to the guidelines and business strategies to be contemplated in the Company's medium and long term plans.

Furthermore, it assesses risk exposure, approves the risk appetite and tolerance and effectiveness of the risk management systems, internal controls and compliance system, defines the Company's values and ethical principles and ensures the maintenance of transparency in the relationship with all stakeholders,

in addition to annually reviewing the corporate governance system. It is also the responsibility of the Board of Directors to prevent and manage situations of conflict of interest or divergence of opinions.

Dexco's highest governance body, the Board of Directors is composed of 12 members, 9 full members (3 independent) and 3 alternates. In this group, 3 are women. All have a one-year term, reelection being allowed, and none of the members holds an executive position on the Company's Executive Managers. The Board of Directors has the support of 6 consultative committees and 7 commissions. | GRI 2-9

**The average consecutive term<sup>1</sup> of the Board is 11.6 years, and the percentage of participation in the meetings in 2023 was 100%.** At Dexco, the chairman of the Board of Directors does not accumulate the function and position of officer of the Company, including chief executive officer. | GRI 2-11

<sup>1</sup> Considers only full members, counting from the second year of office.



Learn more about the Board of Directors and its role in the supervision of the Company's impact management in the [Supplementary Information Booklet](#), at the end of this report, or [here](#).



## Board of Directors' Training

| GRI 2-17

**Our Board of Directors proactively and permanently monitors Dexco's business in order to ensure close management of the issues that may impact the Company.**

**In 2023, the members of the Board of Directors participated in actions that integrated them even more into the daily life of Dexco. In an action carried out at the end of the year, they all followed one day in the sanitaryware operation in Jundiaí (SP), in order to increase the criticality of their discussions regarding the manufacturing process.**

**Also getting closer to the operation, the members of the IT and Digital Innovation Committee were present in the operations of ABC da Construção, our partner in the journey of approaching the final consumer.**

**The members of the People, Governance and Nomination Committee participated in a training on people analytics, driving the digital agenda at Dexco, and the members of the Sustainability Committee had an agenda with the Brazilian Business Council for Sustainable Development (CEBDS), discussing the role of senior management in companies' sustainability agendas.**

## Assessment of the Board of Directors

| GRI 2-18

**Since 2022, the evaluation of the Board of Directors and its advisory committees has been annual, in a process composed of self- assessment and analysis of peers, with oversight from the People, Governance and Nomination Committee. The analysis is independent, and all participants receive**

**individual feedback to prepare the action plan. The committee also prepares a collective opinion, with highlights and opportunities for improvement.**

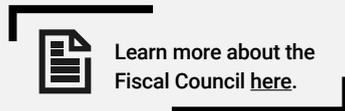


Learn more about this topic in the [Supplementary Information Notebook](#) at the end of this report.

## Statutory Fiscal Council

| GRI 2-9

Permanent body, provided for in Dexco's Bylaws, is formed by 3 full members and 3 alternates, elected by the General Meeting, with a chairman and his substitute chosen by the board members from among their peers.



## Committees and commissions

| GRI 2-9, 2-13

Our Board of Directors has six advisory committees:

- Audit and Risk Management
- People, Governance and Nomination
- Sustainability
- Evaluation of Transactions with Related Parties
- IT and Digital Innovation
- Finance.

**All are statutory, each with its own regulations approved by the Board.**

Five of these are chaired by independent members.

All Dexco Committees discuss and supervise possible impacts that result from the Company's activities or business relationships, considering the different topics of each committee and the scope defined in its Internal Regulations. | GRI 2-12

The Finance Committee is responsible for monitoring the policies in force and issuing opinions and recommendations on the financial management, investments and distribution of earnings within the scope of the Company's activities, ensuring that they are conducted in order to protect and value your assets and optimize the return on capital in the long term.

Impacts are measured by financial results and investment projects, as well as by return assessments and projections directed especially by the Finance, Investor Relations and ESG Board through the Dexco Management System (SGD). With the Company's approach to the Retail sector, some issues related to the union of brands with an orientation towards consumer, as well as the impacts on our customers, are being addressed in the IT and Digital Innovation Committee.

In addition to the annual report made by the Sustainability Committee to the Board of Directors, in which the main topics discussed during the year are taken, it is up to this committee to evaluate the impacts and recommend projects related to socio-environmental issues, such as new forestry businesses, brand and customer strategy considering the ESG criteria, in addition to monitoring the Sustainability Strategy and practices related to eco-efficiency, relationship with the community and developments of new national and international regulations detailed during the meetings.

In 2023, topics such as the Company's performance in **eco-efficiency, the evolution of carbon market regulation in Brazil, the impacts of European Union regulation on deforestation-free products (EUDR) and developments of the new Global Biodiversity Framework were addressed.** Further, to ensure the accuracy of the discussions, Dexco maintains an expert and independent member in its Sustainability Committee to direct such initiatives in the highest governance body.



In the People, Governance and Nomination Committee, actions that may have an impact on the groups that are in the Company and outside it are evaluated and recommended, following the policies related to the People area, in addition to organizational culture, executive compensation strategy, performance and succession of its managers, diversity and inclusion, and talent management and development, taking into account the peculiarities of each business, the communities with which we have a relationship with and Dexco's strategy.

**To support decision making, the Executive Managers has seven commissions,** focused on Investments; Privacy and Data Protection; Ethics, Risks; ESG; Disclosure and Trading; and DX Ventures.

ALL COMMITTEES  
DEBATE AND  
SUPERVISE  
POSSIBLE IMPACTS  
RESULTING FROM  
OUR ACTIVITIES  
OR BUSINESS  
RELATIONS.





## Executive Managers

| GRI 2-9, 2-13

Directs, chairs and coordinates the Company's activities, complying with and enforcing the law, the Bylaws and the decisions of the Board of Directors and the General Meeting.

At the beginning of 2023, there were significant changes in the structure of our Executive Managers, with strategic moves, in addition to the change in nomenclature of the IT and Digital Innovation Directorate for IT and Growth, and the inclusion of the Marketing & Design Directorate in the Executive Committee (Comex). Also the areas of Finance, Investor Relations and ESG were integrated into a single directorate.

Currently, therefore, it is composed of seven members with a one-year term and the possibility of reelection. **Members have performance targets tied to Dexco's ESG goals, conditioned on at least 10% of their variable pay and cascaded to the areas under their management.** The activities of this body are described in the Internal Regulations of the Board of Directors.

All our directors are hired in the local community (country of operation in relation to the director's country of origin). We use the country as a concept of location because all directors work in more than one State of Brazil. In addition to the Brazilian operations, we have a director for the Colombian units, also of local origin.

| GRI 202-2

The Executive Managers and the Audit and Risk Management Committee are informed of the crucial concerns identified during activities such as process mapping,

the execution of audit projects and the receipt of complaints by the Internal Audit, Risk Management and Compliance Management. Thus, with direct reporting to the Board of Directors, we ensure that crucial concerns are properly shared to support strategic decisions and promote transparency at the organizational level.

During the reporting period, there were no crucial concerns to be reported by the Internal Audit, Risk Management and Compliance Management to the highest governance bodies. | GRI 2-16 ■

ALL MEMBERS OF  
THE EXECUTIVE  
MANAGERS ARE  
STATUTORY OFFICERS



## Management remuneration

| GRI 2-19, 2-20

Our Remuneration [Policy for Managers and Fiscal Council Members](#) was published in 2021, including Dexco's Board of Directors and its committees, Statutory and Non-Statutory Board of Executive Officers and Fiscal Council. It is a mandatory document for companies listed in the Novo Mercado segment of the B3 and aims to attract,

retain and engage the best professionals in the market. In 2023, we published a [Summary of Dexco's Remuneration Strategy](#), in order to facilitate the understanding and directions taken.



Learn more in the [Supplementary Information Booklet](#), at the end of this report.

# Ethics and compliance

| GRI 2-23, 2-24

We have **ethics** and **transparency** on all fronts, and we expect all key audiences we engage with have the same **commitment to compliance**. Our practices in the area are reinforced through policies, such as the [Compliance and Whistleblower Channel](#), the [Anti-Corruption Policy](#) and the [Code of Conduct](#), in addition to other standards.

At Dexco, senior management actively contributes to the implementation of commitments related to responsible business conduct, supports and participates in training and compliance communications, promotes appropriate conditions for the development of actions related to ethics and integrity, and ensures compliance with policies and the Code of Conduct.

Compliance with the actions related to the Anti-Corruption and Compliance policies and the Reporting Channel, in addition to the measures adopted related to the

topics, is reported at least quarterly to the Audit and Risk Management Committee.

In addition to the Compliance Month highlighted on page 28, more than 50 different communications were issued on ethics and integrity topics, and other compliance training was delivered to specific audiences, such as new hires, employees, line managers, strategic suppliers and internal IT third parties.

The Supplier Code of Conduct was updated in 2023 and made available to all suppliers and third parties through Dexco's institutional website.

**SENIOR MANAGEMENT  
IS ACTIVELY INVOLVED IN  
MAINTAINING RESPONSIBLE  
BUSINESS PRACTICES**

Approved by Comex, CAGR and the Board of Directors, our Code of Conduct guides how each direct or indirect employee must conduct their activities on behalf of Dexco and establishes appropriate and desired conduct in the interaction with the Company or its stakeholders. The Compliance area is responsible for applying integration training on the Code of Conduct, in addition to reviewing and updating its content. Leaders contribute to the dissemination of their guidelines.

The document also gathers guidelines expressed in respect for human rights, explaining that we do not tolerate any type of discrimination, harassment, abuses, hostilities, injustices and other forms of violence in the work environment, and reinforcing that we repudiate any and all degrading forms of work, such as forced or compulsory slavery and child labor.



## Fighting corruption

| GRI 205-1, 205-2, 205-3

Our compliance risk matrix, created from the corporate risk matrix, includes 21 risks, including the risk of corruption. Of the 24 corporate actions mapped to corruption risk, 19 have been completed (80%), 2 are in progress (8%) and 3 are yet to start (12%). The risks present in the compliance risk matrix are continuously monitored and, if necessary, action plans are adopted for process improvement. | GRI 205-1

In 2023, 100% of the members of the Presidency, Vice-Presidencies and Boards

that make up the Executive Committee (Comex) were communicated on the topic of preventing and combating corruption. Of the 14 members, 12 (86%) participated in training on the prevention and fight against corruption applied by a partner office, as part of the actions of the Compliance Month, which took place in August 2023.

| GRI 205-2

In addition to members of senior management and leadership, all employees receive annual communications with guidelines for preventing corruption and other guidelines present in the Company's Anti-Corruption Policy and Integrity

Program, in addition to the topic being present in the training of compliance onboarding, guidance materials disclosed to the factories and talks held. On the International Anti-Corruption Day, an internal and external notification was released (social media) on this topic.

All 234 strategic suppliers in 2023 were communicated in relation to the guidelines Code of Conduct for Suppliers and Other Third Parties, which includes the topic of anti-corruption, through email sent to the managers of the companies. The guide was updated in 2023 and included in the new contracts and in the purchase orders, being made available on the digital third-party management platform, allowing access to all registered third parties. The Code is available for public consultation on Dexco's institutional website and was sent by email to company managers. | GRI 205-2

Also in 2023, compliance training on preventing and combating corruption was provided to third parties, with the participation of 167 representatives of our strategic suppliers, representing 71% of the 234 suppliers mapped, and 62 internal third parties in Information Technology, representing 89% of the 69 third parties

### Pro-Ethics Seal 2022-2023

We received the recognition granted by the Office of the Comptroller General of Brazil (CGU) after a rigorous evaluation process that demonstrated our prominent position among the companies that are most dedicated to establishing a culture of compliance, integrity and transparency in activities.



working internally in the area. Training content has been sent to all suppliers and IT consultancies to be disseminated to their employees who provide services to Dexco.

As in previous years, we had no incidents reported in the whistleblower Channel, nor investigations in progress or completed, on suspected or confirmed incidents of corruption involving employees; suspected or confirmed corruption cases involving our contracts with business partners; or lawsuits involving the Company and its employees in matters related to corruption or other unlawful acts against the Public Administration. | GRI 205-3

ALL EMPLOYEES  
RECEIVE ANNUAL  
INFORMATION ON  
ANTI CORRUPTION  
GUIDELINES.



## Compliance Month and dissemination of the Code of Conduct

| GRI 2-23, 2-24

In 2023, we held the first **Compliance Month**, which involved employees from all units, with the application of 9 talks and 4 training sessions on the main topics of ethics and compliance, in addition to the dissemination of numerous communications and guidance materials. The actions reached managers, leaders, employees and strategic suppliers.

We also distribute educational comic books in the factories ("Ethics in Comics") and conduct specific training for Comex, strategic suppliers to the company, internal IT third parties, business partners and people managers, and members of the Internal Commission for the Prevention of Accidents and Harassment (CIPA), the latter addressing issues related to the

prevention of moral and sexual harassment and other violence in the work environment and other requirements of the Law 14,457/22.



The Compliance Month livestreams, as well as videos and guidance materials released in the period, are available on the UniDexco platform for consultation of employees at any time.

We provide periodic training to new employees with guidelines from the Code of Conduct, preventing and combating corruption, harassment and other violence in the workplace, as well as conflict of interests and basic information security precautions, aiming to ensure ethics and compliance in professional relationships between employees, third parties, suppliers, customers and investors.

From 2019 to 2023, 48% of employees were trained in the Code of Conduct, content that includes anti-corruption guidelines and practices. Of these, 649 held management and specialist positions in 2023, representing 92% of employees in these categories. | GRI 205-2

All of our employees are required to formalize their commitment to the Code of Conduct guidelines, either electronically, through an internal platform, or physically, through forms provided by the People area of the units.

## Ethics and Compliance Training and Actions

| GRI 2-24, 205-2

**22** talks and training applied

**16** different compliance topics worked on:

- Code of Conduct
- Ethics and Conduct
- Compliance Obligations
- Moral and Sexual Harassment and Misconduct
- Law 14,457/22 (Cipa)
- Discrimination Conflict of Interest
- Good Data Protection Practices
- Fighting Corruption, Fraud and Deviations/ Manipulation
- Leadership Role
- Environmental Passive
- Reporting Channel
- Competitive Illicit
- Capital Markets
- Internal Policies and
- Standards Integrity Program

**4,983** people in talks and training

**654** new employees trained

**56** announcements, articles, videos and campaigns about compliance disclosed

**100%** of leaders and experts formalized the acceptance to the Code of Conduct

Participation in business training <sup>1</sup>	2021	2022	2023
Corporate	498	295	1,547
Ceramic Tiles	525	30	218
Deca and Hydra	332	397	2,167
Wood	212	239	1,051

<sup>1</sup> Each employee/third party may have attended one or more of the 22 applicable presentations and training sessions throughout 2023, during Compliance Month and/or at other times of the year.

## Integrity Program

| GRI 2-23

Our **Integrity Program** was developed based on the Federal Anti-Corruption Law (12,846/2013) and the Federal Anti-Corruption Decree (11,129/2022), with the goal of preventing, detecting and remedying irregularities and illegal acts committed against the Public Administration, strengthening the culture of integrity and transparency in the Company. The members of senior management (Comex and CAGR) participate in the supervision of the Integrity Program and monitor the result of the actions taken.

The guidelines are gathered in the [Anti-Corruption Policy](#), and a digital program guide is available for internal and external sharing, driving the spread of its fundamentals. Learn about [Dexco's Integrity Program](#).

### The Integrity Program has eight pillars:

- Commitment of senior management (Tone at the top)
- Monitoring and reporting
- Legal compliance
- Policies and procedures
- Training and communication
- Risks and controls
- Due diligence
- Whistleblowing channel and internal investigation flow

## Whistleblowing Channel

| GRI 2-25, 2-26

One of the pillars of our Integrity Program, the [Whistleblowing Channel](#), which had its [policy](#) (PO.11 Compliance and Whistleblowing Channel) revised in 2023, receives reports of situations in disagreement with the Code of Conduct, Dexco policies and standards and/ or non-compliance with legislation, as well as the practice of illegal acts,

including those provided in the Anti-Corruption Law. Reports can be anonymous or identified and are received by an independent and specialized company, **ensuring confidentiality and appropriate treatment for each situation**. Investigations are conducted by the Compliance function and periodically reported to the Company's senior management, including the Ethics Committee and the Audit and Risk Management Committee. Offenders are subject to the application of disciplinary and

judicial measures, according to the internal rule on the subject (NO 44).

During Compliance Month, we held a talk on the Whistleblowing Channel which reached more than 1,100 people, with the support of the independent consultancy that screens the complaints, disseminating more details on how the Channel works and all the guarantees provided, an opportunity in which employees were able to clarify doubts and learn more about the subject. ■

Access to the Whistleblowing Channel can be done by calling 0800 55 75 77 (on business days, from 8 am to 8 pm) or through the [internet](#).

The page is available in Portuguese, but reports can be made in other languages by email [dexco@canaldedenuncias.com.br](mailto:dexco@canaldedenuncias.com.br)

Reporting Channel Numbers   GRI 2-26	2021	2022	2023
Complaints found by Channel	63	57	64
Complaints investigated by the Compliance area	29	32	64
Complaints investigated by the Internal Audit area	34	25	0
Elements identified as being upheld	25	27	44
Completed reports	57	52	61
Incomplete reports	6	5	3

Note 1: for the classification of Dexco's Whistleblower channel, "corruption" is considered only when it involves the criminal type defined in the Brazilian Code of Conduct, specifically when there is involvement of a public agent. Other situations are classified under existing categories, such as fraud and favoritism, among others. | GRI 205-3

Note 2: starting in 2023, all reports received through the Whistleblower Hotline have been categorized as "complaints," regardless of their nature. In addition to investigating behavioral complaints, the Compliance department began investigating fraud and misappropriation cases, replacing the Audit department.

Note 3: complaints that were not concluded in 2022 were continued in early 2023.

Note 4: completed actions include complaints registered during 2023 that were finalized by March 31, 2024.

Classification of elements upheld	2023
Non-compliance with policies and standards	19
Incontinence of inappropriate conduct and/or behavior	16
Theft, robbery or diversion of materials	4
Conflict of interest	1
Fraud or favoritism	2
Data manipulation	1
Human rights (*Labor violation)	1
<b>Total</b>	<b>44</b>

Note 1: for the purposes of this report, in the calculation of complaints related to human rights, topics involving slave/child labor (0), human trafficking (0), excessive use of force (0), violence related to indigenous peoples (0) and labor risks (1) are being considered.

Note 2: for issues related to discrimination and/or harassment, we received 15 complaints, but none was concluded as valid after the investigation. | GRI 406-1

Note 3: the number of complaints found may contain one or more elements.

# Risk management

| GRI 2-12, 2-17

The Dexco Risk Map, Risk Dictionary, Risk Ruler, and Risk Appetite and Tolerance underwent a review in 2022, with the goal of updating the risks inherent in our processes, in order to maintain residual risks at appropriate appetite and tolerance levels, as well as an adequate control environment, supported by the achievement of our strategic plan.

In 2023, we started monitoring Dexco's 20 high and critical risks and defined the risk owners for each one. We also held meetings with leadership and teams to verify existing actions, as well as the defined action plans, in order to evaluate whether we have sufficient controls for mitigation. We also conducted the validation by CAGR and CA of the new classification of some risks. We started a project for standardization of the continuity plan between the units, starting with Agudos (SP), and, in 2024, we will map the medium risks, maintaining the management of the high and critical ones.



In order to further integrate ESG issues into our risk management, we conducted a qualitative analysis of the exposure and potential impact of each of the risks mapped and how they relate to risks and opportunities related to climate change, water security and biodiversity, considering the corporate context and the specificities of each business.

We also continue with the process of mapping activities related to business continuity, defining the Company's degree of maturity and the methodology for the formalization of continuity activities in factories and corporate areas.



## Risk management

We carry out our risk management through the following processes:



## Risk management framework

In 2019, we structured our Internal Audit, Internal Controls and Risks Management and the Compliance Management and Whistleblowing Channel, each with independent teams. Following best practices, our risk governance is structured as follows:



Among the main risks, we can highlight:

Risk	Risk description	Importance and impact	Response strategy
<b>Information security</b>	Alteration, incorrect processing of operations and improper disclosure of confidential or strategic information of the Company.	The Company's operations depend on the uninterrupted operation of information systems, with adequate access and parameters of information security, as reliability problems and/or information breaches may cause temporary or partial shutdowns of the Company's strategic activities.	Establish and communicate information security policies and use tools to monitor, detect, and remediate attacks on information systems and/or data leaks.
<b>Cyberattacks</b>	Cyberattacks due to vulnerabilities in the information chain and security protocols, resulting in a risk of operational shutdown or hijacking of strategic information for the Company.	Cyberattacks have often been used as a form of data hijacking in exchange for financial resources, including cryptocurrency, which increases the risks of the information technology environment, which may be subject to attempted attacks resulting in unauthorized access, misappropriation of information, suppression, loss or modification of the Company's financial information about customers, suppliers, partners, or disruption of the Company's business operations.	Implementation and updating of tools for information security, monitoring of credential leaks and vulnerabilities, update of standards and policies and assessment process for continuous improvement of the entire Information Security system.

## Climate risks

| GRI 201-2, SASB RR-FM-450a.1

We assessed the climate risks per unit (forest and mill), taking into account the geographic differences between them and the different exposures to risk vectors (e.g., water availability, wind, and temperature).

Our pine and eucalyptus plantations are managed in a similar way and with similar exposure to climate risks, therefore the risk and opportunity analysis considered both species as planted forests. All forestry units are maintained

with the main goal of producing wood to supply our panel factories, and the possibility of using alternative products was considered in the analysis of opportunities.

This work included the Company's own forests (own and leased areas) and can also be considered for the forests of origin of the wood acquired from the market that are in regions close to the panel factories and, consequently, close to the forestry units.

### The main climate risks and opportunities identified were:

- **Physical hazards:** forest fires, water shortages and droughts.
- **Energy sources opportunity:** energy production based on wood biomass.
- **Product and service opportunities:** supply of sustainable products to replace those that require greater use of water, energy consumption and chemicals in production, and increased demand for sustainable products to replace those with a higher carbon footprint.
- **Resilience opportunity:** development of seedlings adapted to the effects of climate change, such as temperature variation and lower water availability.
- **Market opportunity:** commercialization of carbon credits from increased forest sequestration and reduced emissions.
- **Resource efficiency opportunity:** cost reduction and energy dependence from higher efficiency practices of industrial plants. ■



# Our Way of Being and Doing

**Human Capital**

**ESG pillar corresponding to the chapter**

S (social)

**Culture Pillar**

We invest in people and build amazing teams

**Material topic covered in the chapter**

Organizational culture and people management



# OUR WAY OF BEING AND DOING

## Our organizational culture

| GRI 3-3 (Organizational culture and people management)

2023 WAS A TIME OF MOBILIZATION AND DEVELOPMENT THROUGH THE PRACTICE OF OUR BEHAVIORS

Two words summarize the year of 2023 for the People Directorate: **rationalization** and **revitalization**.

2023 was a challenging year, in which we rethought organizational processes, sought simplification and carried out restructurings. We also invest in technology to focus on the care and development of our people, and we continue to focus on actions to develop attract, and retain talent. We have

advanced the diversity target and revisited the occupational safety rules to reinforce behaviors considered essential for Dexco.

In terms of Culture, Our Way of Being and Doing, we are working on each behavior and chose "We inspire customers and consumers" as the one we needed to act on the most. We completed the leadership development process on the new skills and engaged managers, coordinators and specialists. In the first year of our new culture, we told the story, celebrated and made people aware of the importance of change. Now, in 2023, we had the moment of mobilization and development and practice of behaviors, in order to transform individual actions into collective attitudes.

Around here, we follow the slogan **Building culture**. This dissemination took place throughout the year, through several initiatives:

### ■ Culture workshops

Management team: conducting two culture literacy workshops with Comex and directors, focusing on the behaviors "We inspire customers and consumers" and "We are efficient and deliver differentiated results". 20 hours of participation for leadership.

New Leadership Onboarding: Conducting robust internal onboarding forums on culture for new leaders (coordinators, specialists and managers), inviting them to be protagonists in the transformation movement. 16 trained leaders | 3 classes held.

### ■ Culture Reference Group

Dialogue and practice of culture roundtables through a space for collective discussion on the practice of culture, strengths and opportunities for improvement. A Leader to Leader moment, working on Our Way of Being and Doing and concepts of culture.

More than 120 action plans were created to address the identified challenges. 2 roundtables carried out | 400 participating leaders per circle (coordinators, specialists and supervisors) | 35 leaders of the Reference Group, with 30 hours dedicated to this activity in 2023.

### ■ Culture Month

Period of the year in which all units and areas discuss culture, experiencing and celebrating the Way of Being and Doing, with senior leadership caravans, online and face-to-face games, recognition actions among colleagues and focus on the priority behavior "We inspire customers and consumers". Culture Rituals were also conducted to stimulate conversations between leaders and their teams to accelerate awareness and practice of behaviors. 300 participations in online games | 2 livestreams, with more than 1,500 participations | 14 caravans carried out by Comex and directors.

### ■ Culture quick wins

Based on the 2022 Culture in Practice research, each executive and board member defined at least one quick win (action plan) to address the research findings by focusing on priority behaviors in their area of responsibility. 110 quick wins were defined to be implemented throughout the year.

We take care of **life** wherever it is

We invest in **people** and develop **amazing teams**

We are **agile** and seek the best **digital solutions**

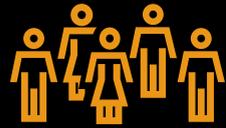
We **innovate**, simplify and **learn** from mistakes

We inspire **customers** and **consumers**

We are **efficient** and **generate outstanding results**

# Employee profiles

| GRI 2-7



**12,257**  
employees

**11,697**  
employees in Brazil

**560**  
employees in Colombia



## Brazil

**74%** men

**26%** women

## Closures and shutdown

| GRI 2-7

In Brazil, the closure of the Queimados (RJ) plant and the temporary shutdown of the Criciúma (SC) unit resulted in layoffs and relocation of teams, affecting the number of employees and the community. A cross-functional team at Dexco defined all the steps of this movement, ensuring transparent communication and a careful process with all stakeholders, including employees, unions, government agencies, suppliers, customers, etc.

In Queimados, some people were invited to move to other locations, while a group was assigned to shut down operations to ensure proper shutdown of the furnaces and the necessary environmental controls. Outplacement was offered with specialized consulting for 100% of the dismissed employees. In Criciúma, as in two other factories in the region, part of the workforce was transferred and the other part was separated. The process also included a support plan for laid-off employees and the design of some additional benefits.

In Colombia, the company provided a number of compensation and support mechanisms to employees who were laid off following the closure of the Manizales plant. Relocations were also carried out in other activities, which covered only a small group.

## Colombia

**75%** men

**25%** women



More details on the profile of our employees are in the [Information Booklet](#)



# Diversity, equity and inclusion (DE&I)

| GRI 3-3 (Organizational culture and people management)

We aim to make Dexco an increasingly inclusive and high-performing company, in a sustainable way, where **our employees recognize themselves in a safe, diverse and plural environment to be who they really are**, printing authorship in their performances and being valued for it.

Throughout 2023, several initiatives reinforced our commitment to this topic.



## Development and integration actions

Development of literacies, training of multipliers, integrations and panels related to the topic of DE&I.

**7.5 thousand** hours of integrations, development forums, and literacies

**4.3 thousand** participations

We launched five courses on UniDexco, our education platform, including allies, representation and inclusive leadership.

*CasaCor 2023 Event – Meeting of Women Leaders, with the participation of managers and participants of the DELAS program, focused on the development of industrial leadership*

## Onboarding and training

Beginning in 2022 and continuing until April 2023, the forum of employee onboarding in our units was created so that the content reached everyone in the literacy model. Considering each audience in a specific way – leadership, administrative, factories and forestry – topics, such as concepts of DE&I, the importance of this topic in Brazil and in the world, the labor market, unconscious

biases, social markers and Dexco's DE&I Strategy.

The People team at the units received the training, also offered in the online format from March to July, and was responsible for cascading this content to all audiences throughout the year. This forum was replaced by the UniDexco Trail for new employees.

## Diversity groups

Launched in 2023, the debate and co-creation groups have the role of enhancing the sense of belonging and identification among participants, discussing topics and creating inclusion tools according to Dexco's culture and strategy. We have one group per company and in the first phase they will receive literacy on the social markers: people with disabilities, gender, race and ethnicity, LGBTI+, and generations. In 2023, there were 4 meetings of 2 hours each, with 79 participants and the topic Know and Learn.



The diversity indicators (GRI 405-1 and 405-2) are detailed in the **Supplementary Information Booklet** at the end of this report.



### Family Month

We celebrate families and promote reflection on valuing and respecting all family arrangements. Among the actions, we had a talk with an external guest, a panel with employees and the resumption of the Open Doors program, to visit the units. The parenting talk featured 800 participants and the family panel with employees had 380 participants. The actions totaled more than 1.3 thousand hours.

### Diversity Month

Opportunity to think about valuing the differences of our employees and reinforce the entire positioning of DE&I of Dexco. We had board games, online games, leadership talk and the web with the social markers: person with disability; gender; race and

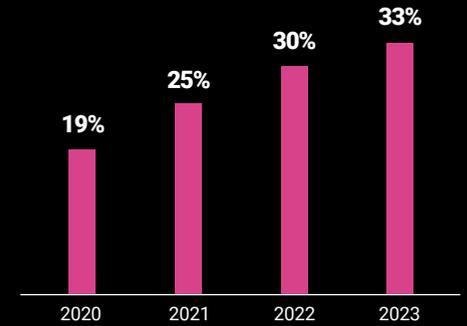
ethnicity; LGBTI+; and generations. More than 150 people participated in the online game and 380 participated in 3 talks with the leadership, each lasting 2 hours. The DE&I panel with employees had 740 participants.

### Diversity in leadership

| GRI 405-1

In 2023, we reached the 33% mark for women in leadership positions at Dexco, which includes the levels of president, vice president, director, manager, coordinator and supervisor in Brazil and Colombia. It was an important step to get closer to our corporate target, which is to achieve 35% by 2025. ■

#### WOMEN IN LEADERSHIP



Our actions to drive the creation of diverse teams have already been noted. In 2023, we were awarded the following recognitions:

### IDIVERSA B3

■ IDIVERSA B3 (B3 Diversity Index)

### T E V A I n d i c e s

■ Teva Women in Leadership Index



■ Paulista Seal of Diversity



■ Era of Inclusion, Ethos Research/Época Negócios – Leader in Inclusion in the Capital Goods category

# Attractiveness and selection

GRI 3-3 (Organizational culture and people management)

We have received the Company that Gives Feedback seal three times from the recruitment platform Gupy, which recognizes companies with the best feedback practices in their selection processes and that, consequently, guarantee transparency and a better experience to the candidates who participate in their selection processes. The following are some of our career attraction, development, and acceleration programs:

Turnover indicators (GRI 401-1) are Supplementary Information Booklet at the end of this report

## DELAS

Pioneering gender-focused multi-business attraction program for development and career acceleration of female talents to occupy industrial leadership positions – supervision. It began in November 2022, and the 23 participants underwent a training path throughout 2023, with actions that involved job rotation, training on leadership aspects and gender- focused literacy, as well as the development of practical projects, mentoring and sponsorship with Dexco leaders. The program ended in January 2024.



## DEXtination

### DEXtination

Multi-business attraction program for the development and career acceleration of analysts to assume key positions in process management, project and teams at the end of the 18- month training track, focusing on gender, race and ethnicity markers, and people with disabilities. It began in January 2023, and the 21 participants underwent, in these first 12 months, institutional integration, 2 job rotations, practical projects, hard skills training and group coaching, among other actions. The program is scheduled to close in June 2024.

## Geração D

### Geração D

This program aims to develop skills and abilities of undergraduate students to become future professionals at Dexco. In 2023, we had two formal entries, ending the year with 123 active interns at the Company. The development track is composed of a project, Logbook, evaluation and feedback, as well as institutional forums that aim to expand the repertoire and bring new knowledge about tools, technology and market practices.

### Investing in technology for better people management

We have partnered with the Federal University of Minas Gerais (UFMG) to develop an algorithm aimed at composing multidisciplinary teams. The project has been conducted with a diverse team of People areas: People Analytics, Human and Organizational Development and Remuneration, and university students and professor, with the goal of facilitating the connection between professionals to solve specific business challenges. The algorithm is not limited to forming teams, but can also assist in succession mapping, internal recruitment and knowledge mapping. The project was developed throughout 2023 and, in 2024, is undergoing practical tests so that it can be made available to leaders in the last half of 2024.

## Forest Manager Preparation Program (PPGF)

Dexco is a sponsor of PPGF, the annual program of the Institute for Forest Research and Studies (IPEF) for the selection, experience and training of recent graduates in Forest Engineering and graduate master's students with a diploma in this area. Each edition has 20 participants. In 14 years of partnership, 23 program participants were hired to be part of our Forestry team.

The program has training in the various areas of forest engineering, covering topics such as forest planning, economics, research and forestry

operations, also offering various approaches in the subject of people management, as well as how it promotes self- knowledge.

In addition to training and experiences, it carries out technical visits that provide a practical understanding of the functioning of the forestry sector. The activities of the program take place in five weeks of face-to-face immersion, primarily at IPEF's headquarters in Piracicaba (SP). ■



# Career development and talent management

| GRI 3-3 (Organizational culture and people management), 404-2

**A** management of people is a relevant pillar of our business strategy, and our programs focused development of leadership demonstrates our commitment to training employees within our Way of Being and Doing. Learn about the main initiatives in this context.

 Training indicator (GRI 404-1) available in the [Supplementary Information Booklet](#) at the end of this report.

## Dexco New Skills Program

Preparing leaders for our growth journey, developing business vision, digital mindset and consumer centricity through a platform and curation with different synchronous and asynchronous initiatives. In 2023, we closed the edition that began in 2021. Among all those eligible, 305 leaders completed the program, representing 66% of the total Dexco leadership (as of November 2023). Of these, 200 participants completed the program in 2023. The training track is composed of future skills assessment, three modules – each with minimal online content consumption, application design and peer to peer collaboration – and reassessment.

**Dexco Leadership School** – Promotes the development of Supervision (industrial and administrative – multi-business) in leadership and team management skills aligned with Dexco's growth cycle (321 participants, in 17 classes). This was the second year of the school and the focus was on assertive communication, empathy and active listening, with online preparatory content, a face-to-face workshop, a practical project and additional activities.

**Sowing Talents** – Dexco's attraction program focused on students or recent graduates, to start their careers in the Wood Division. These are opportunities whose main goal is the professional development and career leverage of those who are at the beginning of their career in an organization. The program has three modalities: Technical Internship Program, New Technical Graduates and New Higher Education Graduates.

**Dexco Educational Guidelines Booklet Education & Framework** – Leadership support materials that present Dexco's strategy and positioning on education and its multi-business programs offered by the Human and Organizational Development (DHO) area.

In Colombia, employee development programs in 2023 included:

**Joining Program** – Follow-up for one year of all people who join Dexco, through quarterly meetings with representatives of the Selection and Development team, seeking to reduce gaps in specific topics of being, knowing and doing.

**Leader qualification program** – Employee support for behavioral development and calibration assessment, with an initial focus on behaviors and later in goals.

**Thematic training according to the needs that arise**, in topics such as communication, leadership, main plenitude, teamwork, negotiation, visible leadership, conscious and inspiring leadership and conscious authors, as well as culture workshops.



Employee meeting – Expo Revestir 2023

**Led leader program** – Opportunity for employees to express their feelings to their leader, strengthening spaces for frank dialogue.

**Culture Program** – Through experiential workshops, virtual training, rituals and conversation spaces, immersions focused on Our Way of Being and Doing.



### Local workforce development

Empowering the local community is among the main tools of the Company to ensure manpower for its operations. In 2023, the Taquari (RS) unit had 58 enrolled in its Expedition Assistants course. The training, structured with internal resources, had as content the introduction to concepts of work safety, logistics processes, products and quality, in addition to factory experience. At the end of the process, five participants were hired.

The forestry units of Agudos (SP) and Uberaba (MG) provided training for new tractor drivers. The training, lasting 60 hours, counted on 129 people enrolled,

internal and external to the Company, in 3 classes. At the end, 15 people were invited to join Dexco's staff.

In Botucatu (SP), we promoted the training of the community through a vocational course at Senai, with 32 vacancies per class, distributed equally between men and women. Throughout 2023, we opened 3 classes of 32 students, totaling 96 places. In 2024, we filled 58 internal vacancies with students graduated in these Senai training classes.

### THE TRAINING OF THE LOCAL COMMUNITY IS AMONG DEXCO'S MAIN INITIATIVES.

In 2023, the Development area partnered with several suppliers to monitor the topics relevant to Dexco's organizational culture and Way of Being and Doing.

We believe that the way dismissals are carried out directly impacts the organizational climate, culture management and our image as an employer. Therefore, we make it a point to conduct the shutdowns in a respectful manner, acting according to the result

of the formal performance evaluation process, in which deliveries and behaviors demonstrated by the employee are measured.

Any decision to move and dismiss is made on a collegiate basis, with the participation of the immediate manager and the People team. Dismissals can occur in two ways:

**Individual process** – For executive positions or key positions, according to eligibility criteria, an individual outplacement/career transition program is practiced with the support of specialized consulting. At the time of restructuring of the Company or a division, an additional compensation package (bonus, release from the stock option program with the approval of the Board of Directors, and other facilities) may also be adopted to recognize employees with a length of service (at least 10 years) and relevant contribution during the working period, i.e. with unquestionable performance and conduct. For other employees, punctual, individual or group career guidance may be applied whenever necessary.

**Collective process** – In case of collective processes, we offer workshops for guidance on seeking opportunities, preparing resumes and tips for participation in interviews, among other topics to support the transition process.

## Remuneration

| GRI 2-20

At Dexco, remuneration is monitored annually through market research. Based on such surveys, we have updated the salary tables, which are organized into 28 ranges (covering all job levels). Each track is divided into 3 steps (minimum, medium and maximum), in addition to considering a regional deflator that aims to ensure good local competitiveness.

To determine each employee's individual salary, it is the responsibility of the immediate supervisor to evaluate criteria such as internal equity, individual performance, seniority and position in the salary range to determine how salary administration will be conducted. Specialized consultants are not involved, but the tabulation of the data is carried out by an external consultancy independent of the administration.

Our remuneration determination process is supervised by the People, Governance and Nomination Committee. Other stakeholders are involved when they raise questions or ask for clarification on published data; however, there are no remuneration-focused stakeholder votes. | GRI 2-20

**ALL STAGES OF THE PERFORMANCE CYCLE ARE PERFORMED IN A SPECIFIC SYSTEM, ENSURING GREATER COMPLIANCE AND TRANSPARENCY OF THE PROCESS.**

## Performance Cycle 2023

The **annual** Performance Cycle, the Company's practice for approximately ten years for senior analyst audiences and above, is an important step in our employee life cycle, which measures deliveries organizational and individual (what was done: x-axis) and how deliveries are achieved (how it was done – behavior: y-axis).

This process **stimulates the development of people and frank dialogue**, ensuring that, based on the results, it is possible to make the necessary decisions to enhance the exercise of our culture. It is a management practice that aims to distinguish, evaluate, develop, reward, legitimize and celebrate differentiated deliveries for our business.

For the evaluation of adherence to the behaviors of the Way of Being and Doing, positions of president, vice president, directors and managers participate in 360° evaluation, including self-assessment, direct managers, peers and customers and team. For other eligible positions, the evaluation takes place in the 90° format, including self-assessment and evaluation of the direct manager.

All steps are carried out in a specific system, ensuring greater compliance and transparency of the process. The calibration stage defines

the product through a 9box evaluation. Employees in leadership and level positions are eligible to participate in the Performance Cycle seniors admitted, transferred or promoted until August 31, 2023 or who worked for a minimum of 6 months during the year. In 2023, 1,191<sup>1</sup> employees in Brazil and Colombia participated in the evaluation process through the system.

In order to increasingly stimulate protagonism and individual career management, we monitored Comex's Individual Development Plan (IDP), directors and talents managers and coordinators more closely in 2023. For a specific group of leaders, we promoted a pilot workshop on Career Management and IDP. (3 hours and 26 participants).

<sup>1</sup> Does not include Castelatto and Caetex.

As for the other audiences, in 2023 we expanded the Feedback Dialogue, a practice previously carried out only in the Wood Division, to the entire Company. It is a tool that aims to identify strengths and professional development opportunities in relation to the Way of Being and Doing (culture behaviors), which happens in **three stages**, independent of the Performance Cycle for senior positions and above.

- **Leader assessment** to identify two behaviors in which the employee excels and two in which there are opportunities for development.
- **Feedback** to exercise frank and continuous dialogue between leader and subordinate.
- **Action plan** based on the evaluated results. It's time to formalize an IDP.

### Process steps



 Evaluation indicator (GRI 404-3) available in the **Supplementary Information Booklet** at the end of this report.

## UniDexco

| GRI 404-2

In 2023, we launched Dexco Corporate University – UniDexco, an online management knowledge platform and unification of the Company's education and development initiatives. With the implementation of UniDexco, we ensure the governance and the accuracy of training data, with standardized reports for all of the Company's businesses.

The various topics available for training at UniDexco include:

- ✓ Leadership
- ✓ Culture
- ✓ Diversity, Equity and Inclusion
- ✓ Innovation
- ✓ Compliance
- ✓ Sales/Commercial Academy
- ✓ Required/Legal
- ✓ Operational
- ✓ Corporate programs

**350**  
courses

**49**  
available trails

**3,166**  
active users  
(employees who accessed UniDexco)

**21 thousand**  
enrollments



## Average training hours

| GRI 404-1

In 2023, we invested R\$ 2.5 million in training. The average training hours per employee was 10.1 in Brazil and 105.2 in Colombia<sup>1</sup>. However, with the change in the data consolidation process and without a targeted thematic agenda throughout the year, we observed a reduction in relation to the previous year.

<sup>1</sup> To calculate Colombia's training hours, apprentices are considered.

In addition, we chose to conduct monthly thematic campaigns and more on-the-job actions, in addition to conversations between leaders and subordinates, which are not characterized as training.



More information is available in the [Supplementary Information Booklet](#) at the end of this report.

## Remote Work Policy

During the pandemic years, we adopted remote work as a measure to protect our employees who were not directly allocated to operations. With the resumption of face-to-face activities, we adapted 4-day face-to-face and 1-day home office scale models for administrative activities.

However, aware that some areas require a differentiated look, we adopted criteria for some groups:

- Systems and Cyber, work with 2 face-to-face days and 3 days of home office for management levels and full home office for the other positions, with occasional trips to the office as needed.

- In the Shared Service Center (CSC), all trainees work in the teleworking model. It is a program in partnership with the [Semear Institute](#), which supports young people in situations of social vulnerability from different regions of Brazil, who can access the internship program at Dexco through this model.

- The Finance team has areas that are geographically separate and maintains remote work for those who are away from the central office in São Paulo.

For all groups, equipment and supplies and/or aid for their acquisition are provided. ■

# Occupational health and safety

| GRI 403-1, 403-8



**P**roteg is our Occupational Health and Safety Management Program. Updated in 2022, it is certified

according to ISO 45001 in 14 units (Brazil and Colombia), representing 65% of the Company's total employees and third parties. The goal is to ensure **employee engagement, safe facilities and coordinated health, safety and wellbeing efforts.**

Proteg's normative references meet the legal requirements of the countries where we operate, as well as the International Labor Organization (ILO) guidelines of 2001 (ILO- OSH 2001 Guidelines on occupational safety and health management systems) and ISO 45001:2018 and ISO 31000:2018 (Risk management: guidelines) standards.

We have an Occupational Health and Safety Policy for the establishment of guidelines, scope and premises that encompass senior management (Executive Committee) and all stakeholder groups that may be affected by the Company. The system is structured in three pillars:

## PROGRAMA PROTEG

**People** – Ensure everyone's involvement employees (including contractors, suppliers, visitors and other stakeholders) with occupational safety-related topics and processes and health, through leadership commitment, attribution of responsibilities to all, effective communication (bidirectionality and strengthening of relationships) and collective care.

**Safe and healthy working environment** – Working environment, facilities, machinery and equipment that ensure compliance with legislation and best practices related to health, safety and wellbeing.

**Strategy** – Set of actions, through a holistic approach, alignments, coordination, good practices and strategies that define responsibilities, programs and drivers that help in the processes for identification, analysis and evaluation of risks and decision-making related to health and safety issues.



Proteg is also aligned with Our Way of Being and Doing, especially with the first behavior, "We take care of life wherever it is", and other existing policies (Environmental, Internal Controls and Risk Management System, Human Rights Policy and ESG Policy).

In Colombia, we have a system established by Colombian regulation that covers 100%

**OUR HEALTH AND SAFETY POLICY ENCOMPASSES ALL STAKEHOLDERS THAT MAY BE AFFECTED BY DEXCO**

of our own and outsourced in the country's operations. According to regulations, the system is subject to annual internal audits and checks by government organizations if necessary.



Proteg applies to all areas, including managers and employees, as well as contractors and people under our supervision and all stakeholder groups that may be affected by our operation. The program has a corporate team of Occupational Medicine and Health and an index that monitors our safety performance, the Proteg Proactive Indicator (PPI).

Ultimate responsibility for occupational health, wellbeing and safety at Dexco rests with the Executive Committee, which is responsible for the implementation, maintenance and continuous improvement of the system. Specific people with defined

responsibilities and authority to implement the Proteg are designated by the Executive Committee, and must ensure the commitment to continuous improvement, compatibility and alignment with other management systems of the Company, continuous training processes, continuous and proactive processes aimed at the management of occupational and process risks, and the establishment of goals and targets.

Occupational health and safety professionals are also responsible for Proteg, with corporate performance (management), business performance (specialists) as well as in the units (engineers, technicians, nurses and occupational physicians).

We have outpatient clinics in all units in Brazil, where occupational health and care services are provided by doctors, nurses and technicians in occupational nursing. In Colombia, occupational health services are performed by a contractor.



Learn more about Proteg in the [Supplementary Information Booklet](#) at the end of this report.

## Integrated SIPAT

In 2023, the **Internal Accident Prevention Week (SIPAT-R)** was marked by the involvement and participation of the entire Company. With the topic “**Stop acting on autopilot**”, at the opening event, with a message from the president of Dexco, Antonio Joaquim de Oliveira, it brought a reflection on safety in operations and recalling lessons learned from our occurrences.

The event featured livestreams conducted by the directors of the manufacturing units, with information on the challenges and strategies of safety for 2024 and the coming years. There was also an online talk with the topic “**Being Happy Is**”, a playful and humorous way to evaluate our attitudes towards a happier and healthier life and a health livestream with the topic “**Active Care**”, addressing psychological and emotional health issues and tips with specialized doctors.



We also led the **Safety Roadshow**, with the participation of unit managers to discuss topics such as the use of personal protective equipment (PPE),

ergonomics, care in internal and external displacement, smoking and alcoholism, sexually transmitted infections (STDs) and AIDS. We held safety dialogues with all safety teams during the week on the service fronts of Florestal and manufacturing units through the leaders and the CIPA teams<sup>1</sup> workers acting in the Internal Commission for Accident Prevention (CIPA).

SIPAT-R aims to raise awareness and prevent accidents, in line with our culture pillar “**We take care of life wherever it is**”. The 2023 edition had more an 25,000 interactions, promoting engagement and dissemination of knowledge. ■

<sup>1</sup> Employees working with the Internal Commission for Accident Prevention (CIPA).



# Health & Wellbeing

| GRI 403-3, 403-6



In addition to Proteg, we have **Caring Together**, a Health and Wellbeing Program at Dexco that reaches employees at all levels and their dependents, encompassing four pillars:

- Health promotion and prevention
- Occupational health management
- Health care management
- Comprehensive wellbeing

Learn about some of our actions focused on the integral health of the employee:

- **De Bem com a Mente (Mental Health Program)** – Promotes mental health through prevention, identification, support and rehabilitation measures.

**EMPLOYEES OF ALL LEVELS  
AND THEIR DEPENDENTS  
ENJOY CARING TOGETHER.**

- **Gestar Juntos (Maternity Program)** – Aimed at employees and pregnant dependents during the gestational and prenatal period, in addition to offering breastfeeding support rooms for women returning from maternity leave. In 2023, there was a revitalization, with the delivery of maternity kit and expansion of daycare assistance.

- **Pronto Atendimento Pessoal (EAP – Employee Assistance Program)** – Psychological, financial and legal support service for employees and their first-degree family members.

- **TotalPass** – New to the employee benefits package in 2023, provides subscription access to the gym network platform and online training, as well as online meditation and psychological care services.

 Are available in the **Supplementary Information Booklet** at the end of this report.

## Psychosocial assessment

Employee engagement, satisfaction, and wellbeing surveys are critical tools for evaluating and developing strategies to attract, retain, and develop the best talent, as well as identifying opportunities for improvement. As part of our annual health assessment process, our health team has begun using a questionnaire that addresses mental health and human rights issues in addition to physical health.

Completion was voluntary in the first year, with 509 employees participating, and the results will be used to develop campaigns and internal actions to promote health and wellbeing in 2024. In addition, the pilot demonstrated the potential for updating the questionnaire process, moving to a digital format, and optimizing data collection. It is also worth mentioning that we seek to monitor the evolution of our indicators, with plans structured according to the business need.

# Human rights

| GRI 2-23, 2-25, 3-3 (local community development)

Our Human Rights Policy, published in 2022, is based on global references on this topic, such as the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration and the Guiding Principles on Business and Human Rights (UNGPs). It was approved by the senior leadership in three instances: Executive Committee, Sustainability Committee and Board of Directors.

The content contains guidelines that guide our commitment and our performance in relation to human rights, both in our activities and in the supply chain. We disseminate the document to employees through our communication channels and the supply chain through the

**OUR HUMAN RIGHTS POLICY HAS BEEN APPROVED BY SENIOR MANAGEMENT AND MANAGEMENT AND GUIDES OUR COMMITMENT AND OUR PERFORMANCE.**

Code of Conduct for Suppliers and Other Third Parties, the Dexco Supplier Management Program (GFD) and guidance from the responsible areas.

Our Human Rights Policy and Dexco's Code of Conduct for Suppliers and Other Third Parties formalize the guarantee of the right of our employees and workers to associate freely, whether or not they join a union, without fear of reprisals, intimidation or harassment in all territories where we operate. In our operations, we maintain a good relationship with all representative trade union entities. There are no operations and suppliers where freedom of association and collective bargaining are at risk. | GRI 407-1

With regard to suppliers monitored in the GFD, we question about the training of asset security and monitor the evolution of this topic annually. We started to monitor more closely the human rights training at the end of 2023, requesting data from the trainings carried out with this topic.

Even though we don't have our own security guards on staff, we monitor the human

rights training provided by the security companies we hire and, at the end of 2023, we included a clause in our contracts to highlight the importance of this issue for Dexco.

In Brazil, in 2023, among the training carried out by the contracted company on topics related to human rights, 65% of the security guards in the units underwent training on compulsory labor, 97% on gender diversity and respect for relationships and 92% on ethics and code of conduct.

| GRI 410-1

In Colombia, we use the Operational Safety Manual, in which the requirement for respect and good treatment between teams is made evident, and security teams receive varied training on topics such as vulnerability, road safety, safe movements and environmental management, applied to 100% of the teams. ■





# Digital Transformation Journey

**Intellectual Capital**

**ESG pillars corresponding to the chapter**

**E** (environmental), **S** (social) e **G** (governance)

**Culture Pillar**

We are agile and seek the best digital solutions

**Material topic covered in the chapter**

Research and innovation

# Transformation Journey

| GRI 3-3 (Research and innovation)

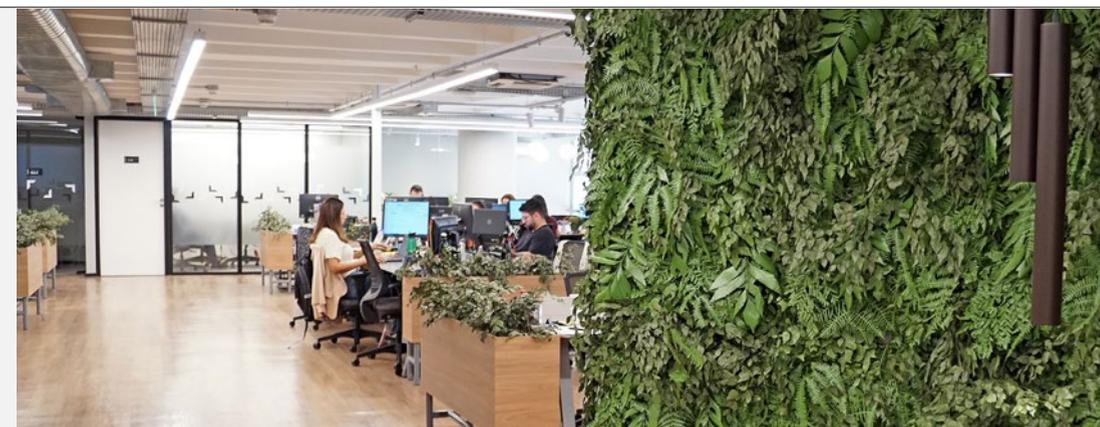
Even in a challenging year like 2023, our digital ambition remained a priority, as this is what directs us to the Dexco of the future. Our digital transformation journey is guided by **three pillars**, which connect projects and initiatives aimed at modernizing our processes and innovating our business. In 2023 alone, our investments in technology added up to R\$ 236 million.

The Growth structure, integrated into the IT board in 2023, comes to embrace initiatives connected to digital innovation. All projects in which we invest, such as those associated with our venture capital fund that can bear fruit in the future, as well as small companies with disruptive growth potential, have an acceleration channel in the Growth structure.



## R\$ 153 million

invested in the technologies involved in revitalizing our operating systems



## SAPiens project

The largest project of our digital ambitions, counts on the revitalization of 100% of our transaction systems that keep our operations running. It is a new business management ecosystem, which brings automated and integrated internal processes, enabling us to become a more efficient and strategic company, with decisions based on data.

It was initially deployed in the Tiles business and, after a strategic review, was expanded to the forestry business at the end of 2022. In 2023, it was extended to all areas.

**A target that involved Dexco's Board of Directors, it had a total investment in the technologies involved (SAP, Oracle, Inflor and Salesforce) of R\$ 153 million. It was a complex mission that required a lot of investment of time, money and people, many of them dedicated exclusively to the project.**

The project started in 2019, with an investment of US\$ 24 million over 4 years. Involving more than 450 employees in its development and implementation, it impacts more than 6,000 users through change management programs and training.

After four years of hard work, we have a system that considers Dexco's multi- business specificities and ensures a standard that can be integrated with various market solutions, bringing much more agility and speed to our processes. ■

### Pillars of our digital transformation:

- **Consumer Journey** – Putting the consumer at the center of the decision, using technology to bring Dexco closer to all stages of the consumer journey for products and services for renovation, decorating and construction.
- **Efficiency Journey** – Making Dexco a more competitive, agile, productive, and safe company, with technology and a digital mindset as the main drivers of this transformation.
- **People's Journey** – Create an inclusive environment that fosters a digital mindset and builds cross-business teams to deliver exceptional results.

OUR DIGITAL AMBITION REMAINED A PRIORITY, AS THIS IS WHAT DIRECTS US TO THE DEXCO OF THE FUTURE.



PROJETO **Sapiens**

## DX Ventures

| GRI 3-3 (Research and innovation)

Our open innovation investment fund – Corporate Venture Capital – accelerated our minority stakes in startups and scale-ups since its inception in 2021. We map young companies that are betting everything to revolutionize the construction, renovation and decoration market, and all these companies and projects are at the heart of our brand promise: **Living Environments**.

### ■ ABC da Construção

Created an innovative business model, based on unprecedented technology, digital platform of operational excellence and logistics execution superior to ours. We provide access to the portfolio, we have a closer relationship and learn to work with the end consumer.



### ■ SOMA Project (Organized Affordable Housing System)

Launched in 2022 and inaugurated in 2023, the building in the Center of São Paulo will benefit 108 low-income families, generating a positive impact on the occupation process of this region.

SOMA was born to foster urban mobility and supporting residents in achieving a better life, providing social development and urban areas in large cities. The management of the building will be carried out by the NGO SOMA, and the units cannot be sold, avoiding real estate speculation and guaranteeing the main purpose of the housing units, which is to give opportunity to lower income families who wish to live in the Center.



SOMA project, in downtown São Paulo

### ■ Brazil ao Cubo (BR3)

Specialized civil construction startup in agile solutions and modular buildings in agile solutions and modular buildings based on metallic structures. It managed, through process reengineering and adoption of more advanced materials, to shorten the deadlines of the works in a relevant way.



**DX** ventures

## Target achieved

Investing in startups and scale-ups capable of accelerating the civil construction industry was one of the targets of our Sustainability Strategy, significantly exceeded by totaling R\$ 246 million invested between 2020 and 2023.

This journey began in 2020, with R\$ 400,000 invested in the acquisition of Viva Decora, and grew in 2021, with R\$ 30 million invested in Urbem and R\$ 15 million in Noah, in addition to a R\$ 102 million investment in ABC da Construção, acquiring a minority interest.

In 2022, we continued and invested R\$ 90 million in Brazil ao Cubo, and we ended 2023 with R\$ 2.6 million invested in the Marcenaria Diferente and R\$ 6.3 million invested in the payment of the SUM.

All of these initiatives connect with our Sustainability Strategy and our value proposition, reinforcing our commitment to transform the construction sector, renovation and decoration.



# urbem

UMA EMPRESA AMATA

■ **Urbem**

A company that produces construction elements such as beams, columns and slabs with engineered wood from planted forests, a material that contributes to reducing the concentration of greenhouse gases (GHG) in the atmosphere by replacing construction elements of the traditional chain with a higher carbon footprint, such as concrete, cement and steel, and by storing during its useful life the carbon removed by the trees during their growth.

WOOD BUILDING DESIGN

# noah

They use technology, BIM process and engineered wood to build sustainable and waste-free customized projects.

The partnership of these two constructechs has already been generating results.



A fast-food store on Avenida Paulista in São Paulo (SP), the headquarters and restaurant of a winery in the Southern Region of Brazil, a condominium under construction in Vila Madalena, São Paulo, and other corporate, entertainment and residential projects are already being built with this technology.



## MARCENARIA DiFERENTE

■ **Marcenaria Diferente**

The most recent investment made by Dexco in 2023, it combines technology and woodworking. A digital platform draws the desired furniture quickly, generates 2D models and 3D piece by piece, creates an assembly manual, generates a customized budget for the customer and allows exporting to cutting centers and machining spread throughout Brazil, which deliver the plates and materials already pre-prepared. It streamlines the work of the cabinetmaker, decentralizes production and expands the offer of possibilities for professionals in the area, customers and consumers. ■



**R\$ 246 million**

invested in startups and scale-ups between 2020 and 2023

## Forestry 4.0

| GRI 3-3 (Research and innovation)

Also on the open innovation front, we are an ecosystem partner of AgTech Garage, the largest innovation hub specialized in agribusiness in Brazil. The aim is to bring us closer to startups that work with innovative solutions for the development of Dexco's forestry operations.

Advancing digital transformation through the Forestry 4.0 Journey, our focus is to increase

efficiency, develop new products from the forest, mechanize and automate operations in the segment. These initiatives are part of Dexco's Efficiency Journey and, today, we are already the competitiveness benchmark in the planted forest sector.

We understand that the digital transformation of some processes has been fundamental, involving enabling technologies such as advanced controls, computer vision, the Internet of Things, and artificial intelligence, as well as the full burden of cultural change and training

to empower the teams that are the protagonists of this transformation.

2023 brought a milestone in this transformation journey with the implementation of the Integrated Control Tower, **a 24-hour, real-time monitoring center for our forestry operations** in São Paulo, Minas Gerais and Rio Grande do Sul.

Based on the data sent by the equipment that are operating on the forest, we can quickly identify any support needs, such as mechanical maintenance, or low light

situations, bringing more safety to operators and gains in the operational efficiency of equipment.

In addition to forestry equipment, fleet vehicles are monitored, and through sensors and artificial intelligence, we can detect signs of driver fatigue or distraction, or driving above the speed limit, and send alerts to ensure safe driving.



Another challenge we have is to always seek greater **fuel efficiency**, also contributing to the reduction of emissions and to the journey of decarbonization of forestry operations.

In 2023, we opened a call for startups seeking solutions to optimize the consumption of fuel in forestry equipment. We carried out a pilot of one of the proposals and continued in search of technologies that increase the efficiency of the combustion process in the engines.

Technology is our ally in adapting to climate change and managing climate risks. With the possible increase in the frequency of forest fires as a result of climate change,

monitoring our forests is a key strategy to minimize the potential impacts of these events.

To this end, we have teams trained on firefighting and a system of cameras installed in towers to identify outbreaks of fire in forest areas, allowing the quick deployment of resources for its control.

**WE ALWAYS SEEK TO CONTRIBUTE  
THE REDUCTION OF EMISSIONS  
AND FOR THE DECARBONIZATION  
JOURNEY OF FORESTRY  
OPERATIONS.**

## Highlights in Forestry 4.0

■ **Monitoring of adult forests via remote sensing** – It consists of a solution for the periodic monitoring of the company's forest areas in order to identify anomalies in plantations from one year of age, with systematization of alerts and field verification, allowing the definition of management/operational actions still in the current rotation. Some examples of the practices are the identification of pest attacks, accidents and mortality due to water deficit. Currently, the system is operational in 6,000 hectares in the Agudos (SP) and Uberaba (MG) units. As a result, we aim to achieve ever higher levels of forest productivity, contributing to more efficient land use and reducing the need for new areas.

■ **Optimization of fertilizer use** – Challenge of the Intensive Connection program at AgTech in 2023, entitled "Fertilizers in forestry: how can optimized use contribute to maximum efficiency in forest production?". Two companies were selected for the work, working on the fertilization recommendation and productivity monitoring fronts. The work is ongoing and aims to optimize the fertilization recommendations of the evaluated areas. By using fertilizers more rationally and based on data, we increase efficiency in the use of natural resources, maintaining forest productivity levels and reducing greenhouse gas emissions. ■



# Imagine Program

| GRI 3-3 (Research and innovation)



26,094

ideas registered in 2023

Part from our intrapreneurship front, the Imagine Program has a platform in which employees can be rewarded by the outcome of those that are implemented. The goal is to create an environment increasingly geared towards innovation, identifying, empowering and recognizing our intrapreneurs.

In a very democratic way, the program brings together all the digital facilities, training, events and technical courses to train employees to generate ideas that can improve, modify, adapt or optimize internal processes. By participating in the creation of ideas and measuring the benefits they bring, the employee begins a journey of training and recognition that can be a bonus.

In 2023, 26,094 ideas were registered, 12,643 of which came from the Wood Division. The return captured from the program was R\$ 29.2 million, a number validated by the business controllers. The best ideas implemented and the record holders of ideas submissions were recognized in **Innovation Week**. Linked to the program, in 2023 we had the Resilience Challenge and a novelty, which was the Innovation Challenge.

The Innovation Challenge sought new ideas with the potential to generate **positive**



**environmental and social issues** and received around 10,000 ideas. The winning projects addressed topics such as the use of waste from manufacturing



processes as an input for new products, better use of forest management areas and new modes of transport for gains in eco-efficiency.

Awards for the best ideas implemented during the 8<sup>th</sup> Innovation Week

## Innovation Week

In 2023, our Innovation Week took place in a fully online format. With the theme "Challenges and Continuous Results", the eighth edition of the event, which stimulates innovative practices through content and stimulates the creation of ideas, was disseminated as a web series in three episodes, one per day. The topics covered were:

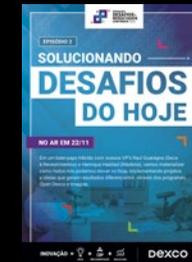
### Episode 1: Strengthening innovative behavior

The leaders of Open Dexco, our open innovation program, talked about the projects under development, and delved deeper into ESG, presenting cases of innovation, circularity, and a multi-business approach.



### Episode 2: Solving today's challenges

Chat with the Vice Presidents of Wood and Finishings for Construction to discuss how we can innovate today and implement projects and ideas that generate differentiated Results through the Open Dexco and Imagine programs.



### Episode 3: Building future solutions

The Dexco executives connected to startups on a daily basis, innovating and building our solutions of the future, dive into the universe of startups invested in by DX Ventures.



PROGRAMA **Imagine**



# Open Dexco

| GRI 3-3 (Research and innovation)

Our open innovation program, successor to the Duratex Garage, a former program to accelerate and support scale-ups, enhances our connection and integration with the entrepreneurial ecosystem through the hiring of startups and scale-ups, and is the gateway to meet the needs of business units that have needs that are not related to the company's core business, such as systems development.

Based on specific demands, we sought partners in the entrepreneurial ecosystem and selected some to work on pilot projects within Dexco, whose merit is the speed with which these demands are met.

In 2023, the 2nd edition of Open Dexco took place, which received 38 registrations, with 11 startups selected to solve 11 challenges. After the hiring process, the teams carried out a 3-month immersion and pilot program, totaling an investment of approximately R\$ 1 million in the 11 projects. After the completion of the 3-month pilot, 9 projects advanced in the process for implementation in 2024.



Our search for the development of the construction and renovation sector has granted us some market recognition, including:

- **Valor Innovation Brazil Award** – 1<sup>st</sup> place in Finishings for Construction
- **Top 100 Open Startups** – 22<sup>nd</sup> place in the overall ranking and 1<sup>st</sup> in Construction Materials
- **Aevo Intrapreneurship Award** – 1<sup>st</sup> place in ESG Innovation; 2<sup>nd</sup> in Open Innovation; 3<sup>rd</sup> in Sustaining Innovation; 6<sup>th</sup> in Transformational Innovation ■

AFTER THE  
COMPLETION OF  
THE 3-MONTH  
PILOT, 9 PROJECTS  
ADVANCED IN THE  
IMPLEMENTATION  
PROCESS IN 2024.

# Data security

As our digital ambitions grow, so does our responsibility for cybersecurity. We understand the need to update policies and defenses at the same pace as our digital transformation journey, in addition to the constant evolution of our employees' and partners' digital behavior. All of this digitization that we have been doing increases our exposure to risk, and that is why we are trying to work with culture, literacy and training, in addition to IT infrastructure measures.

The key takeaway from the data security investments is that we now have an environment that is much better prepared to deal with risk. **We're a 100% cloud company, and we're at the same level of cybersecurity risk management as the big tech companies. Our transactional systems are much more secure, processed in the cloud with multiple layers of protection.**

We also have a [Data Governance and Personal Data Privacy Policy](#), which establishes data governance guidelines and mechanisms, including the privacy and protection of personal data processed by Dexco.

In 2023, there were no substantiated complaints regarding privacy breaches and data loss of customers. | GRI 418-1

## You + Protected Program

**In 2023, we carried out a program for training in digital security through gamification, which was attended by 899 people throughout the year. At Dexco, we have "ethical" hackers, who prepare phishing with employees and, regardless of whether or not they fell into the false traps, everyone was invited to participate in a training program on this topic. ■**



# Solutions for Better Living

**Social and Relationship Capital**

**ESG pillar corresponding to the chapter**

S (social)

**Culture Pillar**

We inspire customers and consumers

**Material topics covered in the chapter**

- Supply chain and traceability
- Local community development
- Research and innovation

# Customers and consumers

| GRI 2-6, 3-3 (Research and innovation)

We recognize the importance of being close to customers and consumers, listening and understanding their needs and opinions. To this end, we provide innovative and efficient communication and exchange channels that help build a solid relationship of trust and reference.

In 2023, we registered 1,389 customers for the Wood Division, about 44,000 customers for Deca brand products and 32,000 for Tiles.

In the Finishings for Construction Division, the products are directed to wholesale or retail channels for Metals and Sanitaryware and only retail for Tiles, distributed among all States of Brazil and some countries in South America. In addition to retail, the Wood Division has industrial and export as representative channels.

We have several types of contract, adapted to the type of customer and the product marketed. In the case of wood panels, long-term relationships are prioritized, but there are no fixed supply contracts. The demand for the product is defined by the customer, according to the project and/or production. For Deca and Tiles, the contracts can be short-term, monthly, quarterly or annual, depending on the distribution channel.

In the last three years, no non-compliance has been identified in relation to marketing communication, including advertising, promotion and sponsorship. | GRI 417-3

### Countries we serve

 **33**  
for Wood Division

 **21**  
for Deca

 **44**  
for Tiles



WE HAVE COMMUNICATION CHANNELS AND EFFICIENT EXCHANGE, WHICH HELP BUILDING A SOLID RELATIONSHIP WITH CUSTOMERS AND CONSUMERS.





# 70%

replacement  
of plastic  
packaging  
with recyclable  
cardboard



**DEXCO**  
design office

We monitor industry and consumer trends, as well as habits and attitudes that go through a filter of needs in each segment and portfolio of each brand. In 2022, in line with our Sustainability Strategy, we started replacing plastic packaging with models composed of recyclable cardboard throughout the Deca metal line, reducing the demand for inputs from non-renewable sources. **This initiative, which was also one of the targets of the Marketing and Design Directorate, evolved and was consolidated in 2023, reaching the 70% replacement mark of plastic packaging with recyclable cardboard.**

Get to know some of our standout projects and actions for customers and consumers.

## Customer relationship platform

| GRI 2-29

We use the knowledge of the e-commerce platform to develop a B2B platform. Through it, customers have a wide range of self-services, improving the shopping experience, and our target is that the membership evolves considerably. Colombia already has 90% of orders transacted through a B2B platform. In Brazil, we are at 30%, but growing very fast, and expecting to reach 60% in 2024. The expectation is that 100% of orders will travel through our digital solutions by 2025.

## Dexco Design Center

All new product lines launched by Finishings for Construction Division brands in 2023 were validated with consumers in a co-creation process, in line with our commitment to put the consumer at the center of decision-making. For the launch cycle of the year, 24 surveys were conducted with more than 6,000 consumer interactions, providing product insights and concepts on colors, finishes, combinations, styles, price, packaging and ease of use, as well as testing acceptance, preferences and purchase intent.

## The Future of Living

In 2023, we conducted The Future of Living study with Sparkoff, a trend research institute, to think about the future movements of our brands in 12 verticals related to our segment (architecture, landscaping, hospitality, gastronomy, etc.). We look at the big blocks of trends for the future in our segment and we share it with stakeholders through various forums held in different regions of the country. Throughout the year, there were 15 events with customers. We have well-structured results, allowing the creation of projects that connect with the content obtained.



# DEXperience

Our relationship and engagement program with Deca, Portinari, Duratex and Ceusa brand specifiers, launched in 2022, brings together and values professionals and students of architecture, interior design, civil engineering, landscaping, decoration and building technology who have an affinity with our brands.

We started to give more visibility to the program in the market, in a more corporate

way, and we are also bringing Castelatto to the list of member brands. We believe that our support for this audience contributes to their professional growth and for the appreciation of architecture and design; therefore, we offer benefits such as exclusive content, specialized service, training and specification tools, in addition to spaces for the dissemination of projects, awards and events, awards, trips and advantages for participation in major architecture and design events.

DEXperience has a points program divided into four categories: Evolution, Evolution Plus, Advanced and Expert. The participant earns points by specifying our products and interacting with our brands, and when they reach a category, they are rewarded with exclusive benefits. We ended 2023 with 48,375 subscribers and 6,504 full members, and a value of products specified on the platform that exceeded R\$ 174.1 million. In the future, we want to include other professionals in the program, such as carpenters, plumbers and hydraulic installers, with whom we have specific promotions.

## Duratex Club

It is the program that offers exclusive experiences, content and benefits for woodworkers, whose professional base reached approximately 50,000 subscribers, of which 3,336 were registered in 2023, with a value of R\$ 850,000 in rewards.

## ESG in brands

We are working on an ESG Strategy plan for Brands. It is proposed that, through the ESG positioning of our corporate brand, which has been consolidated since 2021, an individual positioning for our brands will be launched, complementing the corporate message. As part of this journey, which is still underway, one of the goals is to better translate an ESG strategy into the products and audiences of each brand.



## Castelatto Pavilion

We inaugurated the Castelatto Pavilion in Atibaia (SP), a differentiated proposal for interaction with customers and consumers. The idea is not only to exhibit tiles, but also to offer sensory experiences that move between the universes of culture, fashion, photography and art, linking them to the architecture and exclusivity of the brand. There are 1,750 square meters of built area, thinking from the generation of sustainable energy to the customization of complex building elements. The project, signed by Mario Biselli, with landscaping by Benedito Abud, will host events, exhibitions, launches and vernissages.



*Castelatto Pavilion, customer and consumer interaction*

**1,750**  
square meters

of the built area thinking from the generation of energy to the customization of elements

## Consumer health and safety

| GRI 416-1

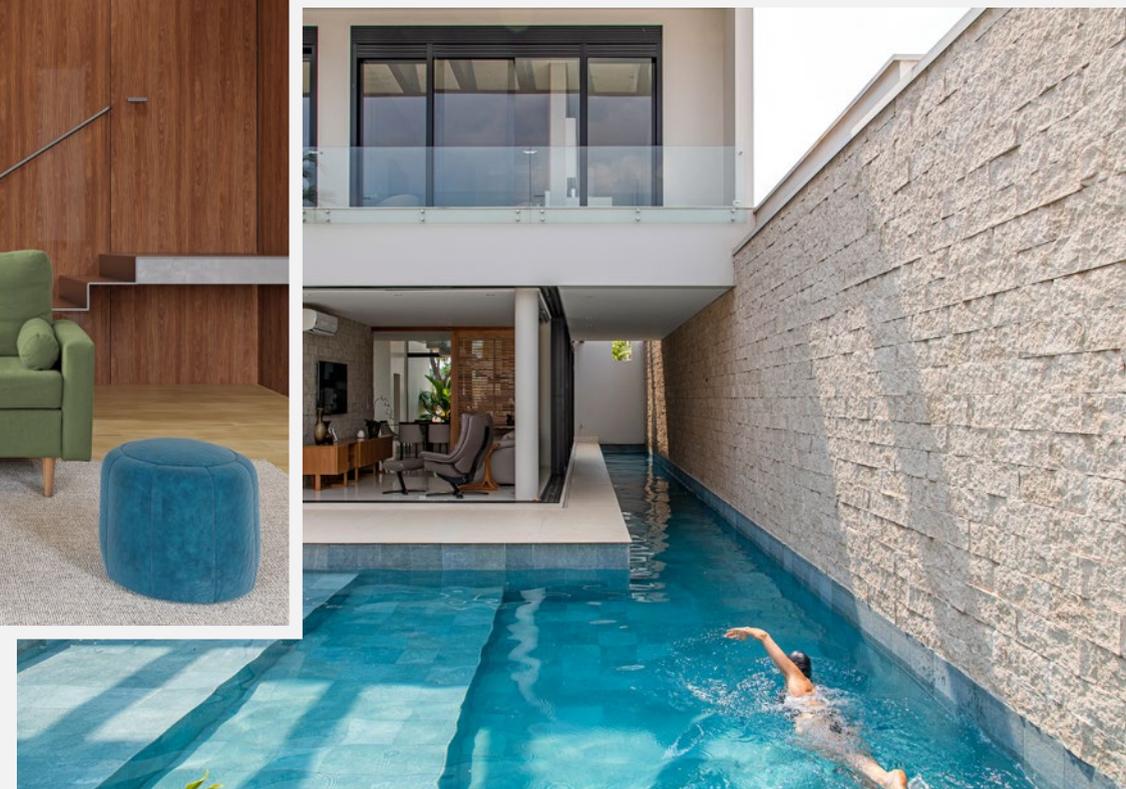
All of our **Deca** products undergo approval testing prior to production to ensure compliance with the current standards of the Brazilian Association of Technical Standards (ABNT), which establishes, among other things, safety and health standards.

**Ceusa** and **Portinari** porcelain stoneware and ceramic tiles have quality certificates issued by conformity audits. Audits take place quarterly through laboratory tests carried out in institutions certified by Inmetro, in which compliance with the requirements of technical standards and current ordinances is evaluated.

As an example, in the Ceramic Tiles Division of the active product portfolio, 12% are indicated to be installed in locations that require slip resistance, as their performance impacts user safety. These products are identified as hard, providing the identification of the resistance characteristic to slipping and being indicated for use in outdoor and uncovered areas.

In the **Wood Division**, we meet the requirements of the Brazilian Technical Standards (NBRs) and, for other countries, their specific standards, such as carb and E1 certifications, which assess the formaldehyde content of wood panels. As part of our quality policy, we actively review NBRs through the Technical Committees of ABNT and the Brazilian Tree Industry (IBA), where affiliated companies discuss review topics with third and reputable institutes and entities, as well as associations with converging topics.

At **Dexco Colombia**, as a way to maintain control and management of the health of the people who transform and use the panels produced by Dexco, we comply with voluntary and regulatory standards for the content of chemicals in the product. We have plans for monitoring and control with internal and external occupational type tests with the Colombian occupational risk manager, supported by the guidelines of the Ministry of Labor.



In the past three years, we have not been cited for any violations of laws or voluntary codes related to the health and safety impacts of our products and services. | GRI 416-2 ■

ALL OUR PRODUCTS  
UNDERGO TESTING  
BEFORE PRODUCTION TO  
ENSURE COMPLIANCE WITH  
CURRENT REGULATIONS.

# Suppliers

| GRI 2-6, 3-3 (Supply chain and traceability)

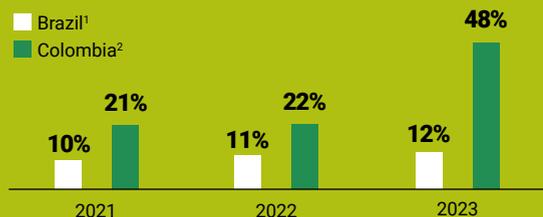
Due to the complexity and multiplicity of the nature of production processes and products that unfold from the Dexco brand, there is a huge diversity of materials and services necessary for the execution of the Company's activities.

## Local suppliers

| GRI 204-1

In Brazil, these are suppliers located in the main cities and in the vicinity of all our industrial, forestry and central office units. In Colombia, they are suppliers located in the same city as our production centers, plantations and headquarters.

PERCENTAGE SPENDING WITH LOCAL SUPPLIERS



<sup>1</sup> Information on suppliers in Brazil has been re-submitted following new data collection processes to align with the new calculation methodology.

<sup>2</sup> The 2022 data for Colombia suppliers was adjusted to correct the information. | GRI 2-4



Our supply chain consists of equipment suppliers, mining companies and various service providers, such as outsourced labor and logistics, located mainly in Brazil and Colombia, but also in places such as Europe, China and India, responsible for the supply of raw materials, transportation and the provision of services.

Among the main sectors with which we maintain business relations are the basic industry, the supply of mineral raw materials, national and international logistics and labor.

Of the more than 7 thousand active suppliers registered by the company, it is

estimated that 15% correspond to the group of direct suppliers, with whom we contract for short, medium and long terms, respecting the negotiation criteria and purchasing conditions, and which will amount to approximately R\$ 6 billion in spending throughout 2023.

We want our entire supply chain aligned with our commitments and goals regarding sustainability and ESG. As such, our main initiative aimed at this audience is the Dexco Suppliers Management Program (GFD), which classifies our suppliers in a criticality matrix based on the cross between risk levels and relevance to our operation. To monitor the evolution in the evaluated items, we have the Supplier Performance Index.

## PROGRAMA GFD



Our supply chain criticality matrix was built in 2017 to align sustainable procurement practices with ISO 20400 guidelines. The selection of suppliers to participate in the GFD program is based on the analysis of this matrix, which assesses the relevance and sustainability risk of each category. Suppliers of very critical categories with expenditures equal to or greater than R\$ 750 thousand and suppliers of critical categories with expenditures equal to or greater than R\$ 1.5 million participate in the GFD, values that will be reviewed in 2023, taking into account factors such as inflation and changes in our supplier profile. | GRI 2-6, 308-2, 414-2

## AMOUNT SPENT ON GFD RATED CRITICAL AND HIGHLY CRITICAL SUPPLIERS BETWEEN 2020 AND 2023



As a point of continuous improvement for the program, in May we held a kick-off meeting for the 2023 evaluation process at Castelatto, looking at the integration of the unit's direct suppliers into the program. In addition to introducing the program to this new group of suppliers, the in-person event covered key topics related to ESG in Supplies.

**We held four workshops for suppliers, covering topics such as Code of Conduct, Anti-Corruption, Anti-Harassment and Other Violence in the Workplace, Reporting Channel, Human Rights and Child Protection, Energy Matrix, Climate Change and Biodiversity.** These events were attended by 500 people, including representatives of suppliers and the Supply team.

As mining, forestry and transportation are areas where there may be a risk of child labor and/or forced or compulsory labor, we mapped and interviewed 236 suppliers in the GFD that could potentially present this risk. However, through analysis and audit, we found that there is no supplier in our value chain with this type of practice. In the Dexco supplier self-assessment system in Colombia identified 66 suppliers that have practices against child and forced labor. | **GRI 408-1, 409-1**

The checks we perform include identity and social security checks required for all contractors entering our factories, forest areas and offices. In addition, the bidding process requires certification of the elimination of child labor and labor exploitation. Thus, no suppliers with a significant risk of forced and child labor were found during 2023. | **GRI 408-1, 409-1**

## Social and environmental criteria

| **GRI 308-1, 308-2, 414-1, 414-2**

We evaluate our suppliers against ESG criteria through the GFD and, in addition to the Supplier Performance Index as a monitoring tool, we have the [Supplier Code of Conduct for Other Third Parties](#), which was updated in 2023 and establishes guidelines for the adoption of management based on ethical, social and environmental criteria. The guide addresses the behaviors we expect from our suppliers and service providers, in line with our Way of Being and Doing.

In 2023, 236 suppliers were evaluated by GFD for environmental, social and compliance impacts in Brazil and, given the information provided, no suppliers were identified with environmental risks, with the main opportunity for improvement being the availability of indicators that allow monitoring of risks and, consequently, the implementation of improvement actions. In this evaluation, no risk was pointed out that required an urgent intervention, but the creation of appropriate action plans was discussed. No business relationships were terminated as a result of this assessment.

In Colombia, no suppliers were identified as causing significant actual and potential negative social impacts.

At the end of 2023, a tool was implemented to facilitate the registration and evaluation of suppliers by consulting companies' official records and documents, a step towards improving the selection of suppliers based on environmental and social criteria, which is still in its infancy at Dexco.

**In Brazil, 100% of our wood suppliers for panel production are audited on site, in terms of environmental, social and legal**

**compliance, which assures us a legal and deforestation-free timber supply, in line with new global regulations that are emerging on the subject (EUDR, for example).**

For the registration of suppliers in Colombia, we have the Corporate Policy of Environmental Responsibility and Sustainability and we request a series of organizational documents for the registration of new suppliers. If necessary, some specific criteria are evaluated depending on the operations and services that will be performed.



Socio-environmental criteria are evaluated when the hiring or service so requires. In these cases, the assessment based on environmental criteria was carried out in 2023 for suppliers representing 55% of the company's critical suppliers. Regarding social criteria, this evaluation covered 13% of the total contracted suppliers | **GRI 308-2, 414-2**

To understand how climate change and biodiversity issues are being addressed in our supply chain, we are using the information collected in the 2023 cycle of the GFD to assess the maturity of our suppliers in managing these issues. The results obtained can be used as guides for engagement actions more appropriate to the context of the different groups of suppliers. | **GRI 308-2, 414-2**



### Supply chain integrity

| **GRI 205-2**

In addition to our active participation in the GFD, we also conduct compliance activities aimed at third parties and the general public, such as training for strategic suppliers and outsourced employees of the IT team (bodyshop). We train managers of companies belonging to the GFD and we forward material to multiply the content to their employees.

The Supplier and Other Third Parties Code of Conduct has been updated and made available to all third parties and the general public on Dexco's institutional website. The commitment to compliance is contained in a contractual clause and for consultation on the digital third-party management platform.

The Conduct Guide was collected from 412 employees belonging to 112 suppliers, which

represents more than 50% of Dexco's strategic suppliers.

Recommendations were also made to 40 suppliers who achieved lower adherence to compliance issues, such as implementation of an Integrity Program that includes the existence of policies, training and a channel for receiving complaints. ■

### In the Right Hands

| **GRI 408-1, 409-1**

We are signatories of the In the Right Hands program by Childhood Brazil, an organization that works to protect children and adolescents. The purpose of the program is to mobilize individuals, companies, civil society organizations and the government to prevent and combat the sexual exploitation of children and adolescents on Brazilian highways.

Through this partnership, we promote the cause together with our partners, by promoting training aimed at truck drivers and transporters hired by us and our suppliers. In 2023, we also participated in a campaign to raise awareness among our employees about the National Day to Combat the Sexual Abuse and Exploitation of Children and Adolescents.



# Communities

| GRI 3-3 (Local Community Development)

Our social commitment involves the local development of the communities surrounding our operations. We have intensified our look at social issues, understanding the importance of this relationship with this stakeholder group.

We have a Social Responsibility Policy, approved in 2022, which considers performance in three pillars correlated to our corporate culture and sustainability strategy: community, fiscal incentives and strategic investments. In 2023, we evolved the agenda towards the target set out in our Sustainability Strategy, in which we are committed to carrying out engagement actions in 100% of the communities where we have manufacturing activity.



## 93%

of municipalities with industrial operations in Brazil had Dialogue Roundtables in 2023



More information on engagement with local communities and related social impacts are available in the [Supplementary Information Booklet](#) at the end of this report.

## Community pillar

Focused on the surrounding communities and local development, through donations, training, learning program, dialogue roundtables and other local engagement actions.

**Formare Social** – The program, in partnership with the lochpe Foundation, transforms the company into an effective learning environment for the development of young people and relies on the participation of employees as volunteer educators. In 2023, in the class started in Uberaba (MG), 14 young people are in the process of training, by 29 volunteer educators, totaling 340 hours.

**Espaço Arvorar** – With the end of pandemic-related restrictions, we resumed the visitation program in 2022 on a larger scale. Located in Agudos (SP), Espaço Arvorar is intended to disseminate the history of wood and its various uses in an interactive way and with a sensory experience. In 2023, we received 2,851 visitors.



Dialogue Roundtable event in Urussanga (SC)

**Community Dialogues** – In areas with forestry operations, a dialogue process is carried out with potentially affected parties, conducted by responsible technicians, to identify impacts. In these dialogues, in addition to gathering the desired information, informative material is given out, which also presents the channels available for later manifestation. The complaints identified and the treatments adopted are recorded and monitored internally. In 2023, 28 dialogues were held by the Wood Division in Agudos (SP), 16 in Itapetininga (SP) and 20 in Taquari (RS). | GRI 2-25

**Dialogue Roundtables** – They seek to facilitate an active listening process in which the local community can collaboratively identify strengths, risks, and social opportunities. In addition to the local community, the roundtables include the Dexco unit manager and employees trained as engagement agents. In 2023, we carried out the roundtables in 93% of the municipalities where we have industrial operation in Brazil, unfolding in an action plan to be implemented by the units throughout 2024. In these roundtables, 122 people were present, representing residents of the surroundings, institutions, companies and NGOs.



Dialogue Roundtable event in Atibaia (SP)

**Donations** – We have internal standards that ensure efficiency and transparency in the donation process. We seek more and more adherence of orders to Dexco's strategy, and strengthening the positive impact. In 2023, donations of Dexco products or goods acquired by the Company benefited 17 institutions in 8 municipalities. In all, we have allocated more than R\$ 900,000 to these organizations, with approximately R\$ 450,000 in Dexco products. | **GRI 203-1**

**Colombia** – We have a channel through which all positive and negatives impacts identified with the communities neighboring the areas of the forest projects are received and welcomed with the support of La Fundación Gestión Social y Ambiental, which is our ally in working with communities.

## Operational investment and emergency support

| **GRI 203-1**

**We invest in the strengthening and maintenance of roads and logging roads, primarily in rural areas, through activities such as road maintenance, rehabilitation and construction of bridges and passages, and storm water mitigation. The goal is to prevent and repair the impacts of transportation, such as road damage and erosion.**

**In 2023, we invested more than R\$ 30 million in the purchase of inputs, contracting with third parties and using our own resources to maintain roads, some of which were in internal areas of farms with forestry operations and some of which were in external areas that benefit other road users. In these cases, we seek to approach the potentially affected parties in advance, so that they are aware of the actions taken.**



**We continued our work to help the victims of extreme weather events, such as the rains that hit the north coast of São Paulo at the beginning of the year. We donated R\$ 180,000 in a joint action with the Gerando Falcões organization, in order to relocate displaced and homeless families. We also donated Dexco products, including panels for the manufacture of furniture, for distribution to communities affected by the flood that occurred in 2023 in the Taquari Valley (RS).**

## Surrounding communities

| **SASB RR-FM-210a.1**

We have programs to communicate and integrate with the local communities where our forests are located, and we place special emphasis on identifying traditional communities, such as indigenous and quilombola communities.

The mapping of traditional communities in Dexco's areas of operation is reviewed annually, and eight declared indigenous or quilombola territories have been identified. Currently, the closest traditional indigenous territory is located approximately one kilometer from a forest management unit in Brazil, and there is no direct impact of the Company's activities on the livelihoods or rights of the indigenous people living there, according to consultation with the official body responsible for the demarcated area.

The information related to this assessment is compiled in a document that is part of Dexco's Forest Management Plan.

In Colombia, we do not operate in areas of indigenous influence, and the communities surrounding these areas are not indigenous. All of the positive or negative impacts identified with the communities neighboring the areas of our forest projects are received in the specific channel for this purpose and welcomed with the support of La Fundación Gestión Social y Ambiental.

In 2023, there was no record of any violation of the rights of indigenous and traditional peoples at Dexco, both in Brazil and Colombia. | **GRI 411-1**

# Tax incentive pillar

| GRI 203-1

Contributions through federal tax incentive laws in 2022 were quarterly and in 2023 they returned to the annual model. Sponsorships by state laws remained monthly, according to government regulations.

On this front, throughout 2023 Dexco supported five projects, investing R\$ 1.2 million through state tax incentive and direct contribution laws. Considering the execution of the projects throughout 2023, since initiatives of this nature usually start in the years after their sponsorship, we have benefited more than 24,000 people in 12 municipalities. Learn more about the selection criteria and history of supported projects [here](#).

Among the projects carried out throughout 2023, we can highlight:

**R\$ 1.2 million**  
invested in five projects in 2023



## ■ Takorama in Cabo de Santo Agostinho (PE)

The project makes it possible to sensitize teachers to education with images and to prepare students for the use of screens and digital devices through pedagogical activities and animated short films on themes related to humanism, citizenship and ecology. Deployed in 103 schools, it benefited 147 educators, totaling 6,124 student votes to choose the awarded films. It has a scope of 65 countries.



## ■ Playful Center for Innovation and Creativity in Criciúma (SC)

Initiative coordinated by the Youth Neighborhood, inaugurated the innovation center focused on social development, to serve 1,600 children and young people. It has an environment of more than 3 thousand square meters, has classrooms, spaces of coexistence, coworking, library, studio and auditorium, and offers free activities.



## ■ Walking Football Brazil in Cajamar and Jundiaí (SP)

The project encompasses walking football, a sport prepared to have less physical impact, which is played while walking. It serves 120 elderly people over 60 years old.

# Strategic investment pillar

This includes Dexco's Private Social Investment, with direct contribution initiatives aimed at social housing and decent housing, identifying relevant networks, coalitions and articulations. This pillar strengthens current discussions in the construction ecosystem, such as housing shortages. As a player in this market, we are part of the debate to build solutions to the problem. With the closing of the HousingPact, we joined the Coalition for Housing, maintaining proximity to the issue of social housing, in line with the social responsibility guideline. ■





Moquém 2 Farm – Itapetininga (SP)

# Living Environments

**Natural Capital**

**ESG pillar corresponding to the chapter**

E (environmental)

**Culture Pillar**

We take care of life wherever it is

**Material topics covered in the chapter**

Water and effluents  
Climate change

# Living Environments

| GRI 3-3 (Water and effluents), 3-3 (Climate change)



Talking about sustainability and ESG without focusing on the E for environment makes no sense.

Therefore, we have Environmental Management Systems (EMSs) that support our actions and help us monitor indicators, manage risks, comply with legislation and mobilize employees.

With the support of the EMS, we develop environmentally efficient processes and products that are consistent with our long-term strategic goals. Our commitment to environmental sustainability, eco-efficiency in processes and solutions and responsible forest management is recognized by relevant awards, indexes and certifications. See more in the chapter [We are Dexco](#).

All Dexco operating units have EMSs integrating their activities. At the end of 2023, we had 10 ISO 14001 certified manufacturing units, which specifies the requirements for implementing an Environmental Management System in companies, which represents 43.5% of Dexco's total units. For our 6 forest

units (26.1% of our units), we have FSC® certification, which guarantees responsible forest stewardship in these units. Also in 2023, 3 manufacturing units had their environmental management processes audited by the internal audit team (13.0% of our units).

For the management of our material topics "Water and effluents" and "Climate change", our Environmental Policy establishes principles to "use in a rational and sustainable way the natural resources, raw materials and inputs necessary for the production processes" and "prevent pollution and environmental risks in its operations from production to distribution of its products, with technical and innovative solutions, mitigating their impacts".

As a result, the Sustainability Strategy establishes as one of the strategic commitments "to ensure sustainable growth, maintaining the positive carbon balance". This commitment is reflected in performance indicators, with targets for 2025 or 2030, and is voluntary, not due to legal obligations. ■



**97%**  
of forest areas  
in Brazil<sup>1</sup> with FSC®  
certification



**83%**  
of factory  
units and forests  
with audited  
Environmental  
Management  
Systems

<sup>1</sup> Does not include  
Caetex.

# Energy

| GRI 3-3 (Climate change)

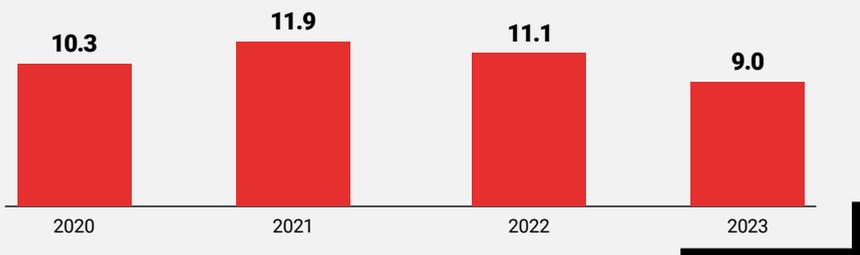
Our energy matrix was made up of 63% renewable sources in 2023, especially biomass from planted forests. 9,009,177.6 GJ of energy were consumed within the organization during the year. In Brazil, consumption was 8,589,635.1 GJ and in Colombia, 419,542.5 GJ.

As part of our Industry 4.0 initiatives, we monitor 100% of the critical electric motors of our industrial park in the Wood Division. For example, by monitoring parameters such as vibration and temperature, we can predict failures and control the power consumption of each piece of equipment.

In the graph below, we can see the evolution, in recent years, of the company's energy consumption: the efforts to achieve eco-efficiency in production processes are reflected in the figures.

In our 2025 Sustainability Strategy Review, we consolidated six energy-related targets, which were previously established by each business, into one corporate target to **reduce energy consumption by 5% by 2025 in Brazilian operations.**

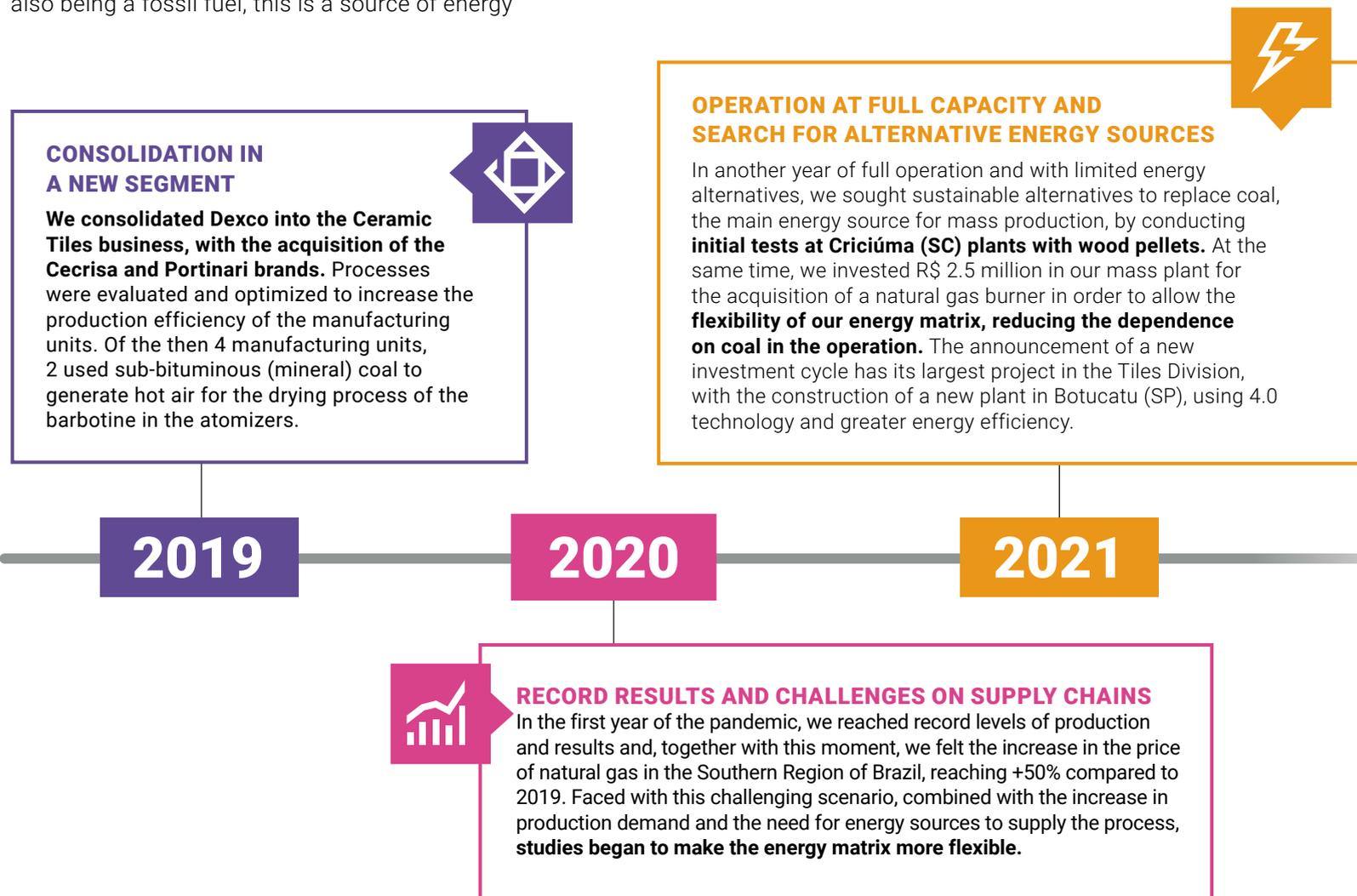
ENERGY CONSUMPTION AT DEXCO (GJ million) | GRI 302-1, SASB CG-BF-130a.1

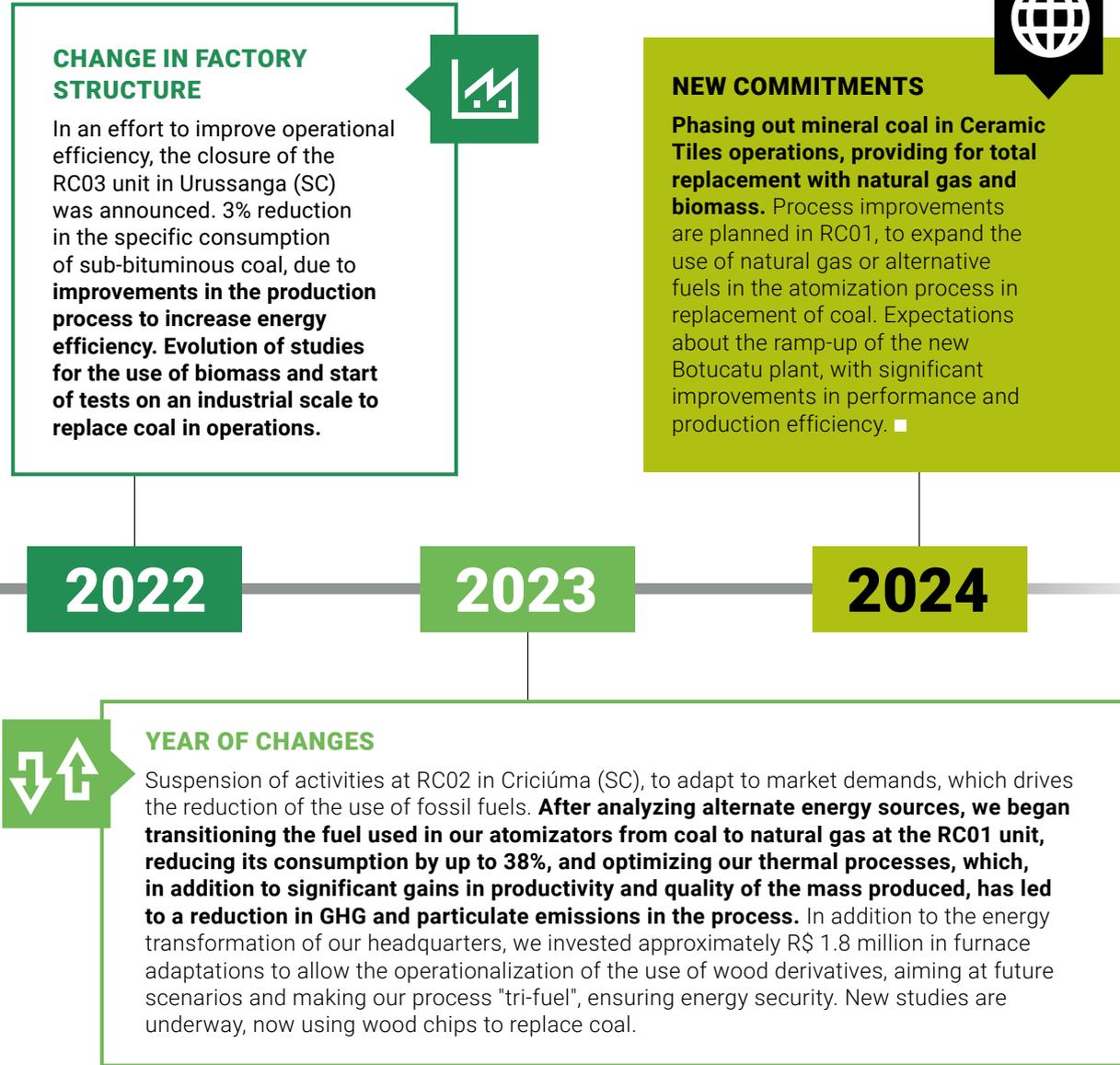


## MOVING TOWARDS A CLEANER ENERGY MATRIX

An important decision in our Tiles operations is the change in energy matrix. In this context, in 2023 we eliminated the use of coal in our processes, replacing it with natural gas. Despite also being a fossil fuel, this is a source of energy

with less polluting potential compared to coal, and this is a positive measure to reduce greenhouse gas (GHG) emissions and help mitigate climate change, in line with our Sustainability Strategy.





# Climate change

| GRI 3-3 (Climate change)

We understand our role in fighting climate change and recognize that our activities can have adverse impacts on the climate, mainly through the emission of greenhouse gases (GHG). Therefore, we seek to reduce emissions of these gases through innovations and improvements in eco-efficiency in our processes and the search for ways to reduce the use of fossil fuels.

On the other hand, we also recognize the positive impact generated by our forest management, which remove carbon dioxide gas through photosynthesis. When we produce panels with wood from forest plantations, part of the carbon that has been removed remains stocked in the Duratex products throughout their lifespan, contributing to reduce the current concentration of GHG in the atmosphere.

We follow the guidelines of the Greenhouse Gases Protocol (GHG Protocol), the primary reference for quantifying corporate emissions, to calculate and report our annual GHG emissions our GHG inventories, verified by a third party, in the

Brazilian GHG Protocol Program since 2012, which attests to transparency in the communication of emissions. We also report the inventory of emissions and removals related to land use in our forest areas.

In 2021, we carried out our first climate risk assessment, seeking alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The document consolidating the disclosures is available on the [ESG Portal](#). ■

Learn more about our management of the material topic "Climate Change" in the [Supplementary Information Booklet](#) at the end of this report.



# Emissions

| GRI 3-3 (Climate change)

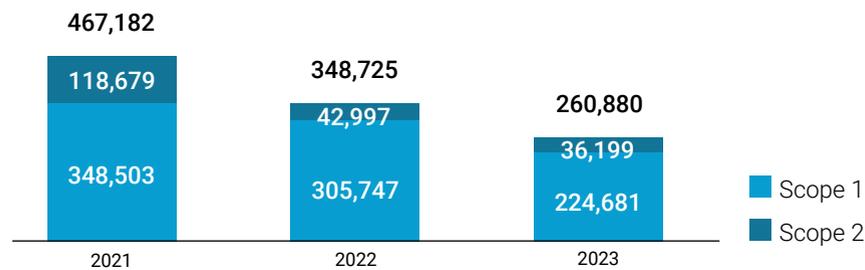
We have established targets related to the management of greenhouse gas (GHG) emissions in our operations and the removal of carbon by our forests. These challenges are in line through the Paris Agreement and the global commitment to limit global warming to 1.5°C. **Our target is to reduce our absolute scope 1 and 2 emissions by 37% by 2030.**

Since 2020, we have contributed to the removal of more than 100,000 tCO<sub>2</sub>e from the atmosphere, in line with our commitment to maintain a positive carbon balance by 2030. In 2023, we reduced our direct and indirect emissions in Brazil and Colombia (scopes 1, 2 and 3) by 11.7% compared to 2022, also considering the emissions of our Caetex and LD Celulose joint ventures, proportionally to our equity share in each of them.

We continuously seek for ways to make our processes more eco-efficient, contributing to our journey to a low-carbon economy. Learn more [here](#). ■

## GREENHOUSE GAS (GHG) EMISSIONS

(tCO<sub>2</sub>e) | GRI 305-1, 305-2



Note: includes emissions from operations in Brazil and Colombia, operational control approach (includes data from Caetex and LD Celulose according to their shareholdings of 60% and 49%, respectively). Baseline (reference) value for the target: 615,034 tCO<sub>2</sub>e (scopes 1 + 2).



# Biodiversity

| GRI 304-2, 304-3

The care with biodiversity at Dexco is in the adoption of practices such as zero deforestation, no use of fire in forest management activities, conservation of soil and water resources, maintenance of biodiversity corridors, monitoring of areas with attributes of high conservation value and engagement of employees and communities through observation and photographic record of the fauna present in forest management units, with the Animal Lens program.

The publication of the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) in 2023 materializes the relevance of the management of risks and opportunities related to biodiversity.

With this in mind, we carried out a biodiversity impact assessment of our direct industrial operations, using a methodology based on the LEAP protocol (Locate, Evaluate, Assess, Prepare). The material impacts identified are related to the potential for loss or alteration of habitats due to pollution.

Following the mitigation hierarchy, we prevent these impacts from occurring through the operational controls implemented in the factories, as part of the Environmental Management System of each business, and we have established procedures for mitigating impacts in atypical situations.

Our factories are installed in areas destined for industrial activities, reducing the possibility of relevant impacts on biodiversity. We assessed the biodiversity-related sensitivity level of the sites where our factories in Brazil are located, and only two locations were classified with a medium level of sensitivity – the other units evaluated were classified as having a low or very low level of sensitivity.

Our forestry activities are held in sites with direct interface with biodiversity, thus requiring a careful management of

impacts on nature. Our forest plantations are established in already anthropized areas, usually used for agricultural activities, without any kind of conversion of natural ecosystems to other uses. In 2023, we recorded no significant impacts on biodiversity generated by our activities.

All operations are covered by the [Forest Management Plan](#), in which the guidelines for management and monitoring environmental and social impacts are established. We seek to avoid impacts on biodiversity in our forestry activities and have procedures in place for their mitigation and remediation when necessary. ■

Learn more about protected and restored habitats in the [Supplementary Information Booklet](#), at the end of this report.



# Forestry

| SASB RR-FM-160a.1

Our forest operations are Forest Stewardship Council® (FSC®) certified for forest management since 1995. To keep this certification, it is necessary to apply best practices in the management of our forests to prevent, minimize and mitigate the negative impacts of our operations. Dexco does not convert natural ecosystems for the planting of its forests.

By the end of 2023, 92% of over 172 thousand hectares of our planted forest and conservation areas in Brazil<sup>1</sup> were FSC® certified, including own and leased areas. In Colombia, protected and restored habitat areas totaled almost 11,000 hectares, and FSC® certified areas accounted for 81.7%. | GRI 304-3

Our forests are not only part of Dexco's business, but also contribute to the maintenance of ecosystem services that, since 2022, have been verified

according to the FSC® standards. In 2023, the ecosystem service of water quality maintenance was verified at two sites, joining the services of biodiversity conservation, maintenance of forest carbon stocks, and recreational services.

For third-party wood procurement, we have a due diligence system that evaluates all suppliers on, among other things, the environmental and social impacts of harvesting and transportation.

As part of FSC® certification, certified enterprises need to identify the environmental aspects and impacts of their activities. There is an internal procedure that establishes the guidelines for such an assessment, and the determination of the significance of impacts is based on the criteria of scale, severity and frequency. All forestry operations are covered by this assessment.

Following FSC® guidelines, we do not acquire or use genetically modified organisms on our forest plantations, a condition verified annually in third party audits.

Our forestry operations are widely recognized for best management practices. These recognitions include:



- **A-List in CDP Forests** for the second consecutive year and grade A- in CDP Climate



- **Best Brazilian company in SPOTT**, ranking of transparency in ESG commitments of companies in the Wood and Pulp sector



- **FSC® Forest Management Certification:**

FSC license codes: FSC-C006042, FSC-C152362, FSC-C165415, FSC-C182779, FSC-C109955



- **Brazilian GHG Protocol Program**



Our guidelines for forest management are contained in the [Environmental Policy](#), the [Corporate Standard for Responsible Forest Management](#), the [Commitment to Biodiversity](#), the [Dexco Forest Management Plan](#) and the [Forest Management Plan – Fostered producers](#). ■



Learn more about forest stewardship at Dexco by clicking [here](#).

<sup>1</sup> Does not include Caetex.



**In 2023, a major highlight on this front was the expansion of the capacity of the Wastewater Treatment Plant (ETE) of the Itapetininga (SP) plant, enabling greater potential for reuse of this treated effluents in the production process.**

## Water resources

| GRI 3-3 (Water and effluents), 303-1

As a way of measuring our impacts and demands on water use, an essential resource in industrial and forestry processes, we monitor the volume of water withdrawn from each source (surface, underground and third-party), in addition to measuring its discharge.

Our factories have industrial and sanitary wastewater treatment plants, in order to meet the legal limits for its quality parameters. The factories also have water reuse systems. In 2023, 5.4 billion liters of water were reused internally.

There is a project in the Tiles Division that increases the capacity and recirculation of the wastewater treatment plant, which allows the improvement of process performance, reducing maintenance costs and generating less water consumption. In another unit of the Division, the interconnection of two wastewater treatment systems has resulted in improved use of chemical inputs and lower water consumption.

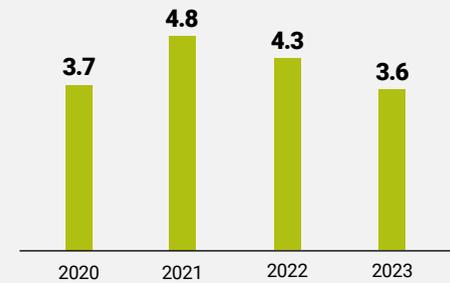
In forestry operations, we employ the best management practices for the conservation of water resources. We maintain buffer areas on water streams and springs, set aside for conservation of native vegetation. We also plant materials adapted to local climatic conditions, which favors the efficient use of water by forests.

In Colombia, we have identified nine sites in our forest management units that are considered critical for the water supply of local communities, such as springs of water streams used by these communities or water withdrawal points for public supply. These locations are characterized as high conservation value areas (HCVAs) and have additional initiatives for their protection and monitoring, such as signaling, engagement with neighbors and fencing. Such measures are verified annually by a third party as a step towards FSC® certification.

In Brazil, the contribution of our forest management to maintaining water quality was demonstrated in 2023 through third party verification according to FSC® standards for the ecosystem service of maintenance of water quality at two sites. In these areas, located upstream of withdrawal points for supplying nearby cities, additional monitoring and protection measures are implemented for their conservation.

TOTAL WATER WITHDRAWAL

(million m<sup>3</sup>) | GRI 303-3



In our 2025 Sustainability Strategy Review, we consolidated five water-related targets, which were previously tracked by each business, into one corporate target: **to reduce water withdrawal by 10% in Dexco's manufacturing operations in Brazil.**



Learn more about our water and effluents management in the [Supplementary Information Booklet](#), at the end of this report.



São Paulo Forest Forum

Since 2022, we participate in the working group of the São Paulo Forest Forum that discusses forest management strategies that allow the best conditions for wood production and water conservation.

Through dialogue with other forest companies, educational and research institutions, and NGOs, studies are being conducted that will lead to technical recommendations and practical testing.

In the same forum, we participated in the working groups on participatory landscape planning and best practices in the cultivation of plants of interest to bees. We understand that our participation is a way to contribute to initiatives of jurisdictional approach to forest issues. ■

Waste

| GRI 306-1, 306-2

We understand the importance of optimizing the use of materials and reducing the generation and disposal of waste in our factories. In the Finishings for Construction Division, broken sanitaryware (pitcher) is reused for material in Deca and, in 2024, will also be used as inputs for the manufacture of Castelatto brand products.

**To reuse most of the pitcher, we are working on three fronts: reuse in the process itself; replacement of sand and gravel at Castelatto; and destination for other companies that use the material as raw material. As such, it is possible to divert from disposal 100% of the unit's pitcher generation. We also seek to automate processes in the production of sanitaryware, bringing quality gains and contributing to reduce the generation of this waste.**

We have been directing waste for external reuse by other institutions and, in 2023, 523 tons were used in the production of refractories and 1,855 tons for the coverage of non-asphalt roads of the municipal landfill in the city of Jundiaí (SP).

In line with our Sustainability Strategy, we continue to seek to continuously reduce the disposal of our waste to landfills. In 2023, the Metals São Paulo and Itapetininga (SP) Panels units maintained good performance and had zero waste disposed to landfills. As a result of our efforts, the RC1 and RC4 units also reached this milestone in the last months of the year, anticipating a target set for 2025.

In Metals, we reuse waste (leftovers) from bronze and brass alloys and, recently, from Zamac alloys, returning them to the casting or injection process and reducing consumption of natural resources and reduction in costs. Furthermore, we internally reuse plastic waste from our Hydra and Metal injection processes.

IN LINE WITH OUR SUSTAINABILITY STRATEGY, WE CONTINUE TO CONTINUOUSLY REDUCE OUR WASTE DISPOSED IN LANDFILLS.

In compliance with the National Solid Waste Policy (Law 12,305/2010), Hydra joined the reverse logistics collective system for electronic products and their components, in partnership with a management entity that has a sectoral agreement signed with the Ministry of the Environment, ensuring the safety and proper disposal of discarded devices after consumption.

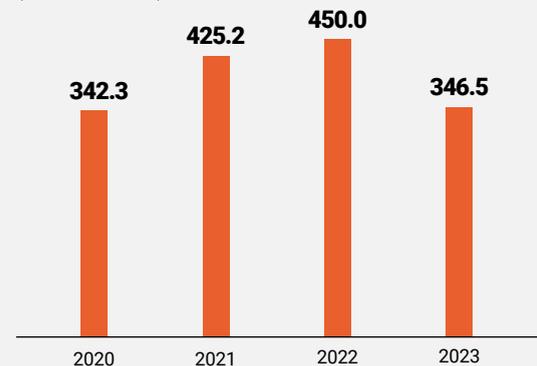
In the Wood Division, the ash and sludge generated in the Agudos (SP) and Uberaba (MG) plants are treated in composting plants and transformed into organic fertilizers. In 2023, 20,000 tons of waste were transformed into inputs for forests through this process, contributing to the reduction of the use of fertilizers of non-renewable origin, optimizing the use of natural resources and reducing greenhouse gas emissions.

The project for the new wastewater treatment plant in the Itapetininga unit was designed with the installation of a composting plant in mind. We expect this facility to be operational in 2024, subject to environmental approvals.

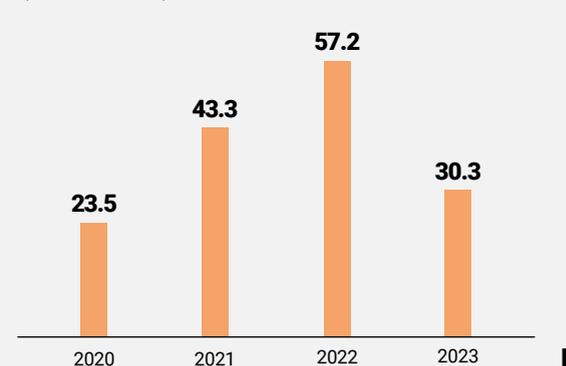
In our 2025 Sustainability Strategy Review, we consolidated four waste generation targets previously tracked by each business into one corporate target: **to reduce waste generation by 30% and waste landfilling by 50%, both by 2025.**

 More information is available in the **Supplementary Information Booklet**, at the end of this report.

TOTAL WASTE GENERATION  
(thousand tons) | GRI 306-3



WASTE LANDFILLING  
(thousand tons) | GRI 306-5



### Packaging compensation

| GRI 301-3

Since 2021, we compensate the packaging of our products that reach the final consumer in Brazil. Through the acquisition and use of credits, generated by cooperatives that collect waste for recycling, we contribute to recycling an amount equivalent to the packaging we put on the market.

In 2023, the third year of this initiative, Dexco offset 9,900 tons of materials,

which represents 100% of the plastic and cardboard packaging of Deca Sanitaryware and Metals, Hydra, Durafloor floors and Ceusa, Portinari and Castelatto Tiles products that reached the end consumer in 2022 throughout Brazil.

This was another of our targets of the 2025 Sustainability Strategy that was achieved early in 2023. ■



# Our vision for the future

# Our **vision** for the **future**

Our perspective for 2024 is the evolution of our business in the aspect of sustainability, revisiting the Sustainability Strategy and aligning commitments and targets connected to Dexco's resilient development scenario.

As a result of the optimization of our manufacturing and organizational structure, we will take new steps towards profitability guided by actions that respect people's safety, diversity and inclusion, and the environment. These actions will be aligned with innovation, market demands, and our strategic pillars.

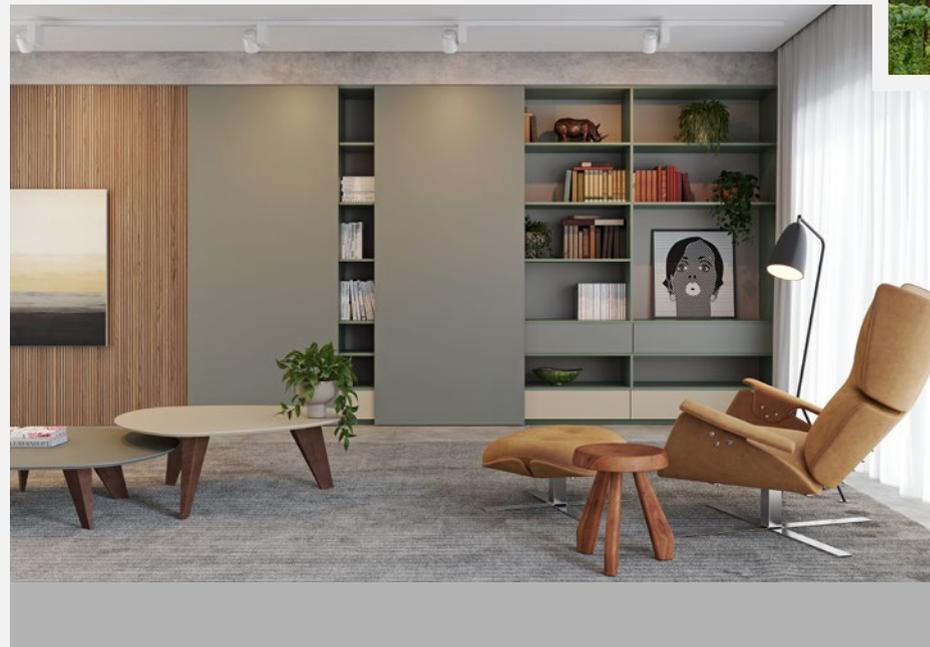
We have equipped ourselves with the necessary tools for the Dexco of the future and will continue to invest in technology to improve internal processes, both in terms of productivity and eco-efficiency, and to encourage the development of disruptive solutions in the construction and housing sector.

In this journey, being closer to the customer and the consumer allows us to confirm that we are on the right path, and one of the bets in this regard is the retail sector's approach to phygital (fusion of physical and digital).

The expansion of our forests not only provides material support to our business, but also aligns with the global climate agenda by providing a nature-based solution to continue our commitment to maintaining a positive carbon balance.

With transparency and ethics in our actions, respecting and improving our policies and compliance mechanisms, we believe this will be a year of achievement in our mission to provide solutions for better living. ■

**WE WILL TAKE NEW STEPS TOWARDS PROFITABILITY BASED ON ACTIONS THAT RESPECT THE SAFETY OF PEOPLE, THE ENVIRONMENT, DIVERSITY AND INCLUSION.**





# Supplementary Information Booklet



## Sustainability Strategy - commitments, indicators and status of targets

Access the document [Sustainability Strategy 2025 – Review 2023](#) for more information.

Strategic commitment	Indicator	Target by 2025	Baseline	Status 2023	Comment
Facilitating the construction and renovation journey	Investments in initiatives that promote conscious reform	Investing R\$ 140 million in initiatives that promote conscious reform and a change in the construction paradigm	R\$ 400,000.00 (2020)		We have accumulated approximately R\$ 246 million invested in startups and scale-ups that have boosted the construction sector. Among the investments made are Viva Decora (2020), Noah, Urbem, and ABC da Construção (2021), Brasil ao Cubo (2022), Marcenaria Diferente, and the full integration of investments in SOMA (2023). These investments reflect a commitment to growth and innovation within the construction industry, aiming to drive development and efficiency in the sector.
	Investments in acceleration initiatives that seek to change the construction paradigm				
	Professionals involved in our engagement and training programs	Expand professionals involved in training and engagement programs to 34,000 with products from the Dexco brands	27,373 (2020)		In the Wood Division (Brazil), 23,000 people were trained, including woodworkers, architects and sellers. This number was achieved due to the participation and support of the sales front. Programs for construction professionals such as hydraulic installers and settlers are being restructured for 2024.
	Consumer satisfaction index	Achieve NPS 85 in the satisfaction index of the consumers served by the Deca authorized service network	59 (2020)		In early 2023, there was a drop in NPS satisfaction scores due to the suspension of the Excellence Program. In the second quarter, direct actions for engagement were carried out, boosting the result. These actions contributed to a significant increase in ratings, reaching the overall rating of 87 throughout 2023.
		Achieve and maintain NPS 75 in the unified satisfaction index of SAC consumers	66 (2020)		The consolidated annual result reached 73, reflecting a significant evolution achieved through rigorous monitoring and the implementation of strategic actions by the service team. We invested considerably in specialized training and detailed monitoring of all calls that did not reach satisfactory levels.
	Digital transformation index	Achieve 80% in the ICTd (CESAR Transformation Index)	57.2% (2021)		In November 2023, we carried out a new measurement of the ICTd and obtained the grade 66.7, which shows a growth of 1.5 p.p. in relation to the last measurement, carried out in 2022.

## Sustainability Strategy - commitments, indicators and status of targets

Access the document [Sustainability Strategy 2025 – Review 2023](#) for more information.

Strategic commitment	Indicator	Target by 2025	Baseline	Status 2023	Comment
Ensuring sustainable growth by maintaining the positive carbon balance	Carbon balance	Maintaining a positive carbon balance (accumulated net removals) by 2030	- (2020)		The accumulated carbon balance from 2020 to 2023 remains positive, with net removals of 104.8 thousand tCO <sub>2</sub> e, considering Dexco's operations in Brazil and including joint ventures (Caetex and LD Celulose), proportionally to Dexco's equity share on each one. The consolidated balance for 2023 was negative, mainly due to the selling of forest assets and to LD Celulose's first full year of operation. With the expansion of forestry areas, mostly on Caetex, we expect this result to be reverted in the following years.
		Reducing absolute emissions (scopes 1 + 2) by 37% by 2030	615,034 tCO <sub>2</sub> e (2020)		The absolute emissions (scopes 1 and 2) related to Dexco's operations in Brazil and Colombia in 2023 were 260.8 thousand tCO <sub>2</sub> e, representing a reduction of 57.6% compared to the established baseline value. Although the 2023 emissions are already below the target level (mainly due to lower production volumes), our challenge is to maintain this performance until 2030.
		Reducing emissions intensity (scopes 1 + 2) by 15% in Ceramics by 2030	0.3255 tCO <sub>2</sub> e/m <sup>2</sup> (2020)		The emissions intensity of the Tiles Division had a 17.3% reduction in comparison to 2022. The phasing-out of coal use on the atomizers at the RC1 plant, which started being replaced by natural gas in 2023, and the suspension of the RC2 plant directly contributed to this result.
	Packaging compensation	Having 100% compensation of packaging that reach the consumer disposal	22% (2020)		In 2020, approximately 22% of Dexco's product packaging destined for final consumers were recycled, marking the beginning of a process of commitment to sustainability. With the support of a partner company, the entire recycling process is tracked and audited, ensuring a noble destination for plastic, paper and cardboard packaging. Since 2021, Dexco has achieved the milestone of compensating 100% of the packaging generated, reinforcing its commitment to environmental responsibility and progress towards more sustainable practices.
	Energy and carbon footprint at the product use stage	Avoiding the use of 14 million MWh of energy and 1 million tCO <sub>2</sub> e through our eco-efficient products	190 thousand MWh and 14 thousand tCO <sub>2</sub> e and (2015)		Over the past nine years, our contribution has resulted in mitigating the emission of about 2 million tons of tCO <sub>2</sub> through the commercialization of Hydra showers. These showers incorporate technologies that promote reductions on energy consumption during use compared to conventional electric showers. We have gained experience, which has allowed us to identify opportunities to adjust the metrics used to monitor our performance, aiming to measure the results of our efforts towards our strategic commitments more accurately. Given this scenario, we consider the accumulated savings of 9.8 million MWh by 2023 to be sufficient.

## Sustainability Strategy - commitments, indicators and status of targets

Access the document [Sustainability Strategy 2025 – Review 2023](#) for more information.

Strategic commitment	Indicator	Target by 2025	Baseline	Status 2023	Comment
Ensuring sustainable growth by maintaining the positive carbon balance	Efficient use of inputs and raw materials	Maintain the proportion of renewable sources in the energy matrix above 50% by 2030	56% (2020)		The proportion of renewable sources in Dexco's energy matrix (Brazil and Colombia) was 63% in 2023. In 2023, there was a significant reduction in non-renewable energy consumption, mainly due to the closure of the Sanitaryware factory in Queimados (RJ) factory in June and the suspension of RC2 operations in July. Lower occupancy levels in the Sanitaryware and Tiles factories also contributed to the decrease in the consumption of fossil fuels, mainly natural gas.
		Reduce power consumption at Dexco by 5% by 2025	9.5 million GJ (2020)		In 2023, at Dexco Brazil, there was a 10% reduction in energy consumption when compared to the established base value. In comparison with 2022, the reduction was 18%. The closure of the Sanitaryware factory in Queimados (RJ) factory in June and the suspension of RC2 operations in July directly impacted the indicator.
		Reduce water withdrawal at Dexco by 10% by 2025	3.3 million m <sup>3</sup> (2020)		In 2023, there was a 3.9% reduction in water withdrawal in Dexco's manufacturing operations in Brazil when compared to the established base value. In the comparison between 2023 and 2022, there was a 15.9% reduction in water withdrawal. The reduction occurred in the last year is mainly due to the closure of the Sanitaryware factory in Queimados (RJ) in June and the suspension of RC2 operations in July, as well as the implementation of a water reuse system at the Uberaba Panels unit (MG).
		Reduce the organization's waste generation by 30% by 2025	323.8 thousand tons (2020)		In 2023, there was an increase of 3.2% in waste generation when compared to the established base value. However, when comparing the results of 2023 with those of 2022, there was a 23.2% reduction in waste generation in Dexco's operations in Brazil. The reductions in the last year in Sanitaryware and Ceramic Tiles occurred due to reductions in manufacturing capacity and the closure of factories, which led to a reduction in the generation of some types of waste, including ceramic shards and construction debris.
		Reduce the organization's disposal of waste to landfill by 50% by 2025	23.2 thousand tons (2020)		In 2023, there was a 9.2% increase in the disposal of waste to landfill in Dexco's operations in Brazil when compared to the established base value. However, when comparing the results of 2023 with those of 2022, there was a 54.8% reduction in the disposal of waste to landfill. In Ceramic Tiles, the Division's zero landfill goal was reached in the last quarter of 2023, however, there were reductions in manufacturing capacity and plant closure that do not proportionally reflect the generation of waste, negatively impacting the indicator. In Panels, there was a need for adjustments in the disposal of some types of waste, impacting the performance of the division in this indicator.
		Increase the percentage of plastic materials reused internally to 95%	1.5% (2020)		We concluded the year with 49.1% of plastic material reused at Hydra. Although we have advanced in the management of the production indicator, showing continuous progress, we faced setbacks at the beginning of the year and took collective vacations in the last quarter, which impacted the performance of the indicator throughout 2023.

## Sustainability Strategy - commitments, indicators and status of targets

Access the document [Sustainability Strategy 2025 – Review 2023](#) for more information.

Strategic commitment	Indicator	Target by 2025	Baseline	Status 2023	Comment	
Ensuring sustainable growth by maintaining the positive carbon balance	Water footprint in the product use stage	Achieve 900 million m <sup>3</sup> of potential water savings in the product use stage by 2025	11.2 million (2015)		Since the base year, the use of 585 million m <sup>3</sup> of water was cumulatively avoided, in line with the expectations for the year.	
	Packaging composition	Eliminate or replace plastic from Deca packaging that reaches the final consumer	1.5% (2020)		We achieved 70% plastic replacement in packaging. Replacing plastic clamshell packaging with cardboard boxes is the most advanced and priority initiative. The plastic packaging has already been identified and reserved for sending to suppliers.	
	Contracting of suppliers considering socio-environmental criteria	Improve the average performance index of strategic suppliers by 10%	7.3 (2020)		In 2023, the average score of our suppliers in the GFD program was 7.6, facing challenges but also implementing effective actions. We conducted another analysis of low-scoring suppliers and expanded our database including 14 new Castelatto suppliers. During the second half of the year, we made efforts to publicizing and including new companies in the 2023 cycle, while consolidating commitments with the senior management of Dexco. In addition, we have successfully deployed a new supplier management tool, with good results in 2023.	
	Relationship and engagement with the community	Ensure 100% presence in municipalities where we have industrial operations in Brazil	31% (2020)		In 2023, we achieved a 93% presence in municipalities with industrial operations in Brazil through community dialogue roundtables, involving 87 institutions (NGOs, schools, and local businesses), as well as residents surrounding our units.	
	Owned and promoted areas with certified management	Achieving 100% of owned areas with certified management <sup>1</sup>		97.5% (2020)		We ended 2023 with an excellent result of 97.1% of our owned areas certified for management. It is important to note that, due to the large volume of new areas, there was a relative decrease in the percentage of certified area during the period. However, we are committed to ensuring that all areas outside the scope undergo the certification process. In the first half of 2024, 100% of these areas will undergo the certification process, thus ensuring full compliance with our sustainable management standards. This measure reinforces our commitment to transparency and environmental responsibility in all our operations.
		Achieving 80% of promoted areas with certified management		20% (2020)		We ended 2023 with a significant increase, reaching 59.2% of the fostered areas certified. This achievement is the result of the planning developed to expand both the amount of certified area and the number of certified producer groups. Among the actions included in this plan were the development of maps, awareness training, identification of adequacy needs, monitoring, high conservation value studies, conversion analysis, socioeconomic evaluation of communities, and land analysis. This remarkable percentage demonstrates considerable progress and ensures the maintenance of the chain of custody of the Taquari (RS) factory for the coming years.

<sup>1</sup> Does not include Caetex.

## Sustainability Strategy - commitments, indicators and status of targets

Access the document [Sustainability Strategy 2025 – Review 2023](#) for more information.

Strategic commitment	Indicator	Target by 2025	Baseline	Status 2023	Comment
Promote health and wellbeing in the environments	Net Operating Revenue (NOR) of eco-efficient products with technologies that promote health and wellbeing	Achieve 45% NOR with eco-efficient products	36% (2015)		In 2022, we achieved a 46% share of revenue with eco-efficient products and maintained this figure in 2023, highlighting the importance of these products in our portfolio. Additionally, we expanded the benefits of our products with initiatives such as Deca Care and the application of bactericidal technology in enamel. Deca offers over 350 water-saving product options, including faucets, showers, and valves, surpassing traditional products.
		Achieve 34% of NOR with products with technologies that provide health and wellbeing	22% (2020)		In 2023, we achieved 40% NOR on products that promote health and wellbeing. The line of laminated panels and floors with Protekto Plus technology was a pioneer in Brazil, containing antibacterial and antiviral protection. Throughout the Wood Division, 100% of the tiling product portfolio has this technology. The Portinari brand of Ceramic Tiles is FloorScore certified, ensuring low levels of VOC emissions throughout the life of the products, boosting the Company's results.
	Diversity of demographics, with representativeness	Achieve 35% of women in leadership positions	19% (2020)		Currently, we have 33% of women in leadership positions, a significant advance compared to baseline.
	Wood products with E1 or lower formaldehyde emission	Having Panels (Brazil) with E1 or lower formaldehyde emission	Dexco Average: 15.4 mg/100g (2020)		The average value achieved was 9.8 mg/100g, demonstrating an effective reduction in formaldehyde emissions in products. In the Panel lines, optimization actions were carried out to achieve this result. Furthermore, in all units, the manufacture of MDP materials with low formaldehyde emissions is consolidated.
	Employee engagement and cultural alignment index	Achieve 80% in the employee engagement and cultural alignment index by 2025	76 (2020)		In 2023, we carried out several actions to reinforce Our Way of Being and Doing, including focusing on the leadership development. As a form of monitoring, we have internally developed a metric that considers the main People indicators, achieving a Dexco score of 3.3 (scale from 1 to 5). This is the reference score, which will be used to measure our evolution and, from this cycle onwards, it will also be one of the ways of evaluating employee engagement and the effectiveness of our cultural transformation journey.

# We are Dexco

## | GRI 2-6 | Activities, value chain and other business relationships

Dexco is a privately held company that operates in the forest products sector, through the production of wood and forest-based panels, and in the building materials sector, through its finishing business, as described in its [Bylaws](#). It is, according to the classification system of the Global Industry Classification Standard (GICs®), classified in the Paper sector & Forest Products (reference: 151050).

Dexco does not manufacture controversial products with respect to individual or public nutrition and health; relating to food and beverages on health and safety (individual or public); on animal welfare; or moral aspects.

Regarding controversial products related to the degradation of ecosystem services, such as high carbon emissions, deforestation, ozone depletion, degradation of aquifers, waste generation or the like, it is possible that questions are directed to the Company, considering the percentage of revenue attributed to forest stewardship.

However, since the vast majority of its managed forest areas are part of a certification scope according to internationally recognized standards, Dexco ensures that the best responsible management practices are carried out and that any type of questioning is not applicable to its operations.

Issues related to the generation of waste may be associated with the products of the Finishings for Construction Division, but we maintain the practice of compensating 100% of the packaging that reaches the final consumer, ensuring that such associations do not materialize.

Finally, in the Tiles division in particular, which has been concerned about the high greenhouse gas emissions associated with the use of emissions-intensive fossil fuels, the division has committed to eliminating the use of coal in its operations by 2024, replacing it with less intensive energy sources.

It can be considered a significant change in 2023 to include information related to Caetex in the Company's socio-environmental indicators, even if still with indicators in the process of adjustment after the acquisition of a majority interest at the end of 2022. The closure of some manufacturing units also impacted some indicators, but not directly in Dexco's business relationships. With regard to business relationships, value chain and suchlike, the impact of adverse macroeconomic effects, especially on results of the Finishings for Construction Division, was the most significant, including with regard to levels of results.

## Business fronts

### | GRI 2-29 | Approach to stakeholder engagement

We believe that the relationship with our stakeholders is essential for the good performance and success of our projects.

This relationship must be ethical and transparent, giving voice to stakeholders, with the purpose of developing more appropriate action strategies that meet their demands and that generate local development.

The mapping and prioritization of stakeholders are the responsibility of the areas that establish direct relationships with these audiences.

Stakeholder	Related groups
Public Authorities	Executive, Legislative and Judicial
Regulatory agencies and inspectors	Securities and Exchange Commission ("CVM"), environmental agencies, regulatory agencies
Shareholders and financial institutions	Shareholders, market analysts and financiers, insurance companies
Employees	Own employees, third parties, interns, apprentices, retirees, workers' families
Supply chain	Material/fixed services, other suppliers
Customers	Industry, retail, wholesale, resale, international civil construction
Consumers	Buyers of Dexco, Deca and Hydra products, ceramic tiles and wood
Communities of the surroundings	Population, local businesses, neighborhood associations, community leaders and tenants
Organized civil society	NGOs, trade unions, federations, institutes and associations, universities and other educational institutions, social security organizations, medical centers and laboratories
Influencers	Engineers, architects, installers, decorators and joiners
Press	Specialized press, TV, radio and digital
Competitors and substitutes	Metals, sanitaryware, electric showers, panels and floors, ceramic tiles

## | GRI 2-29 | Approach to Stakeholder Engagement (cont.)

Specifically with regard to the engagement of government stakeholders, in 2020 we created the Institutional and Government Relations (RIG) area. This department works mainly with the sectoral bodies to which Dexco is affiliated, ensuring impersonal, transparent, politically based on facts and data, and whose main goal is to instrumentalize the public body in order to have better elements of weight in its decision-making and/or in the formulation of legislative proposals or public policies that affect the company and society. The action strategies are defined with the entities through thematic committees with regular meetings.

In the process of engaging with surrounding communities, training processes are conducted for agents to use an approach that is appropriate to the stakeholder profile and to present the goals and intentions of the action in a clear and understandable way. When identified audiences with some type of risk or vulnerability, specific actions are determined for their engagement.

When interacting with stakeholders, information is provided in culturally appropriate language, whether verbal, printed or otherwise, that is tailored to the issues being addressed.

The dialogue information is recorded in electronic field data collection forms that are stored in internal databases. On the basis of the information collected and the action plans drawn up, together with secondary data relating to the socio-economic aspects of the environment, indicators are analyzed to assist in the decision-making process for the management of the company.

## | SASB RR-FM-000.A | Area of forestland owned, leased, and/or managed by the entity

## | SASB RR-FM-000.B | Aggregate standing timber inventory

## | SASB RR-FM-000.C | Timber harvest volume

In 2023, we had more than 102,000 hectares of planted forests. Forest expansion has occurred over the years to increase self-sufficiency in the panel business, although in 2023, Colombia suffered a reduction in assets due to the sale or return of some properties.

Area of planted forests owned, leased and/ or managed by the entity (hectares)	2021		2022		2023	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
	85,358	11,216	89,572	11,232	91,277	10,991

Note: does not include conservation area. Data from Colombia's historical series have been corrected for standardization of assumptions. | GRI 2-4

In 2023, we had more than 14 million cubic meters of standing timber inventory and harvest volume totaled 4.3 million cubic meters. The total volume of the inventory decreased compared to 2022 for several reasons, such as fluctuations in productivity due to climatic factors, planning and regulation of the forest base and, in the case of 2023, the commercialization of assets that directly affect the volume of standing timber held by Dexco. The fluctuation in harvest volume over the years is linked to factory consumption and market demand.

Production data of forestry activities	2021		2022		2023	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
Aggregate inventory of standing timber (m <sup>3</sup> )	16,464,688	986,425	14,401,355	1,266,887	13,358,759	1,218,763
Total harvest volume of wood (m <sup>3</sup> )	4,821,665	121,246	4,846,896	132,054	4,202,109	101,680

Note: total timber harvest volume data were reviewed by Colombia for the years 2021 and 2022 as they were being reported as cubic meters and were in tons. In the review, the data were converted to cubic meters to use the same scope as Brazil. The conversion factors used were 0.9 for pine and 0.823 for eucalyptus. | GRI 2-4

## Our locations

### | SASB CG-BF-000.B | Area of manufacturing facilities

Area of manufacturing facilities (m <sup>2</sup> )	2022		2023		
	Land area	Built area	Land area	Built area	
Wood Colombia	Yarumal	450,500.0	132,680.5	450,500.0	132,680.5
	Manizales	85,100.0	16,876.7	85,100.0	16,876.7
	Barbosa	128,302.0	36,000.0	128,302.0	36,000.0
	<b>Subtotal</b>	<b>663,902.0</b>	<b>185,557.2</b>	<b>663,902.0</b>	<b>185,557.2</b>
Wood Brazil	Uberaba	357,100.0	99,276.3	357,100.0	99,276.3
	Itapetininga	571,888.9	88,059.7	571,888.9	96,159.7
	Taquari	82,000.0	64,466.5	82,000.0	64,466.5
	Agudos	426,400.6	130,622.8	426,400.6	130,622.8
	<b>Subtotal</b>	<b>1,437,389.5</b>	<b>382,425.2</b>	<b>1,437,389.5</b>	<b>390,525.2</b>
<b>Wood</b>	<b>Total</b>	<b>2,101,291.5</b>	<b>567,982.4</b>	<b>2,101,291.5</b>	<b>576,082.4</b>
Tiles	RC 01	642,173.6	73,020.3	642,173.6	73,020.3
	RC 02	145,836.9	41,629.0	145,836.9	41,629.0
	RC 04	157,928.0	35,291.2	157,928.0	35,577.1
	Castelatto	76,566.2	23,389.4	68,096.3	22,924.4
	<b>Total</b>	<b>1,022,504.7</b>	<b>173,329.9</b>	<b>1,014,034.9</b>	<b>173,150.7</b>
Deca	Metais São Paulo	41,673.0	37,038.0	41,673.0	37,038.0
	Metais Jacareí	20,000.0	6,771.6	20,000.0	6,771.6
	Metais Jundiaí	132,525.9	43,210.9	132,525.9	43,210.9
	Hydra	23,785.7	15,858.8	23,785.7	16,103.8
	Louças Recife	79,282.0	37,867.4	79,282.0	37,867.4
	Jundiaí	257,256.1	83,880.1	257,256.1	83,880.1
	Paraíba	60,989.5	31,521.1	60,989.5	31,521.1
<b>Total</b>	<b>615,512.2</b>	<b>256,147.8</b>	<b>615,512.2</b>	<b>256,392.8</b>	

Note 1: the Sanitaryware unit in Queimados (RJ) was not considered in the accounting, as the activities were closed in the first half of 2023.

Note 2: the 2022 values of the land area and the built-up area of the factories referring to the Deca businesses were revised to also include the non-manufacturing area of the Metais Jundiaí (SP) unit | GRI 2-4

Note 3: there was a reduction in Castelatto's usable area because one of the units was disabled, which affected the final footage of the operation.

## Performance in 2023

### | GRI 3-3 | Management of material topics: Profitability and financial performance

In addition to profitability and financial performance, Dexco considers the creation of jobs and income in the communities in which it operates, the development of local suppliers and their value chains, the distribution of taxes in the regions in which it operates, the creation of value for shareholders, and the exposure to and mitigation of risk. As a publicly traded company operating in multiple sectors, Dexco must evaluate opportunities for organic and inorganic growth and new investments, while remaining alert to changes in laws and regulations that may limit or maximize its earnings.

A year of lower-than-expected financial results due to lower levels of productivity and manufacturing efficiency, coupled with a slower economic recovery, culminating in the closure and shutdown of operations in 2023. Impacts on employees include possible relocation and termination plans, considering the end of activities in that region.

It is also important to measure the impacts of transporting machinery and equipment, which involve specific logistics and disposal. The results may also affect commercial and financial relations, and the Company is responsible for an increasingly accurate cash management, seeking to minimize noise and exposures.

In our Financial Policy, we have the necessary addresses for the management of the subject, seeking to establish guidelines, limits and parameters to be observed in the conduct of Dexco's financial management, with the purpose of ensuring the preservation of financial strength and the perpetuity of the business.

## | GRI 3-3 | Management of material topics: Profitability and financial performance (cont.)

The Finance, Investor Relations and ESG directorates include the teams responsible for managing our financial information, including Treasury and Business Controllershship Management, which consolidates and evaluates all information. It is up to the vice presidents of the business divisions to monitor the results and direct the necessary negotiations so that the results are optimized. It is important to note that all actions regarding our financial performance are monitored and directed by the Board of Directors.

As a publicly traded company, we disclose our financial results to shareholders and the market in general on a quarterly basis, ensuring transparency of information. All projections and analyses are monitored monthly by the Board of Directors, the Executive Managers and the responsible management, so that necessary actions are taken in an agile manner. All information, before its publication, also goes through the Disclosure and Negotiation Committee.

The variable pay of employees, including management, takes into account financial results, individual goals, specific projects and the area, which drives the search for differentiated results.

To ensure that our financial results are in line with long-term expectations, we have a practice of preparing the annual budget on a zero basis, that is, with expenses justified for a new period starting from scratch, rather than starting from the previous budget and adjusting it as necessary, thus ensuring the rigor of the company. All actions related to financial performance are monitored and directed by the Board of Directors so that any misalignment can be quickly corrected.

In view of the potential impact on rating agency risk assessments or financial covenants linked to results, Treasury Management is responsible for monitoring this information on a monthly basis so that sign of imminent breach of such covenants can be quickly reversed and mitigated. It is the responsibility of the Treasury area, with support from the Investor Relations, Accounting and Controllershship area, to maintain close relationships with national and international financial agents, so that the Company's financial results are duly determined and evaluated by such stakeholders.

## | GRI 201-4 | Financial assistance received from the government

Dexco and its subsidiaries recorded, in 2023, R\$ 51.9 million in tax benefits and credits. Higher incentives include income tax deductions and ICMS reductions through investment grants regularly granted by Brazilian States to promote regional industrial production.

Financial support received from the government (R\$ million)	2022	2023
<b>Brazil</b>	48.2	27.6
<b>Colombia</b>	15.9	24.3
<b>Total</b>	<b>64.1</b>	<b>51.9</b>

Note: the support received is in the form of benefit and tax credit. Dexco does not have, in its corporate organization, government agencies in any instance.

## | GRI 207-1 | Approach to tax

The tax approach is linked to our financial strategy and strict compliance with current rules and legislation. The Tax team has targets for implementing opportunities with a positive impact on results and cash flow, while employing process governance best practices to ensure tax compliance.

These targets are part of the management of our annual deliveries and are approved by the CFO and monitored by the Tax Executive Manager. Regulatory compliance is ensured by regular technical monitoring of legislative changes and also by the Institutional Relations team, which communicates and anticipates trends in the approval of new laws.

There is also special attention to tax risk management, payment control and governance of tax benefit requirements. These compliance procedures, combined with the goals of legal cargo optimization contribute to the sustainable development of our business.

The tax area also has an innovation cell, which applies tools to tax processes, facilitating the strategic management of our taxes through data management and connecting tax systems to the Company's other operational programs.

## | GRI 207-4 | Country-by-country reporting

Information on Tax Payments/Taxes	2021	2022	2023
Revenue from sales by third parties	R\$ 10,151,736,990.24	R\$ 10,462,892,529.27	R\$ 9,081,734,181.86
Profit/(loss) before tax	R\$ 1,989,065,181.00	R\$ 917,545,432.83	R\$ 751,246,253.39
Tangible assets other than cash and cash equivalents	R\$ 6,388,774,888.63	R\$ 7,530,264,731.40	R\$ 8,274,582,272.07
Corporate income tax paid on a cash basis	-R\$ 270,429,896.95	-R\$ 114,212,121.04	-R\$ 40,468,755.29
Corporate income tax levied on profits/losses	-R\$ 263,382,544.68	-R\$ 152,622,646.72	R\$ 60,023,447.81
Reasons for the difference between corporate income tax levied on profits/losses and the tax due, if the rate established by law is applied to profit/loss before payment of taxes	Temporary differences (provisions, biological assets, goodwill, etc.), interest on equity and non-deductible expenses.		
Tax jurisdictions included in the financial statements	1) Brazil 2) Colombia 3) United States 4) Peru 5) Argentina 6) Belgium		
Names of resident entities	1) ABC Atacado Brasileiro da Construção S.A. 2) Caetex Florestal S.A. 3) Castelatto S.A. 4) Duratex Florestal Ltda. 5) Dexco Com. de Produtos Const. S.A. 6) Dexco S.A. 7) Dexco Empreendimentos Ltda. 8) Dexco Hydra Corona Aquec. Ltda. 9) Dexco Revestimentos Cerâmicos S.A. 10) Estrela do Sul Participações Ltda. 11) Trento Adm. & Part. S.A. 12) Viva Decora Internet S.A. 13) LD Celulose S.A. 14) LD Florestal S.A. 15) SCP – Monte Alegre 16) SCP – Nova Ponte 17) SCP – Rio Claro		
Primary activities of the organization	Manufacture, trade, import and export of wood products, metal products and ceramic materials.		

# Corporate governance

## | GRI 2-9 | Governance structure and composition

### Information on the board members elected for 2023:

	Name	Title	Independence	Consecutive Terms	Gender	Race	Competencies relevant to the organization impacts	Number of other key roles and commitments
1	Alfredo Egydio Setubal	Full member (Chairman of the Board of Directors)	No	7	Cisgender male	White	Knowledge of the finance sector of financial and non-financial organizations	Member of the People, Governance and Nomination Committee
2	Alfredo Egydio Arruda Villela Filho	Full member	No	26	Cisgender male	White	Knowledge of the finance sector of financial organizations and non-financial	Member of the People, Governance and Nomination Committee ; Member of the IT and Digital Innovation Committee
3	Andrea Laserna Seibel	Full member	No	13	Cisgender female	White	Knowledge of the civil construction and construction material sector	Member of the People, Governance and Nomination Committee ; Member of the IT and Digital Innovation Committee
4	Helio Seibel	Full member	No	23	Cisgender male	White	Knowledge of the civil construction sector and material for construction, especially in the wood panel market	Chairman of the Finance Committee
5	Ricardo Egydio Setubal	Full member	No	14	Cisgender male	White	Corporate Governance Specialist	Member of the Sustainability Committee; Member of the Finance Committee
6	Rodolfo Villela Marino	Full member	No	13	Cisgender male	White	Administrator and Master of Development Studies and in Economics and Philosophy	Member of the People, Governance and Nomination Committee; Member of the Sustainability Committee
7	Marcos Campos Bicudo	Full member	Yes	0	Cisgender male	White	Administrator with extensive knowledge of the construction sector and the sustainable development agenda	Chair of the Sustainability Committee; Member of the Committee for the Evaluation of Transactions with Related Parties
8	Juliana Rozenbaum Munemori	Full member	Yes	6	Cisgender female	White	Extensive knowledge in the retail and consumer goods sector	Chairman and coordinator of the Audit and Risk Management Committee; Chairman of the Committee for the Evaluation of Transactions with Related Parties; Member of the IT and Digital Innovation Committee; Member of the Finance Committee
9	Márcio Fróes Torres	Full member	Yes	2	Cisgender male	Brown	Experience in non-cyclical consumption sectors, with application in People and Supply areas	Chairman of the People, Governance and Nomination Committee; Member of the Sustainability Committee; Member of the Committee for the Evaluation of Transactions with Related Parties
10	Alex Laserna Seibel	Alternate Member	No	1	Cisgender male	White	Performance in the real estate sector, including incorporation and management of real estate, and retail trade	Not part of other bodies within the organization
11	Alexandre de Barros	Alternate Member	No	2	Cisgender male	White	Specialization in Risk Management, working in areas of technology and hardware infrastructure, software, telecommunications, channels, data and application systems	Chair and expert member of the IT and Digital Innovation Committee; Member of the People, Governance and Nomination Committee
12	Paula Lucas Setubal	Alternate Member	No	2	Cisgender female	White	Pedagogue with specialization in Psychopedagogy and performance in people and community management	Member of the People, Governance and Nomination Committee; Member of the Finance Committee

Note 1: none of the members of Dexco's Board of Directors exercises an executive function in its Executive Managers.

Note 2: three women are members of Dexco's Board of Directors, two as incumbents and one as an alternate. In addition, six members represent the controlling shareholders.

Note 3: all members of the Board of Directors were elected at the Shareholders' General Meeting, after counting votes sent via bulletins received directly or by proxy of its shareholders.

Note 4: all members of the Board of Directors have Brazilian nationality.

## | GRI 2-10 | Nomination and selection of the highest governance body

As provided in the Shareholders' Agreement, the Board of Directors must be composed of 9 full members and 3 alternates, 4 full members nominated by Bloco Itaúsa; 2 full members nominated by Bloco Seibel; and 3 full members nominated, jointly and by consensus, by Itaúsa Block and Seibel Block.

In the event of an election of the Company's board members by plurality or separate voting, Itaúsa Block and Seibel Block will appoint only the number of missing independent members to complete the number of independent members. In accordance with the Brazilian Corporate Law and CVM Resolution nº. 70/22, in the election of Dexco board members it is allowed for shareholders to request the adoption of the multiple voting process, assigning to each share as many votes as there are board members, with the shareholder being granted the right to accumulate the votes in a single candidate or distribute them among several.

In addition to the aforementioned multiple voting process, the Brazilian Corporation Law provides that they will be entitled to elect and remove a member and his alternate from the Board of Directors, in a separate vote, the holders of shares issued by the Company representing at least 10% of the share capital.

As provided for in the Nomination Policy, the decision at the General Meeting may be based on:

- The recommendation of the People, Governance and Nomination Committee to the Board of Directors.
- The declaration submitted to the Board of Directors by the independent member candidate, certifying their classification with respect to the criteria of independence, as defined in the Novo Mercado Regulation.
- Dexco's Board of Directors has included in the management's proposal to the shareholders' meeting for the election of directors a statement regarding the candidate's compliance with the independence criteria.

In the proxy materials for Dexco's annual shareholder meetings, which include the election of members of the Board of Directors, the Company makes available to shareholders a direct communication channel with the Board of Directors to send suggestions, criticisms or questions, which can be sent to the email [assembleia@dex.co](mailto:assembleia@dex.co).

In addition, it is the responsibility of the People, Governance and Nomination Committee to comply with the rules and guidelines of the Nomination Policy, define and map the competencies that must integrate the professional profile of the board member and evaluate the classification to the criteria of independence of candidates to the Board of Directors according to the rules of the Novo Mercado of B3, as well as evaluate the recommendations of proxy advisors regarding the composition of the Board.

As stated in the Nomination Policy, diversity is one of the criteria for the selection of the members of the Board of Directors, so that Dexco can benefit from a plurality of arguments and a decision-making process of higher quality and security, in order to reconcile the interests of the Company, its shareholders, employees and other stakeholders, as well as our social and environmental responsibilities.

The policy also states that, in addition to the ethical and behavioral aspects set forth in the Code of Conduct, highly qualified professionals with significant experience (technical, professional and/or academic) and in line with Dexco's values and culture must be appointed as members of the Board of Directors. The People, Governance and Nomination Committee is responsible for defining and mapping the competencies that must be part of the professional profile of the board members or committee members.

## | GRI 2-12 | Role of the highest governance body in overseeing the management of impacts

It is up to Dexco's Board of Directors to decide on the company's strategic issues, culture and values, with a long-term and sustainable perspective that incorporates economic, social, environmental and good corporate governance considerations. The Board must ensure that these issues are integrated into strategic planning and day-to-day operations, and the Executive Managers must integrate these issues into its decision-making processes to ensure the best allocation and management of financial, operational, human, environmental, and social resources.

## | GRI 2-12 | Role of the highest governance body in overseeing the management of impacts (cont.)

It is the duty of the members of the Board of Directors to provide continuous and qualified proactive monitoring of the Company's business, focusing on long-term strategy, relevant investments, acquisitions and divestments, in order to ensure close management of the issues that may affect the Company.

The Board of Directors, through its Advisory Committees, maintains a working group to ensure that everyone is aware of matters within its purview, and at least annually provides reports for presentation, discussion and deliberation of major matters to be subsequently considered and/or approved by the Board of Directors.

The Board must monitor the effective implementation of the defined strategies and guidelines, so that the goals and responsibilities of the Executive Managers are always clearly defined. In addition to complying with the legal obligations inherent in their positions, officers must conduct themselves according to high ethical standards, observe and promote good corporate governance practices, and monitor the risks to which the Company is exposed.

## | GRI 2-15 | Conflict of interest

According to the Internal Regulations of the Board of Directors, this body responsible for "preventing and managing situations of conflict of interest or disagreement so that the interests of the Company always prevail".

Board members may not participate in deliberations concerning matters with which their interests conflict with those of the Company.

It is the responsibility of each member to inform the Board of his or her conflict of interest as soon as the matter is placed on the agenda or proposed by the Chairman of the Board and, in any event, prior to the commencement of any discussion of any item.

Even if the matter is not on the agenda, members must recuse themselves during the meeting because they may have a conflict of interest or a particular interest in any matter to be discussed or resolved that could compromise their independence.

The minutes shall record the member's declaration of the conflict of interest and his or her subsequent removal from the discussion. Any member who is aware of a conflicting situation involving another member and the subject of the resolution must also speak up.

The shareholder may not vote on the resolutions of the General Meeting relating to the valuation report of the assets with which they are competing for the formation of the share capital and the approval of their accounts as administrator, nor on any other resolutions which may favor them in a particular way or in which he has an interest conflicting with that of the Company.

If a member of the Board of Directors or a person related to them enters into a transaction with companies of the economic conglomerate, the following rules must be observed:

- The transaction must be carried out under market conditions and strictly at arm's length or with adequate compensation, always in the best interest of the Company.

- Whenever possible, market alternatives for transactions with related parties should be evaluated and the reasons for using a related party rather than a third party on equivalent terms should be explained.
- The transaction must be conducted through the appropriate channels in the Company's hierarchy, including the Related Party Transactions Review Committee, subject to the rules and conditions set forth in the Related Party Transactions Policy.

At Dexco, the participation in the Board of other companies is informed to the other members. In addition, the Reference Forms contains the resume of the administrators, with information on the possible accumulation of positions in the Company's committees, since the accumulation of positions in its Board of Directors and Executive Committee is prohibited.

Dexco also has a Committee for the Evaluation of Transactions with Related Parties, which complies with the Related Party Transactions Policy, evaluates a quarterly report issued by the Board of Directors and the CSC, and complies with regulatory requirements such as the publication of a notice to the market, the publication of financial statements in the reference form and quarterly information.

We also have a Code of Business Conduct and a Related Party Transactions Policy, in addition to several other policies to which all officers and employees of the Company are subject. We also have a shareholders' agreement that governs the relationship between the controlling blocks, which is available on CVM's and the Company's websites.

## | GRI 2-18 | Evaluation of the performance of the highest governance body

The annual process of evaluating the performance of the members of the Board of Directors is structured to take into account the specific characteristics and responsibilities of the Board of Directors, its members, the Chairman and each of the Advisory Committees, in order to achieve a high level of expertise. The re-election of Board and Committee members is based on their performance during the period under review, their attendance at meetings, their experience and their level of independence.

The evaluation process of the Board of Directors and its committees was structured in stages, with responses to an online questionnaire and 23 individual interviews with board members, external members and the Executive Managers. The dimensions considered in the evaluation process were: leadership of the Chairperson; dynamics of the Board and its committees; interaction with the Executive Committee; agenda and procedures; roles and responsibilities; management succession; and Board composition, development and succession.

We should highlight discussions related to the Board's level of education and leadership on ESG issues, the Board's understanding of the key risks that may affect the company and how to mitigate them, and how senior management is ahead of the curve in addressing the demands of Dexco's various stakeholders.

The purpose of the evaluation is to identify opportunities and suggest improvements without affecting the compensation of those involved. Currently, the process is conducted by a third party, responsible for distributing specific questionnaires and interview each member of the Board and committees individually. Responses are analyzed and compared to previous assessments to identify and propose improvements in the management of each of the members.

With respect to 2022, the evaluated agencies presented important developments such as the improvement of information flows, the productivity and agility of discussions, and the wider range of topics discussed in depth, such as customers, brands and people, in addition to a greater contribution of expert advisors to enrich the debates. Opportunities planned for the coming year include a review of the specific needs of each committee, a look at improving the materials presented, and a possible space for discussion on aligning the composition of the Board with strategic priorities and business challenges in the future.

Regarding the changes of the Board of Directors and its advisory committees in 2023, according to the Annual and Extraordinary General Meeting (AGOE) held in April 2023, Mr. Raul Calfat was not re-elected to the position of independent member of the Board of Directors due to the age limit, under the terms of the Company's Bylaws. After completing the selection process for replacement, at the Extraordinary General Meeting held on June 23, 2023, Mr. Marcos Campos Bicudo was elected as independent full member of the Board of Directors of Dexco.

## | GRI 2-28 | Membership associations

We belong to associations that are strategic to our business and/or that promote best practices in corporate governance. Company management sits on the boards of some of these organizations, and employees participate in projects and assignments according to their skills and expertise.

Advocacy and governance of activities before sectoral bodies are conducted and/or monitored by the Institutional and Government Relations (RIG) area. During 2023, we spent R\$ 1.6 million on membership fees.

Below is the list of associations we are affiliated with.

### **Brazil:**

- ABINEE – Associação Brasileira da Indústria Elétrica Eletrônica
- ABRAF – Associação Brasileira dos Produtores de Formol e Derivados
- ABRAMAT – Associação Brasileira da Indústria de Materiais de Construção
- ABRASCA – Associação Brasileira das Companhias Abertas
- ABSC – Associação Brasileira de Serviços Compartilhados
- ACIC – Associação Empresarial de Criciúma (SC)
- AGEFLOR – Associação Gaúcha de Empresas Florestais
- AMIF – Associação Mineira da Indústria de Base Florestal
- ANACE – Associação Nacional dos Consumidores de Energia
- ANFACER – Associação Nacional dos Fabricantes de Cerâmica para Revestimentos, Louças Sanitárias e Congêneres

## | GRI 2-28 | Membership associations (cont.)

- ANPEI – Associação Nacional de Pesquisa e Desenvolvimento das Empresas Inovadoras
- ANUT – Associação Nacional dos Usuários do Transporte de Carga
- ASFAMAS – Associação Brasileira de Materiais para Saneamento
- CIESP – Centro das Indústrias do Estado de São Paulo
- COBEI – Comitê Brasileiro de Eletricidade, Eletrônica, Iluminação e Telecomunicações
- ETHOS – Instituto Ethos – Empresas e Responsabilidade Social
- FIESP – Federação das Indústrias do Estado de São Paulo
- FLORESTAR – Associação Paulista dos Produtores, Fornecedores e Consumidores de Florestas Plantadas
- FFSP – Fórum Florestal Paulista
- IBÁ – Indústria Brasileira de Árvores
- IBRI – Instituto Brasileiro de Relações com Investidores
- IEDI – Instituto de Estudos para o Desenvolvimento Industrial
- IRELGOV – Instituto de Relações Governamentais
- Rede ACV – Rede Empresarial Brasileira de Avaliação de Ciclo de Vida
- SIAMFESP – Sindicato da Indústria de Artefatos de Metais Não Ferrosos no Estado de São Paulo
- SINDICERAM – Sindicato das Indústrias de Cerâmica de Criciúma (SC)
- SINDICERÂMICA – Sindicato das Indústrias Cerâmicas de São Paulo
- SINDIFIBRA – Sindicato das Indústrias de Painéis de Madeira Reconstituída do Estado de São Paulo

**Colombia:**

- ANALDEX – Asociación Nacional de Comercio Exterior
- ANDI – Asociación Nacional de Empresarios de Colombia
- CAMACOL – Cámara Colombiana de la Construcción
- FEDEMADERAS – Federación Nacional de Industriales de la Madera

## Ethics and Compliance

## | GRI 2-27 | Compliance with laws and regulations

In 2023, no fines or sanctions were identified for non-compliance with socioeconomic laws and regulations.

Significant fines and non-monetary sanctions by legal area		2021	2022	2023
Number of cases where fines have been applied	Environmental	0	2 <sup>1</sup>	0
	Labor	0	0	0
	Tax/civil	0	0	0
Number of fines for cases of non-compliance with laws and regulations that occurred in the year	Environmental	4	1 <sup>2</sup>	0
	Labor	0	0	0
	Tax/civil	0	0	0
Monetary value of fines for cases of non-compliance with laws and regulations paid in the year (R\$)	Environmental	2,994,986.12	339,903.68	0.00
	Labor	0.00	0.00	0.00
	Tax/civil	0.00	0.00	0.00

<sup>1</sup> In 2022, Dexco received a significant fine related to the year 2021, regarding an environmental issue, in the amount of R\$ 139,368.38, which was related to the removal of isolated trees without authorization in a firebreak area.

<sup>2</sup> In 2022, there was also a payment of R\$ 560,000.00 linked to the TAC of the lawsuit number 005775-52.2021.8.19.0067 - Queimados/RJ, with this amount referring solely to a voluntary pecuniary contribution paid by Dexco in favor of the State Environmental Conservation Fund - FECAM. We emphasize that this was a voluntary pecuniary contribution paid by Dexco and not a fine, which is why it was not included in the response to the question.

Note: regarding environmental issues, significant fines/sanctions, whether monetary or non-monetary, are considered to have started in the reporting year and are still ongoing, due to non-compliance with laws and regulations, based on the criterion of US\$ 10,000. Regarding labor, tax, and civil information, the premises of fines or sanctions in progress, due to non-compliance with laws and regulations, were adopted, with the criterion of fines above R\$ 10 million with a probable loss prognosis or R\$ 20 million with a possible loss prognosis.

## | GRI 406-1 | Incidents of discrimination and corrective actions taken

In 2023, there were no cases of discrimination in the Reporting Channel. In 2022, there were 7 manifestations, 2 cases considered unfounded, 3 inconclusive and 2 valid – for these, corrective measures were applied.

During the period evaluated in this material, the Compliance area carried out the investigation of 64 complaints, with 25 Ethics Technical Groups being held for deliberation. 244 interviews were conducted and 191 disciplinary measures were applied.

## | GRI 406-1 | Cases of discrimination and corrective actions taken (cont.)

The reports registered in the Reporting Channel are received by an independent and specialized company, which screens and registers them in a system and makes the case available for investigation by the Compliance department. All complaints are properly investigated and processed and, depending on the nature and severity of the situation, may be referred to the internal Compliance Investigation, which may include detailed analysis of data, documents and images, database cross-referencing and interviews.

Following the compliance assessment, the possible application of disciplinary measures is discussed in a specialized collegial body, the Technical Ethics Group, which includes the heads of Compliance, Legal and Labor Relations, as well as other invited managers as appropriate. When appropriate, critical complaints are referred to the Ethics Committee of the Executive Committee for decision. The result of the investigation of complaints is reported quarterly to senior management.

The Compliance and Reporting Channel policies were unified in 2023 and their contents were duly updated, with a communication sent to all employees via email, in addition to publication on Dexco's Investor Relations website.

## | GRI 415-1 | Political contributions

Dexco does not make political contributions in accordance with the Code of Conduct and Anti-Corruption Policy, which prohibits expenditures and contributions to candidates or political parties in accordance with applicable law. Other types of donations to public entities may be made only in exceptional circumstances and in accordance with the formal process set forth in the Internal Giving Policy. All donations must be approved by Dexco's Board of Directors and Chairman's Office, in addition to a prior reputational analysis by Compliance.

Amount spent on donations to candidates, candidacies and political parties (R\$)	2021	2022	2023
	0.00	0.00	0.00

## Our Way of Being and Doing

## | GRI 3-3 | Management of material topics: Organizational culture and people management

Organizational culture and people management are important mechanisms for attracting and retaining employees, in line with the Company's ESG principles. By attracting and retaining talent, Dexco tends to establish itself as an employer brand in the locations where it operates.

Cultural misalignment among employees can lead to various risks and challenges. First, cultural differences can hinder effective communication between team members, leading to misunderstandings, lack of clarity, and even interpersonal conflict. In addition, this misalignment can make it difficult for teams to work together because different values, beliefs, and ways of working can hinder collaboration and cohesion.

Another significant impact of cultural misalignment is on the performance of the team and the Company as a whole. When there is no cultural alignment, targets may not be achieved and productivity may be compromised. Furthermore, employees who feel misaligned with the organization's culture tend to be less engaged and more likely to leave, which can negatively impact talent retention.

Cultural misalignment can also affect the organizational climate, creating a negative environment with a lack of trust, respect, and mutual support among employees. This can have a direct impact on innovation by inhibiting diversity of thought and creativity.

Finally, if the challenges resulting from this misalignment become public, it could affect our reputation with customers, partners, and the community at large. To mitigate these risks, we strive to promote an inclusive culture that values diversity and creates an environment where employees feel respected and valued, regardless of their cultural background.

## | GRI 3-3 | Management of material topics: Organizational culture and people management (cont.)

In recent years, we have experienced significant growth through acquisitions, resulting in the integration of people with different mental models and management practices. The integration of these employees, the adoption of best practices, and the resulting cultural harmonization have been an ongoing and significant challenge for Dexco. The diversity of locations and specificities of the facilities in Brazil and Colombia also require a robust human resources management structure.

Furthermore, the reduction in the number of employees as a result of a factory reorganization, as occurred in 2023, may affect the performance of employees due to the scenario of uncertainty. Feeling insecure about one's job may lead to an increase in voluntary resignations by those seeking stability.

We have internal policies that address issues such as attractiveness and selection, as well as guidelines for fixed and variable compensation, and standards that describe procedures related to issues such as leave and disciplinary actions.

As we believe that culture is an important pillar of our 2025 Sustainability Strategy, we have an indicator related to employee engagement and cultural alignment index.

In 2022, we conducted the survey through the Pulses platform, the first listening to the second season of Our Way of Being and Doing, which received an average overall score of 76 p.p., on a scale of 1 to 100 p.p. used as a reference. In 2023, we carried out several actions to strengthen Our Way of Being and Doing and to develop leaders, as foreseen in the Cultural Transformation Cycle. People to measure development, obtaining a score of 3.3 on a scale of 1 to 5 used as a reference, according to the methodology adopted by Dexco. From this cycle, this will also be one of the ways to evaluate employee engagement and the evolution of cultural transformation.

We underwent an intense process of cultural restructuring, with the first season of culture launched in 2015 and renewed in 2022, with the new behaviors of Our Way of Being and Doing widely disseminated, starting with leaders and reaching all levels of the organization.

The Integrated People Management (IPM) system is used to ensure the most accurate analysis of the human resources team, which includes mechanisms for evaluating employee performance, analyzing career and succession criteria, recognition, recruitment and selection mechanisms, and elements related to the organizational climate (such as labor

relations and diversity). There is also a robust people analytics system (by Power BI), which assists in people management processes.

Through GIP, we maintain indicators that expand the understanding of our employee base, with the possibility of analyzing profiles and performances. Such evaluations also rely on the use of tools such as the perf System for performance evaluation and Power BI. We conduct an annual performance evaluation cycle, one of the pillars of which is compliance with organizational culture.

Employees were the main stakeholders consulted and involved in Dexco's cultural review process. Before the launch of the New Way of Being and Doing, research was carried out that included the analysis of the behaviors to be prioritized, as well as those that represent challenges to be implemented in the Company.

In addition, through the publication of our Integrated Report, we keep our stakeholders informed about the Company's key practices for retaining and attracting talent, diversity and inclusion practices, and actions to spread the culture, such as the 2022 Integrated Report, which focused on the pillars of Our Way of Being and Doing.

# Employee Profiles

## | GRI 2-7 | Employees

Number of employees by gender Brazil	2021					2022					2023				
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total			
Number of employees	10,678	79%	2,905	21%	<b>13,583</b>	9,895	76%	3,101	24%	<b>12,996</b>	8,681	74%	3,016	26%	<b>11,697</b>
Number of permanent employees	10,546	80%	2,601	20%	<b>13,147</b>	9,729	78%	2,792	22%	<b>12,521</b>	8,488	76%	2,743	24%	<b>11,231</b>
Number of temporary employees	132	30%	304	70%	<b>436</b>	166	35%	309	65%	<b>475</b>	193	41%	273	59%	<b>466</b>
Number of full-time employees	10,557	80%	2,624	20%	<b>13,181</b>	9,755	78%	2,820	22%	<b>12,575</b>	8,466	76%	2,738	24%	<b>11,204</b>
Number of part-time employees	121	30%	281	70%	<b>402</b>	140	33%	281	67%	<b>421</b>	215	44%	278	56%	<b>493</b>
Leadership	582	78%	168	22%	<b>750</b>	579	72%	229	28%	<b>808</b>	581	69%	261	31%	<b>842</b>
Non-leadership	10,096	79%	2,737	21%	<b>12,833</b>	9,316	76%	2,872	24%	<b>12,188</b>	8,100	75%	2,755	25%	<b>10,855</b>

Number of employees by gender Colombia	2021					2022					2023				
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total			
Number of employees	437	78%	125	22%	<b>562</b>	443	77%	136	23%	<b>579</b>	418	75%	142	25%	<b>560</b>
Number of permanent employees	185	69%	84	31%	<b>269</b>	179	66%	92	34%	<b>271</b>	373	74%	131	26%	<b>504</b>
Number of temporary employees	252	86%	41	14%	<b>293</b>	264	86%	44	14%	<b>308</b>	45	80%	11	20%	<b>56</b>
Number of full-time employees	437	78%	125	22%	<b>562</b>	443	77%	136	23%	<b>579</b>	418	75%	142	25%	<b>560</b>
Number of part-time employees	0	n/d	0	n/d	<b>0</b>	0	n/d	0	n/d	<b>0</b>	0	n/d	0	n/d	<b>0</b>
Leadership	47	53%	41	47%	<b>88</b>	49	60%	32	40%	<b>81</b>	76	52%	71	48%	<b>147</b>
Non-leadership	390	82%	84	18%	<b>474</b>	394	79%	104	21%	<b>498</b>	342	83%	71	17%	<b>413</b>

Note 1: Dexco has no employees without a guaranteed workload.

Note 2: in Brazil, temporary employees correspond to apprentices. Colombia does not consider apprentices in the indicator.

Note 3: for the purposes of this indicator, the information on "Leadership" and "Non-Leadership" is in accordance with the definitions sent to the reference form, as per CVM Resolution 59/2021.

## | GRI 2-7 | Employees (cont.)

Number of employees by region in Brazil	2021				2022				2023			
	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total
Number of employees	2,884	8,117	2,582	<b>13,583</b>	2,598	8,343	2,055	<b>12,996</b>	2,328	7,972	1,397	<b>11,697</b>
Number of permanent employees	2,722	7,882	2,543	<b>13,147</b>	2,453	8,105	1,963	<b>12,521</b>	2,184	7,703	1,344	<b>11,231</b>
Number of temporary employees	162	235	39	<b>436</b>	145	238	92	<b>475</b>	144	269	53	<b>466</b>
Number of full-time employees	2,726	7,920	2,535	<b>13,181</b>	2,450	8,164	1,961	<b>12,575</b>	2,180	7,682	1,342	<b>11,204</b>
Number of part-time employees	158	197	47	<b>402</b>	148	179	94	<b>421</b>	148	290	55	<b>493</b>

Note 1: interns are not included in this indicator and Dexco does not have any employees without a work guarantee,

Note 2: there are no operations in Brazil in the North and Midwest regions,

Note 3: in Brazil, temporary employees correspond to apprentices, Colombia does not consider apprentices in the indicator,

Number of employees by region in Colombia	2021					2022					2023				
	Barbosa	Yarumal	Manizales	Principal	Total	Barbosa	Yarumal	Manizales	Principal	Total	Barbosa	Yarumal	Manizales	Principal	Total
Number of employees	173	184	86	119	<b>562</b>	183	189	79	128	<b>579</b>	201	213	5	141	<b>560</b>
Number of permanent employees	88	70	7	104	<b>269</b>	85	68	6	112	<b>271</b>	176	186	5	137	<b>504</b>
Number of temporary employees	85	114	79	15	<b>293</b>	98	121	73	16	<b>308</b>	25	27	0	4	<b>56</b>
Number of full-time employees	173	184	86	119	<b>562</b>	183	189	79	128	<b>579</b>	201	213	5	141	<b>560</b>
Number of part-time employees	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>	0	0	0	0	<b>0</b>

Note 1: Dexco has no employees without a guaranteed workload.

Note 2: in Colombia, apprentices are not considered in the indicator, In 2023, the unit in Manizales was closed and, for this reason, the number of employees was reduced.

## | GRI 2-7 | Employees (cont.)

Number of employees by position, age group and geographic location in Brazil	2021							
	Leadership				Non-Leadership			
	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total
Up to 30 years	13	52	1	<b>66</b>	1,275	2,385	119	<b>3,779</b>
Between 31 and 50 years	49	429	15	<b>493</b>	1,412	4,605	214	<b>6,231</b>
51 years and over	3	71	118	<b>192</b>	132	575	2,115	<b>2,822</b>
Total	65	552	134	<b>751</b>	2,819	7,565	2,448	<b>12,832</b>
<b>Total Leadership + Non-Leadership</b>					<b>2,884</b>	<b>8,117</b>	<b>2,582</b>	<b>13,583</b>
	2022							
	Leadership				Non-Leadership			
	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total
Up to 30 years	19	69	10	<b>98</b>	1,044	2,323	712	<b>4,079</b>
Between 31 and 50 years	40	485	89	<b>614</b>	1,340	4,765	1,052	<b>7,157</b>
51 years and over	3	80	13	<b>96</b>	152	621	179	<b>952</b>
Total	62	634	112	<b>808</b>	2,536	7,709	1,943	<b>12,188</b>
<b>Total Leadership + Non-Leadership</b>					<b>2,598</b>	<b>8,343</b>	<b>2,055</b>	<b>12,996</b>
	2023							
	Leadership				Non-Leadership			
	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total
Up to 30 years	15	73	6	<b>94</b>	839	2,255	420	<b>3,514</b>
Between 31 and 50 years	41	563	48	<b>652</b>	1,246	4,364	764	<b>6,374</b>
51 years and over	8	82	6	<b>96</b>	179	635	153	<b>967</b>
Total	64	718	60	<b>842</b>	2,264	7,254	1,337	<b>10,855</b>
<b>Total Leadership + Non-Leadership</b>					<b>2,328</b>	<b>7,972</b>	<b>1,397</b>	<b>11,697</b>

Note 1: there are no operations in Brazil in the North and Midwest regions.

Note 2: for the purposes of this indicator, the information on "leadership" and "non-leadership" is in accordance with the definitions sent to the Reference Form, as per CVM Resolution 59/2021.

## | GRI 2-7 | Employees (cont.)

Number of employees by position, age group and geographic location in Colombia	2021									
	Leadership					Non-Leadership				
	Barbosa	Yarumal	Manizales	Principal	Total	Barbosa	Yarumal	Manizales	Principal	Total
Up to 30 years	5	3	1	2	11	41	58	10	37	146
Between 31 and 50 years	10	13	7	32	62	94	91	41	39	265
51 years and over	2	1	2	3	8	21	18	25	6	70
Total	17	17	10	37	81	156	167	76	82	481
<b>Total Leadership + Non-Leadership</b>						<b>173</b>	<b>184</b>	<b>86</b>	<b>119</b>	<b>562</b>
	2022									
	Leadership					Non-Leadership				
	Barbosa	Yarumal	Manizales	Principal	Total	Barbosa	Yarumal	Manizales	Principal	Total
Up to 30 years	5	3	1	0	9	41	58	13	37	149
Between 31 and 50 years	10	15	7	30	62	103	95	36	51	285
51 years and over	2	1	2	4	9	22	17	20	6	65
Total	17	19	10	34	80	166	170	69	94	499
<b>Total Leadership + Non-Leadership</b>						<b>183</b>	<b>189</b>	<b>79</b>	<b>128</b>	<b>579</b>
	2023									
	Leadership					Non-Leadership				
	Barbosa	Yarumal	Manizales	Principal	Total	Barbosa	Yarumal	Manizales	Principal	Total
Up to 30 years	4	3	0	0	7	47	72	0	40	159
Between 31 and 50 years	13	16	0	33	62	112	104	1	56	273
51 years and over	2	0	0	4	6	23	18	4	8	53
Total	19	19	0	37	75	182	194	5	104	485
<b>Total Leadership + Non-Leadership</b>						<b>201</b>	<b>213</b>	<b>5</b>	<b>141</b>	<b>560</b>

Note 1: for the purposes of this indicator, the information on "leadership" and "non-leadership" is in accordance with the definitions sent to the Reference Form, as per CVM Resolution 59/2021.

Note 2: in 2023, the unit in Manizales was closed and, for this reason, the number of employees was reduced.

## | GRI 2-7 | Employees (cont.)

Number of employees by geographic location and declared gender in Brazil	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Northeast	2,146	738	<b>2,884</b>	1,955	643	<b>2,598</b>	1,791	537	<b>2,328</b>
Southeast	6,535	1,582	<b>8,117</b>	6,278	2,065	<b>8,343</b>	5,741	2,231	<b>7,972</b>
South	1,997	585	<b>2,582</b>	1,662	393	<b>2,055</b>	1,149	248	<b>1,397</b>
<b>Total</b>	<b>10,678</b>	<b>2,905</b>	<b>13,583</b>	<b>9,895</b>	<b>3,101</b>	<b>12,996</b>	<b>8,681</b>	<b>3,016</b>	<b>11,697</b>

Note: there are no operations in Brail in the North and Midwest regions.

Number of employees by geographic location and declared gender in Colombia	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Barbosa	154	19	<b>173</b>	162	21	<b>183</b>	169	32	<b>201</b>
Yarumal	158	26	<b>184</b>	161	28	<b>189</b>	179	34	<b>213</b>
Manizales	48	71	<b>119</b>	52	76	<b>128</b>	65	76	<b>141</b>
Principal	77	9	<b>86</b>	68	11	<b>79</b>	5	0	<b>5</b>
<b>Total</b>	<b>437</b>	<b>125</b>	<b>562</b>	<b>443</b>	<b>136</b>	<b>579</b>	<b>418</b>	<b>142</b>	<b>560</b>

## | GRI 2-7 | Employees (cont.)

Employee information, by race, in Brazil	2021						2022						2023					
	Leadership		Non-Leadership		Total		Leadership		Non-Leadership		Total		Leadership		Non-Leadership		Total	
White	622	11%	5,192	89%	<b>5,814</b>	<b>43%</b>	670	10%	6,338	90%	<b>7,008</b>	<b>54%</b>	663	11%	5,601	89%	<b>6,264</b>	<b>54%</b>
Brown	94	2%	4,184	98%	<b>4,278</b>	<b>31%</b>	101	2%	4,247	98%	<b>4,348</b>	<b>33%</b>	111	3%	3,400	97%	<b>3,511</b>	<b>30%</b>
Yellow	5	6%	79	94%	<b>84</b>	<b>1%</b>	8	8%	97	92%	<b>105</b>	<b>1%</b>	15	14%	89	86%	<b>104</b>	<b>1%</b>
Black	9	1%	1,221	99%	<b>1,230</b>	<b>9%</b>	14	1%	1,272	99%	<b>1,286</b>	<b>10%</b>	15	2%	950	98%	<b>965</b>	<b>8%</b>
Indigenous	1	4%	25	96%	<b>26</b>	<b>0%</b>	0	n/d	28	100%	<b>28</b>	<b>0%</b>	0	n/d	13	100%	<b>13</b>	<b>0%</b>
Prefer not to answer / Not informed	19	1%	2,132	99%	<b>2,151</b>	<b>16%</b>	15	7%	206	93%	<b>221</b>	<b>2%</b>	35	4%	805	96%	<b>840</b>	<b>7%</b>
<b>Total</b>	<b>750</b>	<b>6%</b>	<b>12,833</b>	<b>94%</b>	<b>13,583</b>	<b>100%</b>	<b>808</b>	<b>6%</b>	<b>12,188</b>	<b>94%</b>	<b>12,996</b>	<b>100%</b>	<b>839</b>	<b>7%</b>	<b>10,858</b>	<b>93%</b>	<b>11,697</b>	<b>100%</b>

Number of employees by geographic location and declared color or race in Brazil	2021				2022				2023			
	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total	Northeast	Southeast	South	Total
White	562	4,791	461	<b>5,814</b>	479	4,901	1,628	<b>7,008</b>	372	4,737	1,155	<b>6,264</b>
Brown	1,790	2,459	29	<b>4,278</b>	1,615	2,527	206	<b>4,348</b>	1,122	2,258	131	<b>3,511</b>
Yellow	28	55	1	<b>84</b>	35	63	7	<b>105</b>	25	71	8	<b>104</b>
Black	462	758	10	<b>1,230</b>	432	755	99	<b>1,286</b>	308	598	59	<b>965</b>
Indigenous	12	14	0	<b>26</b>	16	12	0	<b>28</b>	2	10	1	<b>13</b>
Prefer not to answer / Not informed	30	40	2,081	<b>2,151</b>	21	85	115	<b>221</b>	499	298	43	<b>840</b>
<b>Total</b>	<b>2,884</b>	<b>8,117</b>	<b>2,582</b>	<b>13,583</b>	<b>2,598</b>	<b>8,343</b>	<b>2,055</b>	<b>12,996</b>	<b>2,328</b>	<b>7,972</b>	<b>1,397</b>	<b>11,697</b>

Note 1: race information was self-declared by employees.

Note 2: in Colombia, there is no self-declaration of employees within the race categories and, for this reason, the indicator is not reported.

Note 3: information from Castelatto and Caetex could not be collected and is therefore included in the line "Not informed" for 2023. In total, 219 employees are from Castelatto and 481 from Caetex.

Note 4: there are no operations in Brazil in the North and Midwest regions.

## | GRI 2-7 | Employees (cont.)

Number and percentage of women working in the areas of Information Technology and Engineering	2021		2022		2023			
	Colombia		Colombia		Brazil		Colombia	
	Engineering	Information Technology						
Female (total number)	7	1	7	1	39	56	5	1
Female (%)	35%	13%	29%	14%	27%	38%	23%	14%
Male (total number)	13	7	17	6	107	87	17	6
Male (%)	65%	88%	71%	86%	73%	60%	77%	86%
<b>Total</b>	<b>20</b>	<b>8</b>	<b>24</b>	<b>7</b>	<b>146</b>	<b>143</b>	<b>22</b>	<b>7</b>

Note: data on employees segregated by women working in the areas of Information Technology and Engineering began to be reported in 2023, for this reason data from Brazil are not available for the years 2021 and 2022

## | GRI 2-8 | Workers who are not employees

In 2023, Dexco Brasil had 12,250 outsourced workers, considering all operations. There was a significant increase in the number of employees as we started to consider new units of Ceramic Tiles in the indicator and because there was the hiring of temporary workers in some units. In Colombia, the total was 6,858 outsourced workers in the year.

In Brazil, the main functions performed by contingent workers were general service assistant, cook/kitchen assistant, security and doorman, mechanic, driver and production assistant. The types of work they perform include housekeeping, food service, property security, mechanical maintenance, material handling, and manufacturing.

In Colombia, the most common types of workers are electricians, engineers, laborers, multi-function personnel and mechanics. The most important types of services are maintenance, repairs, calibration of mechanical and electrical machinery, loading and unloading, support during maintenance shutdowns, construction and building repair services, environmental services such as sampling, environmental measurements and waste collection, transportation and security services, and industrial safety services.

Number of outsourced employees	2021	2022	2023
Brazil		9,067	12,302
Colombia		6,972	6,858
<b>Total</b>		<b>16,039</b>	<b>19,108</b>

Note 1: we consider all workers with full-time and part-time work.

Note 2: in Brazil, from 2023, we started to include the Ceramic Tiles units in the indicator (RC01, RC02, RC03, RC04 and RC10).

Note 3: Colombia's 2021 and 2022 data were reviewed and updated in 2023. | GRI 2-4

## | GRI 401-1 | New employee hires and employee turnover

In 2023, we hired 2,660 employees and had 4,879 dismissals. In the period, 39% of the vacancies in Brazil were filled by internal candidates and, in Colombia, 29% of the vacancies. The rate of new hires was 21% and 40% for each country, respectively. Turnover rates stood at 30% and 55%, respectively.

Number of hires and dismissals, by job category	2022						2023					
	Brazil		Colombia		Total		Brazil		Colombia		Total	
	Hiring	Dismissals	Hiring	Dismissals	Hiring	Dismissals	Hiring	Dismissals	Hiring	Dismissals	Hiring	Dismissals
Management	11	20	1	1	12	21	4	4	3	4	7	8
Coordination	43	94	6	6	49	100	6	14	18	22	24	36
Supervision	70	95	8	10	78	105	41	58	12	22	53	80
Higher	424	562	26	19	450	581	23	71	34	38	57	109
Trainees	0	0	0	0	0	0	283	323	0	0	283	323
Administrative	269	582	9	5	278	587	176	241	9	12	185	253
Technical	78	123	12	16	90	139	119	235	26	37	145	272
Operational	2,065	2,521	55	43	2,120	2,564	1,271	3,134	123	175	1,394	3,309
Apprentice	480	379	0	0	480	379	512	489	0	0	512	489
<b>Total</b>	<b>3,440</b>	<b>4,376</b>	<b>117</b>	<b>100</b>	<b>3,557</b>	<b>4,476</b>	<b>2,435</b>	<b>4,569</b>	<b>225</b>	<b>310</b>	<b>2,660</b>	<b>4,879</b>

Note: in the indicator, temporary employees and apprentices for Dexco Colombia are not considered. As of 2023, Brazil includes Castelatto and Caetex, except for the number of vacancies occupied by internal candidates.

## | GRI 401-1 | New employee hires and employee turnover (cont.)

Total number of hires and layoffs in Brazil	2021		2022		2023		
	Hiring	Dismissals	Hiring	Dismissals	Hiring	Dismissals	Movements
<b>BY GENDER</b>							
Male	3,427	2,669	2,152	3,019	1,470	3,431	1,070
Female	1,350	902	1,295	1,357	965	1,138	400
<b>BY AGE GROUP</b>							
Up to 30 years	2,652	1,786	1,830	1,865	1,446	1,987	605
Between 31 years and 50 years	2,019	1,562	1,507	2,203	929	2,274	815
51 years and over	106	223	110	308	60	308	50
<b>BY REGION</b>							
Northeast	985	1,089	530	769	341	1,234	185
Southeast	3,010	1,769	2,391	2,551	1,944	2,660	1,067
South	782	713	526	1,056	150	675	218
<b>Total</b>	<b>4,777</b>	<b>3,571</b>	<b>3,447</b>	<b>4,376</b>	<b>2,435</b>	<b>4,569</b>	<b>1,470</b>

Note 1: as of 2023, Castelatto and Caetex employees are included.

Note 2: there are no operations in Brazil in the North and Midwest regions.

Hiring and turnover rates in Brazil	2021		2022		2023	
	Hiring rate	Turnover rate	Hiring rate	Turnover rate	Hiring rate	Turnover rate
<b>BY GENDER</b>						
Male	32	29	22	26	17	28
Female	46	39	42	43	32	35
<b>BY AGE GROUP</b>						
Up to 30 years	69	58	44	44	40	48
Between 31 and 51 years	30	27	19	24	13	23
51 years and over	3.5	5	10	20	6	17
<b>BY REGION</b>						
Northeast	34	36	20	25	15	34
Southeast	37	29	29	30	24	29
South	30	29	26	38	11	30
<b>Total</b>	<b>35</b>	<b>31</b>	<b>27</b>	<b>30</b>	<b>21</b>	<b>30</b>

Note 1: to calculate the turnover rate, the total number of employees was considered. As of 2023, Castelatto and Caetex employees are included.

Note 2: there are no operations in Brazil in the North and Midwest regions.

## | GRI 401-1 | New employee hires and employee turnover (cont.)

Total number of hires and layoffs in Colombia	2021		2022		2023		
	Hiring	Dismissals	Hiring	Dismissals	Hiring	Dismissals	Movements
<b>BY GENDER</b>							
Male	83	72	77	71	159	230	10
Female	36	25	40	29	66	80	56
<b>BY AGE GROUP</b>							
Up to 30 years	60	24	59	38	108	99	28
Between 31 years and 50 years	59	63	58	54	110	176	38
51 years and over	0	10	0	8	7	35	0
<b>BY REGION</b>							
Barbosa	40	26	36	29	57	65	14
Yarumal	28	32	30	25	70	70	38
Manizales	22	8	14	21	22	102	3
Principal	29	31	37	25	76	73	11
<b>Total</b>	<b>119</b>	<b>97</b>	<b>117</b>	<b>100</b>	<b>225</b>	<b>310</b>	<b>66</b>

Note: temporary employees and apprentices are not considered in the indicator.

Hiring and turnover rates in Colombia	2021		2022		2023	
	Hiring rate	Turnover rate	Hiring rate	Turnover rate	Hiring rate	Turnover rate
<b>BY GENDER</b>						
Male	6	28	17	13	28	41
Female	15	11	29	6	12	14
<b>BY AGE GROUP</b>						
Up to 30 years	11	15	38	8	19	18
Between 31 years and 50 years	11	22	17	10	20	31
51 years and over	0	2	0	1	1	6
<b>BY REGION</b>						
Barbosa	7	12	20	6	10	12
Yarumal	5	11	16	5	13	13
Manizales	4	5	18	3	4	18
Principal	5	11	29	5	14	13
<b>Total</b>	<b>21</b>	<b>39</b>	<b>20</b>	<b>19</b>	<b>40</b>	<b>55</b>

Note: to calculate the turnover rate, the total number of employees was considered.

Vacancies occupied by internal candidates	2022	2023	
	Brazil	Brazil	Colombia
Number of vacancies filled by internal candidates	1,412	1,470	66
Total number of vacancies	4,933	3,806	195
<b>% of vacancies filled by internal candidates</b>	<b>29%</b>	<b>39%</b>	<b>34%</b>

Note 1: data from Brazil do not include Castelatto and Caetex

Note 2: considers the number of promotions.

Note 3: considers only vacancies occupied/filled

## Diversity & Inclusion

### | GRI 405-1 | Diversity of governance bodies and employees

Composition of governance bodies by gender	2021			2022			2023								
	Male	Female	Total	Male	Female	Total	Male	Female	Total						
Board of Directors - full members	7	78%	2	22%	9	11	79%	3	21%	14	7	78%	2	22%	9
Board of Directors - alternates	0	n/d	0	n/d	0	0	n/d	0	n/d	0	2	67%	1	33%	3
Fiscal Council - full members	0	n/d	0	n/d	0	4	80%	1	20%	5	3	100%	0	0%	3
Fiscal Council - alternates	0	n/d	0	n/d	0	1	100%	0	n/d	1	3	100%	0	0%	3
Total board members	7	78%	2	22%	9	16	80%	4	20%	20	15	83%	3	17%	18
Executive Managers	11	85%	2	15%	13	12	86%	2	14%	14	11	79%	3	21%	14

Note: in 2021 and 2022, the indicator included Dexco's acting board, and alternates were not counted. As of 2023, the indicator started to count the alternate members of the governance bodies. For this reason, data is not available for the historical series.

Composition of governance bodies by gender and age group	2021			2022			2023								
	Board Members	Executive Managers	Total	Board Members	Executive Managers	Total	Board Members	Executive Managers	Total						
Up to 30 years	0	n/d	0	n/d	0	0	n/d	0	n/d	0	0	n/d	0	n/d	0
Between 31 and 50 years	3	33%	6	46%	9	7	35%	7	50%	14	6	33%	9	64%	15
51 years and over	6	67%	7	54%	13	13	65%	7	50%	20	12	67%	5	36%	17

Note: in 2021 and 2022, the indicator included Dexco's acting board, and alternates were not counted. As of 2023, the indicator started to count the alternate members of the governance bodies.

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Composition of governance bodies by race	2021				2022				2023			
	Board Members		Executive Managers		Board Members		Executive Managers		Board Members		Executive Managers	
White	9	100%	13	100%	20	100%	14	100%	18	100%	13	93%
Brown	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d
Yellow	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d	1	7%
Black	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d
Indigenous	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d
Prefer not to answer / Not informed	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d	0	n/d

Note: in 2021 and 2022, the indicator included Dexco's acting board, and alternates were not counted. As of 2023, the indicator started to count the alternate members of the governance bodies. For this reason, data is not available for the historical series.

Employee information by functional category and gender Brazil	2021						2022						2023					
	Male		Female		Total		Male		Female		Total		Male		Female		Total	
Boards	7	78%	2	22%	<b>9</b>	<b>0%</b>	16	80%	4	20%	<b>20</b>	<b>0%</b>	15	83%	3	17%	<b>18</b>	<b>0%</b>
Executive Managers	11	85%	2	15%	<b>13</b>	<b>0%</b>	12	86%	2	14%	<b>14</b>	<b>0%</b>	11	79%	3	21%	<b>14</b>	<b>0%</b>
Management	63	69%	28	31%	<b>91</b>	<b>1%</b>	67	71%	28	29%	<b>95</b>	<b>1%</b>	84	72%	33	28%	<b>117</b>	<b>1%</b>
Coordination	244	74%	87	26%	<b>331</b>	<b>2%</b>	240	70%	103	30%	<b>343</b>	<b>3%</b>	231	65%	124	35%	<b>355</b>	<b>3%</b>
Higher	863	60%	574	40%	<b>1,437</b>	<b>11%</b>	1,055	63%	620	37%	<b>1,675</b>	<b>13%</b>	812	55%	664	45%	<b>1,476</b>	<b>13%</b>
Supervision	257	84%	50	16%	<b>307</b>	<b>2%</b>	244	73%	92	27%	<b>336</b>	<b>3%</b>	240	71%	98	29%	<b>338</b>	<b>3%</b>
Technical	519	91%	49	9%	<b>568</b>	<b>4%</b>	499	90%	55	10%	<b>554</b>	<b>4%</b>	996	95%	57	5%	<b>1,053</b>	<b>9%</b>
Operational	7,804	85%	1,346	15%	<b>9,150</b>	<b>67%</b>	6,988	84%	1,375	16%	<b>8,363</b>	<b>64%</b>	5,843	81%	1,333	19%	<b>7,176</b>	<b>61%</b>
Administrative	778	63%	463	37%	<b>1,241</b>	<b>9%</b>	608	54%	513	46%	<b>1,121</b>	<b>9%</b>	256	37%	428	63%	<b>684</b>	<b>6%</b>
Apprentice	132	30%	304	70%	<b>436</b>	<b>3%</b>	166	35%	309	65%	<b>475</b>	<b>4%</b>	193	41%	273	59%	<b>466</b>	<b>4%</b>
<b>Total</b>	<b>10,678</b>	<b>79%</b>	<b>2,905</b>	<b>21%</b>	<b>13,583</b>	<b>100%</b>	<b>9,895</b>	<b>76%</b>	<b>3,101</b>	<b>24%</b>	<b>12,996</b>	<b>100%</b>	<b>8,681</b>	<b>74%</b>	<b>3,016</b>	<b>26%</b>	<b>11,697</b>	<b>100%</b>

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Employee information by job category and gender Colombia	2021						2022						2023					
	Male		Female		Total		Male		Female		Total		Male		Female		Total	
Boards	0	n/d	0	n/d	<b>0</b>	<b>0%</b>	0	n/d	0	n/d	<b>0</b>	<b>0%</b>	0	n/d	0	n/d	<b>0</b>	<b>0%</b>
Executive Managers	0	n/d	0	n/d	<b>0</b>	<b>0%</b>	1	100%	0	n/d	<b>1</b>	<b>0%</b>	1	100%	0	n/d	<b>1</b>	<b>0%</b>
Management	4	57%	3	43%	<b>7</b>	<b>1%</b>	3	50%	3	50%	<b>6</b>	<b>1%</b>	4	67%	2	33%	<b>6</b>	<b>1%</b>
Coordination	20	74%	7	26%	<b>27</b>	<b>5%</b>	18	58%	13	42%	<b>31</b>	<b>5%</b>	20	61%	13	39%	<b>33</b>	<b>6%</b>
Higher	10	71%	4	29%	<b>14</b>	<b>2%</b>	34	42%	47	58%	<b>81</b>	<b>14%</b>	30	42%	42	58%	<b>72</b>	<b>13%</b>
Supervision	23	43%	31	57%	<b>54</b>	<b>10%</b>	27	66%	14	34%	<b>41</b>	<b>7%</b>	21	60%	14	40%	<b>35</b>	<b>6%</b>
Technical	57	97%	2	3%	<b>59</b>	<b>10%</b>	71	92%	6	8%	<b>77</b>	<b>13%</b>	69	95%	4	5%	<b>73</b>	<b>13%</b>
Operational	265	95%	15	5%	<b>280</b>	<b>50%</b>	280	92%	25	8%	<b>305</b>	<b>53%</b>	263	89%	34	11%	<b>297</b>	<b>53%</b>
Administrative	58	48%	63	52%	<b>121</b>	<b>22%</b>	9	24%	28	76%	<b>37</b>	<b>6%</b>	10	23%	33	77%	<b>43</b>	<b>8%</b>
<b>Total</b>	<b>437</b>	<b>78%</b>	<b>125</b>	<b>22%</b>	<b>562</b>	<b>100%</b>	<b>443</b>	<b>77%</b>	<b>136</b>	<b>23%</b>	<b>579</b>	<b>100%</b>	<b>418</b>	<b>75%</b>	<b>142</b>	<b>25%</b>	<b>560</b>	<b>100%</b>

Note: the data from Colombia does not consider apprentices, since they enter with the goal of carrying out their student practice and therefore under different conditions.

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Employee information by functional category, age group Brazil	2021								2022								2023							
	Up to 30 years		Between 31 and 50 years		51 years and over		Total		Up to 30 years		Between 31 and 50 years		51 years and over		Total		Up to 30 years		Between 31 and 50 years		51 years and over		Total	
Boards	0	n/d	3	33%	6	67%	<b>9</b>	<b>0%</b>	0	n/d	7	35%	13	65%	<b>20</b>	<b>0%</b>	0	n/d	6	33%	12	67%	<b>18</b>	<b>0%</b>
Executive Managers	0	n/d	6	46%	7	54%	<b>13</b>	<b>0%</b>	0	n/d	7	50%	7	50%	<b>14</b>	<b>0%</b>	0	n/d	9	64%	5	36%	<b>14</b>	<b>0%</b>
Management	2	2%	69	76%	20	22%	<b>91</b>	<b>1%</b>	0	n/d	82	86%	13	14%	<b>95</b>	<b>1%</b>	0	n/d	102	87%	15	13%	<b>117</b>	<b>1%</b>
Coordination	28	8%	225	68%	78	24%	<b>331</b>	<b>2%</b>	31	9%	273	80%	39	11%	<b>343</b>	<b>3%</b>	30	8%	286	81%	39	11%	<b>355</b>	<b>3%</b>
Higher	388	27%	743	52%	306	21%	<b>1,437</b>	<b>11%</b>	528	32%	1,055	63%	92	5%	<b>1,675</b>	<b>13%</b>	501	34%	897	61%	78	5%	<b>1,476</b>	<b>13%</b>
Supervision	36	12%	190	62%	81	26%	<b>307</b>	<b>2%</b>	67	20%	246	73%	23	7%	<b>336</b>	<b>3%</b>	64	19%	249	74%	25	7%	<b>338</b>	<b>3%</b>
Technical	69	12%	244	43%	255	45%	<b>568</b>	<b>4%</b>	108	19%	393	71%	53	10%	<b>554</b>	<b>4%</b>	194	18%	734	70%	125	12%	<b>1,053</b>	<b>9%</b>
Operational	2,470	27%	4,666	51%	2,014	22%	<b>9,150</b>	<b>67%</b>	2,559	31%	5,068	61%	736	9%	<b>8,363</b>	<b>64%</b>	2,129	30%	4,333	60%	714	10%	<b>7,176</b>	<b>61%</b>
Administrative	440	35%	578	47%	223	18%	<b>1,241</b>	<b>9%</b>	410	37%	641	57%	70	6%	<b>1,121</b>	<b>9%</b>	224	33%	410	60%	50	7%	<b>684</b>	<b>6%</b>
Apprentice	412	94%	0	n/d	24	6%	<b>436</b>	<b>3%</b>	474	100%	0	n/d	1	0%	<b>475</b>	<b>4%</b>	466	100%	0	n/d	0	n/d	<b>466</b>	<b>4%</b>
<b>Total</b>	<b>3,845</b>	<b>28%</b>	<b>6,724</b>	<b>50%</b>	<b>3,014</b>	<b>22%</b>	<b>13,583</b>	<b>100%</b>	<b>4,177</b>	<b>32%</b>	<b>7,772</b>	<b>60%</b>	<b>1,047</b>	<b>8%</b>	<b>12,996</b>	<b>100%</b>	<b>3,608</b>	<b>31%</b>	<b>7,026</b>	<b>60%</b>	<b>1,063</b>	<b>9%</b>	<b>11,697</b>	<b>100%</b>

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Employee information by functional category, age group Colombia	2021								2022								2023							
	Up to 30 years		Between 31 and 50 year		51 years and over		Total		Up to 30 years		Between 31 and 50 year		51 years and over		Total		Up to 30 years		Between 31 and 50 year		51 years and over		Total	
Boards	0	n/d	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	0	n/d	<b>n/d</b>	<b>n/d</b>	0	n/d	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>
Executive Managers	0	n/d	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	1	100%	<b>1</b>	<b>0%</b>	0	n/d	0	n/d	1	100%	<b>1</b>	<b>0%</b>
Management	0	0%	6	86%	1	14%	<b>7</b>	<b>1%</b>	0	n/d	6	100%	0	0%	<b>6</b>	<b>1%</b>	0	n/d	6	100%	0	0%	<b>6</b>	<b>1%</b>
Coordination	1	4%	25	93%	1	4%	<b>27</b>	<b>5%</b>	1	3%	28	90%	2	6%	<b>31</b>	<b>5%</b>	0	n/d	31	94%	2	6%	<b>33</b>	<b>6%</b>
Higher	2	14%	8	57%	4	29%	<b>14</b>	<b>2%</b>	33	41%	44	54%	4	5%	<b>81</b>	<b>14%</b>	22	31%	45	63%	5	7%	<b>72</b>	<b>13%</b>
Supervision	15	28%	37	69%	2	4%	<b>54</b>	<b>10%</b>	8	20%	28	68%	5	12%	<b>41</b>	<b>7%</b>	4	11%	28	80%	3	9%	<b>35</b>	<b>6%</b>
Technical	11	19%	39	66%	9	15%	<b>59</b>	<b>10%</b>	14	18%	51	66%	12	16%	<b>77</b>	<b>13%</b>	19	26%	42	58%	12	16%	<b>73</b>	<b>13%</b>
Operational	73	26%	156	56%	51	18%	<b>280</b>	<b>50%</b>	85	28%	177	58%	43	14%	<b>305</b>	<b>53%</b>	84	28%	180	61%	33	11%	<b>297</b>	<b>53%</b>
Administrative	55	45%	56	46%	10	8%	<b>121</b>	<b>22%</b>	16	43%	18	49%	3	8%	<b>37</b>	<b>6%</b>	16	37%	24	56%	3	7%	<b>43</b>	<b>8%</b>
<b>Total</b>	<b>157</b>	<b>28%</b>	<b>327</b>	<b>58%</b>	<b>78</b>	<b>14%</b>	<b>562</b>	<b>100%</b>	<b>157</b>	<b>27%</b>	<b>352</b>	<b>61%</b>	<b>70</b>	<b>12%</b>	<b>579</b>	<b>100%</b>	<b>145</b>	<b>26%</b>	<b>356</b>	<b>64%</b>	<b>59</b>	<b>11%</b>	<b>560</b>	<b>100%</b>

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Employee information, by functional category and by age group, considering the total number of employees in Brazil	2021								2022								2023							
	Up to 30 years		Between 31 and 50 years		51 years and over		Total		Up to 30 years		Between 31 and 50 years		51 years and over		Total		Up to 30 years		Between 31 and 50 years		51 years and over		Total	
Boards	0	n/d	3	0.02%	6	0.04%	<b>9</b>	<b>0.07%</b>	0	n/d	7	0.05%	13	0.10%	<b>20</b>	<b>0.15%</b>	0	n/d	6	0.05%	12	0.10%	<b>18</b>	<b>0.15%</b>
Executive Managers	0	n/d	6	0.04%	7	0.05%	<b>13</b>	<b>0.10%</b>	0	n/d	7	0.05%	7	0.05%	<b>14</b>	<b>0.11%</b>	0	n/d	9	0.08%	5	0.04%	<b>14</b>	<b>0.12%</b>
Management	2	0.01%	69	0.51%	20	0.15%	<b>91</b>	<b>0.67%</b>	0	n/d	82	0.63%	13	0.10%	<b>95</b>	<b>0.73%</b>	0	n/d	102	0.87%	15	0.13%	<b>117</b>	<b>1.00%</b>
Coordination	28	0.21%	225	1.66%	78	0.57%	<b>331</b>	<b>2.44%</b>	31	0.24%	273	2.10%	39	0.30%	<b>343</b>	<b>2.64%</b>	30	0.26%	286	2.45%	39	0.33%	<b>355</b>	<b>3.03%</b>
Higher	388	2.86%	743	5.47%	306	2.25%	<b>1,437</b>	<b>10.58%</b>	528	4.06%	1,055	8.12%	92	0.71%	<b>1,675</b>	<b>12.89%</b>	501	4.28%	897	7.67%	78	0.67%	<b>1,476</b>	<b>12.62%</b>
Supervision	36	0.27%	190	1.40%	81	0.60%	<b>307</b>	<b>2.26%</b>	67	0.52%	246	1.89%	23	0.18%	<b>336</b>	<b>2.59%</b>	64	0.55%	249	2.13%	25	0.21%	<b>338</b>	<b>2.89%</b>
Technical	69	0.51%	244	1.80%	255	1.88%	<b>568</b>	<b>4.18%</b>	108	0.83%	393	3.02%	53	0.41%	<b>554</b>	<b>4.26%</b>	194	1.66%	734	6.28%	125	1.07%	<b>1,053</b>	<b>9.00%</b>
Operational	2,470	18.18%	4,666	34.35%	2,014	14.83%	<b>9,150</b>	<b>67.36%</b>	2,559	19.69%	5,068	39.00%	736	5.66%	<b>8,363</b>	<b>64.35%</b>	2,129	18.20%	4,333	37.04%	714	6.10%	<b>7,176</b>	<b>61.35%</b>
Administrative	440	3.24%	578	4.26%	223	1.64%	<b>1,241</b>	<b>9.14%</b>	410	3.15%	641	4.93%	70	0.54%	<b>1,121</b>	<b>8.63%</b>	224	1.92%	410	3.51%	50	0.43%	<b>684</b>	<b>5.85%</b>
Apprentice	412	3.03%	0	n/d	24	0.18%	<b>436</b>	<b>3.21%</b>	474	3.65%	0	n/d	1	0.01%	<b>475</b>	<b>3.65%</b>	466	3.98%	0	n/d	0	n/d	<b>466</b>	<b>3.98%</b>
<b>Total</b>	<b>3,845</b>	<b>28.31%</b>	<b>6,724</b>	<b>49.50%</b>	<b>3,014</b>	<b>22.19%</b>	<b>13,583</b>	<b>100.00%</b>	<b>4,177</b>	<b>32.14%</b>	<b>7,772</b>	<b>59.80%</b>	<b>1,047</b>	<b>8.06%</b>	<b>12,996</b>	<b>100.00%</b>	<b>3,608</b>	<b>30.85%</b>	<b>7,026</b>	<b>60.07%</b>	<b>1,063</b>	<b>9.09%</b>	<b>11,697</b>	<b>100.00%</b>

Note: in 2021 and 2022, the indicator included Dexco's acting board, and alternates were not counted. As of 2023, the indicator started to count the alternate members of the governance bodies.

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Employee information, by functional category and by age group, considering the total number of employees in Colombia	2021								2022								2023							
	Up to 30 years		Between 31 and 50 years		51 years and over		Total		Up to 30 years		Between 31 and 50 years		51 years and over		Total		Up to 30 years		Between 31 and 50 years		51 years and over		Total	
Boards	0	n/d	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>
Executive Managers	0	n/d	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	<b>1</b>	<b>0.17%</b>	1	0.17%	0	0,00%	0	n/d	1	0.18%	<b>1</b>	<b>0.18%</b>
Management	0	n/d	6	1.07%	1	0.18%	<b>7</b>	<b>1.25%</b>	0	n/d	6	1.04%	<b>0</b>	<b>n/d</b>	6	1.04%	0	0,00%	6	1.07%	0	n/d	<b>6</b>	<b>1.07%</b>
Coordination	1	0.18%	25	4.45%	1	0.18%	<b>27</b>	<b>4.80%</b>	1	0.17%	28	4.84%	<b>2</b>	<b>0.35%</b>	31	5.35%	0	0,00%	31	5.54%	2	0.36%	<b>33</b>	<b>5.89%</b>
Higher	2	0.36%	8	1.42%	4	0.71%	<b>14</b>	<b>2.49%</b>	33	5.70%	44	7.60%	<b>4</b>	<b>0.69%</b>	81	13.99%	22	3.93%	45	8.04%	5	0.89%	<b>72</b>	<b>12.86%</b>
Supervision	15	2.67%	37	6.58%	2	0.36%	<b>54</b>	<b>9.61%</b>	8	1.38%	28	4.84%	<b>5</b>	<b>0.86%</b>	41	7.08%	4	0.71%	28	5.00%	3	0.54%	<b>35</b>	<b>6.25%</b>
Technical	11	1.96%	39	6.94%	9	1.60%	<b>59</b>	<b>10.50%</b>	14	2.42%	51	8.81%	<b>12</b>	<b>2.07%</b>	77	13.30%	19	3.39%	42	7.50%	12	2.14%	<b>73</b>	<b>13.04%</b>
Operational	73	12.99%	156	27.76%	51	9.07%	<b>280</b>	<b>49.82%</b>	85	14.68%	177	30.57%	<b>43</b>	<b>7.43%</b>	305	52.68%	84	15.00%	180	32.14%	33	5.89%	<b>297</b>	<b>53.04%</b>
Administrative	55	9.79%	56	9.96%	10	1.78%	<b>121</b>	<b>21.53%</b>	16	2.76%	18	3.11%	<b>3</b>	<b>0.52%</b>	37	6.39%	16	2.86%	24	4.29%	3	0.54%	<b>43</b>	<b>7.68%</b>
<b>Total</b>	<b>157</b>	<b>27.94%</b>	<b>327</b>	<b>58.19%</b>	<b>78</b>	<b>13.88%</b>	<b>562</b>	<b>100.00%</b>	<b>157</b>	<b>27.12%</b>	<b>352</b>	<b>60.79%</b>	<b>70</b>	<b>12.09%</b>	<b>579</b>	<b>100.00%</b>	<b>145</b>	<b>25.89%</b>	<b>356</b>	<b>63.57%</b>	<b>59</b>	<b>10.54%</b>	<b>560</b>	<b>100.00%</b>

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Percentage of employees, by functional category and by gender, considering total employees in Brazil	2021						2022						2023					
	Male		Female		Total		Male		Female		Total		Male		Female		Total	
Boards	7	0.05%	2	0.01%	<b>9</b>	<b>0.07%</b>	16	0.12%	4	0.03%	<b>20</b>	<b>0.15%</b>	15	0.13%	3	0.03%	<b>18</b>	<b>0.15%</b>
Executive Managers	11	0.08%	2	0.01%	<b>13</b>	<b>0.10%</b>	12	0.09%	2	0.02%	<b>14</b>	<b>0.11%</b>	11	0.09%	3	0.03%	<b>14</b>	<b>0.12%</b>
Management	63	0.46%	28	0.21%	<b>91</b>	<b>0.67%</b>	67	0.52%	28	0.22%	<b>95</b>	<b>0.73%</b>	84	0.72%	33	0.28%	<b>117</b>	<b>1.00%</b>
Coordination	244	1.80%	87	0.64%	<b>331</b>	<b>2.44%</b>	240	1.85%	103	0.79%	<b>343</b>	<b>2.64%</b>	231	1.97%	124	1.06%	<b>355</b>	<b>3.03%</b>
Higher	863	6.35%	574	4.23%	<b>1,437</b>	<b>10.58%</b>	1,055	8.12%	620	4.77%	<b>1,675</b>	<b>12.89%</b>	812	6.94%	664	5.68%	<b>1,476</b>	<b>12.62%</b>
Supervision	257	1.89%	50	0.37%	<b>307</b>	<b>2.26%</b>	244	1.88%	92	0.71%	<b>336</b>	<b>2.59%</b>	240	2.05%	98	0.84%	<b>338</b>	<b>2.89%</b>
Technical	519	3.82%	49	0.36%	<b>568</b>	<b>4.18%</b>	499	3.84%	55	0.42%	<b>554</b>	<b>4.26%</b>	996	8.52%	57	0.49%	<b>1,053</b>	<b>9.00%</b>
Operational	7,804	57.45%	1,346	9.91%	<b>9,150</b>	<b>67.36%</b>	6,988	53.77%	1,375	10.58%	<b>8,363</b>	<b>64.35%</b>	5,843	49.95%	1,333	11.40%	<b>7,176</b>	<b>61.35%</b>
Administrative	778	5.73%	463	3.41%	<b>1,241</b>	<b>9.14%</b>	608	4.68%	513	3.95%	<b>1,121</b>	<b>8.63%</b>	256	2.19%	428	3.66%	<b>684</b>	<b>5.85%</b>
Apprentice	132	0.97%	304	2.24%	<b>436</b>	<b>3.21%</b>	166	1.28%	309	2.38%	<b>475</b>	<b>3.65%</b>	193	1.65%	273	2.33%	<b>466</b>	<b>3.98%</b>
<b>Total</b>	<b>10,678</b>	<b>78.61%</b>	<b>2,905</b>	<b>21.39%</b>	<b>13,583</b>	<b>100.00%</b>	<b>9,895</b>	<b>76.14%</b>	<b>3,101</b>	<b>23.86%</b>	<b>12,996</b>	<b>100.00%</b>	<b>8,681</b>	<b>74.22%</b>	<b>3,016</b>	<b>25.78%</b>	<b>11,697</b>	<b>100.00%</b>

## | GRI 405-1 | Diversity of governance bodies and employees (cont.)

Percentage of employees, by functional category and by gender, considering total employees in Colombia	2021						2022						2023					
	Male		0.64%		Total		Male		Female		Total		Male		Female		Total	
Boards	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	0	n/d	0	n/d	-	<b>n/d</b>
Executive Managers	0	n/d	0	n/d	<b>0</b>	<b>n/d</b>	1	0.17%	0	n/d	<b>1</b>	<b>0.17%</b>	1	0.18%	0	n/d	<b>1</b>	<b>0.18%</b>
Management	4	0.71%	3	0.53%	<b>7</b>	<b>1.25%</b>	3	0.52%	3	0.52%	<b>6</b>	<b>1.04%</b>	4	0.71%	2	0.36%	<b>6</b>	<b>1.07%</b>
Coordination	20	3.56%	7	1.25%	<b>27</b>	<b>4.80%</b>	18	3.11%	13	2.25%	<b>31</b>	<b>5.35%</b>	20	3.57%	13	2.32%	<b>33</b>	<b>5.89%</b>
Higher	10	1.78%	4	0.71%	<b>14</b>	<b>2.49%</b>	34	5.87%	47	8.12%	<b>81</b>	<b>13.99%</b>	30	5.36%	42	7.50%	<b>72</b>	<b>12.86%</b>
Supervision	23	4.09%	31	5.52%	<b>54</b>	<b>9.61%</b>	27	4.66%	14	2.42%	<b>41</b>	<b>7.08%</b>	21	3.75%	14	2.50%	<b>35</b>	<b>6.25%</b>
Technical	57	10.14%	2	0.36%	<b>59</b>	<b>10.50%</b>	71	12.26%	6	1.04%	<b>77</b>	<b>13.30%</b>	69	12.32%	4	0.71%	<b>73</b>	<b>13.04%</b>
Operational	265	47.15%	15	2.67%	<b>280</b>	<b>49.82%</b>	280	48.36%	25	4.32%	<b>305</b>	<b>52.68%</b>	263	46.96%	34	6.07%	<b>297</b>	<b>53.04%</b>
Administrative	58	10.32%	63	11.21%	<b>121</b>	<b>21.53%</b>	9	1.55%	28	4.84%	<b>37</b>	<b>6.39%</b>	10	1.79%	33	5.89%	<b>43</b>	<b>7.68%</b>
<b>Total</b>	<b>437</b>	<b>77.76%</b>	<b>125</b>	<b>22.24%</b>	<b>562</b>	<b>100.00%</b>	<b>443</b>	<b>76.51%</b>	<b>136</b>	<b>23.49%</b>	<b>579</b>	<b>100.00%</b>	<b>418</b>	<b>74.64%</b>	<b>142</b>	<b>25.36%</b>	<b>560</b>	<b>100.00%</b>

Note: the data from Colombia does not consider apprentices, since they enter with the goal of carrying out their student practice and therefore under different conditions.

## | GRI 405-2 | Ratio of basic salary and remuneration of women to men

Salary ratio between men and women in Brazil		2021	2022	2023
		Salary ratio (%)	Salary ratio (%)	Salary ratio (%)
Functional level	Management	85%	88%	87%
	Coordination	97%	96%	96%
	Supervision	100%	94%	93%
	Higher	92%	98%	98%
	Technical	77%	75%	75%
	Operational	68%	70%	71%
	Administrative	100%	97%	97%
	Apprentice	100%	91%	92%
	<b>Total</b>	<b>92%</b>	<b>93%</b>	<b>95%</b>

Note: the ratio is calculated as follows: women's base salary/men's base salary, by functional level. Dexco does not present the data of the ratio and remuneration because they are very similar, since the remuneration is calculated based on the salaries of each category. As an important operating unit, each country was considered.

Salary ratio between men and women in Colombia		2021	2022	2023
		Salary ratio (%)	Salary ratio (%)	Salary ratio (%)
Functional level	Management	87%	113%	84%
	Coordination	93%	83%	68%
	Supervision	106%	106%	101%
	Higher	136%	87%	71%
	Technical	65%	66%	72%
	Operational	93%	98%	103%
	Administrative	80%	101%	117%
	Apprentice	n/d	n/d	100%
	<b>Total</b>	<b>92%</b>	<b>99%</b>	<b>83%</b>

Note 1: the ratio is calculated as follows: women's base salary/men's base salary, by functional level. Dexco does not present the data of the ratio and remuneration because they are very similar, since the remuneration is calculated based on the salaries of each category. As an important operating unit, each country was considered.

Note 2: in 2023, the monetary values of base salary by category started to be reported in the indicator. Historical series data for the years 2021 and 2022 are not available. In 2023, the "Apprentice" category was included. In previous years, this data is not available.

Pay gap between men and women	Brazil	Colombia
	2023	
Average pay gap	11%	11%
Median pay gap	15%	19%
Bonus difference average	11%	27%
Bonus difference median	15%	62%

Note 1: the average pay gap and median wage difference rates were calculated as follows: women's average or median pay / (divided) by men's average or median pay.  
Note 2: the indicator began to be reported in 2023 and some data from the historical series are not available. In Colombia, the bonus difference is not available.

## Career development and talent management

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

In 2023, the total average training at Dexco was 5.3 hours. In Brazil, the average was 10.1 hours, 9.5 hours for men and 11.0 for women. In Colombia, the total average was 105.2 hours, 97.9 hours for men and 126.8 for women.

Brazil changed the way it calculates data in 2023, leaving a manual database and using UniDexco as a single data source, which may explain the variation in data over the years. Only employees classified as active on the payroll are included in the data; therefore, there was a change compared to 2022 and a decrease in the average number of training hours.

Average hours of training per employee Brazil		2021		2022			2023		
		Brazil	Brazil	Colombia	Total	Brazil	Colombia	Total	
Gender	Male	56.0	26.8	79.7	<b>29.2</b>	9.5	97.9	<b>8.8</b>	
	Female	3.4	29.5	79.7	<b>31.6</b>	11.0	126.8	<b>42.3</b>	
Functional level	Management	13.8	41.0	76.7	<b>43.1</b>	5.5	164.8	<b>49.0</b>	
	Coordination	14.4	45.6	79.7	<b>48.5</b>	14.3	102.8	<b>32.4</b>	
	Supervision	25.5	49.0	79.7	<b>52.5</b>	28.5	83.5	<b>68.4</b>	
	Higher	12.6	17.8	79.7	<b>20.5</b>	14.5	58.4	<b>2.8</b>	
	Administrative	7.0	17.9	79.7	<b>20.3</b>	7.3	262.7	<b>37.0</b>	
	Technical	26.6	41.5	79.7	<b>46.4</b>	14.2	0.0	<b>49.1</b>	
	Operational	15.1	28.5	79.7	<b>30.5</b>	8.0	118.3	<b>5.4</b>	
	Apprentice	9.1	15.1	79.7	<b>17.6</b>	6.0	157.5	<b>11.8</b>	
<b>Total</b>	<b>14.6</b>	<b>27.4</b>	<b>79.7</b>	<b>29.8</b>	<b>10.1</b>	<b>105.2</b>	<b>5.3</b>		

Note: at the "Management" functional level, the levels of president, vice president, board and management are added. At the "Higher" functional level, interns are also included. Castelatto and Caetex were not included.

### | GRI 404-3 | Percentage of employees receiving regular performance and career development reviews

Dexco reviews the positions of managers, directors and president in the 360° model. In 2023, 10% of employees across the Company were evaluated, representing 10% of employees in Brazil and 14% in Colombia.

Percentage of employees reviewed by gender and job category	2021		2022			2023		
	Brazil	Colombia	Brazil	Colombia	Total	Brazil	Colombia	Total
<b>BY GENDER</b>								
Male	8%	55%	8%	100%	<b>8%</b>	10%	10%	<b>9%</b>
Female	11%	45%	12%	100%	<b>13%</b>	12%	23%	<b>13%</b>
<b>BY JOB CATEGORY</b>								
Board	0%	n/a	0%	n/a	<b>0%</b>	0%	n/a	<b>0%</b>
Chairman	100%	n/a	100%	n/a	<b>100%</b>	100%	n/a	<b>100%</b>
Executive Managers	100%	n/a	100%	n/a	<b>100%</b>	92%	100%	<b>93%</b>
Management	90%	0%	100%	100%	<b>100%</b>	89%	100%	<b>89%</b>
Coordination	93%	31%	100%	100%	<b>100%</b>	99%	100%	<b>99%</b>
Higher	30%	0%	22%	100%	<b>23%</b>	30%	24%	<b>30%</b>
Supervision	94%	60%	100%	100%	<b>100%</b>	84%	60%	<b>82%</b>
<b>Total</b>	<b>8%</b>	<b>n/d</b>	<b>9%</b>	<b>n/d</b>	<b>10%</b>	<b>10%</b>	<b>14%</b>	<b>10%</b>

Note 1: the functional categories "Administrative", "Technical", "Operational" and "Apprentice" are not part of Dexco's Performance Program and, therefore, are not in the table. The total percentage of trained employees includes all employees of the Company and started to be reported to Colombia in 2023, so it is not available in 2021 and 2022.

Note 2: the categories "Board" and "Chairman" do not apply to Dexco Colombia, as there are no such functional positions in the Company.

## Remuneration

### | GRI 2-19 | Remuneration policies

At Dexco, remuneration rules are specific to each audience:

- For the Board of Directors, the pay package is composed of base salary + additional per committee chair (only for those who chair committees), with the exception of committee chairs who are shareholders.
- For the executive group, the pay package is composed of four elements: base salary; short-term incentives [ICP (bonus/PLR)]; long-term incentives [ILP (Company's shares)]; and benefits. ICP and ILP items are part of variable pay and are conditional on corporate, business and individual goals, aligned with our strategy, including aspects of socio-environmental performance.

In terms of the termination process for this group, there is no difference in the process used for other employees, except for the legal guidelines we must follow for the statutory contract modality.

For variable items, we consider:

- **ICP** – The executive who leaves Dexco is no longer eligible for the executive bonus, becoming eligible (on a pro rata basis) for the PLR of the business unit he served.

- **ILP** – Until 2019, we granted stock options. In 2020, we started working with the Performance Shares and Matching plans:

- **Performance Shares** – In case of dismissal without cause or non-renewal to the position, as of the 37th month, the executive will receive, at the end of the 5-year period, shares in proportion to the period worked. In the event of voluntary dismissal (resignation), the executive will lose the right to shares regardless of the period elapsed.
- **Matching** – In case of dismissal without cause or non-renewal to the position, as of the 13th month of the concession, the executive will be entitled to matching proportional to the time dedicated, to be paid at the end of the 5th year. In the case of voluntary dismissal, the officer will lose the right to matching.

Dexco also offers a private pension benefit, the PAI plan, which is a supplemental pension plan in which the employee can choose the percentage of monthly investment and the company contributes the same amount. There are no attraction bonuses or recruitment incentive payments or clawbacks in our remuneration practices.

### | GRI 2-21 | Annual total compensation ratio

The annual pay, including base salary and short-term incentives, of the highest paid employee represents 213.7% of the average total remuneration and 341.9% of the median of all others employees. In 2022, the median value was 340.9%. The percentage increase of the highest paid employee, considering only the base salary, in relation to

the average increase of all the others employees was 5.6%, while the average of all the others was 8.7%. The median employee pay in 2023 was R\$ 36,793.

In 2022, this proportion was 3.4%. The variation occurs because, until 2022, the average number was reported including employees who did not increase. From 2023, we started to consider the average of employees who had an increase due to meritocracy, so that the same basis is considered.

Note: the ratio of the highest paid employee's pay in relation to the average of all others published in 2022 was corrected in 2023, from 34.088% to 340.1%. | **GRI 2-4**

### | GRI 2-30 | Collective bargaining agreements

Dexco has 81.6% of its employees covered by collective bargaining agreements. In Brazil, the percentage is 85.4% and in Colombia, 12.5%.

Percentage of employees covered by collective bargaining agreements	2021	2022	2023
Brazil	100%	89%	85%
Colombia	16%	14%	13%
<b>Total</b>	<b>97%</b>	<b>85%</b>	<b>82%</b>

Note 1: in Brazil, all CLT employees in all units are included in this indicator. In 2023, as in 2022, the total is not 100% because the negotiation of the collective agreement applicable to Ceramic Tiles did not result in an amicable composition, which was sent by the union to the Regional Labor Court, which rejected the collective bargaining process for lack of mutual agreement. As a result, employees were left without a valid Collective Agreement. Nevertheless, Dexco applied the terms of the proposed agreement to mitigate the impact on its employees pending the outcome of another lawsuit filed by the union against the employer's union. In other operations, the Company shall ensure all the conditions provided for in its collective instruments.

Note 2: in Colombia, for employees not covered by a collective bargaining agreement, Dexco establishes the terms and conditions of employment based on the collective bargaining agreements that cover the company's other employees. The number of employees covered by agreements is the total number of contracts, as in some cases an employee may have more than one contract.

### | GRI 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage

At Dexco in Brazil, the amount of the pay floor paid is equivalent to 100% of the national minimum wage or the floor in a collective bargaining agreement or collective bargaining agreement. In Colombia, the lowest salary paid by Dexco is equivalent to 119% of the local legal monthly minimum wage, which is set by the government and various unions each January.

Ratio of Entry Wage to Local Minimum Wage by Gender	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Brazil	102%	102%	107%	107%	100%	100%
Colombia	110%	110%	100%	100%	134%	116%

Note 1: for the indicator, we consider all Dexco operating units and, as a relevant operating unit, each country of operation.

### | GRI 401-2 | Benefits

At Dexco Brasil, there is no difference in the benefits package for temporary and part-time employees. Therefore, under these conditions, the employee must receive the same package as other employees at the same level and location. In Brazil, the benefits offered by the Company include:

- Medical outpatient clinic
- Medical insurance
- Dental insurance
- Funeral insurance
- Basic food basket/food voucher
- Christmas basket
- Partnership Club

- Pharmacy health insurance
- Payroll loan
- PAI plan
- Childcare reimbursement for 24 months
- Workplace meal
- Life insurance
- Toy voucher
- Meal voucher
- Transportation voucher

In Colombia, all employees work full-time and have access to the same benefits. For temporary workers and apprentices, only the benefits of food and transportation are offered. The benefits package in Colombia includes:

- Paid birthday leave
- Wedding allowance
- Educational assistance for employees and children
- Childbirth assistance
- Bereavement assistance
- Bereavement benefit for relatives
- Extra-legal holiday bonus
- Christmas Bonus
- Purchase of discounted products
- Loan for the purchase of vehicles (teams from the Forestry and Commercial areas)
- Paid leave for graduation of children and employees
- Life insurance
- Support for the purchase of glasses Transport
- Food voucher

## | GRI 401-3 | Parental leave

In 2023, in Brazil, the return rate after parental leave was 100%, while the retention rate after leave was 76%, 69% for men and 90% for women. In Colombia, the retention rate was 100% and the return rate after leave was 80%, 71% for men and 88% for women.

Parental leave	2021				2022				2023			
	Brazil		Colombia		Brazil		Colombia		Brazil		Colombia	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Total employees who took leave	301	124	9	3	270	106	5	4	247	109	7	8
Total employees that returned to work after leave	301	124	9	3	268	84	5	4	247	109	5	7
Total employees who remained at work one year after returning from leave	273	103	9	3	268	77	5	4	171	98	5	7
Rate of return after leave (%)	100%	100%	100%	100%	99%	79%	100%	100%	100%	100%	71%	88%
Rate of retention after leave (%)	91%	83%	100%	100%	100%	92%	100%	100%	69%	90%	100%	100%

Note 1: all Dexco employees are eligible for paid parental leave. The calculation of the retention rate is based on the return in the year itself, as there are licenses that start and end in different years.

## Occupational health and safety

### | GRI 403-2 | Hazard identification, risk assessment, and incident investigation

The Proteg system maintains proactive and continuous hazard identification at all worksites and facilities, reflecting current, changing and future activities. The systematic recognition of hazards that may occur in the course of activities and ensuring that risks are assessed, prioritized and controlled to an acceptable level are planned through procedures called hazard and risk identification.

Hazards are categorized into chemical, physical, biological (also called environmental), accidental, and psychosocial groups and are made available to all employees, contractors, and other interested parties in a Hazard and Risk Record (HAR) spreadsheet.

Hazard identification is the basis for implementing operational controls (applying the hierarchy of controls) to eliminate hazards and reduce occupational health and safety (OHS) and process safety (SEPRO) risks.

The HAR is continuously monitored through internal and external audits, accident recalls and critical incidents, and is reassessed every two years. If a need for change is identified, the LPR will be revalidated in the following situations:

## | GRI 403-2 | Hazard Identification, Risk Assessment, and Incident Investigation (cont.)

- Variations in operating conditions
- Changes in legal requirements and other requirements relevant to OHS
- Changes in the operation, including temporary changes
- Changes in staff or training of staff
- Organization performance
- New technologies
- Change in organizational knowledge
- Nonconformities, incidents and accidents
- Critical OSH analyses

In order for employees to report hazards and dangerous situations, Proteg has Element 4.11 and the General Safety Instructions, specific to each Dexco business. We also provide the Reporting Channel.

We guarantee all employees the right to refuse, i.e., to refuse to start or stop an activity because they believe it poses a serious and imminent risk to their health and safety or the health and safety of others. Once the risk situation has been identified, the employee must immediately report it to his or her supervisor or the Safety Engineer, who will take appropriate action to eliminate or neutralize the risk.

To investigate work incidents, we rely on the function of the Occupational Safety Technician, who must, among other things, evaluate records of hazard identification and incident sheets for potential SIFs (serious injuries and fatalities) and precursors; provide feedback to the employee if the record is not filled out correctly or is not related to the topic; and identify possible precursors of SIF events through inspections.

Employees are expected to complete the Risk Situation Identification (ISR) when they identify a risk situation. Finally, the safety engineer must manage the issue using the tools already mentioned, identifying near misses that have SIF potential and classifying them as critical incidents (PSIF) and analyzing precursors.

The SIF shall include the identification of possible precursors that will generate critical exposures and the classification of a reported incident as critical.

## | GRI 403-4 | Worker participation, consultation, and communication on occupational health and safety

Our channels and processes ensure the consultation and participation of employees at all appropriate levels and functions, and their representatives where they exist, in the development, planning, implementation, performance evaluation and improvement of the management system.

It is the responsibility of leaders to:

- Initiate actions to obtain effective and effective occupational health and safety (OHS) solutions.
- Protect employees from retaliation for reporting incidents, hazards, risks and opportunities.
- Ensure the implementation of this consultation and participation process and support the establishment and functioning of health and safety committees.

As such, we promote periodic actions of the Internal Commission for Accident Prevention (CIPA), we have an Ombudsman Channel and Safety Dialogues, identification of OHS hazards and risks, Dexco Management System (SDG) meetings, daily meetings, brigade meetings, ergonomics committee meetings and systematic recording of incidents and risk situations. All professionals are represented by formal occupational health and safety committees.

In addition, these points of consultation and participation are emphasized to workers and those hired by leaders through a guiding presentation and with appropriate language, constantly reinforced by timely dialogues.

## | GRI 403-5 | Worker training occupational health and safety

In Brazil, we have a corporate training area that ensures that employees and those acting on behalf of the Company are trained and made aware as planned. The area has internal instructors who provide training and assistants who are responsible for registration, monitoring, programming and contracting training when necessary. The corporate training management system is called UniDexco.

Every worker, both own and hired, undergoes a health and safety integration process before starting their activities, as established in the OSH integration procedure for third parties and new employees. Onboarding training and periodic trainings include, but are not limited to:

### | GRI 403-5 | Worker training on occupational health and safety (cont.)

- Policies and procedures (Dexco Health and Safety Management Policy – Proteg, Consequence Management Policy and Environment Policy, among others)
- Basic Safety Rules
- Compulsory courses and qualifications according to activities
- Personal protective equipment (PPE) - use and maintenance
- Procedures to be followed in case of accidents/incidents
- Compliance with safety procedures
- Emergency Action Plan (EAP)
- Risks in the work environment
- Hazard and Risk Survey

In Colombia, we have an annual training program that addresses general and specific issues that workers need to know to perform their jobs safely. Risk analysis by profession is done annually, for 100% of own employees and temporary workers.

Training plans are carried out based on the results of the accident rate and the health diagnoses made. Some of these include:

- Inductions in Occupational Health and Safety
- Training for new employees for three months
- Training for high-risk tasks, for heights and confined areas

### | GRI 403-6 | Promotion of worker health

For all Dexco Brasil employees, we offer the health promotion benefit through Total Pass, a portal where, for a fixed monthly amount,

members can visit several registered gyms and practice various forms of physical activity, in addition to the dental plan, which is optional for employees and their dependents, and the medical plan, which is mandatory and extended to legal dependents. These partnerships are established through regionalized contracts to meet the needs of each location where we operate.

We monitor the health of active and retired employees with the goal of understanding their health needs, working on prevention, educating users on the proper use of the health plan and guiding them in the best way possible. All employees and dependents are eligible for health monitoring and are selected based on program criteria. As far as the management of those on leave is concerned, the target group are employees who are on leave from INSS after 90 days.

At Dexco Colombia, all employees are affiliated with a health promotion organization chosen by each employee, and we guarantee coverage through monthly payments to the organizations. If the employee requires medical care or treatment, the necessary leave will be provided. In the case of third-party workers, Dexco seeks to ensure that their employer provides them with the same coverage.

Within each pillar of our Caring Together program, projects are developed that facilitate employees' access to non-occupational medical services. We can highlight the following:

- **Emergency Personal Assistance (PAP)** – Support service that supports and gives support in matters of extreme importance in the psychological, financial, legal and social areas. In addition to employees, their first-degree family members (children, stepchildren, spouse, parents and siblings) are also PAP beneficiaries and can activate the channel by calling 0800 (toll- free), 24 hours per day and 7 days per week. All calls are confidential. After contact by phone, specialists will evaluate the case and schedule new contacts to offer the appropriate guidance and referrals. In 2023, social service orientation began to be part of the PAP.
- **Gestar Juntos** – Accompanies the pregnancy and prenatal period, offering support and guidance at each stage of pregnancy, with the aim of promoting the wellbeing of the pregnant woman and her baby, thus minimizing the risk of premature birth. This benefit covers employees and pregnant dependents of Dexco and aims to:
  - Monitor the gestational period and puerperium (up to 40 days postpartum) of employees and dependents of employees, offering support and guidance directed to each phase.
  - Encourage prenatal care, examinations, vaccination and healthy habits.
  - Contribute to a proper and safe delivery.
  - Encourage breastfeeding.
  - Guide baby care.
  - Support and guide physical and emotional changes.
  - Provide welcome and security in this new phase of life.
  - Reduce complications from preventable causes.

## | GRI 403-6 | Promotion of worker health (cont.)

In 2023, Pregnancy Together underwent a revitalization and all informational materials were revised. It began to be part of the initiative to deliver a maternity kit and exempt the co-participation of medical care for all pregnant women up to 180 days after delivery.

■ **Breastfeeding support rooms** – Spaces located in the work environment itself, intended for women returning from maternity leave, where employees can express breastmilk during working hours in privacy and safety and store it in a suitable place and then take it home, increasing the breastfeeding period. We have 10 rooms, 5 in the Deca and Tiles units, 4 in the Wood units and 1 in the Central Office.

■ **In the Right Mind** – Our health and wellbeing platform tracks cases and mental health treatments of employees who show signs of depression or other diagnosed conditions. Follow-up is done by prevention, identification, support and rehabilitation measures.

## | GRI 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

The hazard and risk survey is conducted in all operations and includes hazards and risks related to chemical, physical, biological, ergonomic and psychosocial accidents. For each identified hazard, the risk is analyzed and assessed after the application of the control measures, in accordance with the

Elements on Proteg, considering the hierarchy of controls. The hazard identification process is planned in procedure and adopts ISO 31000 and ISO 45001 standards as a reference.

The management system has a maximum periodicity of two years for the review of the hazard and risk survey, but if the need for a new control measure is identified based on a critical incident analysis, the review will be conducted immediately. The identification of new hazards and risks is also linked to change management, i.e. the need for a new survey for new facilities, processes and the acquisition of new equipment and chemicals.

## | GRI 403-8 | Workers covered by an occupational health and safety management system

At Dexco, both in 2021 and in 2022 and 2023, 100% of employees are covered by the Management System, including third parties. All locations where the system is present undergo internal audit processes.

Currently, we have 14 certified units with a total of approximately 7,600 employees and non-employee workers controlled by a certified management system. This is equivalent to approximately 65% of the Company's total employees and third parties. In 2024, the certification of the RC4 Ceramic Tiles unit is planned.

In Colombia, we have a system established by Colombian regulation that covers approximately 1,190 workers, thus

providing coverage for 100% of own and contracted personnel in the country's operations. According to regulations, the system is subject to annual internal audits and checks by government organizations if necessary.

Units certified in ABNT ISO 45001:2018 in 2023:

- Forestry units in Taquari (RS), Itapetininga (SP), Lençóis Paulista (SP), Agudos (SP) and Uberaba (MG)
- Panel Units in Agudos (SP), Taquari (RS), Itapetininga (SP) and Uberaba (MG). Colombia Panel Units in Barbosa and Yarumal
- Sanitaryware Unit in Jundiaí (SP)
- Metals Units in São Paulo and Jundiaí (SP)

## | GRI 403-9 | Work-related injuries

Work-related injuries at Dexco are primarily related to the interaction and operation of machinery and the manual movement of parts in the production process. On the other hand, hazards related to the main precursors of critical incidents include:

■ **Explosions caused by wood dust in the Panels units.**

To manage this risk, we work with explosion suppression systems, relief panels, fixed fire extinguishing guns, systematic inspections of critical areas by the OSH team and the implementation of audits between process safety units (systematically implemented since 2017 in the Panels units and planned for all Dexco units in 2024).

## | GRI 403-9 | Work-related injuries (cont.)

■ **Moving parts of machinery and equipment.** To mitigate the risk, we have continued to install protective systems and safety devices.

■ **Use of motorized equipment.** To address this issue, we have implemented new control measures aimed at segregating people and motorized equipment, installing monitoring and telemetry systems on forklifts, and installing additional signage on forklifts.

■ **Difficulty in accessing and operating machinery and equipment.** We developed an application on the Proteg 4.0 platform to identify locations where access methods such as sailor ladders (which pose more risks due to the need for additional control measures such as lifelines and height training) can be optimized and the need for frequent scaffold erection (which also requires a number of control measures that can fail) can be eliminated by installing fixed platforms.

In the last two years in which the application has been used in the Panels units, more than 30 locations have been identified and treated. The plan is to implement the app in all Dexco units by 2024.

During 2023, two fatal accidents were recorded on the premises of our operations (Wood and Sanitaryware). We understand that safety culture must be a constant, and we will continue to accelerate the issue this year and in the years to come to prevent new unsafe behaviors. In addition to measures to strengthen and revitalize the rules, we invest in social and psychological support for family members and people close to the victims.

**Employees**

Employee work-related injuries by country	Brazil			Colombia			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total number of lost-time work-related injuries	37	140	80	25	58	21	<b>62</b>	<b>198</b>	<b>101</b>
Work-related injury rate with lost time	1.45	4.03	3.59	14.20	20.24	13.48	<b>2.27</b>	<b>5.27</b>	<b>4.24</b>
Total number of work-related injuries without lost time	64	123	105	7	1	3	<b>71</b>	<b>124</b>	<b>108</b>
Work-related injury rate without lost time	2.50	3.54	4.72	3.98	0.35	1.93	<b>2.60</b>	<b>3.30</b>	<b>4.54</b>
Total number of work-related injuries with serious consequence (except fatalities)	2	2	0	0	1	1	<b>2</b>	<b>3</b>	<b>1</b>
Work-related injury rate with serious consequence (except fatalities)	0.08	0.07	0.00	0.00	0.57	0.64	<b>0.07</b>	<b>0.10</b>	<b>0.04</b>
Total number of work-related injuries with mandatory communication	101	245	185	32	29	24	<b>133</b>	<b>274</b>	<b>209</b>
Work-related injuries with mandatory communication	3.96	9.00	8.31	18.18	16.50	15.41	<b>4.88</b>	<b>9.45</b>	<b>8.78</b>
Total number of fatalities resulting from work-related injuries	0	1	2	0	0	0	<b>0</b>	<b>1</b>	<b>2</b>
Rate of fatalities due to work-related injuries	0.00	0.04	0.09	0.00	0.00	0.00	<b>0.00</b>	<b>0.03</b>	<b>0.08</b>

Note 1: all Dexco rates and safety numbers are calculated based on 1,000,000 hours worked. In 2023, in Brazil, the total number of hours worked was 21,189,463 for own employees and 5,826,379 for third parties. In Colombia, the totals were 1,557,514 and 937,371, respectively.

Note 2: as of 2022, Castelatto's data were considered in the indicator. As of 2023, Caetex data were considered.

Note 3: in 2023, we had two fatalities in Brazil operations. One of them occurred in the Jundiá (SP) Sanitaryware Unit, in activity of internal movement of materials. The other, registered in the Agudos Forestry unit (SP), was related to the transportation of employees. Both were associated with unsafe acts and have led us to intensify important training and communication efforts to reinforce the importance of safe practices in our operations.

## | GRI 403-9 | Work-related injuries (cont.)

**Third parties**

Work-related injuries of third parties by country	Brazil			Colombia			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total number of work-related injuries with serious consequence (except fatalities)	2	0	0	0	1	0	2	1	0
Work-related injury rate with severe consequences (except fatalities)	0.31	0.00	0.00	0.00	0.90	0.30	0.30	0.12	0.00
Total number of work-related injuries with mandatory communication	12	18	9	12	30	22	24	48	31
Work-related injury rate with mandatory communication	1.88	2.40	1.54	36.88	27.07	23.47	3.59	5.57	4.58
Total number of fatalities resulting from work-related injuries	0	0	0	0	0	0	0	0	0
Rate of fatalities due to work-related injuries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note 1: all Dexco rates and safety numbers are calculated based on 1,000,000 hours worked. In 2023, in Brazil, the total number of hours worked was 21,189,463 for own employees and 5,826,379 for third parties. In Colombia, the totals were 1,557,514 and 937,371, respectively.

Note 2: as of 2022, Castelatto's data were considered in the indicator. As of 2023, Caetex data were considered.

## | GRI 403-10 | Work-related ill health

In 2023, we did not record cases of work-related ill health in Brazil<sup>1</sup> for our own employees or third parties. In Colombia, two cases were identified, one of respiratory disease due to exposure to particulate matter, gases and vapors, and one of musculoskeletal disease. Both cases of work-related ill health were identified in Yamural's own workers.

<sup>1</sup> Brazil data includes Caetex.

There was no work-related ill health identified in third-party employees in 2021, 2022 and 2023.

Through a process of hazard identification and risk assessment, verification methods are used that include employee involvement and the performance of workplace observations. In this process, risks to health were identified, as well as exposure to noise, particles, gases and vapors, and musculoskeletal risks.

Actions taken to improve occupational disease prevention processes include:

- Adjustments to inputs to eliminate gas and vapor emissions during processes.
- Preventive and corrective maintenance on equipment and facilities to minimize the emission of particulate matter in processes.
- Isolation of equipment and improvements in extraction systems.
- Design and implementation of an extraction cleaning system.
- Hygiene measurements of exposure to gases and vapors.
- Use of PPE for respiratory protection.
- Epidemiological surveillance program of musculoskeletal risk.
- Active breaks.
- Preventive and corrective maintenance of mechanical aids.

We have epidemiological surveillance programs, with monitoring of suspected and confirmed cases of diseases. Workers' absenteeism is monitored and we carry out joint monitoring with the occupational risk administrator.

## Human rights

### | GRI 2-25 | Processes to remediate negative impacts

Dexco's Human Rights Policy and Compliance Policy and Reporting Channel aim to identify ways to contribute to the remediation of negative impacts. As stated in our Human Rights Policy, if we identify a violation of any of the principles inherent in human rights, we are committed to promptly remediating and communicating with stakeholders, taking disciplinary action when appropriate, and promoting improvements in our processes and conduct whenever necessary.

It is worth noting that all reports submitted to our Reporting Channel are duly investigated with the aim of promptly stopping irregularities and remedying any negative impact, adopting disciplinary measures where appropriate and action plans to implement improvements in processes, operations and procedures to remedy the consequences.

Furthermore, the Anti-Corruption Policy provides guidelines for interaction with public agencies and prohibited conduct at Dexco related to fraud, bribery or other forms of corruption, in order to prevent the practice of unlawful, unethical acts and in disagreement with responsible business conduct.

Through our Integrated Management System, Dexco's operations are committed to measuring and monitoring the impacts of their activities, and taking steps to prevent, mitigate or remediate any negative impacts.

Other actions of engagement with the community can be campaigns, gardens, actions in schools and visits to the units. These actions, when they occur, are led by the units and supported by the Social Responsibility area. In areas with Wood operations, the dialog process is conducted with potentially affected parties to identify impacts and verify responsible technicians. The complaints identified and the treatments adopted are recorded and monitored internally.

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

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

In Brazil, the young people we hire are young apprentices accompanied by the Apprenticeship Program. In compliance with current legislation, we keep these young people in safe environments and not exposed to dangerous environments and activities. In addition, in our forestry operations in Brazil, where there is potential exposure to the risk of child labor, we have control measures to ensure that this does not occur in our own and wood purchase operations.

Our Code of Conduct states that we reject all degrading forms of labor (child labor, forced labor, slavery), as well as any form of harassment or practice of physical or psychological abuse. Furthermore, we ask our suppliers for the certificate of eradication of child labor and labor exploitation, a document in which the supplier explicitly states that it:

- Does not hire child labor.
- Respects freedom of association.
- Respects the legal working hours.
- Makes the payment of fair wages and social benefits within the legal parameters.
- Complies with the adherence to the comprehensive social security system of all its employees.
- Treats its workers with respect and dignity.
- Does not discriminate against your workers by word or deed, on grounds of race, sex, language, religion, sexual orientation or disability.

In Colombia, other actions to combat this type of occurrence in our value chain include:

- As part of the bidding process, the supplier must provide a certificate of elimination of child labor and labor exploitation.
- When the risk team receives a notice of labor demands or news that affects a supplier's reputation, they immediately notify the purchasing team to assess the situation.
- Contracts include the obligation of contractors to correctly pay social benefits to their employees, all payments and hours worked required by law.
- Suppliers providing services to the factory are required to provide a certificate of competence to verify the suitability of personnel to perform their services, as well as a certificate of payment of social benefits and social security to employees.
- The Risk team continually reviews the number of hours that employees and contractors are present in the factories to ensure compliance with working time standards. If the contractor needs to stay longer than provided for by law, they must present authorization from the Ministry of Labor.

# Digital Transformation Journey

## | GRI 3-3 | Management of material topics: Research and innovation

Investment in new products and technologies has always been part of Dexco's growth strategies to keep our product portfolio current and meet the demands of customers and consumers.

Investments in research and innovation are subject to risks of a financial nature, as the costs associated with research and development can be significant; a technological nature, if they are not viable or competitive enough for the target market; a competitive nature, if other companies or organizations develop similar or better technologies before the project is completed; a regulatory nature, as possible changes in regulations may affect the viability or commercialization of new products; and a reputational, intellectual property and patent nature, as unsuccessful projects may affect the Company's reputation with investors, customers and the general public; reputational, intellectual property and patent, as unsuccessful projects may affect the Company's reputation with investors, customers and business partners; and commercial, related to the commercialization of the product, including market acceptance, competition and effective marketing strategies.

With regard to the development of new products, we seek solutions

and developments that have required, over the years, research and innovation. Some examples include:

- Products with antibacterial characteristics in Ceramic Panels and Tiles operations.
- Products that slow the spread of flames and prevent moisture retention and low formaldehyde emission in Panel operations.
- Products with economizing and eco-efficient characteristics in the Deca | Hydra business.
- Tiles with Floor Score technology, which ensures that products contain a low level of emissions of volatile organic compounds according to required standards, contributing to good indoor air quality.
- Laminate wood floors with Greenguard seal, ensuring that the products are low emission of volatile organic compounds, contributing to healthier indoor environments.

Faced with the challenge of getting closer and closer to the end consumer, even though it is primarily a B2B company, we have used research and innovation as a way to address consumers' pain points and desires, with the goal of providing solutions for a better life.

In this sense, our sustainability strategy has a pillar based on the "Consumer Environment", which addresses comfort and experience, eco-efficient solutions, and health and wellbeing in the environments. These attributes are closely related to the continuous evolution of product development.

In our 2025 Sustainability Strategy, we boosted the topic through certain targets: wood products with E1 or lower formaldehyde emission; Net Operating Revenue (NOR) of eco-efficient products and technologies that promote health and wellbeing; packaging composition; digital transformation index; and investment in initiatives that promote conscious reform and change in the constructive paradigm.

In order to manage research and innovation and its impact, we have dedicated product development teams in our business units, which are strongly committed to continuous improvement, research and innovation in the materials, form and function of our solutions, as well as the Design Office, which provides cross-business unit services.

This structure is designed to combine trends, customer surveys, benchmark content and technical expertise to identify opportunities and implement improvements in Dexco's solutions. We also have an Innovation Department with Corporate Operations, which works on internal innovation initiatives such as the Imagine program, which encourages and recognizes employees, and on open innovation programs such as Open Dexco, all of which are detailed in this 2023 Integrated Report.

In the Wood Division, we have a Forest Development area that works on the genetic improvement of (mainly) eucalyptus species to make them more adaptable to different locations and possible extreme climatic situations. Since 2020, we have used our venture capital fund, DX Ventures, to invest in and leverage the ecosystem of sustainable innovation in the construction industry.

## | GRI 3-3 | Management of material topics: Research and innovation (cont.)

To measure the effectiveness of our research and innovation programs, we use indicators linked to the results of programs such as Imagine and Open Dexco. Imagine is a means of engaging employees for innovation and intrapreneurship. Through an online platform, the employee registers an idea for the Company according to a proposed theme, such as cost reduction and productivity/eco-efficiency improvement. After implementation of the idea and subsequent effectiveness analysis, the professional is rewarded and recognized with awards.

In addition to the level of internal adherence, savings and revenues from new projects are estimated. Metrics linked to revenues and sales volume can also measure public adherence to Dexco brand products.

For investments made through DX Ventures, the Company expects to quantify the socio-environmental impact of such ventures and businesses as an additional step after the financial investment.

Another important moment to measure the acceptance of new products is during exhibitions, trade shows and events where Dexco promotes and launches its new products.

Each year, we report in our Integrated Report on the evolution of the targets of the sustainability strategy and describe the company's activities in the area of research, development and innovation, including the results achieved to date.

## Solutions for Better Living

### Customers and consumers

#### | GRI 417-1 | Requirements for product and service information and labeling

At Dexco, we comply with applicable laws regarding information and labeling requirements on 100% of our products and services in Brazil and in 78% of the products manufactured and marketed in Colombia.

In Deca and Ceramic Tiles, for example, we comply with the requirements of the ABNT standards, the Consumer Protection Code and Inmetro, and provide information on packaging and instruction leaflets about the origin of the components of products and services; the contents, especially potentially harmful substances; the safe use of the product (including storage, installation, cleaning and maintenance); the layout of the product; and the savings potential of the products compared to similar ones. More detailed information can be found on the Dexco website, on the packaging or on the instruction leaflet provided.

In our Brazilian wood operations, we have added labels that provide information on the chain of custody traceability of

Durafloor laminate flooring, with data on the origin of wood from responsible forest management with FSC® (Forest Stewardship Council) certification and other controlled sources. We have included proper storage and application information on the labeling and packaging of tiled panels and laminate flooring in accordance with applicable regulatory standards. For exported products, we have included information about CARB (California Air Resources Board) and EPA (Environmental Protection Agency – TSCA Title VI) certifications.

In Colombia, we collect information on ISO 14001 Environmental Management System certificates, in addition to issuing internal certificates based on the environmental needs of our customers, such as certificates of use and legality of origin of wood, and environmental impacts associated with manufacturing, marketing and transportation. We also have an Environmental Product Declaration for non-certified products that adds points to LEED buildings, describing the origin of the raw materials used in the production of the panels, the production periods of the renewable raw materials, the use of certified wood and the classification of the panels according to formaldehyde emissions.

#### | GRI 417-2 | Incidents of non-compliance concerning product and service information and labeling

Dexco was cited for a violation of product and service labeling claims that a shower was easy to install and required a visit from a technician for such.

## | GRI 417-2 | Incidents of non-compliance concerning product and service information and labeling (cont.)

Cases of non-compliance in relation to information and labeling of products and services	2021	2022	2023
Number of cases of non-compliance with laws that resulted in a fine or penalty	0	1	1
Number of cases of non-compliance with laws that resulted in warning	0	0	0
Number of cases of non-compliance with voluntary codes	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>

Note 1: the case from 2022 is Administrative Proceeding No. 09.2021.00026564-4 (FA: 23.001.001.21-0009387), initiated by the Public Prosecutor's Office of the State of Ceará, due to the fact that the product Ducha Eletrônica Quatro Estações Armorada had on its packaging the information "easy installation" and that it was necessary to visit a technician for this purpose. There was the payment of a fine in the amount of R\$ 25,931.25 and the closing of the process.

Note 2: the case from 2023 is the Administrative Proceeding No. 09.2022.00015976-0, filed by the Public Prosecutor's Office of Ceará (7/1/2023) due to the fact that the products Ducha Eletrônica fit; Ducha MultTemperatura Optma 8t; Digital Optima Music; Star; Sapphire; Fit Armor; ND Armor; Polo Max; and Polo Hybrid, manufactured by Dexco Hydra Corona Sistemas de Aquecimento de Água Ltda., present in their packaging the information of "easy installation" and there is a need for a technician (value involved: R\$ 32,953.68).

### | SASB CG-BF-250a.1 | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products

To manage the risks and/or hazards associated with chemicals in products, Dexco has several initiatives and processes in place, depending on the relevance and applicability to each business unit. Below is the details of the management of this topic.

**Deca** uses specific standards and procedures that govern the use and handling of chemicals, and assesses the health, safety and environmental risks of our processes, particularly in the case of electroplating. We have standards and procedures for managing the use, handling, disposal and treatment of chemicals and waste from processing.

We have established a system to identify hazards that may arise in the course of our activities and to ensure that the risks to people and the environment from these hazards are assessed, prioritized and controlled to an acceptable level.

It is important to note that the final product has no chemicals. Chemicals are used only in the manufacturing process, following the specific standards and regulations for these materials. We have no third-party measurements or certifications on the topic, nor have chemicals been identified for disposal or replacement.

In the area of **Ceramic Tiles**, we use chemicals in the formulation of tiles, laboratory tests and treatment of liquid effluents from the process. All products undergo verification from the time of acquisition to disposal, storage and use, with control of the Safety Data Sheet (SDS), according to internal procedures.

The chemical management approach is based on the risk and hazard of the material and is controlled from receipt to storage of the product. There are emergency actions in case of leakage and/or environmental and occupational safety incident. The final products do not contain chemicals in concentrations above the allowable limits, nor do they contain chemicals with exposure hazards in their composition.

We do not have any third-party measurements or certifications on this issue, but we do perform volatile organic compound (VOC) emission testing for Floor Score and Indoor Air Quality certification to contribute to LEED certification of projects.

In the **Wood Division**, the risk assessment has systemic management and is carried out at the time of the development of each input. This seeks to identify the characteristics in its use and application, as well as residuals in the product throughout its life cycle.

Among the chemicals used, formaldehyde receives the most attention, as the pure substance is classified as a carcinogen by the International Agency for Research on Cancer (IARC) monographs on the evaluation of risks to humans (Category 1B).

| SASB CG-BF-250a.1 | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products (cont.)

Although there is no evidence of risk at the levels practiced and specified in national and international standards, we follow good practices and follow global trends within the precautionary principle. As a result, we have adopted strategic measures to reduce residues in the panels and set public targets to reduce the E2 category (with emissions between 8 and 20 mg/100 g of panel) and move to E1 (<8.0 mg/100 g of dry panel) by 2025 for the entire volume produced.

This transition has been anticipated and we have phased out in the second half of 2023, with an average annual residual of 9.8 mg/100 g dry plate, very close to the E1 limit.

Today, we have E1 emission class as a standard for all products in the domestic market, with E2 limit allowed in the national standard.

The management of the product lifecycle during the manufacturing process is also monitored and carried out by means of sample measurements in the working environments.

We also offer differentiated classes such as E0.5, EPA/CARB and NAF (No Added Formaldehyde), in addition to other on-demand categories.

Our EPA/carb certification has been Third Party Certified (TPC) by the Wilhelm Klauwitz Institute (WKI) of the Fraunhofer Institute in Germany, one of the most prestigious institutions in the field.

A monitoring plan is established in accordance with national and international standards established for control of this variable and,

thus, we have total reliability in complying with the regulations, ordinances of entities related to health and active surveillance in other consumer markets, both inside and outside the country.

Raw material substitutions are prioritized based on the level of risk and are worked on in the R&D area, through technological monitoring and within the company's innovation opportunity funnel.

For laminate flooring, we recently achieved UL Solutions' GreenGuard Gold certification, which monitors VOCs (volatile organic compounds) for indoor air quality.

In **Colombia**, we have a chemical management procedure that includes the analysis of the chemical substances used in the processes and controlled by an inventory that they enter after validating the safety data sheet for all operations. Based on this information, the measures to be taken in relation to the management of these substances are defined, such as personal protective equipment (PPE), storage according to compatibility, form of use and final disposal.

In the use of chemicals in general, the physical risks to health and the environment are taken into account. They are handled in accordance with the controls specified in the Material Safety Data Sheets for each substance. Dexco complies with Colombian regulations for the use of controlled substances, which include some chemicals that require control in the region.

The company's approach in Colombia is defined by the identification and management of the use of chemical substances

based on their toxicological properties with respect to human health and the environment at the stages of material and chemical sourcing, manufacturing and product testing. In addition, we focus on the use of chemicals as described in the Globally Harmonized System to be clear about exposure times, PPE and chemical classification.

There is no defined methodology for reducing and/or eliminating chemicals in the product, but we have replaced chemicals to meet environmental emissions in accordance with the California Air Resources Board (CARB) certificate, which has a set of standards for formaldehyde emissions. There are no chemical content verification tests in finished products, only those intended for the North American market.

The only chemical we consider to have a potential risk of harm is formaldehyde, and therefore it is the only one we want to manage through substitution, reduction and elimination.

By 2025, there is a target goal that 100% of panels produced in Colombia will be of emission class E1, following CARB certification. The benefits of this initiative for Dexco are:

- Reduction of formaldehyde emissions during the manufacturing and lamination process of the panels.
- Permission for panels to be exported to markets that require compliance with formaldehyde emissions.
- Considerable reduction of formaldehyde emissions to the environment.

# Suppliers

## | GRI 3-3 | Management of material topics: Supply chain and traceability

Dexco is involved in a wide variety of manufacturing processes and products, resulting in a wide variety of materials and services required for its operations. This means we face different levels of dependency and risk, including financial and ESG (environmental, social and governance), in our supply chain and traceability. These levels vary by business division.

Forestry is a key point in our supply chain, as it is responsible for supplying the production of wood panels. Dexco has been a pioneer in the certification of responsible forest management since 1995 and sees it as an opportunity to ensure the traceability, availability and desirable characteristics of this important raw material. By adhering to international standards of social and environmental responsibility, the company expands its ability to access foreign markets.

In addition to managing our own forests, we support small-scale timber producers in the state of Rio Grande do Sul by encouraging and supporting third-party certification. Furthermore, the wood from these suppliers can also be used as biomass for energy generation in the Panel units, helping to reduce the use of fossil fuels.

Examples of potential negative impacts related to the supply chain in general would be related to the failure or absence of environmental, health and safety, human rights and/or compliance controls by suppliers of materials and services that relate to the shared responsibility of the Dexco brand.

In the case of the Wood Division, there is the receipt of inputs for the production of the resin that makes up the panels, with the possibility of accidents and/or spills during the transportation of raw materials. For Deca Sanitaryware and Tiles, the socio-environmental impacts related to the mining chain are taken more into account, as this sector is usually intensive in greenhouse gas (GHG) emissions, has a high exposure to environmental impacts in the process of ore extraction and is associated with impacts on local communities, including reputational impacts. There is also the possibility of economic dependence on local suppliers, especially small and medium-sized ones.

On the other hand, with operations in eight Brazilian states, our manufacturing and forestry operations also become an important tool for promoting economic activity in these regions by developing small and medium-sized suppliers to meet regional needs.

It is also important to note that the various controls we have in place for contracting with suppliers, such as the Supplier Code of Conduct, strict contractual clauses and systems to manage payment processes, are also reflected in the quality of service provided by suppliers, as they must meet minimum requirements to serve the Company.

An important link in the supply chain concerns third-party workers (service providers). Before and after contracting, suppliers and service providers are analyzed to periodically verify their compliance with applicable labor laws and best international practices. This practice aims to avoid hiring companies that do not comply with such regulations, so that Dexco is not held responsible for violations by third parties, a situation that has already been experienced in the past.

Procurement policies and practices are established in internal standards and procedures, also following the [Code of Conduct of Suppliers and Other Third Parties](#). These procurement standards and procedures are periodically reviewed and submitted for approval by the division's management and the Board of Directors. In the Supply Standard describe the responsibilities of the area, as well as the activities that are in the scope of action, including sanctions.

Regarding waste specifically, we have an Internal Standard for the Approval of Companies for Waste Disposal, which aims to establish procedures for the approval of companies that provide waste disposal and disposal services in an environmentally sound manner, with the goal of continuous improvement in waste management.

As for the Code of Conduct for Suppliers and Other Third Parties, with this document we aim to reinforce good practices of ethics, integrity and sustainability throughout our production chain, which applies to all suppliers of companies that are part of the Company, which includes its subsidiaries, controlled companies or affiliates, in all countries where we operate.

### | GRI 3-3 | Management of material topics: Supply chain and traceability (cont.)

With regard to suppliers classified as Critical and Very Critical, we continuously monitor these groups to identify and mitigate potential negative impacts through an important risk management tool, identifying opportunities and driving improvements: Dexco's Supplier Management Program (GFD), which has an annual cycle of evaluation, sample audit, analysis, feedback and recognition of prominent suppliers, all with the support of a partner company (giving greater credibility to the process).

The following criteria are used to evaluate the GFD:

- Legal compliance
- Labor practices
- Health and safety
- Environment
- Relationship with the environment
- Ethics and human rights
- Management for sustainability

To support the supplier development process in socio-environmental issues, annual Supplier Academies are held - training events on topics that are considered strategic and where there is a performance gap in the general supplier assessment. In 2023, four Supplier Academies were held on human rights, energy resource management, climate and biodiversity, and compliance.

To continue this process of continuous improvement of the GFD, the proposal for the 2024 cycle is to involve suppliers in development

activities related to the environment and sustainability, issues of ethics and corporate integrity, and the prevention and combating of the sexual exploitation of children and adolescents.

Given that Dexco transports raw materials and finished products with the support of partner companies, we are also a signatory to the Business Pact against the Sexual Exploitation of Children and Adolescents, through Childhood Brasil's Na Mão Certa (In the Right Hands) program, which aims to raise awareness among truck drivers and transporters about ways to combat violence against children and adolescents on the road.

The business units also have robust integrated management systems that assess the risk potential of waste receivers and suppliers of relevant raw materials from a local perspective, periodically evaluate the updating of socio-environmental documentation and conduct approval visits.

To ensure that supplier management is integrated into our strategy, we have a target in our 2025 Sustainability Strategy that is linked to the average performance of our suppliers participating in the GFD.

The challenge to the proposed target is significant, given that Dexco has grown through acquisitions of new businesses, gradually bringing those suppliers into the scope of the program. This factor adds complexity to the process, but we reaffirm our commitment to developing our supply chain.

In 2023, this target underwent a review process that sought to facilitate the narrative of supplier evolution. The target, which previously called for achieving a level 8 by 2025, now calls for a 10% improvement in the evaluation of our suppliers. There was no change in the ambition of the goal, changing only the evaluation metric. At the end of 2023, the general score of the suppliers under the program was 7.6, which meant an increase of 3% compared to the baseline (7.3 in 2020).

The GFD includes suppliers classified as Critical and Very Critical for the purpose of completing the self-assessment questionnaire. On-site and online audits include companies that scored less than 6.0 on the self-assessment questionnaire, as well as companies that showed a significant positive or negative evolution in the program. Suppliers who score well on the questionnaire are also visited and evaluated for possible recognition of their practices.

After the onsite and online analysis, specific reports are generated for each supplier visited, outlining their outstanding practices, areas for attention, and an action plan to help them address the issues identified.

In 2023, there was a positive trend in GFD, with an increase in supplier scores. This advancement not only demonstrates the commitment and ability of suppliers to raise their performance standards, but also highlights the effectiveness of the GFD as a catalyst for continuous improvement.

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

### | GRI 414-2 | Negative social impacts in the supply chain and actions taken

To date, the Dexco Supplier Management Program (GFD) has conducted more than 1,700 independent assessments and 268 on-site audits, in addition to 65 remote inspections. Approximately 650 suppliers were involved in this effort, which is essential for successive annual improvement and evaluation cycles.

Since the beginning of the GFD, a Dexco partner consultancy has supported the implementation of the project and the supplier management process. The entire GFD is described in detail in indicator [GRI 3-3. Management of material topics: Supply chain and traceability.](#)

In Colombia, we maintained our partnership with an external consultancy and implemented a series of strategies in 2023 to improve our social management and minimize negative impacts on the territory and its inhabitants. These strategies include the accurate social characterization of the area, the identification of positive and negative impacts, the prevention and appropriate mitigation of adverse impacts, the updating of conflict resolution mechanisms, and the promotion of clear and effective communication with the local community.

In addition, we seek to reconcile the expectations of stakeholders in the territory and contribute to local development in a sustainable way. The changes in the data compared to 2022 are due to the new strategies defined to improve the management of suppliers in our supply chain.

An example of a supply chain that may present environmental risks is the paper used for wood flooring and panels, if its manufacturing process has used raw materials of unacceptable origin. To mitigate this risk, all paper used in our processes has chain of custody certification or a controlled wood declaration.

In addition, the supply chain risk associated with the purchase of chemicals and the transportation and handling of some raw materials, such as resin, methanol, paraffin and dyes, is considered. For these purposes, there are defined instructions to ensure the correct process. It also ensures that the supplier complies with all legal requirements for carrying out this activity.

Total number and percentage of suppliers assessed for social and environmental impacts	2021		2022		2023	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
Number of suppliers visited	30	0	30	4	30	5
Number of suppliers that answered the of self-assessment questionnaire	286	178	267	77	236	106
Number of suppliers evaluated in social and environmental impacts	286	178	264	153	236	116
Number of suppliers identified as actual and potential negative impactors	286	0	264	0	236	0
Percentage of suppliers identified with which improvements were agreed as a result of the assessment performed	100%	0%	100%	0%	100%	0%
Percentage of suppliers with which the organization terminated the business relationships as a result of assessment	0%	0%	0%	0%	0%	0%

Note: the number of suppliers identified as causing actual and potential negative impacts in 2021 was reviewed in Brazil and adjusted in this report. | **GRI 2-4**

# Communities

## | GRI 3-3 | Management of material topics: Local community development

Due to its geographical distribution, Dexco is present in communities with different realities. To better understand the local context, we conduct frequent assessments of the area around our units to identify proximity to operations, vulnerabilities, and potential environmental and human impacts.

Most of the units are located in industrial areas or in rural areas with low population and residential presence. Communities identified in the vicinity of operational areas are mapped and characterized through observation by Company technicians, secondary data, and data obtained in consultation with stakeholders in these locations. With this information, there are impacts or concerns expressed by respondents that are included in action plans to prevent, mitigate, or remediate impacts, as well as in the definition of a stakeholder engagement plan.

In the places with greater proximity between Dexco and the communities, the main potential negative impacts are identified as atmospheric emissions (gases, particulates and dust), generation of noise, use of natural resources (water, energy and fuels), emission of effluents, generation of waste, generation of vibration, change in the visual aspect of the landscape and increased traffic and risk of accidents.

Positive impacts include employment opportunities, payment of taxes and fees, purchase of products and services, education and training, and conservation of natural resources.

Another important component is investment in research and development, including more sustainable technologies and processes, which leads to technological advances that benefit not only our operations but the industry as a whole. In addition, we contribute to improving people's quality of life with efficient and durable products.

Regarding the material topic of community development, the real positive impacts are due to social programs and investments in local communities. Furthermore, in our Wood operations, we are FSC® certified, in order to demonstrate our commitment to sustainability and social responsibility.

We emphasize responsible conduct based on standards and guidelines, as well as integrated risk management practices. We have an Internal Standard for Private Social Investment, Donations Standard, Environmental Policy and Responsible Management Standard. Policies and standards are designed to demonstrate our commitment to local community development and respect for human rights.

In addition, our Sustainability Strategy includes a target to engage with the community through 2025 by promoting actions and listening to communities, mitigation of negatives. This target is grounded as a pillar of social strategy.

We maintain an active listening process with the community through Dialogue Roundtables and other engagement initiatives to identify human rights complaints and other issues affecting the community at large. The complaints identified and the treatments adopted are recorded and monitored internally.

To prevent the negative aspects identified, measures are adopted such as investment in noise mitigation structures, plants for the treatment and use of effluents and waste, waste recycling, filters and equipment for emission control, in addition to continuous actions to guide employees to adopt care in their activities in order to avoid impacts.

In situations where impacts cannot be eliminated, they are managed to minimize their effects and, where necessary, compensated for in consultation with the affected parties, including the existence of an emergency response plan.

The consumption of natural resources in the units is compatible with local conditions, subject to licensing or regulation by the competent public authorities, with no record of significant demands due to the impact of their unavailability on nearby communities.

In our Integrated Management System, Dexco's operations are committed to identifying and monitoring the impacts of their activities and, where appropriate, taking action to prevent, mitigate or remedy negative impacts.

## | GRI 3-3 | Management of material topics: Local community development (cont.)

To track the effectiveness of management actions in this area, we have, for example, the formal registration of items discussed in the Dialogue Roundtables. In addition, we encourage the creation of an action plan with up to three initiatives to be developed, in order to meet the demands raised by the participants and identified as priorities by the units.

As a complement to the dialog process with the potentially affected parties, the Wood units leave behind information material that also presents the channels available for subsequent manifestations.

All manifestations are analyzed by the Compliance area and forwarded to the appropriate negotiations. If a complaint is made, it will be investigated internally and, if appropriate, disciplinary and/or legal action will be taken. If the report involves other matters that do not qualify as a complaint, it will be referred to the appropriate area/ manager and, if applicable, mitigation or corrective action plans must be adopted with the goal of timely cessation of the identified irregularities.

We believe that the relationship with our stakeholders is essential for the good performance and success of our projects, and that this relationship must be ethical and transparent, giving voice to the stakeholders with the aim of developing more appropriate action strategies that meet their demands and manage local development. All stakeholder engagement should be structured according to a methodology divided into four stages: mapping, prioritizing, constructing materiality, and preparing the action plan.

On the basis of the information collected and the action plans drawn up, together with secondary data relating to the socio-economic aspects of the environment, indicators are analyzed to assist in the decision-making process for the management of the company.

## | GRI 203-2 | Significant indirect economic impacts

Purchasing products and services in the communities where we operate has a significant impact on local economies.

In the Wood business, we have a forest fostering program that provides support to rural producers in the region to plant forests. Seedlings and technical guidance are provided for the implementation of the forest in an appropriate way and, at the end of the cycle, Dexco has the preference for buying the wood. In 2023, more than 12,000 hectares were cultivated with more than 40 rural producers.

The forest fostering program is an instrument that contributes to the fixation of the producer in the field, improving his qualification from the moment he starts to act according to standards of excellence, following an internationally recognized stewardship standard that involves commitment to environmental, economic and social aspects.

The management of forest plantations is an opportunity to diversify income for participating producers and the communities in which they operate. In addition to compliance with the certification standard, it is possible to note the alignment of the practice with

three United Nations (UN) Sustainable Development Goals (SDG): 8 (Decent Work and Economic Growth), 12 (Responsible Consumption and Production) and 15 (Life on Land).

In line with the Sustainability Strategy, from 2019 we will encourage and support the certification of responsible forest management of the producers we support, and provide technical support to comply with the requirements of the standards. With this incentive, we expanded our engagement with suppliers to diversify income opportunities in the field, minimize deforestation risks, and minimize negative impacts on people and biodiversity in the value chain.

In the supply area, we have launched initiatives to hire small and medium-sized suppliers in locations far from our operations, with the goal of expanding supply capacity and also for local development. Currently, we distribute our demand from display suppliers and exhibitors of our products to small suppliers spread throughout the North and Northeast regions of Brazil.

In the area of social responsibility and its performance in indirect economic impact in Brazil, through the Law of State Tax Incentive to Culture, we sponsored the reform of the Cine Teatro de Agudos (SP). This project, carried out by Associação de Defesa do Patrimônio Histórico de Agudos, aims to continue the restoration of the Cine Teatro São Paulo, in order to preserve the historical and cultural heritage of the city. When it is up and running, Cine Teatro will offer distance learning, with virtual classes, and technical and professional courses. In addition to the Cine-School during the day, the space will present documentary and educational film sessions to elementary and high school students.

## | GRI 203-2 | Significant indirect economic impacts (cont.)

The integration of young people into the labor market and the adaptability of this population to current needs is leading the company to invest more and more in projects that deal with soft and hard skills. Through the Social Responsibility area, the projects aim to contribute to local development, both in the training and qualification of young people and in that of institutions and educators.

We also joined with other companies in the Coalition for Housing, which aims to impact the greatest number of Brazilians through decent housing and to influence the housing ecosystem for new market practices.

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

In 2023, through ESG management and local teams, we carried out engagement activities in Brazil at 93% of our operating industrial units, based on a structured dialogue with stakeholders mapped at each location, identifying social risks and opportunities, and assessing participants' perceptions of Dexco's performance and presence in the municipality.

This process of continuous monitoring and strengthening the relationship enables relevant feedback, as a result of the initiatives carried out in the municipality and the identification of demands, in order to contribute to the assertiveness of private social investment.

In the Wood Division, 100% of the units carried out actions of engagement with the community and evaluation of socio-environmental impacts. Among the measures adopted are participatory assessments to identify socio-environmental impacts, public disclosure of significant impacts and mitigation measures, stakeholder engagement processes, annual stakeholder dialog, and the maintenance and dissemination of channels for expressing complaints and other interests. The use of all of the above mechanisms is culturally appropriate and respects the rights of those involved.

Percentage of operations with community engagement, impact assessment, and/or development programs by initiative in Brazil	2022		2023	
	Total number	Percentage	Total number	Percentage
Dialogue roundtables	8	40%	14	93%
Social investments	13	65%	4	27%

Note 1: in 2023, the Sanitaryware unit in Queimados (RJ) was no longer considered in the calculation, after the unit was closed.

Note 2: the calculation of the percentage considers the number of municipalities that held shares in relation to the total number of cities in which the Company operates.

In terms of social initiatives, in 2023, 5 projects in 3 municipalities will be promoted through tax incentive laws, in addition to the investments made in previous years, since the projects can start their execution in the years following their promotion. We were present in 12 municipalities, directly benefiting 26,000 people.

Investment in social projects, via incentive laws, in Brazil	2021	2022	2023
Incentive via Federal Laws	R\$ 4.7 million (10 projects)	R\$ 1.7 million (11 projects)	n/d
Incentive via state laws	n/d	R\$ 0.8 million (4 projects)	R\$ 0.9 million (4 projects)
<b>Total</b>	<b>R\$ 4.7 million</b>	<b>R\$ 2.5 million</b>	<b>R\$ 1.2 million</b>

Note: in 2021, there was no incentive through state laws due to government suspension, which will resume in 2022. In 2023, there were no funds deductible by federal law, but the Company sponsored a project with an approximate value of R\$ 0.3 million through direct contribution.

### | GRI 413-1 | Operations with local community engagement, impact assessments, and development programs (cont.)

In Colombia, we have a social policy managed by a foundation that is in charge of all social management in the communities. One of the tools applied is the identification and evaluation of the impacts that occur in the communities from our operations. We also share integration and interaction activities with communities, such as the meeting of community leaders, held annually.

Along these lines, and with the help of the foundation, we carried out the following actions:

- Social impact assessments through participatory processes in each of the communities, which are subsequently registered in the matrix in order to guide actions to remedy the impacts generated.
- Environmental impact assessments identified by consultants hired to follow up with communities and people who request and/or report on an individual basis.
- Characterization of communities and their actors. Based on this characterization, the activity plans developed during the year are structured. We also periodically conduct community visits.
- In forestry operations, consultation processes are used to identify community impacts, both positive and negative, through face-to-face visits to all communities of influence. Neighborhood Cooperation Agreements are signed with communities, prioritizing environmental protection, amicable conflict resolution, and channeling employment opportunities.
- The formal processes that communities have can be presented by the good neighbor line or by surveys performed. In addition, the socialization process takes place in communities where some harvesting or road-building activity is about to begin, causing changes in the landscape.

- Based on the needs assessment, the Foundation also manages the requests that communities make to Dexco and is able to carry out activities such as career counseling workshops, articulation with science fair awards, support for the delivery of Christmas gifts, resource management, and improvement of community infrastructure.

### | GRI 413-2 | Operations with significant actual and potential negative impacts on local communities

We have production and administrative units spread over several locations with specific characteristics. There are 15 units in Brazil, in the states of Minas Gerais, Paraíba, Pernambuco, Rio Grande do Sul, Santa Catarina, São Paulo and Sergipe, between industrial units and forest areas. We also have two industrial units in Colombia, supplied by two forestry units, with areas located in the departments of Antioquia, Caldas, Tolima and Santander. In the analyses carried out, it is possible to state that the municipalities where we operate have development indicators that are, for the most part, higher than the national averages.

We assess the environment around the units to identify proximity to operations, vulnerabilities, and potential environmental and human impacts. Most of the units are located in industrial districts or in rural areas, with a low presence of people and housing.

Communities identified in the vicinity of operational areas are mapped and characterized through observation by Dexco technicians, secondary data, and data obtained in consultation with local stakeholders. With this information, the occurrence of impacts or concerns raised by the those consulted, which are included in the action plans for prevention, mitigation or

remediation of impacts, as well as in the definition of an engagement plan with stakeholders.

In places where the company is closer to the communities, the following are identified as the main potential negative impacts:

- Atmospheric emissions (gases, particulates and dust)
- Noise generation
- Consumption of natural resources (water, energy, fuels)
- Emission of effluents
- Waste generation
- Vibration generation
- Change in the visual appearance of the landscape
- Increased lumber truck traffic and risk of accidents

Among the positive impacts, the following stand out:

- Employment opportunity
- Payment of taxes and duties
- Acquisition of products and services
- Development and training
- Conservation of natural resources
- Maintenance of roads

To prevent the negative aspects, measures are adopted such as investment in noise mitigation structures, plants for the treatment and use of effluents and waste, waste recycling, filters and equipment for emission control, in addition to continuous actions to guide employees to adopt care in their activities in order to avoid impacts.

### | SASB RR-FM-210a.2 | Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community

As part of our corporate social responsibility strategy and in line with our Way of Being and Doing, we listen to the local community and conduct prior assessments of our operations to identify potential socio-environmental impacts. Thus, the surrounding communities are characterized and, through participatory consultation, we collect information about the local organization, any vulnerabilities and concerns of the community.

In the characterization work, special emphasis is placed on the identification of traditional communities, such as indigenous peoples and quilombolas. We have adopted practices such as mapping the territories of traditional local communities in the regions where we operate, continuous monitoring of the impact of our activities, field visits and dialogues with local communities to assess their perceptions of our performance.

We have programs to communicate and integrate with local communities, and our participatory consultation processes question our presence in places of special cultural or environmental significance, including religious and subsistence aspects, with the results then subject to external expert assessment. Where appropriate, additional studies are conducted and measures are defined to protect these sites and their uses.

In Brazil, our Dialogue Roundtables invite companies, educational institutions, social organizations, neighborhood associations, neighbors and civil society representatives, among others, to identify risks and opportunities.

In Colombia, due diligence is conducted in communities around and near forest areas. Based on the perceptions of the local population, when needs are identified, agreements are made with the communities, commitments are made in a diligent manner, with defined deadlines and communication with representatives to keep them informed of the progress of what has been agreed.

As stated in our Forest Management Plan, we aim to balance the environmental, social and economic aspects of our business, taking into account the United Nations Sustainable Development Goals (SDG), and seek ways to prevent or minimize negative impacts and enhance beneficial ones to ensure that our forests are managed responsibly.

To this end, we do not engage in forest management activities in sites recognized as World Heritage Sites or in protected areas classified by the IUCN (International Union for Conservation of Nature) as Category I-IV. In addition, we are committed to obtaining the free, prior and informed consent of affected people before operating in areas officially designated as indigenous,

quilombola and/or Afro-Colombian, in accordance with the UN Declaration on the Rights of Indigenous Peoples.

In Brazil, our Supplier Management Program annually monitors and evaluates suppliers considered critical to operations. When purchasing wood, a due diligence system is used to assess, among other things, the environmental and social impact of harvesting and transportation.

In our supply chain, we conduct field audits of timber sourcing processes that meet internationally recognized controlled timber standards. And through our Forest Stewardship Program, we guide and support rural producers to adopt appropriate practices that follow the forest stewardship standard.

In Colombia, supply chain management is carried out through the Supplier Program, an integrated system that covers environmental issues, ensures that our suppliers comply with legislation to prevent risks from materializing, and focuses on compliance with policies, standards and laws related to occupational health and safety. Through a Sustainable Procurement System, we address governance issues. Whenever necessary, suppliers and partners are called upon to assume their responsibilities and act on any remediation measures.

# Living environments

## Energy

| GRI 302-1 | Energy consumption within the organization

| SASB CG-BF-130a.1 | (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable

In 2023, 9,009,177.6 GJ of energy were consumed within the organization. In Brazil, consumption was 8,589,635.1 GJ and in Colombia, 419,542.5 GJ.

Energy consumption within the organization (GJ)	Brazil			Colombia		
	2021	2022	2023	2021	2022	2023
<b>A. ENERGY GENERATED BY THE CONSUMPTION OF FUELS OF NON-RENEWABLE ORIGIN</b>						
Acetylene	186.0	159.2	145.1	0.0	0.0	0.0
Sub-Bituminous Coal	946,864.1	791,553.5	519,179.3	0.0	0.0	0.0
Diesel	312,414.4	314,446.6	327,420.2	7,857.2	8,134.4	7,565.2
Natural gas	3,287,968.4	2,853,805.4	2,007,561.3	76,525.0	85,996.4	60,097.8
Vehicular natural gas (GNV)	20,512.7	17,471.0	13,649.3	0.0	0.0	0.0
Gasoline	17,203.8	23,487.5	24,686.2	0.0	0.0	0.0
Liquefied petroleum gas (LPG)	96,281.6	101,240.2	94,090.9	348.1	298.0	242.4
Fuel oil	67,429.3	30,902.2	10,094.8	0.0	0.0	0.0
Propane	825.5	577.7	891.7	0.0	0.0	0.0
<b>Subtotal</b>	<b>4,749,685.7</b>	<b>4,133,643.4</b>	<b>2,997,718.9</b>	<b>84,730.2</b>	<b>94,428.7</b>	<b>67,905.4</b>
<b>B. ENERGY GENERATED BY THE CONSUMPTION OF RENEWABLE FUELS</b>						
Biomass	3,341,392.3	3,403,374.9	2,793,509.4	299,053.6	228,265.8	172,948.0
Hydrated ethanol	984.8	816.7	3,567.5	0.0	0.0	0.0
<b>Subtotal</b>	<b>3,342,377.1</b>	<b>3,404,191.6</b>	<b>2,797,076.9</b>	<b>299,053.6</b>	<b>228,265.8</b>	<b>172,948.0</b>
Percentage (%) of energy from biomass	29.7%	32.3%	32.5%	50.1%	42.7%	41.2%
<b>C. PURCHASED ENERGY</b>						
Electricity	3,161,483.9	2,989,041.7	2,794,839.4	213,517.6	212,463.9	178,689.1
Percentage (%) of energy consumed provided by the power grid	28.1%	28.4%	32.5%	35.7%	39.7%	42.6%
<b>D. TOTAL</b>						
<b>A+B+C</b>	<b>11,253,546.7</b>	<b>10,526,876.7</b>	<b>8,589,635.1</b>	<b>597,301.4</b>	<b>535,158.4</b>	<b>419,542.5</b>

Note 1: Dexco adopts the GHG Protocol approach to accounting for energy consumption data (consolidation by operational control). Every month, the employees of each unit of the company report the consumption of fuel and electricity through the Climas system. The system converts the consumption data into energy values using conversion factors provided on the Climas platform and verified by a third party. Such factors are extracted from sources such as GHG Protocol, national reports and IPCC.

Note 2: to find out the share of electricity consumed from the grid that comes from renewable sources, the information published by the Ministry of Mines and Energy was used, according to which in 2023, 93% of the electricity consumed from the grid in Brazil will come from renewable sources. And for Colombia, the report published by XM (operator of the National Integrated System) was consulted, which shows that in 2023, 76.9% of the grid's electricity will come from renewable sources. Factors for Colombia for 2021 and 2022 have been corrected from the same source.

Note 3: for biomass energy, only wood from forests planted for energy production was consumed, minimizing the risk of using materials from controversial sources, such as native vegetation conversion areas. The risks related to atmospheric emissions are low, as the process for biomass use consists of its simple burning in boilers, with emissions mainly of biogenic CO<sub>2</sub>, N<sub>2</sub>O and CH<sub>4</sub>. In Colombia, as required by local law, we ensure that all wood consumed is of legal origin, regardless of certification. The risks of using biomass as a fuel in Colombia can be seen in two ways: the risk of atmospheric emissions due to the new regulation of dioxins and furans, and the investments that must be made in control systems to ensure compliance with these pollutants; and supply risks.

| GRI 302-1 | Energy consumption within the organization

| SASB CG-BF-130a.1 | Total energy consumed, (2) percentage of grid electricity, (3) percentage renewable (cont.)

Total energy consumption (Brazil + Colombia) (MWh)	2021	2022	2023
Total non-renewable energy consumption	1,551,199.59	1,285,196.58	916,584.90
Total renewable energy consumption	1,740,702.67	1,787,590.95	1,585,964.44
<b>Total energy consumption</b>	<b>3,291,902.27</b>	<b>3,072,787.53</b>	<b>2,502,549.34</b>
<b>Percentage (%) of renewables over total consumption</b>	<b>52.9%</b>	<b>58.2%</b>	<b>63.4%</b>

Fraction of renewable electricity purchased from the grid, by country	2021	2022	2023	
Brazil (EPE)	Renewable sources	77.4%	87.7%	93.1%
	Non-renewable sources	22.6%	12.3%	6.9%
Colombia (SIN/XM)	Renewable sources	83.4%	85.4%	76.9%
	Non-renewable sources	16.6%	14.6%	23.1%

Total amount of energy consumed (GJ)	2021	2022	2023
Total energy consumed provided by the power grid	3,375,001.53	3,201,505.60	2,973,528.54
Percentage of energy consumed provided by the power grid	28.5%	28.9%	33.0%
Total renewable energy consumed	3,641,430.68	3,632,457.40	2,970,024.86
Percentage of renewable energy consumed	30.7%	32.8%	33.0%
Total energy consumed from biomass	3,640,445.93	3,631,640.70	2,966,457.37
Percentage of renewable energy consumed from biomass	99.97%	99.98%	99.88%
<b>Total energy consumed</b>	<b>11,850,848.15</b>	<b>11,062,035.10</b>	<b>9,009,177.63</b>

Note: the factors for the proportion of electricity from renewable sources have been corrected for the years 2021 and 2022. | GRI 2-4

## | GRI 302-2 | Energy consumption outside of the organization

In 2023, Dexco Brasil had an energy consumption outside the organization of 1,035,577 GJ, calculated from the parameters categorized in scope 3, according to the GHG Protocol. The data is related to fuel consumption based on the mileage driven by our transport suppliers and is externally audited.

Compared to 2022, energy consumption outside the organization grew by 5%, the most significant increase being related to the consumption of aviation kerosene, a fuel used in air travel. The 2021 numbers were smaller due to travel restrictions due to the Covid-19 pandemic. In 2023, travel returned to normal. The increase in relation to renewable fuels was due to the inclusion of Caetex in the inventory in 2023.

Regarding the reduction of lubricant, in Metais Jundiaí (SP), the oil from the machines is reused and the rest is sent to re-refining. In 2023, we were able to increase the internal reutilization and, with that, a smaller amount was sent to re-refining.

Energy consumption outside the organization by fuel type (GJ)	Driver	2021	2022	2023
Non-renewable fuels	Diesel	1,063,063.3	960,675.2	997,985.8
	Gasoline	12,026.8	3,058.1	2,794.5
	Liquefied petroleum gas (LPG)	1,043.4	1,289.4	1,409.1
	Vehicular natural gas (GNV)	387.7	177.2	142.3
	Aviation kerosene	6,250.7	12,093.7	20,902.1
Renewable fuels	Hydrated ethanol	8.5	15.5	20.9
Electricity purchased	Electricity	10,618.4	12,079.3	12,320.7
Solid waste	Lubricant	2.7	4.8	2.2
<b>Total</b>		<b>1,093,401.7</b>	<b>989,393.3</b>	<b>1,035,577.6</b>

Note 1: Dexco uses the GHG Protocol methodology – scope 3 (in the upstream and downstream categories) to account for energy consumption data outside the organization. The conversion factors follow the GHG Protocol, national reports and IPCC (Intergovernmental Panel on Climate Change).

Note 2: the indicator does not consider data from Colombia.

Note 3: year 2021 data has been reviewed and adjusted for this report. | GRI 2-4

### | GRI 302-3 | Energy intensity

Dexco's energy intensity is calculated by the ratio of energy consumption and the production of each business with the respective unit of measurement. Energy intensity considers inventory scopes 1 and 2.

Energy intensity		2021	2022	2023
Brazil	Brazil Panels (GJ/m <sup>3</sup> )	1.8658	2.0746	1.9062
	Metals (GJ/piece)	0.0136	0.0160	0.0167
	Sanitaryware (GJ/kg)	0.0116	0.0134	0.0149
	Hydra (GJ/piece)	0.0043	0.0060	0.0062
	Ceramic Tiles (GJ/m <sup>2</sup> )	0.1365	0.1352	0.1248
	Castelatto (GJ/m <sup>2</sup> )	n/d	0.0214	0.0214
Colombia	Colombia Panels (GJ/m <sup>3</sup> )	2.5490	2.2706	2.0901

### | GRI 302-4 | Reduction of energy consumption

In 2023, our absolute energy consumption decreased by 19% compared to the previous year. The main levers for this result were the replacement of coal with natural gas in the Tiles Division and the reduction of fuel oil consumption in the Wood Division due to the start-up of a new panel coating line. LPG, natural gas and electricity consumption decreased due to lower production volumes.

Dexco's 2025 sustainability strategy sets targets to reduce relative energy consumption across all operations, taking into account each unit's energy matrix and the most appropriate baseline for each business. Details of building these targets can be found [here](#).

### | GRI 302-5 | Reductions in energy requirements of products and services

There were no reductions in product energy requirements in 2023. Our energy efficient products are Hydra electric showers and in them we did not have nominal reductions in the available powers. However, with the introduction of electronic temperature control, the product offers a reduction in energy consumption during use, as the desired temperature is reached gradually, with multiple positions, consuming exactly the power necessary to reach the chosen water temperature.

## Climate change

### | GRI 3-3 | Management of material topics: Climate change

In our operations, we generate negative impacts related to climate change. The use of fossil fuels (e.g. natural gas and diesel) and electricity are the main precursors of these impacts due to the emission of greenhouse gases (GHG) resulting from the use of these inputs. We do, however, have a positive impact on the climate by removing greenhouse gases from the atmosphere by our forestry operations. Native vegetation in protected areas and planted forests absorb carbon dioxide from the atmosphere and convert it into biomass, acting as a carbon sink.

Duratex panels (MDF and MDP) are made from reforestation wood, thus retaining the carbon removed from the planted forests throughout their lifespan, helping to reduce current levels of carbon dioxide in the atmosphere. This is an actual, current and systemic impact of the Company, concentrated on Duratex products and occurring until the end of its useful life.

## | GRI 3-3 | Management of material topics: Climate change (cont.)

The increase in the concentration of GHG in the atmosphere is recognized as a primary factor for the increase in the average temperature of the planet, with impacts on weather patterns and increasing the frequency and intensity of extreme weather events. The impact of these changes on Dexco may be direct, affecting assets or production capacity, or indirect, as a result of changes in society due to efforts to reduce emissions or the effects of extreme weather events.

GHG emissions occur in our direct operations and along the value chain. The inputs used by Dexco also cause emissions during production and transportation to the production units. The transportation of products to customers and consumers also generates emissions, and during the use phase some products consume electricity (electric showers) or require thermal energy to operate (taps and mixers), which can generate emissions depending on the energy source used.

In our environmental policy, we have established the principle of “acting to reduce greenhouse gas emissions and adopting adaptation mechanisms in the face of the effects of climate change”. As a result, one of the commitments made in our Sustainability Strategy is to “ensure sustainable growth while maintaining a positive carbon balance”. This commitment is broken down into performance indicators, with targets for 2025 or 2030. They are voluntary commitments, not arising from legal obligations.

The targets related to greenhouse gas emissions have been developed taking into account the scientific consensus and aiming to be consistent with the commitments of the Paris Agreement. Our performance is reported annually through our integrated reporting, sustainability strategy and supporting documents, and participation in reporting platforms (CDP).

To minimize our impacts in relation to climate change, we seek to reduce our GHG emissions and operate with a positive carbon balance. By reducing our emissions, we are helping to reduce the concentration of greenhouse gases in the atmosphere, which is enhanced by the removal and storage of carbon in our forests and Duratex products.

The search for gains in ecoefficiency of our processes is a constant practice. Initiatives such as changing the energy matrix and replacing old processes with more eco-efficient ones are examples of actions to reduce GHG emissions. The use of best forest management practices helps to increase the positive effects of forests in removing carbon from the atmosphere.

These goals are addressed through our sustainability strategy, which implementation is responsibility of the Executive Committee, supported by ESG and IR team, with regular status reports to the Sustainability Committee.

Our GHG emissions inventory (GHG Protocol standard) is carried out since 2011, which serves as a tool for managing this impact. The Sustainability Strategy sets targets for reducing emissions (-37% by 2030), achieving a positive carbon balance between 2020 and 2030, and reducing the emissions intensity of the Ceramic Tiles business (-15% by 2030). More information about the targets, their metrics, and baselines can be found [here](#).

## | GRI 201-2 | Financial implications and other risks and opportunities due to climate change

## | SASB RR-FM-450a.1 | Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change

We conduct climate risk assessments on a per-unit basis (forest and mill), and have therefore already considered the geographic differences between them and the different exposures to risk vectors (e.g., water availability, wind, and temperature). All forestry units are maintained with the main goal of producing wood to supply the panel factories. The possibility of taking advantage of alternative products was considered in the analysis of opportunities.

We have pine and eucalyptus forest plantations, managed in a similar way and with similar exposure to climate risks. The analysis of risks and opportunities treated both species together, such as planted forests.

| GRI 201-2 | Financial implications and other risks and opportunities due to climate change

| SASB RR-FM-450a.1 | Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change (cont.)

Lastly, the analysis was carried out by forestry unit, comprising the Company's own forests (own and leased areas). This assessment also applies to the forests of origin of wood purchased on the market, which are located in regions close to the panel factories and therefore close to the forest units.

The main climate risks and opportunities identified were:

- Physical risks – Forest fires, water scarcity and droughts.
- Product and service opportunity – Sourcing sustainable products instead of those who demand greater use of water, energy and chemicals in production, and increased demand for sustainable products to replace those with a higher carbon footprint.
- Market opportunity – Commercialization of carbon credits from increased forest sequestration and reduced emissions.
- Energy Sources Opportunity – Wood biomass based energy production.
- Resilience Opportunity - Development of seedlings adapted to the effects of climate change, such as temperature variation and reduced water availability.
- Resource Efficiency Opportunity - Reducing costs and dependence on energy through more efficient practices in industrial facilities.

Dexco published a notice to the market informing its shareholders and the market in general that it has temporarily suspended the activities of its panel and forestry operations in the Taquari (RS) unit on May 4, 2024, due to an extreme weather event with heavy rainfall that affected the State of Rio Grande do Sul at the end of April 2024. None of Dexco's industrial or forestry assets were

affected by the floods, however, the supply of inputs and transportation of products have been impacted by the road situation. On May 9, 2024, the Company announced the gradual resumption of its panel and forestry operations at its Taquari (RS) unit, taking all necessary safety measures.

## Emissions

### | GRI 305-1 | Direct (Scope 1) GHG emissions

### | GRI 305-2 | Energy indirect (Scope 2) GHG emissions

### | GRI 305-3 | Other indirect (Scope 3) GHG emissions

In 2023, considering the equity share consolidation approach, the direct and indirect emissions of scopes 1, 2, and 3 from Dexco amounted to 467,809.3 tCO<sub>2</sub>e. The direct emissions from scope 1 were 303,593.8 tCO<sub>2</sub>e, and the indirect emissions from scope 2 totaled 46,078.9 tCO<sub>2</sub>e.

In scope 3, there was an increase in emissions from Colombia's operations resulting from the treatment of waste at the Barbosa unit, which started to send waste to a landfill. Regarding scope 3 biogenic emissions, there was a significant increase compared to 2022, as biogenic emissions from the sending of waste to landfill had not been accounted for, which were contemplated in 2023.

| GRI 305-1 | Direct (scope 1) GHG emissions  
| GRI 305-2 | Energy indirect (Scope 2) GHG emissions  
| GRI 305-3 | Other indirect (Scope 3) GHG emissions (cont.)

Direct and indirect greenhouse gas emissions (tCO <sub>2</sub> e)	Brazil			Colombia			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Scope 1	341,716.80	298,580.95	218,989.94	6,786.22	7,166.27	5,691.38	<b>348,503.02</b>	<b>305,747.22</b>	<b>224,681.32</b>
Scope 2	111,205.87	35,541.11	29,944.60	7,473.12	7,436.24	6,254.12	<b>118,678.99</b>	<b>42,977.34</b>	<b>36,198.72</b>
Scope 3	98,522.66	97,574.43	104,582.05	3,235.94	3,229.80	6,299.51	<b>101,758.60</b>	<b>100,804.24</b>	<b>110,881.56</b>
Total (Scope 1 + 2)	452,922.67	334,122.05	248,934.54	14,259.34	14,602.51	11,945.50	<b>467,182.01</b>	<b>348,724.56</b>	<b>260,880.04</b>
<b>Total (Scope 1 + 2 + 3)</b>	<b>551,445.33</b>	<b>431,696.49</b>	<b>353,516.59</b>	<b>17,495.28</b>	<b>17,832.31</b>	<b>18,245.01</b>	<b>568,940.61</b>	<b>449,528.80</b>	<b>371,761.60</b>

Note 1: the gases included in the calculation are CO<sub>2</sub>, CH<sub>4</sub>, HFC-125, HFC0134a, HFC-143a, HFC-152a, HFC-32 and N<sub>2</sub>O. The consolidation approach chosen for the reporting of emissions was that of operational control (they do not include Caetex and LD Celulose). For the calculations, the Clima System was used, based on the guidelines of the GHG Protocol Program and the IPCC. Calculation tool, 2016 cycle. Emissions calculation tool of the Brazilian GHG Protocol Program (v2023.1).

Note 2: the categories included in the calculation are purchased goods and services, home-to-work commuting, waste generated at the facility, transportation and distribution (upstream and downstream), processing of products sold, and business travel.

Note 3: 2021 and 2022 data for Brazil operations were changed after adjustment in the calculation of emissions from the Recife (PE) Sanitaryware unit. | **GRI 2-4**

Note 4: the 2021 and 2022 data for Colombia operations were changed after adjustment in the calculation of emissions from the Yarumal Panels unit. | **GRI 2-4**

Biogenic CO <sub>2</sub> emissions (in tCO <sub>2</sub> e)	Brazil			Colombia			Total		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Scope 1	352,367.51	347,341.84	284,846.66	30,187.56	24,431.80	17,357.15	382,555.07	371,773.64	302,203.82
Scope 3	8,475.54	6,811.61	10,350.06	0.04	0.03	599.89	8,475.57	6,811.64	10,949.95

Note: the consolidation approach chosen for the reporting of emissions was operational control (do not include Caetex and LD Celulose). For the calculations, the Clima System was used, based on the guidelines of the GHG Protocol Program and the IPCC. Calculation tool, 2016 cycle. Emissions calculation tool of the Brazilian GHG Protocol Program (v2023.1).

## | GRI 305-4 | GHG emissions intensity

Greenhouse gas emissions intensity of Dexco business (scope 1)		2021	2022	2023
	Brazil Panels (tCO <sub>2</sub> e/m <sup>3</sup> )	0.01068	0.01080	0.00916
	Deca Metals (tCO <sub>2</sub> e/part)	0.00017	0.00023	0.00024
	Deca Sanitaryware (tCO <sub>2</sub> e/kg)	0.00054	0.00062	0.00068
Brazil	Hydra (tCO <sub>2</sub> e/piece)	0.00001	0.00005	0.00001
	Ceramic Tiles (tCO <sub>2</sub> e/m <sup>2</sup> )	0.00816	0.00802	0.00730
	Brazil Forestry (tCO <sub>2</sub> e/ha)	0.19837	0.19390	0.19509
	Castelatto (tCO <sub>2</sub> e/m <sup>2</sup> )	n/a	0.00060	0.00057
Colombia	Colombia Panels (tCO <sub>2</sub> e/m <sup>3</sup> )	0.02793	0.02914	0.02627

Greenhouse gas emissions intensity of Dexco business (scope 1 + scope 2)		2021	2022	2023
	Brazil Panels (tCO <sub>2</sub> e/m <sup>3</sup> )	0.03629	0.02007	0.01779
	Deca Metals (tCO <sub>2</sub> e/part)	0.00055	0.00039	0.00039
	Deca Sanitaryware (tCO <sub>2</sub> e/kg)	0.00061	0.00065	0.00071
Brazil	Hydra (tCO <sub>2</sub> e/piece)	0.00015	0.00011	0.00007
	Ceramic Tiles (tCO <sub>2</sub> e/m <sup>2</sup> )	0.00875	0.00822	0.00748
	Brazil Forestry (tCO <sub>2</sub> e/ha)	0.19905	0.19411	0.19524
	Castelatto (tCO <sub>2</sub> e/m <sup>2</sup> )	n/a	0.00071	0.00068
Colombia	Colombia Panels (tCO <sub>2</sub> e/m <sup>3</sup> )	0.05982	0.06069	0.05743

Note: Castelatto's data were included in the indicator in 2021, together with Ceramic Tiles. As of 2022, the merger between Ceramic Tiles and Castelatto has taken place and therefore the data are not applicable to the historical series.

## | GRI 305-5 | Reduction of GHG emissions

Compared to 2022, emissions by equity share approach (including Caetex and LD Celulose) decreased by 13.3%, considering scopes 1, 2 and 3. Reductions were concentrated in scope 1, with a decrease of 22.0% in comparison between 2022 and 2023. Regarding scope 2, all businesses, except LD Celulose, showed a reduction in emissions.

The reductions in 2023 were mainly due to the closure or suspension of operations in three manufacturing units: Queimados Sanitaryware, RC 2 and Manizales Panels, and for the closure of RC 3 in 2022. Furthermore, the factories of the Ceramic Sanitaryware and Tiles business operated during part of the year with reduced production capacity, aiming to adapt the industrial park to the current market conditions.

Overall, there was a reduction only in scope 1. Scopes 2 and 3 showed an increase in comparison between 2022 and 2023. However, all businesses, except LD Celulose, showed a reduction in scope 2. The analysis was carried out based on the comparison of emissions in 2022 and 2023, demonstrating the evolution in the reporting year (2023). Strategically, Dexco's emission reduction target (-37% by 2030, scopes 1 and 2) considers a composite baseline, with each business having a specific base year.

The initiative with the greatest potential to reduce emissions was the phasing-out of the use of coal in the RC1 unit, which was replaced by natural gas, an energy with lower emissions. The change was implemented in Q4 2023 and therefore positive impacts are expected to be captured more representatively in 2024.

Finally, continuous improvements and adjustments to production processes help reduce emissions through more efficient use of fuel and electricity and less waste.

GHG emissions and removals inventory (tCO<sub>2</sub>e) – Balance based on ISO 14064-1

	2021	2022	2023
<b>Dexco S.A. - Operations in Brazil</b>			
<b>Shareholding</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>DIRECT EMISSIONS/REMOVALS</b>			
Emissions - Production processes	331,475.13	290,149.94	207,115.60
Emissions - Land use and forestry	10,241.67	729,481.25	11,874.34
Removals - Land use and forestry	(498,844.69)	-	(29,054.02)
<b>INDIRECT EMISSIONS - ENERGY IMPORTS</b>	<b>111,205.87</b>	<b>35,541.11</b>	<b>29,944.60</b>
<b>INDIRECT EMISSIONS - OTHER CATEGORIES</b>	<b>98,522.66</b>	<b>97,574.43</b>	<b>104,582.05</b>
<b>Balance - Dexco Brasil</b>	<b>52,600.64</b>	<b>1,152,746.73</b>	<b>324,462.57</b>

	2021	2022	2023
<b>Dexco S.A. - Operations in Colombia</b>			
<b>Shareholding</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>DIRECT EMISSIONS/REMOVALS</b>			
Emissions - Production processes	6,544.28	6,867.98	5,273.84
Emissions - Land use and forestry	241.94	298.29	417.54
Removals - Land use and forestry	-	-	-
<b>INDIRECT EMISSIONS - ENERGY IMPORTS</b>	<b>7,473.12</b>	<b>7,436.24</b>	<b>6,254.12</b>
<b>INDIRECT EMISSIONS - OTHER CATEGORIES</b>	<b>3,235.94</b>	<b>3,229.80</b>	<b>6,299.51</b>
<b>Balance - Dexco Colombia</b>	<b>17,495.28</b>	<b>17,832.31</b>	<b>18,245.01</b>

	2021	2022	2023
<b>Caetex</b>			
<b>Shareholding</b>	<b>50%</b>	<b>60%</b>	<b>60%</b>
<b>DIRECT EMISSIONS/REMOVALS</b>			
Emissions - Production processes	1,233.87	1,249.40	2,228.20
Emissions - Land use and forestry	370.25	343.55	979.64
Removals - Land use and forestry	(89,964.31)	(46,476.47)	(378,806.01)
<b>INDIRECT EMISSIONS - ENERGY IMPORTS</b>	<b>-</b>	<b>-</b>	<b>4.06</b>
<b>INDIRECT EMISSIONS - OTHER CATEGORIES</b>	<b>-</b>	<b>47.40</b>	<b>102.31</b>
<b>Balance - Caetex</b>	<b>(88,360.19)</b>	<b>(44,836.12)</b>	<b>(375,491.79)</b>

	2021	2022	2023
<b>LD Celulose</b>			
<b>Shareholding</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>
<b>DIRECT EMISSIONS/REMOVALS</b>			
Emissions - Production processes	5,293.79	69,136.97	73,285.53
Emissions - Land use and forestry	5.25	3,159.81	378,248.28
Removals - Land use and forestry	(768,822.39)	(393,253.50)	-
<b>INDIRECT EMISSIONS - ENERGY IMPORTS</b>	<b>-</b>	<b>4,717.43</b>	<b>9,876.11</b>
<b>INDIRECT EMISSIONS - OTHER CATEGORIES</b>	<b>-</b>	<b>1,547.53</b>	<b>7,152.79</b>
<b>Balance - LD Celulose</b>	<b>(763,523.35)</b>	<b>(314,691.76)</b>	<b>468,562.71</b>

	2021	2022	2023
<b>Biogenic emissions (shareholding)</b>			
<b>Dexco - Brazil</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Direct biogenic emissions	352,367.51	347,341.84	284,846.66
Indirect biogenic emissions	8,475.54	6,811.61	10,350.06
<b>Dexco - Colombia</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Direct biogenic emissions	30,187.56	24,431.80	17,357.15
Indirect biogenic emissions	0.04	0.03	599.89
<b>Caetex</b>	<b>50%</b>	<b>60%</b>	<b>60%</b>
Direct biogenic emissions	916.83	707.75	755.42
Indirect biogenic emissions	-	4.60	11.28
<b>LD Celulose</b>	<b>49%</b>	<b>49%</b>	<b>49%</b>
Direct biogenic emissions	351.48	377,354.01	776,151.01
Indirect biogenic emissions	-	49.37	765.29

Note 1: Colombia's operations are under a carbon market regulated by the Colombian government. Emissions from Colombia's Dexco units are not presented to compose the emissions balance.

Note 2: positive values represent emissions and negative values represent removals.

Accumulated balance	2020	2021	2022	2023	Accumulated
Dexco - Brazil	80,970.46	(52,600.64)	(1,152,746.72)	(324,462.57)	(1,448,839.47)
Caetex	195,482.74	88,360.19	44,602.06	375,546.04	703,991.03
LD Celulose	239,968.24	763,523.26	314,691.76	(468,562.71)	849,620.55
<b>Total</b>	<b>516,421.44</b>	<b>799,282.81</b>	<b>(793,452.90)</b>	<b>(417,479.24)</b>	<b>104,772.11</b>

Note 3: positive balances represent net removals and negative values represent net emissions.

Emissions per business (2023) -tCO <sub>2</sub> e	Scope 1	Scope 2	Scope 3
Wood Brazil	52,075.13	23,030.12	75,822.20
Wood Colombia	5,691.38	6,254.12	6,299.51
Sanitaryware	37,692.41	1,661.86	15,440.06
Metals	3,020.41	1,897.28	2,994.70
Hydra	44.47	216.98	158.96
Tiles	126,157.52	3,138.36	10,166.15
<b>Total</b>	<b>224,681.32</b>	<b>36,198.72</b>	<b>110,881.58</b>

## | GRI 305-6 | Emissions of ozone-depleting substances (ODS)

Emissions of ozone-depleting substances (ODS) (tons CFC 11 equivalent)	2021			2022			2023		
	Brazil	Colombia	Total	Brazil	Colombia	Total	Brazil	Colombia	Total
HCFC-141b	0.00067	0.00000	<b>0.00067</b>	0.00331	0.00000	<b>0.00331</b>	0.00374	0.00000	<b>0.00374</b>
HCFC-22	0.06009	0.00013	<b>0.06023</b>	0.05186	0.00062	<b>0.05248</b>	0.04311	0.00006	<b>0.04317</b>

Note 1: the substances included in the calculation are HCFC-22 and HCFC-141b. The source of the emission factors used, as well as the standards, methodologies, assumptions, and/or calculation tools employed, was the Brazilian GHG Protocol Program. Calculation Tool, 2016 Cycle. The figures represent the consumption of gases in air conditioners and fire extinguishers. Such gases are supplied by the service providers responsible for the maintenance of such equipment. Dexco does not produce, import or export these gases in its operations. The amounts of gases consumed in the equipment were multiplied by the ozone depletion potentials of each substance for its conversion into tons of CFC 11 equivalent. As consumption data are reported in kg, the conversion to tons was subsequently made.

Note 2: the data underwent a detailed review and were adjusted for the years 2021 and 2022. The figures reported in previous years were directly the consumption of each of the gases in tons, without conversion to tons of CFC 11 equivalent, and this year the data were converted as the indicator requests. | **GRI 2-4**

## | GRI 305-7 | Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

In 2023, Dexco emitted 2,196 tons of particulate matter (PM), representing a 23% reduction compared to 2022. For NOx, emissions were 1,190 tons and there was a 55% reduction.

We consider as significant atmospheric emissions those from fixed sources. Emissions were estimated based on specific direct measurements, conducted according to monitoring plans and local regulatory requirements, and designed according to the characteristics and operation of the equipment.

NOx, SOx and other significant air emissions, by country and business unit (tons)	2022			2023			
	MP	NOx	SOx	MP	NOx	SOx	
Brazil	Brazil Panels	2,225.9	2,148.4	0.0	1,757.7	972.5	0.0
	Deca Metals	17.3	0.2	0.0	19.9	1.8	0.0
	Deca Sanitaryware	7.9	109.0	1.2	0.0	93.1	0.0
	Tiles	569.8	386.8	327.1	381.8	92.6	193.4
Colombia	Panels Colombia	47.9	48.7	0.0	36.1	30.1	0.0
<b>Total</b>	<b>2,868.8</b>	<b>2,693.1</b>	<b>328.3</b>	<b>2,195.5</b>	<b>1,190.1</b>	<b>193.4</b>	

Note: NOx and SOx emissions are estimated from point measurements taken directly at the emitting sources and extrapolated to the total operating time of the equipment throughout the year. No conversion factors are used. The generator systems considered in the calculation include atomizers, boilers, ovens, generators, impregnation, dryers, and exhaust systems.

## Biodiversity

### | GRI 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

#### | SASB RR-FM-160a.2 | Area of forestland with protected conservation status

In Brazil, the total area managed was 172,380.9 hectares in 2023. The methodology for assessing the regeneration stages of native vegetation reserves has been adapted and automated using geoprocessing tools, making the data more reliable. As a result, there was an increase in some data when compared to 2022.

In Colombia, the total of High Conservation Value Areas (HCVA) was 102 hectares in the period. There has been no change in the last three years. All sites classified as such areas are located superficially, in Dexco's forest areas, owned by the Company.

| GRI 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

| SAS RR-FM-160a.2 | Forest area with protected conservation status (cont.)

### Operational units within or adjacent to protected areas and areas of high biodiversity value in Brazil, by State (hectares)

Region	Type of Conservation Unit	Overlay type	2021	2022	2023	2021	2022	2023
			Production farms			Conservation farms		
São Paulo	Full Protection	Within the area	0.0	0.0	0.0	0.0	0.0	0.0
		Adjacent (10 km)	12,436.3	1,752.2	8,833.3	0.0	0.0	0.0
	Sustainable Use	Within the area	12,990.2	14,887.3	15,357.5	0.0	0.0	0.0
		Adjacent (10 km)	37,913.4	42,246.6	38,683.03	0.0	0.0	0.0
	HCVA	Within the area	0.0	0.0	704.0	0.0	0.0	0.0
	Minas Gerais	Full Protection	Within the area	0.0	0.0	0.0	1,345.7	1,100.3
Adjacent (10 km)			0.0	0.0	0.0	1.6	0.0	1.5
Sustainable Use		Within the area	1,060.2	875.6	887.9	0.0	0.0	0.0
		Adjacent (10 km)	3,347.7	3,377.9	3,103.8	0.0	0.0	0.0
HCVA		Within the area	32.5	32.5	32.5	0.0	0.0	0.0
Alagoas		Full Protection	Adjacent	n/a	n/a	6,566.9	n/a	n/a
	Within the area		n/a	n/a	0.0	n/a	n/a	0.0
	Sustainable Use	Within the area	n/a	n/a	3,380.72	n/a	n/a	0.0
		Adjacent (10 km)	n/a	n/a	32,260.48	n/a	n/a	0.0
	HCVA	Within the area	n/a	n/a	393.6	n/a	n/a	0.0
	<b>Total</b>			<b>67,780.3</b>	<b>63,172.1</b>	<b>110,203.71</b>	<b>1,347.3</b>	<b>1,100.3</b>

Note 1: all areas are for production or extraction.

Note 2: Alagoas data are not available for 2021 and 2022 because Caetex started to be considered in the indicator from 2023.

### | GRI 304-2 | Significant impacts of activities, products and services on biodiversity

In 2023, as in 2022, no significant impacts on biodiversity were identified in Dexco's operations in Brazil. Our manufacturing units are located in areas intended for industrial activities, preventing the occurrence of this type of impact. The forestry production units are implanted in already anthropized areas, normally used for agricultural activities.

We have been FSC® certified since 1995, being the first company in the Southern Hemisphere to obtain such a distinction. For the maintenance of this certification, it is necessary to employ the best techniques for responsible forest management, aiming to prevent, minimize and mitigate the negative impacts of operations. Maintaining areas of native vegetation within forest plantations contributes directly to biodiversity conservation by providing suitable habitats and improving connectivity between different fragments. There is no conversion of natural forest ecosystems for the planting of our forests.

For wood procurement, we have a due diligence system that evaluates suppliers on, among other things, the environmental and social impacts of harvesting and transportation.

In Colombia, we have a matrix for the identification, mitigation and prevention of environmental impacts, through which procedures to identify impacts are carried out at the beginning of activities in the areas of forestry, harvesting and transportation. Through Social Policy, we also count as a tool a matrix in which neighboring communities identify the positive and negative impacts of the operation. In both cases, the best possible identification of the impact is made in order to address and/or remediate it as appropriate.

Operations in Colombia are mostly established in areas that were previously used for other purposes, so that the development of planted forests creates a significant amount of forest cover. We have a procedure for the handling and application of chemical inputs that must be followed by contracted companies so that the activities are carried out with the least possible impact and risk, ensuring adequate control of the main pests and phytosanitary diseases that may occur in the plantations.

## | GRI 304-3 | Habitats protected or restored

## | SASB RR-FM-160a.1 | Area of forestland certified to a third-party forest management standard, percentage certified to each standard

In 2023, Dexco Brasil's total managed areas totaled 172,380.9 hectares. The FSC® certified areas, in relation to the total areas, represent 92%. In Colombia, total managed areas totaled 10,990.6 hectares. The FSC® certified areas, in relation to the total areas, represent 82%. We have a target for forest management certification of 100% of our own<sup>1</sup> and leased areas of Brazil's operations by 2025.

Habitats protected or restored in Brazil (hectares)	2021					2022							2023							
	Planted flowers	Available for planting	Infra-structure	Conser-vation	Total	Planted flowers	Available for planting	Planted forests + available for planting	Infra-structure	Conser-vation	Grand Total	Total FSC® certified areas	Planted flowers	Available for planting	Planted forests + available for planting	Infra-structure	Conser-vation	Grand Total	Total FSC® certified areas	
São Paulo	Own	37,721	2,978	2,708	16,095	<b>59,502</b>	39,858	1,817	41,675	2,076	15,760	<b>59,511</b>	56,869	41,950	1,275	43,225	2,739	17,703	<b>63,667</b>	62,778
	Leased	10,592	763	923	6,347	<b>18,625</b>	10,743	1,745	12,487	899	6,222	<b>19,609</b>	15,812	12,902	1,289	14,191	984	6,704	<b>21,898</b>	19,564
Minas Gerais	Own	0	0	0	0	<b>0</b>	0	0	0	0	0	<b>0</b>	0	0	0	0	0	0	<b>0</b>	0
	Leased	26,270	2,249	1,571	17,919	<b>48,009</b>	26,811	1,764	28,575	1,205	17,411	<b>47,191</b>	46,496	27,429	1,322	28,751	1,503	17,459	<b>47,713</b>	46,788
Rio Grande do Sul	Own	3,232	0	248	2,508	<b>5,988</b>	3,232	0	3,232	224	2,528	<b>5,984</b>	5,985	3,232	0	3,232	197	2,556	<b>5,985</b>	5,985
	Leased	1,518	36	189	808	<b>2,551</b>	1,500	106	1,606	197	821	<b>2,624</b>	2,551	1,556	0	1,556	151	789	<b>2,496</b>	2,466
Alagoas	Own	n/a	n/a	n/a	n/a	<b>n/a</b>	n/a	n/a	n/a	n/a	n/a	<b>n/a</b>	n/a	0	0	0	0	0	<b>0</b>	0
	Leased	n/a	n/a	n/a	n/a	<b>n/a</b>	n/a	n/a	n/a	n/a	n/a	<b>n/a</b>	n/a	16,776	1,284	18,059	2,556	10,008	<b>30,623</b>	21,204
<b>Total</b>		<b>79,333</b>	<b>6,026</b>	<b>5,639</b>	<b>43,677</b>	<b>134,675</b>	<b>82,144</b>	<b>5,431</b>	<b>87,575</b>	<b>4,602</b>	<b>42,742</b>	<b>134,919</b>	<b>127,714</b>	<b>103,845</b>	<b>5,170</b>	<b>109,015</b>	<b>8,129</b>	<b>55,218</b>	<b>172,381</b>	<b>158,785</b>

<sup>1</sup> Does not include Caetex.

| GRI 304-3 | Habitats protected or restored

| SASB RR-FM-160a.1 | Area of forestland certified to a third-party forest management standard, percentage certified to each standard (cont.)

Forest areas promoted in Brazil, by State and type of land use (hectares)	2021			2022			2023		
	Planted forests	Improvements	Total	Planted forests	Improvements	Total	Planted forests	Improvements	Total
São Paulo	1,341	660	<b>2,001</b>	0	0	<b>0</b>	0	0	<b>0</b>
Minas Gerais Fostered	0	0	<b>0</b>	0	0	<b>0</b>	0	0	<b>0</b>
Rio Grande do Sul	14,547	11,902	<b>26,449</b>	12,499	10,225	<b>22,724</b>	11,759	9,620	<b>21,378</b>
Alagoas	Own	n/a	<b>n/a</b>	n/a	n/a	<b>n/a</b>	0	0	<b>0</b>
	Leased	n/a	<b>n/a</b>	n/a	n/a	<b>n/a</b>	0	0	<b>0</b>
<b>Total</b>	<b>15,888</b>	<b>12,562</b>	<b>28,450</b>	<b>12,499</b>	<b>10,225</b>	<b>22,724</b>	<b>11,759</b>	<b>9,620</b>	<b>21,378</b>

Note: there is no relation of ownership in fostered areas, only a contract for the purchase of wood. As a result, we have no control over conservation areas.

Areas under restoration in Brazil, by State and regeneration stage (hectares)	Initial			Medium			Intermediate			Not assessed			Total			
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	
São Paulo	Own	317	302	2,120.8	5,025	5,025	10,117.5	10,511	10,511	5,010.9	241	861	209.6	<b>16,094</b>	<b>16,699</b>	<b>17,458.7</b>
	Lease	87	87	8.6	1,867	1,867	177.0	3,938	3,938	562.6	455	924	40.6	<b>6,347</b>	<b>6,816</b>	<b>788.7</b>
Minas Gerais	Lease	3,606	3,606	156.0	6,576	6,576	584.6	6,891	6,891	1,694.0	846	2,131	121.5	<b>17,919</b>	<b>19,204</b>	<b>2,556.1</b>
Rio Grande do Sul	Own	15	15	226.7	288	288	2,431.1	2,205	2,205	3,870.8	1	1	175.0	<b>2,508</b>	<b>2,508</b>	<b>6,703.7</b>
	Lease	12	12	234.7	103	103	3,470.0	690	690	13,490.5	2	15	507.8	<b>808</b>	<b>821</b>	<b>17,703.0</b>
Alagoas	Own	n/a	n/a	0.0	n/a	n/a	0.0	n/a	n/a	0.0	n/a	n/a	0.0	<b>n/a</b>	<b>n/a</b>	<b>0.0</b>
	Lease	n/a	n/a	754	n/a	n/a	4,474	n/a	n/a	4,694	n/a	n/a	185	<b>n/a</b>	<b>n/a</b>	<b>10,107.7</b>
<b>Total</b>	<b>4,037</b>	<b>4,022</b>	<b>3,501</b>	<b>13,859</b>	<b>13,859</b>	<b>21,255</b>	<b>24,235</b>	<b>24,235</b>	<b>29,323</b>	<b>1,545</b>	<b>3,932</b>	<b>1,240</b>	<b>43,677</b>	<b>46,048</b>	<b>55,317.8</b>	

| GRI 304-3 | Habitats protected or restored

| SASB RR-FM-160a.1 | Area of forestland certified to a third-party forest management standard, percentage certified to each standard (cont.)

Habitats protected or restored in Colombia	2021					2022					2023							
	Center	Planted	Available for planting	Conservation and other uses	Grand total	FSC® - certified	Planted	Available for planting	Planted + available for planting	Conservation and other uses	Grand total	FSC® - certified	Planted	Available for planting	Planted + available for planting	Conservation and other uses	Grand total	FSC® - certified
<b>OWN AREAS</b>																		
Norte de Antioquia	2,283	0	1,050	3,333	3,333	2,221	40	2,261	1,072	3,333	3,333	2,219	42	2,261	1,072	3,333	3,333	
Nordeste de Antioquia	1,136	25	993	2,154	2,154	1,138	42	1,180	975	2,155	2,154	1,165	3	1,168	785	1,953	1,953	
Tolima	795	11	748	1,554	1,554	742	43	785	770	1,555	1,554	776	6	782	762	1,544	1,544	
Caldas	270	6	135	411	411	265	11	276	135	411	411	265	11	276	135	411	411	
Puerto Parra	114	0	42	156	0	112	1	113	42	155	0	124	2	127	29	156	-	
<b>Subtotal</b>	<b>4,598</b>	<b>42</b>	<b>2,968</b>	<b>7,608</b>	<b>7,452</b>	<b>4,478</b>	<b>137</b>	<b>4,615</b>	<b>2,994</b>	<b>7,609</b>	<b>7,452</b>	<b>4,549</b>	<b>65</b>	<b>4,614</b>	<b>2,783</b>	<b>7,397</b>	<b>7,241</b>	
<b>THIRD PARTY AREAS</b>																		
Nordeste de Antioquia	1,986	50	372	2,408	1,382	1,966	85	2,051	372	2,423	1,742	1,816	203	2,019	375	2,394	1,740	
Puerto Parra	682	0	518	1,200	0	618	68	686	514	1,200	0	637	45	682	517	1,200	-	
<b>Subtotal</b>	<b>2,668</b>	<b>50</b>	<b>890</b>	<b>3,608</b>	<b>1,382</b>	<b>2,584</b>	<b>153</b>	<b>2,737</b>	<b>886</b>	<b>3,623</b>	<b>1,742</b>	<b>2,454</b>	<b>248</b>	<b>2,701</b>	<b>892</b>	<b>3,593</b>	<b>1,740</b>	
<b>Total</b>	<b>7,266</b>	<b>92</b>	<b>3,858</b>	<b>11,216</b>	<b>8,835</b>	<b>7,062</b>	<b>290</b>	<b>7,352</b>	<b>3,880</b>	<b>11,232</b>	<b>9,194</b>	<b>7,003</b>	<b>312</b>	<b>7,315</b>	<b>3,675</b>	<b>10,991</b>	<b>8,981</b>	

Note: the indicator has been revised and the data for the years 2021 and 2022 have been adjusted in this report. The data were adjusted to represent the final data for December 31 of the respective years. | GRI 2-4

All forest land that comes into Dexco's ownership, even if not yet certified, is managed with the same procedures as those already certified. Thus, there is no differentiation of operational procedures between areas that are on hold to certify and those already certified.

| GRI 304-3 | Habitats protected or restored

| SASB RR-FM-160a.1 | Area of forestland certified to a third-party forest management standard, percentage certified to each standard (cont.)

Total area and certified areas	2021		2022		2023	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
Total area (hectares)	134,674.7	11,216.0	134,919.6	11,232.0	172,380.9	10,990.6
FSC® certified area (hectares)	130,889.7	8,835.0	127,713.7	9,194.0	158,785.1	8,981.0
Percentage certified area	97%	79%	95%	82%	92%	82%

Note 1: includes own and leased areas in Brazil and own and third-party areas in Colombia.

Note 2: the indicator has been revised and the data for the years 2021 and 2022 have been adjusted in this report. | GRI 2-4

#### | GRI 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations

The species identified on national and international conservation lists are based on flora and fauna surveys conducted in locations representative of the areas where Dexco owns and manages forests.

We cross-referenced the results of studies and monitoring of fauna and flora with official lists of endangered species at the federal, national and international levels. These lists indicate the threat category and are constantly reviewed by the organizations.

The lists used for the survey of species in Brazil, by State, were:

- Alagoas (AL) – National List (ICMBio and CNC) and Red List of Endangered Species of the International Union for Conservation of Nature (IUCN).
- Minas Gerais (MG) – COPAM Normative Resolution 147, which approves the list of species endangered by extinction of the fauna of the State of Minas Gerais, and COPAM Resolution 85, which approves the list of species endangered by extinction of the flora of the State of Minas Gerais.
- Rio Grande do Sul (RS) – Decree 51,797, which declares endangered species of fauna, and Decree 52,109, which declares endangered species of flora of the State.
- São Paulo – Decree 63,853, which approves the list of endangered fauna species, and SMA Resolution 57, which publishes the second revision of the official list of endangered flora species in the State of São Paulo.

For the data reported by the National List (ICMBio and CNC) and the Red List of Endangered Species, of the International Union for Conservation of Nature (IUCN), all regions where Dexco has operations are included.

In Colombia, the species identified were based on the CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) and IUCN lists.

| GRI 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations

### Species included in the IUCN Red List and national conservation lists with habitats in areas affected by the organization's operations

Endangered species according to IUCN	2021						2022						2023						
	Brazil		Colombia		Total		Brazil		Colombia		Total		Brazil		Colombia		Total		
	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	
Critically Endangered	0	3	2	0	2	3	0	2	2	0	2	2	2	0	3	1	0	1	3
Endangered	5	8	0	1	5	9	3	5	0	1	3	6	5	8	1	0	6	8	
Vulnerable	21	10	0	1	21	11	18	11	0	1	18	12	21	13	0	2	21	15	
Near Threatened	40	10	0	0	40	10	35	6	0	0	35	6	41	10	0	0	41	10	
Least concern	1,289	603	0	1	1,289	604	705	376	0	1	705	377	1,314	675	0	0	1,314	675	

Note: includes endangered species from the International Union for Conservation of Nature (IUCN) Red List.

Species endangered by threat category and State of their occurrence, in Brazil	2021								2022								2023									
	São Paulo		Minas Gerais		Rio Grande do Sul		National (ICMBio and CNC)		São Paulo		Minas Gerais		Rio Grande do Sul		National (ICMBio and CNC)		Alagoas		São Paulo		Minas Gerais		Rio Grande do Sul		National (ICMBio and CNC)	
	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora	Fauna	Flora
Critically Endangered	4	0	2	0	1	0	1	1	4	0	2	0	1	0	1	1	0	0	4	0	2	0	1	0	1	1
Endangered	8	2	7	1	3	2	4	10	8	2	7	1	1	2	4	9	0	0	9	2	7	1	3	3	4	11
Vulnerable	15	7	8	6	8	3	21	8	15	7	7	6	8	3	15	6	1	1	15	7	8	6	8	5	22	9
Near Threatened	0	0	0	0	2	1	0	0	0	0	0	0	2	1	0	0	0	0	0	0	0	0	2	1	0	0
Least concern	0	0	0	0	272	8	0	0	0	0	0	0	241	8	0	0	0	0	0	0	0	0	272	11	0	0

Note: for the indicator, the cumulative number of species found up to 2023 was used.

## Forestry

### | SASB RR-FM-160a.3 | Area of forestland in endangered species habitat

As part of the FSC® certification process, certified companies must identify the environmental aspects and impacts of their operations, and there is an established procedure for conducting this assessment.

Classification considers the situation (normal, abnormal, or emergency), type of impact (real or potential), temporality (current, past, or planned), classification (beneficial or adverse), and degree of influence (controlled or influenced). The determination of the significance of impacts is based on the criteria of scale, severity and frequency. All forest operations have this assessment, and, according to the methodology used, no significant impacts on biodiversity were identified.

Even so, as part of the FSC® certification requirements, field monitoring is carried out before, during and after the activities. The microplanning of operations makes it possible to identify the socio-environmental impacts most likely to occur in that location, enabling the definition of measures for their prevention, minimization and/or mitigation.

For monitoring during and after the operations, an electronic form has been developed in 2021, through which patrolmen, technicians and supervisors can indicate socio-environmental events (e.g. erosion, presence of garbage and invasions), automatically generating a pending issue to be addressed by the operational area through action plans.

During the due diligence process for timber procurement, the following points are evaluated: environmental documentation (negative certificates, environmental license, Rural Environmental Registry, embargoed areas), labor documentation (Negative Certificate of Labor Debts from the Department of Labor, Guarantee Fund for Length of Service and Superior Labor Court, Environmental Risk Prevention Program, Occupational Health Medical Control Program, Occupational Health Certificate, list of slave labor), overlap of the supply unit with protected areas (conservation units, indigenous lands and quilombola territories), Impact on ecosystem services, respect for protected areas during harvesting, waste management, documentation of impact on soil, water and native vegetation, work safety conditions, training of employees, free provision of personal protective equipment (PPE) and supply of water and food.

Forest area located in habitat of endangered species	2021		2022		2023	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
Own area (km <sup>2</sup> )	734.1	1.0	659.4	1.0	696.5	1.0
Own area (hectares)	73,410.1	101.7	65,943.2	101.7	69,651.2	101.7
Leased area (km <sup>2</sup> )	687.1	0.0	712.4	0.0	31,344.0	0.0
Leased area (hectares)	68,708.5	0.0	71,237.1	0.0	72,393.6	0.0
Managed area (km <sup>2</sup> )	0.0	112.0	0.0	111.8	0.0	109.9
Managed area (hectares)	0.0	11,216.0	0.0	11,232.0	0.0	10,991.0
<b>Total area (km<sup>2</sup>)</b>	<b>1,421.2</b>	<b>113.0</b>	<b>1,371.8</b>	<b>112.8</b>	<b>32,040.5</b>	<b>110.9</b>
<b>Total area (hectares)</b>	<b>142,118.6</b>	<b>11,317.7</b>	<b>137,180.3</b>	<b>11,333.7</b>	<b>142,044.8</b>	<b>11,092.7</b>

Note: Colombia's 2022 data has been adjusted. For this report, the data closed on December 31 of each year were used and, as a result, some values had small variations. | GRI 2-4

### | SASB RR-FM-160a.4 | Description of approach to optimising opportunities from ecosystem services provided by forestlands

In 2022, we received the recommendation for FSC® verification of three ecosystem services provided by our forest areas: conservation of forest carbon stocks, conservation of species diversity, and recreational services. The management that Dexco conducts in its planted forests and the preservation of areas of native vegetation allow these services to be recognized and used by the company, the surrounding communities, and the flora and fauna. In 2023, we received the recommendation for an additional service verification: maintenance of water quality.

| SASB RR-FM-160a.4 | Description of approach to optimising opportunities from ecosystem services provided by forestlands (cont.)

The forest carbon stock conservation service results from the removal of CO<sub>2</sub> from the atmosphere by the process of photosynthesis of forests, both planted and natural. In addition to contributing to the carbon balance, Dexco's protected areas are habitats for native flora and fauna. No forestry operations occur in these areas, and studies and research have identified more than 2,300 species of plants and animals since the 1970s. In addition, because of their landscape permeability, planted forests can be used by wildlife as corridors for movement between protected areas.

Located in Agudos (SP), Espaço Arvorar is maintained by Dexco in one of its forest areas, where guided tours are offered to the community (mainly students) for an exhibition on the history of wood in society and an educational trail that passes through a fragment of native vegetation in the process of natural regeneration.

The preservation of native vegetation is a fundamental part of our Integrated Pest Management (IPM) program, in which the presence of natural enemies is the first line of control for any pest that may affect the eucalyptus crop, helping to increase the productivity of planted forests and optimize the use of pesticides.

All forest production activities are planned to avoid damage to or impact on protected areas. The collaborators are trained for this, and the micro-planning maps contain guidelines to ensure that the operations are carried out safely and in an environmentally appropriate manner.

The areas around springs and the banks of watercourses are defined by Brazilian law as Permanent Preservation Areas (APP). The preservation of native vegetation in these places contributes to

the protection of water resources and the maintenance of water quality, which are fundamental to forest stewardship activities, and is a way to connect fragments of vegetation that also act as corridors for the movement of fauna.

One of the practices used in our forest management is minimum tillage, which consists of leaving forest residues (branches, leaves and roots) in the field after harvesting, thus contributing to soil protection and conservation. Conservationist soil management techniques ensure the availability of this fundamental resource for forest production. Soil cover contributes to the prevention of erosion (which also aids in the conservation of water resources due to the reduced risk of siltation); the maintenance of soil temperature, favoring the presence of microfauna; and greater nutrient cycling, increasing the amount of organic matter in the soil and reducing the demand for mineral fertilizers.

Some Dexco units in Brazil have partnerships with beekeeper associations to install hives in forest areas. The environment of eucalyptus forests and the native vegetation of conservation areas provide good conditions for honey production. These locations are properly signposted to ensure the safety of employees, and hives are removed prior to the forest harvest period. This activity does not have any kind of impact on forest productivity.

An area of 32.5 hectares in the Uberaba (MG) unit was classified as a High Conservation Value Area (HCVA) as it serves as a habitat for a rare and endemic amphibian species from the Triângulo Mineiro region, *Bokermannohyla sazimai*.

None of these ecosystem services are currently remunerated in Brazil. Through the Carvida program, the Colombian units were able to sell carbon credits resulting from forest stewardship activities, generating revenue for this commercialization in 2017 and 2021.

We also have some HCVA's in Colombia, identified following FSC® standard criteria. In these areas, special conservation measures are used to ensure the maintenance of the identified attributes, such as signaling the areas and working with neighboring communities. Three of them are habitats of endemic or endangered species and nine are critical sites for watercourses that supply communities.

**| SASB RR-FM-210a.1 | Area of forestland in indigenous land**

We do not operate in areas inhabited by traditional communities, and for future activities in such areas, we will seek free, prior and informed consent and continue to respect legal, customary and land-use rights.

We annually review the mapping of traditional communities in Dexco's areas of operation and have identified eight areas in Brazil that have been declared indigenous or quilombola, of which only one is considered close to our operations. However, consultations and impact assessments have not identified any direct impact of the company's activities on the livelihoods or rights of the local population. In Colombia, we do not have areas adjacent to indigenous or other minority territories.

## | SASB RR-FM-210a.1 | Area of forestland in indigenous land (cont.)

Extent of forest areas located in areas considered indigenous peoples' lands, by type of ownership, in Brazil and Colombia (hectares)	2021	2022	2023
Own area	0.0	0.0	0.0
Leased area	0.0	0.0	0.0
Administered area	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**| SASB CG-BF-430a.1 | (1) Total weight of wood fibre materials purchased  
(2) Percentage from third-party certified forestlands (3) Percentage by standard  
(4) Percentage certified to other wood fibre standards (5) Percentage by standard**

Dexco uses in its production chain only raw material from planted forests that are certified or controlled according to FSC® requirements. All wood sources are privately owned and located in the Brazilian territory, mainly in the states of Rio Grande do Sul, São Paulo and Minas Gerais.

FSC® certified forests follow a management plan that guides responsible forestry operations, in accordance with the principles and criteria of the FSC® system. Regarding controlled wood, there is a robust evaluation process to prevent wood from not coming from unacceptable sources, such as illegal logging, exploited in violation of traditional and/or civil rights, from HCVA's threatened by management activities and from deforested areas.

We have a due diligence system for the acquisition of wood that is not FSC® certified. This system is based on FSC® controlled wood standards and ensures that the raw material does not come from unacceptable sources. All timber negotiations are formalized through legal contracts, and suppliers and supply areas are subject to documentary and field audits prior to delivery of raw material.

In this audit process, the following are evaluated:

- Documentation guaranteeing land ownership/tenure and use, applicable environmental permits for planting and harvesting of planted forests.
- Legality of tax documentation, negative certificates of debt of suppliers at the federal and state levels.
- Embargoes at the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA).
- Compliance of operations with environmental legislation and occupational health and safety legislation.
- Compliance of workers' documentation to guarantee all their labor rights. Overlap and/or proximity of timber supply areas to priority conservation areas, conservation units, local, indigenous or traditional communities.

We have the target of certifying 100% of our own and leased areas in Brazilian operations<sup>1</sup> and certifying 80% of fostered area by 2025. The Taquari (RS) unit has defined target for encouraging forest management certification in the wood consumption chain. In this scenario, the unit works with the practice of forest management by signing wood purchase contracts with local producers.

In Colombia, wood suppliers are large, medium and small companies for the national wood market, and all need to be registered in the system to have access to the plant. For the approval of this registration, the supplier must have proven that the plantation from which the timber comes from a forest plantation registered with the Colombian Agricultural Institute (ICA). This record is unique for each crop and has an identification code.

In addition, in order to move a timber truck, an ICA timber movement record must be issued, which contains information about the origin and destination of the timber, the ICA registration number, the license plate on which it is being moved, and the validity of the record according to the movement to be made. There is also the license from the Regional Autonomous Corporation, which validates the use of some forest resources.

<sup>1</sup> Does not include Caetex.

| SASB CG-BF-430a.1 | (1) Total weight of wood fibre materials purchased (2) Percentage from third-party certified forestlands (3) Percentage by standard (4) Percentage certified to other wood fibre standards (5) Percentage by standard (cont.)

Total volume and percentage of wood fibre materials purchased by forest stewardship and wood standards in Brazil	2021		2022		2023	
	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)
Total volume of wood fibre materials purchased	5,016,359		4,819,894		4,281,751	
Volume of wood fibre materials obtained from management standards forests with third-party	242,231	5%	276,494	6%	982,799	23%
Volume and percentage of purchased wood fibre materials sourced from forests with third-party forest stewardship standards	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)
FSC-STD-BRA-03-2013 V3-2 PT_ Brasil SLIMF_Plantação-Nat	38,963	1%	64,599	1%	115,083	3%
FSC-STD-BRA-01-2014 V1-1 PT_ Plantações_Harmonizado	3,560,845	71%	3,662,448	76%	3,002,733	70%
Volume and percentage of fibre materials purchased that have been certified according to wood standards and/or norms	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)
FSC-STD-40-004 V3-1 PT – Chain of Custody Certification	548,064	11%	350,745	7%	428,566	10%
Volume and percentage of wood fibre certificate according to standards and/or norms	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)
FSC-STD-40-005 V3-1 PT – Requirements for Consumption of FSC® Controlled Wood	841,335	17%	741,750	15%	735,368	17%
Total volume of own wood and fibre	3,587,998	72%	3,662,800	76%	3,002,733	70%
Total volume of third-party wood and fibre	1,428,361	28%	1,157,095	24%	1,279,018	30%

Note: purchased wood certified by third parties in the FSC-STD-BRA-01-2014 V1-1 EN\_Harmonized\_Plantations standard.

Total volume and percentage of wood fibre materials purchased, by forest stewardship standards and wood standards, in Colombia	2021		2022		2023	
	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)
Total material volume of purchased wood fibre	345,820		373,490		286,915	
Volume of wood fibre materials that have been obtained from forests with forest stewardship standards of third parties	201,405	58%	222,161	59%	101,138	35%

Volume and percentage of fibre materials purchased that have been certified according to wood standards and/or norms	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)	Volume (tons)	Percentage (%)
Own FSC-certified wood®	144,415	42%	155,955	42%	121,185	42%
Third-party certified wood FSC®	62,794	18%	64,647	29%	56,798	20%

Note: wood subproducts and wood used for energy generation were discounted from the total volume of purchased fibre.

## Water Resources

### | GRI 3-3 | Management of material topics: Water and effluents

Water is a fundamental natural resource for human life and for the maintenance of biodiversity on the planet. Being a finite resource, it is essential that it is used rationally.

Our operations cause negative impacts related to water and effluents, since the manufacturing of products in industrial units and forest management, as well as the production of some raw materials used, are activities that consume water, reducing the availability of this natural resource. This is a real, current and systemic impact of the Company.

## | GRI 3-3 | Management of material topics: Water and effluents (cont.)

Industrial activities also generate effluents, with possible effects on the water quality of the receiving water body. This is a potential, current and systemic impact of the Company.

Deca and Hydra products use water in their operation, consuming water and generating effluents during their use stage. This is a real, ongoing, and systemic impact of the company that occurs throughout the useful life of these products at the point of installation.

On the other hand, the development and offering of water-efficient products, with technologies that allow to offer the same experience with less water, generate a positive impact by allowing a reduction in water consumption compared to traditional products. This is a real, current and systemic impact of the company, concentrated at the stage of use of Deca and Hydra products at its installation site.

Water consumption and effluents generation occur in three stages of Dexco's value chain:

- (1) Suppliers, for the production of inputs and raw materials, with indirect involvement.
- (2) Production units, for the manufacture of products and production of forests, with direct involvement.
- (3) Consumers, for the use of Deca and Hydra products, with indirect involvement.

In our Environmental Policy, we have established principles to “rationally and sustainably use natural resources, raw materials and inputs necessary for production processes” and “prevent

pollution and environmental risks in operations, from production to distribution of products, with technical and innovative solutions, mitigating impacts.” Our Sustainability Strategy establishes as one of the strategic commitments “ensuring sustainable growth while maintaining a positive carbon balance”. This commitment unfolds into performance indicators, with targets for 2025 or 2030. They are voluntary commitments, not arising from legal obligations.

In relation to effluents, the operations have the licenses and authorizations from the competent bodies and follow the applicable legal requirements related to their treatment, quality parameters and volume provided.

In 2014, a study was conducted to evaluate the water resources of the basins where our industrial units are located, using the latest data available from international organizations, river basin commissions and government agencies.

The main indicators of water stress were reviewed and a Basin Sustainability Index was applied in the basins (WSI) where Dexco operates. The Penha Pinheiros Basin, where the São Paulo Metals unit is located, has been classified as medium sustainability (for WSI), and according to the Falkenmark indicator, the basin is characterized by absolute water scarcity, resulting in the concept of high water risk for the unit. In the evaluation of local factors and water conditions, the unit was classified as high risk.

To minimize our impacts in relation to water and effluents, we continuously seek to improve our processes, using water more efficiently through initiatives to reduce withdrawal and increase

reuse. The treatment and disposal of waste water from the plants is carried out in accordance with the legal requirements applicable in each local context, and the production units are equipped with infrastructure for the proper treatment of their waste water, allowing it to be disposed of in a way that is less harmful to the environment and complies with legal parameters.

The development of technologies that reduce the amount of water used in the application of Deca and Hydra products helps to minimize this impact. Responsible forest management aims to avoid and minimize the impact of operations on water resources through practices such as the preservation of riparian vegetation (Permanent Preservation Areas), the use of genetic material adapted to local climatic conditions, and soil conservation techniques.

These goals are addressed on the Sustainability Strategy, the implementation of which is the responsibility of the Executive Committee, supported by ESG and IR management, with regular status reports to the Sustainability Committee.

The sustainability strategy performance indicators related to this topic are:

- Efficient use of inputs and raw materials
- Water footprint in the product use stage
- Managed and fostered areas with certified management

The targets for each indicator, as well as the assumptions used, are available in the [Sustainability Strategy](#).

### | GRI 3-3 | Management of material topics: Water and effluents (cont.)

The production units report monthly, on a corporate platform, environmental indicators that include parameters such as volume of water captured, volume of water reused and volume of effluents disposed. In addition, local operational indicators are monitored by the Integrated Management and Training team, which is responsible for the Environmental Management Systems of the units.

### | GRI 303-1 | Interactions with water as a shared resource

Water withdrawal at Dexco is carried out from surface, underground or third party sources. Water consumption occurs in several ways in the operating units, generating sanitary and industrial effluents that are adequately treated in internal Wastewater Treatment Plants (WWTP) or directed to external treatment through the public sewage network, such as the Central Office and showrooms.

With the implementation of water reuse systems in most units, there is a considerable reduction in the need to withdraw water. In addition, water recirculation makes it possible for the volume of effluents discharged to be considerably lower. New reuse systems have been implemented and improvements are planned so that the efficiency of the systems will allow even greater reductions in water withdrawals for industrial processes.

In the forestry units, we use water through soil absorption, rain or irrigation, and we have ongoing projects to reduce the water consumption of forestry equipment. We also use the technique of minimum cultivation, which consists of leaving the plant material of the previous forest in the harvesting area, with the aim of

creating layers of soil protection with mulch. One of the effects of this technology is moisture retention, which reduces the need for water.

Genetic breeding, which consists of selecting and crossing different genetic materials and replicating through cloning, also makes it possible to develop species that are better adapted to water-stressed conditions. Climatic zoning, which is the mapping of climatic conditions characteristic of each locality, allows each species to be assigned and combined to the region most conducive to its development. Indicators and targets related to water consumption in seedling nurseries are also monitored.

Given the intrinsic characteristics of Deca and Hydra brand solutions, such as faucets, showers and sinks, water is an essential resource for the operation of these products. Our product development team has been designing and launching eco-efficient alternatives in some Deca and Hydra product lines for a few years, with the potential to reduce consume of water in the use phase. In addition our Sustainability Strategy includes the potential targets of avoiding, by 2025, the use of 900 million cubic meters of water with the sale of Deca and Hydra eco-efficient products (baseline: 11.2 million cubic meters in 2015).

Water-related impacts are evaluated and measured by surveying environmental aspects and impacts (LAIA) of each unit. This tool of the Environmental Management System is reviewed every two years and allows the elaboration of specific action plans that identify opportunities for improvement in indicators related to water consumption.

There is also an internal control of grants for the use of water resources, renewed according to the need for revision or validity of the document. This document contains the allowable catchment limits for each region, considering the local water balance. Water withdrawal, consumption and disposal data are reported regularly on the environmental indicator management platform, and critical analysis meetings are held quarterly to identify potential adverse impacts.

Internally, in addition to the tools mentioned above, we implement specific operational controls aimed at eliminating or mitigating potential impacts on the use of water resources in the regions where we operate. Externally, we seek to dialogue with suppliers through the Dexco Supplier Management Program (GFD), that encourages the adoption of good environmental practices in the supply chain. In the questionnaire applied, suppliers share information about the use of water resources.

Through the Deca business, we provide consumers with eco-efficient faucet, shower and toilet solutions that have the potential to reduce the water footprint at the product use stage (target of the 2025 Sustainability Strategy).

In addition, we participated in the Lençóis River Basin Committee with a member of the Technical Chamber, the Municipal Council for the Environment in Agudos (SP), the Environmental Committee of the Federation of Industries of the State of Minas Gerais (FIEMG) in Uberaba (MG) and a group from the city of Taquari (RS) called Environmental Technical Cooperation, as well as being part of the São Paulo Forestry Forum, a space for dialogue that aims to contribute to the sustainable use of natural resources, forest conservation and sustainable land management.

## | GRI 303-1 | Interactions with water as a shared resource (cont.)

Since 2022, we have participated in the working group at the São Paulo Forest Forum that discusses forest management strategies that allow the best conditions for wood production and water conservation. Through dialogue with other forest companies, educational and research institutions, and NGOs, assessments are being conducted that will lead to technical recommendations and practical testing.

Our Environmental Policy establishes principles for managing the environmental aspects and impacts of our activities in order to reaffirm our commitment as an environmentally responsible company based on management, continuous improvement and communication.

Our Sustainability Strategy includes targets for reducing water withdrawal from operations in the “Efficient use of inputs and raw materials” indicator. There are also targets for the development of resource-saving products in the indicator “Water footprint in the product use stage”. Our production units have specific indicators, appropriate to the respective local conditions, which are monitored by the Environmental Management Systems.

## | GRI 303-2 | Management of water discharge-related impacts

The minimum standards for the disposal of effluents are determined according to local legal requirements and limits established by authorizations and licenses, in accordance with the current legislation of each location of the operation.

The specific characteristics of the receiving water bodies are taken into account in the process of obtaining licenses for the discharge of effluents. According to local characteristics and needs, the businesses establish the forms of treatment of industrial effluents and sewage. Most industrial units are equipped with wastewater treatment plants (WWTP), both for industrial effluents and sewage. In some locations, effluents are directed to treatment at the local utility. Periodic analyses guarantee the efficiency in the treatment and the quality of the discharged effluents.

We have an Environmental Policy and ESG Policy, which take into account the protection of water resources and the continuous improvement of processes. In addition, local Environmental Management Systems have monitoring plans and specific environmental indicators that address this issue.

## | GRI 303-3 | Water withdrawal

In 2023, we withdrew 3,591.7 megaliters of water, with only 2% in areas of water stress. Of the water withdrawn, 72% comes from underground sources, while 19% comes from surface sources and 9% from utility companies.

Total water withdrawal in all areas by source (ML)	2021		2022		2023			
	Areas with water stress	Areas no water stress	Areas with water stress	Areas no water stress	Areas with water stress	Areas no water stress	Total	
Brazil	Surface water	0.0	722.9	0.0	826.1	0.0	575.3	<b>575.3</b>
	Third-party water	60.2	384.7	65.6	339.1	71.5	254.4	<b>325.9</b>
	Groundwater	0.0	3,117.7	0.0	2,909.2	0.0	2,562.8	<b>2,562.8</b>
<b>Subtotal</b>	<b>60.2</b>	<b>4,225.3</b>	<b>65.6</b>	<b>4,074.4</b>	<b>71.5</b>	<b>3,392.5</b>	<b>3,464.0</b>	
Colombia	Surface water	0.0	141.3	0.0	134.3	0.0	108.6	<b>108.6</b>
	Third-party water	0.0	6.9	0.0	6.6	0.0	3.6	<b>3.6</b>
	Groundwater	0.0	11.3	0.0	9.6	0.0	15.5	<b>15.5</b>
<b>Subtotal</b>	<b>0.0</b>	<b>159.5</b>	<b>0.0</b>	<b>150.5</b>	<b>0.0</b>	<b>127.7</b>	<b>127.7</b>	
<b>Total</b>	<b>60.2</b>	<b>4,384.8</b>	<b>65.6</b>	<b>4,224.9</b>	<b>71.5</b>	<b>3,520.2</b>	<b>3,591.7</b>	

Note 1: all water withdrawn is fresh water (total dissolved solids  $\leq$  1,000 mg/L). There is no withdrawal of seawater and produced water.  
Note 2: data does not include LD.

## | GRI 303-4 | Water discharge

In 2023, 728.1 megaliters of water were discharged by Dexco.

Total water discharge, by destination and type of disposal (ML)			2021		2022		2023	
			Areas with water stress	Areas no water stress	Areas with water stress	Areas no water stress	Areas with water stress	Areas no water stress
Surface water	Primary	0.0	0.0	0.0	1.3	0.0	0.0	
	Secondary	0.0	399.3	0.0	415.8	0.0	334.2	
Third-party water	Primary	0.0	19.4	0.0	17.1	0.0	14.6	
	Secondary	60.2	251.4	64.9	284.4	71.5	204.9	
	Tertiary	0.0	80.7	0.0	63.4	0.0	58.2	
	Without treatment	0.0	0.6	0.0	0.6	0.0	0.5	
Groundwater	Primary	0.0	1.1	0.0	1.1	0.0	1.0	
	Secondary	0.0	4.0	0.0	6.4	0.0	5.1	
<b>Subtotal</b>			<b>60.2</b>	<b>756.5</b>	<b>64.9</b>	<b>790.1</b>	<b>71.5</b>	<b>618.4</b>
Colombia	Water of water	Secondary	0.0	50.8	0.0	45.9	0.0	38.1
	Tertiary	0.0	0.0	0.0	0.0	0.0	0.1	
<b>Subtotal</b>			<b>0.0</b>	<b>50.8</b>	<b>0.0</b>	<b>45.9</b>	<b>0.0</b>	<b>38.2</b>
<b>Total</b>			<b>60.2</b>	<b>807.3</b>	<b>64.9</b>	<b>836.0</b>	<b>71.5</b>	<b>656.6</b>

Note 1: as of 2022, data includes Castelatto. LD Celulose is not included in the indicator.

Note 2: some data on the volume of water discarded in areas with water stress in Brazil were corrected for the years 2021 and 2022. | GRI 2-4

Total water discharge by source (ML)	2021	2022	2023
Surface water	450.1	463.0	372.2
Third-party water	412.3	430.4	349.8
Groundwater	5.1	7.5	6.1
<b>Total</b>	<b>867.5</b>	<b>900.9</b>	<b>728.1</b>

Note 1: as of 2022, data includes Castelatto. LD Celulose is not included in the indicator.

Note 2: some data on the volume of water discarded in areas with water stress in Brazil were corrected for the years 2021 and 2022. | GRI 2-4

Amount of COD released in watercourse (tons)			
Country	Business unit	2022	2023
Brazil	Brazil Panels	198.8	82.5
	Deca Sanitaryware	10.8	2.7
	Ceramic Tiles	13.3	5.2
Colombia	Colombia Panels	5.6	3.4
<b>Total</b>		<b>228.5</b>	<b>93.8</b>

Note 1: the data include releases in watercourse considered more significant for the Company, estimated based on measurements carried out according to the monitoring plan of each business unit.

Note 2: the value published in 2022 for Deca Sanitaryware was revised and adjusted in this report, as in 2022 the volume of COD removed had been considered, instead of COD released. | GRI 2-4

Note 3: in 2023, there was a significant reduction in COD values. In the Brazil Panels operations, the reduction occurred in the Agudos unit (SP), where adjustments were made in the industrial process that led to changes in the effluents characteristic, which already enters the WWTP with less organic load. At Deca Sanitaryware, there was a reduction in production and a reduction in the number of employees in the business. For Ceramic Tiles, the main factors for reducing the values were the stabilization of the treatment process and a reduction in the generation of effluents, which allows greater stability and efficiency of the treatment system. For Colombia Panels, there was a change in the chemicals used in the treatment of effluents and a reduction in the volume of water due to the humidity of the wood used in the production process.

## | GRI 303-5 | Water consumption

In 2023, at Dexco, the total water consumption of all areas was 2,863.5 megaliters. If the reuse systems of the operating units are considered, 5,395.9 megaliters are added to the initial total amount, totaling a consumption of 8,259.4 megaliters.

## | GRI 303-5 | Water consumption (cont.)

In areas with water stress, consumption has been zeroed; however, if we consider water reuse, consumption reaches 6.0 megaliters. In that period, there was no change in water storage in the operating units.

The Company already adopts measures to mitigate risks, such as intensifying water reuse, executing a water acquisition plan by alternative suppliers and employee awareness campaigns. In 2023, there were no cases of operational disruptions due to water unavailability.

Water consumption (ML)	2022		2023	
	All areas	Areas with water stress	All areas	Areas with water stress
Total consumption	3,406.6	0.7	2,863.5	0.0
Consumption considering water reuse	9,449.1	2.9	8,259.4	6.0

## Materials and waste

## | GRI 301-1 | Materials used by weight or volume

Below we present the materials used at Dexco by business unit and by type of origin (renewable and non-renewable). Overall, by 2023, 78% of the materials we use, measured in metric tons, will be from renewable sources. In 2022, the percentage was 76%. There were some variations in the volume of materials used mainly due to the volume of production and changes in operating processes. The variations are detailed in the respective tables.

Materials consumed per business (tons)	2021				2022				2023			
	Renewable	Non-renewable	Total	Percentage of renewable origin	Renewable	Non-renewable	Total	Percentage of renewable origin	Renewable	Non-renewable	Total	Percentage of renewable origin
Deca (Metals and Sanitaryware)	10,994.5	182,909.7	<b>193,904.2</b>	5.7%	8,655.9	149,485.4	<b>158,141.3</b>	5.5%	8,320.4	127,991.2	<b>136,311.6</b>	6.1%
Deca (Hydra)	14.6	4,505.4	<b>4,520.0</b>	0.3%	59.2	2,950.7	<b>3,009.9</b>	2.0%	293.1	1,273.9	<b>1,567.0</b>	18.7%
Wood Brazil	4,115,756.8	403,323.7	<b>4,519,080.5</b>	91.1%	3,697,754.0	374,354.6	<b>4,072,108.6</b>	90.8%	3,394,992.3	406,822.4	<b>3,801,814.7</b>	89.3%
Wood Colombia	275,140.9	57,146.4	<b>332,287.3</b>	82.8%	277,142.5	56,873.7	<b>334,016.2</b>	83.0%	225,471.0	57,797.9	<b>283,268.9</b>	79.6%
Ceramic Tiles	20,680.0	803,872.1	<b>824,552.1</b>	2.5%	20,736.3	693,887.3	<b>714,623.6</b>	2.9%	13,320.4	460,592.1	<b>473,912.5</b>	2.8%
<b>Total</b>	<b>4,422,586.7</b>	<b>1,451,757.4</b>	<b>5,874,344.1</b>	<b>75.3%</b>	<b>4,004,347.9</b>	<b>1,277,551.6</b>	<b>5,281,899.5</b>	<b>75.8%</b>	<b>3,642,397.2</b>	<b>1,054,477.5</b>	<b>4,696,874.7</b>	<b>77.5%</b>

Note 1: only materials measured in tons are included in the indicator. The others are detailed in the tables opened by business.

Note 2: Deca Hydra data for 2021 and 2022 were adjusted as they were being reported in kilograms rather than tons. | GRI 2-4

| GRI 301-1 | Materials used by weight or volume (cont.)

**Materials consumed - Deca (metals and sanitaryware)**

Materials consumed by type of origin (tons)	2021	2022	2023
<b>RENEWABLE ORIGIN</b>			
Wooden packaging	8,028.6	6,961.6	6,992.0
Paper and cardboard packaging	2,965.9	1,694.3	1,328.3
<b>Subtotal</b>	<b>10,994.5</b>	<b>8,655.9</b>	<b>8,320.4</b>
<b>NON-RENEWABLE ORIGIN</b>			
Foundry sand	2,213.5	2,152.0	2,434.0
Clamshell	17.2	12.7	8.0
Plastic packaging	687.7	230.7	123.1
Bronze casting	8,374.8	3,739.9	3,129.9
Brass casting	2,357.7	1,208.8	1,401.7
Plaster	9,969.4	10,003.3	8,979.6
Enamel inputs	2,896.4	2,873.6	2,053.3
Mass inputs	149,230.5	123,714.5	120,553.2
Brass	3,753.5	2,994.4	2,924.9
Plastic	1,732.3	1,427.3	1,631.1
Chemicals	1,128.7	844.5	655.8
Zamac	548.1	283.7	173.0
<b>Subtotal</b>	<b>182,909.7</b>	<b>149,485.4</b>	<b>144,067.5</b>
<b>Total</b>	<b>193,904.2</b>	<b>158,141.3</b>	<b>152,387.8</b>
<b>Percentage of materials of renewable origin</b>	<b>6.0%</b>	<b>5.5%</b>	<b>5.5%</b>
<b>Other materials of non-renewable origin (units)</b>			
Imported components	11,400,172.0	90,033,358.2	83,395,367.0
National components	94,315,339.0	73,474,633.9	77,500,755.8
Wheels and sandpaper	131,921.0	106,511.0	71,294.9
<b>Total</b>	<b>105,847,432.0</b>	<b>163,614,503.1</b>	<b>160,967,417.7</b>

Note 1: enamel inputs include feldspar, silicate, carbonate and zinc oxide dyes. Mass inputs include kaolin, clay, gravel, granite, quartz, and phyllite.

Note 2: variations in packaging and input consumption were a consequence of the reduction in sales and production volume.

**Materials consumed – Deca (Hydra)**

Materials consumed by type of origin (tons)	2021	2022	2023
<b>RENEWABLE ORIGIN</b>			
Paper and cardboard packaging	14.6	59.2	293.1
<b>Subtotal</b>	<b>14.6</b>	<b>59.2</b>	<b>293.1</b>
<b>NON-RENEWABLE ORIGIN</b>			
Steel	2.0	6.1	2.9
Copper	13.0	13.3	2.5
Resistance wire	155.2	103.1	44.8
Resin	4,256.9	2,778.5	1,205.6
Brass strip	78.3	49.7	18.2
Other materials	0.1	0.0	0.0
<b>Subtotal</b>	<b>4,505.4</b>	<b>2,950.7</b>	<b>1,273.9</b>
<b>Total</b>	<b>4,520.0</b>	<b>3,009.9</b>	<b>1,567.0</b>
<b>Percentage of materials of renewable origin</b>	<b>0.3%</b>	<b>2.0%</b>	<b>18.7%</b>
<b>Materials consumed by type of origin (units)</b>			
<b>MATERIALS OF RENEWABLE ORIGIN</b>			
Paper and cardboard packaging	4,184,126.0	24,216,735.1	12,551,331.1
<b>Subtotal</b>	<b>4,184,126.0</b>	<b>24,216,735.1</b>	<b>12,551,331.1</b>
<b>MATERIALS OF NON-RENEWABLE ORIGIN</b>			
Imported components (total number)	13,739,785.0	18,046,199.9	7,448,415.6
National components (total number)	184,632,546.2	34,255,937.2	14,942,793.2
<b>Subtotal</b>	<b>198,372,331.2</b>	<b>52,302,137.1</b>	<b>22,391,208.8</b>
<b>Total</b>	<b>202,556,457.2</b>	<b>76,518,872.2</b>	<b>34,942,539.9</b>
Wires, cables and insulation (meters)	14,234.9	9,520.2	3,613.2
Other materials (meters)	6,746.9	3,516.3	1,793.1
<b>Total wires, cables, insulation and other materials (meters)</b>	<b>20,981.9</b>	<b>13,036.5</b>	<b>5,406.3</b>

Note 1: the data for the years 2021 and 2022 for paper and cardboard packaging were adjusted, as in previous years they were reported in kilograms, not tons. | GRI 2-4

Note 2: there was a significant increase in the volume of paper and cardboard packaging used due to the revision in the system. As a result, new packages that were not heavy started to be counted. The other reductions were due to the reduction in sales and production volume.

| GRI 301-1 | Materials used by weight or volume (cont.)

**Materials consumed – Wood Brazil**

Materials consumed by type of origin (tons)	2021	2022	2023
<b>RENEWABLE ORIGIN</b>			
Organic compost fertilizers	3,207.9	6,223.2	13,240.6
Process wood (wet base)	4,096,074.7	3,675,801.0	3,368,024.7
Paper	16,474.2	15,729.8	13,727.0
<b>Subtotal</b>	<b>4,115,756.8</b>	<b>3,697,754.0</b>	<b>3,394,992.3</b>
<b>NON-RENEWABLE ORIGIN</b>			
Traditional fertilizers	33,981.3	24,861.3	28,961.7
Paraffin emulsion	13,070.8	10,695.3	12,347.0
Formaldehyde	79,747.3	86,777.2	101,453.4
Lubricants	414.7	349.8	303.2
Melamine	5,474.0	6,243.3	7,079.8
Methanol	56,390.5	57,185.3	62,419.6
Resin	123,970.3	93,124.9	102,698.2
Aluminum sulfate	1,036.2	47.6	0.0
Ammonium sulfate	3,451.5	2,849.7	3,241.0
Paint	3.7	2.2	1.3
Urea	81,906.5	84,563.9	76,276.7
Other materials	3,876.9	7,654.2	12,040.5
<b>Subtotal</b>	<b>403,323.7</b>	<b>374,354.6</b>	<b>406,822.4</b>
<b>Total</b>	<b>4,519,080.5</b>	<b>4,072,108.6</b>	<b>3,801,814.7</b>
<b>Percentage of materials from renewable sources</b>	<b>91.1%</b>	<b>90.8%</b>	<b>89.3%</b>

Note: the increase in the consumption of renewable materials was due to the higher consumption of fertilizers due to the nutritional recommendation. There was an increase in materials of non-renewable origin due to the change in the production process, using a larger volume of paraffin emulsion.

**Materials consumed - Wood Colombia**

Materials consumed by type of origin (in tons)	2021	2022	2023
<b>RENEWABLE ORIGIN</b>			
Organic compost fertilizers	42.3	0.0	0.0
Process wood (wet base)	273,706.4	275,630.9	224,099.0
Paper	1,392.1	1,511.6	1,372.0
<b>Subtotal</b>	<b>275,140.9</b>	<b>277,142.5</b>	<b>225,471.0</b>
<b>NON-RENEWABLE ORIGIN</b>			
Traditional fertilizers	260.9	321.0	930.1
Paraffin emulsion	1,894.9	1,775.3	1,469.7
Formaldehyde	1,856.5	2,330.3	1,294.9
Pre-emergent herbicides	0.0	0.1	0.2
Post-emergent herbicides	4.2	4.2	7.3
Insecticides and fungicides	0.6	0.4	0.3
Lubricants	27.6	47.1	45.4
Melamine	2,515.7	2,838.7	2,566.4
Methanol	9,246.9	8,670.6	8,278.9
Resin produced in-house	29,800.2	29,641.7	33,451.7
Resin purchased externally	1,309.9	1,372.1	375.1
Paint	3.0	1.5	1.6
Colorants	86.5	87.3	67.3
Urea	9,848.5	9,432.3	8,993.0
Other materials	291.2	351.1	315.9
<b>Subtotal</b>	<b>57,146.4</b>	<b>56,873.7</b>	<b>57,797.9</b>
<b>Total</b>	<b>332,287.3</b>	<b>334,016.2</b>	<b>283,268.9</b>
<b>Percentage of materials from renewable sources</b>	<b>82.8%</b>	<b>83.0%</b>	<b>79.6%</b>

Note: the variations in the volume of materials of non-renewable origin occurred due to changes in fertilization processes and the increase in forest management and maintenance areas, generating greater use of herbicides and fertilizers. Changes in production processes were revised to reduce resin use.

## | GRI 301-1 | Materials used by weight or volume (cont.)

**Materials consumed – Ceramic Tiles**

Materials consumed by type of origin (tons)	2021	2022	2023
<b>RENEWABLE ORIGIN</b>			
Paper packaging	5,914.1	5,743.7	3,501.7
Pallets	14,765.9	14,922.7	9,818.7
<b>Subtotal</b>	<b>20,680.0</b>	<b>20,666.4</b>	<b>13,320.4</b>
<b>NON-RENEWABLE ORIGIN</b>			
Mass inputs	770,874.5	658,555.9	439,540.2
Defloculantes	1,594.4	1,400.7	673.7
Bulk additives	4,144.9	3,266.3	2,217.3
Enamel inputs	25,896.1	25,052.8	14,146.3
Inorganic dyes	54.0	56.6	38.2
Digital inks	158.5	127.6	85.3
Granules and glass	865.3	357.5	301.2
Precious metals	0.0	0.0	0.0
Vehicles and adhesives	223.4	102.2	40.5
Enamel additives	53.5	128.3	16.2
Waterproofing	7.5	28.6	15.3
Plastic packaging	0.0	44.0	40.0
Binders	n/a	4,708.8	3,436.0
Finishings	n/a	58.0	42.0
<b>Subtotal</b>	<b>803,872.1</b>	<b>693,887.3</b>	<b>460,592.1</b>
<b>Total</b>	<b>824,552.1</b>	<b>714,553.7</b>	<b>473,912.5</b>
<b>Percentage of materials from renewable sources</b>	<b>2.5%</b>	<b>3.0%</b>	<b>2.8%</b>

Note 1: Castelatto began to be included in the indicator in 2022 and the agglomerate and finishing materials that refer to this operation do not apply for 2021.

Note 2: mass inputs include clays, kaolin, feldspar, phyllite and claystone. Enamel inputs include enamels, envelopes, micronized and raw materials.

Note 3: the volume of plastic packaging for the year 2022 has been reviewed and adjusted in this report. | GRI 2-4

Note 4: the variations in the volume of materials occurred due to the suspension of one of the units and some stoppages for collective vacations and production.

## | GRI 301-2 | Recycled input materials used

In 2023, approximately 120 thousand tons of materials were reintroduced as raw materials in production processes from recycling, waste and process residues, representing 3% of the materials consumed in all of Dexco's industrial processes.

A highlight was the increase in reuse in the Metals Division as a result of the development of a process that increased the metal content extracted from the bora by 70%, which also resulted in a financial gain as a result of the reduction in the purchase of virgin raw material. We also reviewed the process for the greater reuse of mass tailings.

Materials reused and/or from recycling by business division (tons)	Material type	2021	2022	2023
Deca	Bronze casting	7,960.2	7,385.6	6,522.1
	Brass casting	260.1	298.1	581.5
	Zamac	507.5	343.9	69.8
	Polymers	2.1	0.0	0.0
	Mass tailings	5,643.9	3,970.6	6,070.0
	Enamel	2,016.0	540.6	282.6
	Recycled resin (Hydra)	0.0	0.0	0.0
	Reused plastic material	69.9	143.0	54.5
Ceramic Tiles	Mass tailings	78,741.2	68,671.6	42,633.9
Colombia	Recycled wood	75,457.9	79,572.0	64,930.3
<b>Total</b>		<b>170,658.8</b>	<b>160,925.4</b>	<b>121,144.7</b>
<b>Percentage of materials reused out of total materials used</b>		<b>3.0%</b>	<b>3.0%</b>	<b>2.6%</b>

Note 1: the percentage of materials reused is calculated from the total recycled materials divided by the total materials used (content 301-1). The Wood Brazil unit does not use materials from recycling as raw material in the products.

Note 2: some Deca data (metals and sanitaryware) in 2021 and 2022 were reviewed and restated in this report. | GRI 2-4

Note 3: in 2023, there was a reduction in reused materials due to the closure of three factories – Queimados Sanitaryware, Ceramic Tiles and Manizales Panels – and the Sanitaryware and Tiles businesses operated with reduced capacity due to adjustments to market demand.

### | GRI 301-3 | Reclaimed products and their packaging materials

In 2023, the total packaging issued was 6,644 tons. Since 2020, Dexco has been carrying out the compensation of 100% of plastic, paper and cardboard packaging that reaches the final consumer. The compensations will be carried out the following year, in 2024, in the same way as it was carried out in 2023.

Total packaging issued by type and business unit (tons)	2021	2022	2023
<b>PAPER AND CARDBOARD PACKAGING</b>			
Wood	864.7	573.5	509.0
Deca Metals	730.9	509.3	666.1
Deca Sanitaryware	2,002.0	2,827.4	1,411.6
Deca   Hydra	506.0	740.7	243.6
Tiles	5,392.9	4,988.5	3,497.4
<b>Subtotal</b>	<b>9,496.5</b>	<b>9,639.4</b>	<b>6,327.7</b>
<b>PLASTIC PACKAGING</b>			
Wood	0.0	88.9	89.7
Deca Metals	197.8	146.4	58.0
Deca Sanitaryware	16.0	2.9	2.5
Deca   Hydra	33.1	112.6	126.3
Tiles	0.0	51.3	39.9
<b>Subtotal</b>	<b>246.9</b>	<b>402.1</b>	<b>316.4</b>
<b>Total packaging issued</b>	<b>9,743.4</b>	<b>10,041.5</b>	<b>6,644.1</b>

Note 1: in 2022, the Tiles data began to include the volume of packaging issued by Castelatto. In 2023, the indicator included Deca Metals, Deca Sanitaryware, Hydra, Duratex, Durafloor floors, Portinari Tiles, Ceusa and Castelatto.

Note 2: some 2021 and 2022 data have been revised from the previous report. | GRI 2-4

### | SASB CG-BF-410a.1 | Description of efforts to manage product lifecycle impacts and meet demand for sustainable products

#### Deca

Efforts to develop more sustainable products range from Dexco's own environmental awareness and compliance with green building standards and requirements to growing market demand.

Most of the raw materials used in our products are recycled and reused in the manufacturing process itself. Products usually already have performance requirements required by standard, which seek savings in use.

We are constantly improving our products, reducing and optimizing the use of raw materials and reducing weight and components. We are replacing packaging, using recycled raw material in its composition.

As a way of managing the environmental impacts on our products, we calculate the energy, water and carbon footprint at the product use stage. Also, in order to reduce the impacts of our products, we have public commitments related to packaging and revenues of eco-efficient products, among others. Such information can be accessed in the [2025 Sustainability Strategy](#).

Focusing on reducing water consumption and waste, we offer products that have a lower water flow during their use by the final consumer.

They are taps and showers with flow restrictor throughout the Deca line, discharge valves with half-discharge option and taps with lower flow of 1.8 l/m for green buildings.

| SASB CG-BF-410a.1 | Description of efforts to manage product lifecycle impacts and meet demand for sustainable products (cont.)

The technologies used in electric showers have prioritized energy efficiency, allowing the user to select, for example, a temperature value instead of a power value, thus avoiding the cost of constant adjustments. We have included instructions in the product brochures so that they are correctly destined for recycling. The products are easily disassembled with the use of common tools.

We are evolving in the analyses related to the Life Cycle Assessment (LCA) of our products, with studies carried out at a pilot level for some products. We continue to deepen our analysis and, so far, we do not have third-party certifications related to the LCA of the products.

### Tiles

The Ceramic Tiles business is in the process of collecting data for the LCA study of its products. Based on this assessment, the key priorities for minimizing the impact of the tiles will be verified and tests will be conducted to replace the productive energy matrix to reduce the impact.

Factors driving the demand for more sustainable products include the challenges of our sustainability strategy and market demands, particularly the contribution of LEED certification points.

The main efforts are directed at cleaner and more efficient production to reduce the use of natural resources, impact

mitigation and direct action on improving environmental indicators to improve the performance of industrial plants and the use of raw materials that contribute to the non-emission of Volatile Organic Compounds (VOCs), thus improving the internal environmental quality of environments and their occupants. To collaborate in the chain, there is compensation of 100% of the packaging, through a partner company.

Coupled with ceramic tiles as products, there are efforts to improve quality and strength, contributing to the increase of the useful life, as well as certifications that contribute to the LEED certification. Currently, 69% of the products have low VOC emissions, evaluated by Floor Score and Indoor Air Quality certification. Environmental Product Declarations (EPDs) are carried out and issued to customers who require them for LEED-compliant buildings based on our tiles' VOC emission criteria (Floor Score).

### Wood Brazil

Our environmental strategy in terms of inputs to panel production starts with the main raw material, wood, for which we have highly sustainable practices, with wood sourced from planted forests - as well as paper, another important raw material for our panel products, which is also sourced from reforestation.

In the Wood business, we apply practices aimed at managing efficiency in the consumption of inputs and electricity, as well as in the generation of thermal energy from 100% renewable

biomass sources and with waste generated internally in the processes.

We act in the reduction substances of very high concern (SVHCs), such as formaldehyde. Although we operate at very safe levels and follow best practices and regulations, we strive to reduce them further under the precautionary principle.

The packaging has in its composition the greatest use of materials recovered or disqualified internally, and we have worked on its rationalization, achieving significant weight reductions that contribute to less impact on the transportation of products. We have also made efforts in the use of post-use packaging, acquiring the components of our customers, in a similar voluntary model to reverse logistics. Our products have instructions on the packaging for the correct disposal of waste.

The main factors driving the demand for our products are national or international product specifications or IAQ (Internal Air Quality).

We have participation of laminate panels and floors in the Brazilian Program of Productivity and Quality of Habitat (PBPQH), in which our products are certified in all normative and environmental requirements, being qualified to be considered in federal, state and municipal public procurement projects. Regarding voluntary certifications, part of our laminate floors have 48% GreenGuard certified products.

| SASB CG-BF-410a.1 | Description of efforts to manage product lifecycle impacts and meet demand for sustainable products (cont.)

We have an internal Life Cycle Assessment pilot initiative in progress, with the goal of creating a methodological basis to expand it to the other products of the division. We have instructions on the packaging for the correct disposal along with recycled materials and guidance to seek the correct disposal of the waste.

Percentage of products that are certified by third parties with sustainability standards	2021	2022	2023
Ceramic Tiles	79%	82%	69%
Wood Panels	32%	40%	48%

Note 1: the data for the years 2021 and 2022 for Ceramic Tiles have been revised in this report. Previously, it was considered 0% of third-party certified products, as it was reviewed taking into account the Floor Score and Indoor Air Quality certifications. Finishings for Construction products under the Deca and Hydra brands are not yet certified by third party standards. | GRI 2-4

Note 2: for Wood Panels, products certified as CARB/EPA, with low formalin emission, were considered for markets in which this parameter is required, especially in exported products.

| SASB CG-BF-410a.2 | (1) Weight of end-of-life material recovered (2) Percentage of recovered materials recycled

Dexco does not use post-consumer materials in its production processes, but has structured processes for the recovery and recycling of materials. For more information on the materials reused, see indicator [GRI 301-2](#).

The operations that have the reincorporation of materials in their own production processes are:

- At Deca Sanitaryware, some units are equipped with crushers, equipment that shreds the shards of broken pieces, allowing their use in the formulation of ceramic mass in the format we call pitcher, crushed sanitaryware. There is also reincorporation of scrap, a ceramic and enamel mass.
- At Deca Metais, the units have technology that recovers and reuses bronze, brass and zamac internally from the casting process.
- In Ceramic Tiles, we reuse waste from broken ceramic.
- In Colombia, part of recycled wood is used internally as raw material.

There are also efforts to collect, recover and recycle products in accordance with current legislation, such as the disposal of tires, fluorescent lamps, batteries and sludge, which is regulated by the National Solid Waste Policy (Law 12.305/2010). Additionally, in compliance with the same legislation, Deca Hydra joined the collective reverse logistics system for electronic products and their components, through a partnership with a management company that has a sectoral agreement signed with the Ministry of the Environment, thus ensuring the safety and proper disposal of equipment discarded by consumers after consumption.

There is also the packaging compensation process, whose information is already described in the body of the Report and the data are detailed in indicator [GRI 301-3](#).

| GRI 306-1 | Waste generation and significant waste-related impacts

Dexco, in general, has well-defined input and output processes in all divisions of the business. As a multi-business company, it is necessary to specifically evaluate each production process and the significant impacts associated with the generation and disposal of its waste. However, in a comprehensive description, it can be said that, considering significant impacts (potential and actual) as a result of waste generation, the main inputs are: receipt of raw materials, materials associated with the production process and packaging.

Throughout the production process, there may be losses or spills, which are mostly treated locally (recovered, reused or disposed of according to local management system procedures) in order to prioritize circularity, returning waste to the process whenever possible or reusing it in other ways. Waste that cannot be reused internally is disposed of in an environmentally responsible manner, with preference given to external reuse processes (recycling, composting, co-processing, energy recovery or other recovery processes). If there are no viable alternatives for reuse, or to comply with a legal requirement, the waste is sent for final disposal in landfills with the appropriate classification for the characterization of the waste (Class I, IIA or IIB). Dexco is committed to environmentally offsetting 100% of cardboard and plastic packaging sent to consumers in Brazilian territory.

## | GRI 306-1 | Waste generation and significant waste-related impacts (cont.)

In the **Wood Division**, in the production of MDF and MDP panels and wooden floors, the use of the main raw material comes from certified and controlled forests. After harvesting, the industrial unit transforms the wood into chips and separates the wood for the production process and the biomass for energy production, maximizing the use of this raw material.

In addition, remaining wood residues are also used as biomass, such as bark, branches, leaves and wood dust generated in the production process. For MDP, the chips are transformed into particles that undergo a drying process to remove moisture and, subsequently, they are classified between particles for inner and outer layer. After classification, the resin is applied to the particles that will form the “mattress” that will be used for pressing, cutting and sanding.

In the case of MDF, the chips undergo a defibration process, through which they are transformed into fibre. Subsequently, they receive the resin and proceed to the drying process. The dry fibre forms the “mattress” that will be used for pressing, sanding and subsequent cutting. The wood waste generated by these processes is reused as biomass for energy production, which is managed through internal operational controls defined in the environmental impact assessment of the units. These internal controls also apply to the management of other waste generated in the process, such as sandpaper, impregnated paper waste (used in coated boards), and resins, among others.

Panels rejected in the quality system are reused as packaging (to “cover” the top and bottom of the panel packages for shipping) or transformed into tabs (materials that aid transportation). In the Agudos (SP) and Uberaba (MG) plants, the sewage sludge and kiln ashes are composted internally, and the resulting compost is used as an organic fertilizer in the forests, partially replacing the use of conventional fertilizers. We emphasize that the installation of the composting plant in Itapetininga (SP) has been completed, but it is not yet operational, awaiting for the required environmental permit to be issued.

In **Metals**, in the casting process (casting of metal alloys for molding the parts), there is the recovery of bronze and brass lees, and, throughout the process, all metal by-products are reused in the production process. Exhaust systems connected to hoods capture the zinc oxide residues from the process, and such waste is sent for recycling. Sand molds for casting are used to give external shape to the parts, and to mold them internally, shell sand molds are used. The waste from foundry sand and shell sand are reused externally in the production of inputs for steel mills.

In machining, a process that gives characteristics and shapes to the parts, the metal chips are collected and recovered, internally or externally. There are also machining oil recirculation systems. In the finishing phase, metal dust and polish is collected for external recycling. In electroplating (a process in which a protective layer is applied to the parts by aqueous means), the galvanic sludge is collected and sent for recycling.

Some pieces use PVD (physical vapor deposition) technology to provide color and resistance. Pallets and cartons are reused in shipping products, and 100% of cardboard and plastic packaging is offset by recycling credits after it is shipped to consumers.

In **Hydra**, for the production process of parts and showers, plastic resins are used, and part of the resins comes from pre-consumer recycled products. The metal parts undergo a stamping process, where the parts that offer electrical conductivity to the showers and injection are manufactured, which gives the shape of each part.

The finishing of the parts generates plastic waste that is ground and extruded, then returned to the production process as raw material. Welding is done by thermofusion (heating) and then components are assembled, and the parts finished. In the shipment, there is the reuse of cardboard boxes, and we comply with legal requirements related to the post-consumer reverse logistics of the showers.

In the **Sanitaryware** business, after receiving the materials and inputs, the ceramic mass is prepared. In it, waste from sanitaryware (pitcher) that failed in quality tests can be used, and this material is crushed and reincorporated into the mass. The molds of the sinks and toilet bowls are produced internally and made of plaster. After a certain period of use, the molds are sent for plaster recycling.

## | GRI 306-1 | Waste generation and significant waste-related impacts (cont.)

The pieces then go through a drying process to remove moisture and are sent for enameling. The enamel is produced in-house and reused whenever necessary. There are specific internal controls to ensure the correct management of waste, such as PPE contaminated with oil, paint or solvent, which are sent to hazardous waste boxes. In the shipping area, pallets are reused. We are also committed to environmentally offsetting 100% of cardboard and plastic packaging sent to the final consumer.

In **Ceramic Tiles**, the raw materials are separated into bays. The barbotine (liquid mass made from the mixture of ores and water) is prepared, homogenized and stored properly, avoiding the generation of waste in the process.

Next, the barbotine is pumped, pulverized and the mass dried to form the atomized powder. At this stage, the parts are formed and pressed, which will undergo a drying and burning process in the ovens.

The reuse of materials in the formulation of new products is a constant practice. In the enameling phase, we have the application of enamel and screen prints using a digital printer. Parts undergo visual inspection and classification are forwarded for dispatch. Procedures and controls of significant impacts related to waste are carried out and can be consulted in the Survey of Environmental Aspects and Impacts (LAIA).

At **Castelatto**, which produces cementitious tiles that is, based on concrete, production is based on the preparation of a mass composed mainly of aggregates such as cement, for example, which is deposited in plastic molds. After curing, which takes place at room temperature, the already solidified tiles are ready for finishing and final packaging operations. The main materials used in the process are aggregates, pigments and waterproofing.

The waste generated in the production process is mostly destined for reuse and recycling, and when this cannot be done internally, external solutions are developed, always prioritizing circularity. We emphasize that, at Castelatto, there is no stock of products, the business operates on demand. Plastic, paper and cardboard packaging that reaches the final consumer is environmentally compensated through packaging credits at 100% of its volume.

At **Caetex**, eucalyptus is implanted and managed for the sale of wood in logs, without industrial processing. The waste generated comes, for the most part, from the forestry operation and is disposed according to the Environmental Management Plan. Examples of such waste are the packaging of agrochemicals that are destined for recycling. In addition, the operation has an area that generates common waste (Class IIA) destined for landfill.

[Infographics](#) are available (only in Portuguese) that demonstrate our production processes. They still lack the description of Castelatto and Caetex.

## | GRI 306-2 | Management of significant waste-related impacts

In 2023, the total amount of waste generated in Brazil was 334,229 tons, 327,054 tons of which were non-hazardous, and 7,165 tons were hazardous. In Colombia, the total amount of waste generated was 12,289 tons, 12,268 tons of which were non-hazardous, and 21 tons were hazardous.

There was a significant change in the solid waste management strategy at Dexco Colombia, covering effluents, sludge and slag. During 2021 and 2022, we chose to dispose of this waste for composting. However, as of 2023, there was exhaustion of the companies' ability to receive the composite product. Given this situation, it was decided to send this waste to landfill, which generated an increase in the volume destined for this disposal.

In Brazil, there was a reduction in the volume of materials destined for recycling operations, in relation to the reduction in the amount of sludge sent to internal composting in the Panels unit in Agudos (SP), due to the better efficiency in the wastewater treatment. In addition, there was a reduction in materials destined for recycling operations and preparation for reuse due to reduced production in some units.

## | GRI 306-2 | Management of significant waste-related impacts (cont.)

The data on waste generated and destined for recovery operations are obtained by measuring or estimating these quantities by the operating units, while the data on waste destined for disposal are collected on site, with internal controls and the Waste Transport Manifest (MTR). All volumes are reported periodically on the Company's virtual environmental indicator management platform.

In the operating units, waste management is carried out by the environmental teams, which are responsible for registering, measuring and issuing the relevant documentation, such as the MTR and the Generation and Disposal Certificates. In addition, we emphasize that we carry out 100% of the environmental compensation of the plastic, paper and cardboard packaging that reaches the final consumer in the Brazilian territory.

When waste is disposed of outside the organization, we evaluate suppliers for waste treatment in accordance with current environmental legislation and internal practices related to suppliers, which includes visits by the technical team of each unit to ensure compliance with legal requirements and good practices for waste management (Class I, IIA and IIB).

It is worth noting that the units follow the standards of the ISO 14001 Environmental Management System, some of which are certified according to the standard. We also have Environmental Policies (PO. 02) and ESG (PO. 18), which address the rational and sustainable use of resources, aiming at the reduction, optimization and reuse of resources.

## | GRI 306-3 | Waste generated

Waste generated by type (tons)	2021		2022		2023	
	Brazil	Colombia	Brazil	Colombia	Brazil	Colombia
Hazardous	6,341.23	343.87	5,765.89	243.13	7,165.44	21.29
Non-hazardous	402,077.41	16,422.59	429,176.62	14,832.69	327,063.54	12,267.74
<b>Total</b>	<b>408,418.64</b>	<b>16,766.46</b>	<b>434,942.51</b>	<b>15,075.82</b>	<b>334,228.98</b>	<b>12,289.03</b>

Recycled/reused and disposed waste (tons)	2021	2022	2023
<b>Total waste recycled/reused</b>	<b>338,557.48</b>	<b>341,727.83</b>	<b>275,019.37</b>
<b>Total waste disposed</b>	<b>86,627.62</b>	<b>108,290.50</b>	<b>71,498.64</b>
Total waste sent to landfill	43,287.76	57,196.73	30,390.14
Total waste incinerated (no energy recovery)	23.40	31.75	18.70
Total waste destined for other types of treatment	43,316.46	51,062.02	41,089.80
<b>Total</b>	<b>425,185.10</b>	<b>450,018.33</b>	<b>346,518.01</b>

Note: the figures for waste generation in 2021 and 2022 are being restated to reflect adjustments in their classification and consolidation. | GRI 2-4

## | GRI 306-4 | Waste diverted from disposal

## | GRI 306-5 | Waste directed to final disposal

Waste not destined and destined for final disposal, by country, and recovery and disposal operations (tons)			2021					2022					2023					
			Within the organization		Outside the organization		Total	Within the organization		Outside the organization		Total	Within the organization		Outside the organization		Total	
Country	Destination	Operation	Non-hazardous	Hazardous	Non-hazardous	Hazardous		Non-hazardous	Hazardous	Non-hazardous	Hazardous		Non-hazardous	Hazardous	Non-hazardous	Hazardous		
Brazil	Not intended for disposal	Recycling	73,241.99	-	98,159.64	3,536.51	<b>174,938.14</b>	60,233.40	-	111,615.33	3,711.06	<b>175,559.79</b>	39,619.22	-	96,824.39	4,211.42	<b>140,655.03</b>	
		Preparation for reuse	87,913.62	-	43,256.61	108.24	<b>131,278.47</b>	80,962.03	-	53,103.95	154.67	<b>134,220.65</b>	58,845.49	-	45,338.06	162.65	<b>104,346.20</b>	
		Other recovery operations	11,115.92	-	3,149.94	2,267.58	<b>16,533.44</b>	11,059.28	-	5,561.59	1,393.14	<b>18,014.01</b>	9,262.30	-	10,832.39	2,535.01	<b>22,629.70</b>	
		<b>Subtotal</b>	<b>172,271.53</b>	<b>-</b>	<b>144,566.19</b>	<b>5,912.33</b>	<b>322,750.05</b>	<b>152,254.71</b>	<b>-</b>	<b>170,280.87</b>	<b>5,258.87</b>	<b>327,794.45</b>	<b>107,727.01</b>	<b>-</b>	<b>152,994.84</b>	<b>6,909.08</b>	<b>267,630.93</b>	
	Intended for disposal	Confinement in landfill	-	-	41,922.98	422.16	<b>42,345.14</b>	-	-	55,579.09	494.50	<b>56,073.59</b>	-	-	25,251.92	250.59	<b>25,502.51</b>	
		Incineration without energy recovery	-	-	0.63	6.36	<b>6.99</b>	-	-	-	12.45	<b>12.45</b>	-	-	-	5.74	<b>5.74</b>	
		Other disposal operations	-	-	43,316.08	0.38	<b>43,316.46</b>	-	-	51,061.95	0.07	<b>51,062.02</b>	-	-	41,089.77	0.03	<b>41,089.80</b>	
		<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>85,239.69</b>	<b>428.90</b>	<b>85,668.59</b>	<b>-</b>	<b>-</b>	<b>106,641.04</b>	<b>507.02</b>	<b>107,148.06</b>	<b>-</b>	<b>-</b>	<b>66,341.69</b>	<b>256.36</b>	<b>66,598.05</b>	
	Colombia	Not intended for disposal	Recycling	-	-	15,486.22	0.68	<b>15,486.90</b>	-	-	13,718.44	0.73	<b>13,719.17</b>	-	-	6,864.74	0.60	<b>6,865.34</b>
			Preparation for reuse	-	-	-	311.81	<b>311.81</b>	-	-	-	198.08	<b>198.08</b>	-	-	519.11	3.31	<b>522.42</b>
Other recovery operations			-	-	-	8.72	<b>8.72</b>	-	-	-	9.57	<b>9.57</b>	-	-	-	0.68	<b>0.68</b>	
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>15,486.22</b>	<b>321.21</b>	<b>15,807.43</b>	<b>-</b>	<b>-</b>	<b>13,718.44</b>	<b>208.38</b>	<b>13,926.82</b>	<b>-</b>	<b>-</b>	<b>7,383.85</b>	<b>4.59</b>	<b>7,388.44</b>		
Intended for disposal	Confinement in landfill	-	-	936.37	6.25	<b>942.62</b>	-	-	1,114.25	8.89	<b>1,123.14</b>	-	-	4,883.89	3.74	<b>4,887.63</b>		
	Incineration without energy recovery	-	-	-	16.41	<b>16.41</b>	-	-	-	19.30	<b>19.30</b>	-	-	-	12.96	<b>12.96</b>		
	Preparation for reuse	-	-	-	-	<b>-</b>	-	-	-	6.56	<b>6.56</b>	-	-	-	-	<b>-</b>		
<b>Subtotal</b>	<b>-</b>	<b>-</b>	<b>936.37</b>	<b>22.66</b>	<b>959.03</b>	<b>-</b>	<b>-</b>	<b>1,114.25</b>	<b>34.75</b>	<b>1,149.00</b>	<b>-</b>	<b>-</b>	<b>4,883.89</b>	<b>16.70</b>	<b>4,900.59</b>			
<b>Not intended for disposal</b>			<b>172,271.53</b>	<b>-</b>	<b>160,052.41</b>	<b>6,233.54</b>	<b>338,557.48</b>	<b>152,254.71</b>	<b>-</b>	<b>183,999.31</b>	<b>5,467.25</b>	<b>341,721.27</b>	<b>107,727.01</b>	<b>-</b>	<b>160,378.69</b>	<b>6,913.67</b>	<b>275,019.37</b>	
<b>Intended for disposal</b>			<b>-</b>	<b>-</b>	<b>86,176.06</b>	<b>451.56</b>	<b>86,627.62</b>	<b>-</b>	<b>-</b>	<b>107,755.29</b>	<b>541.77</b>	<b>108,297.06</b>	<b>-</b>	<b>-</b>	<b>71,225.58</b>	<b>273.06</b>	<b>71,498.64</b>	

Note: the numbers referring to waste disposal in 2021 and 2022 are being restated to reflect adjustments in their classification and consolidation. | GRI 2-4

### | SASB CG-BF-250a.2 | Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standard

Percentage of product revenue that meets emissions and content of volatile organic compound (VOC) and other compounds	2021	2022	2023
Ceramic Tiles	79%	82%	69%
Wood Panels	100%	100%	100%

**Ceramic Tiles** products are analyzed according to CDPH/EHLB Standard Method v1.2-2017 (California Section 01350), demonstrating emission <math><0.5 \text{ mg/m}^3</math>. The products under the Portinari brand are those that are analyzed and, for them, the Floor Score and Indoor Air Quality certifications are used, credited to Portinari brand products. Products are accredited through these certifications in the LEED scoring system for sustainable buildings.

For **Wood Panels**, formaldehyde is the main critical VOC, and the control of its emission ensures good quality in terms of environment and product safety, being analyzed in 100% of the products manufactured. For the other VOCs, there is no systemic approach, being evaluated on demand or voluntarily, following the methodologies for building materials, ISO 16001.

**Deca** does not have any products in its portfolio that are required to meet VOC content emission standards, so there are no eligible products. The products that use formaldehyde in the production processes are analyzed in a wide range and in 100% of our production of panels, but these compounds are not part of the raw materials and products in the final stage, a condition in which they are used in different environments.

The scope of this indicator has been adjusted for reporting in this document. In 2022, it was reported that 100% of Deca products (sanitaryware, metals and electric showers) were eligible for VOC emission standards, but as these compounds are neither part of the raw materials, nor in the finished products, these requirements are not applicable to them. | **GRI 2-4**

In Colombia, there are no regulations on the compliance of emissions and VOCs emitted to the environment, and there is no legal requirement associated with the content for finished products. Thus, we have no defined standards for determining the emission and content of VOCs.

Following this process, we voluntarily pursue the Greenguard Gold certification for Durafloor laminate flooring lines, which analyzes total VOCs, confirming to our consumers our commitment to product quality.

# GRI and SASB Summaries

Statement of use	Dexco reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023.				
GRI 1 Used	GRI 1 – Foundation 2021				
Applicable sectoral standards	-				
GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>GENERAL DISCLOSURES</b>					
<b>GRI 2: Contents General 2021</b>	2-1 Organization details	6, 8, 15			
	2-2 Entities included in the organization's sustainability reporting	6, 8			
	2-3 Reporting period, frequency and contact point	6			
	2-4 Restatements of information	6, 59, 83, 84, 100, 116, 131, 138, 142, 145, 149, 150, 152, 159, 160, 161, 163, 164, 166, 169 - 171			
	2-5 External assurance	6, 182			
	2-6 Activities, value chain and other business relationships	8-13, 55, 59, 82			
	2-7 Employees	15, 34, 94 - 100			
	2-8 Workers who are not employees	100			
	2-9 Governance structure and its composition	22 - 25, 87			
	2-10 Nomination and selection to the highest governance body	22, 88			
	2-11 Chair of the highest governance body	23			
	2-12 Role of the highest governance body in overseeing the management of impacts	23, 24, 30, 88, 89			
	2-13 Delegation of responsibility for managing impacts	23 - 25			
	2-14 Role of the highest governance body in sustainability reporting	6			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>GENERAL DISCLOSURES (CONT.)</b>					
<b>GRI 2: Contents General 2021</b>	2-15 Conflicts of interest	89			
	2-16 Communication of crucial concerns	25			
	2-17 Collective knowledge of the highest governance body	23, 30			
	2-18 Evaluation of the performance of the highest governance body	23, 90			
	2-19 Remuneration policies	25, 116			
	2-20 Process to determine remuneration	25, 40			
	2-21 Annual total compensation ratio	116			
	2-22 Statement on sustainable development strategy	3, 4			
	2-23 Policy commitments	19, 26, 28, 29, 45			
	2-24 Embedding policy commitments	26, 28			
	2-25 Processes to remediate negative impacts	29, 45, 62, 124			
	2-26 Mechanisms for seeking advice and raising concerns	29			
	2-27 Compliance with laws and regulations	91			
	2-28 Membership associations	90, 91			
2-29 Approach to stakeholder engagement	17, 56, 82, 83				
2-30 Collective bargaining agreements	116				
<b>MATERIAL TOPICS</b>					
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	17			
	3-2 List of Material Topics	18			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>MATERIAL TOPIC: PROFITABILITY AND FINANCIAL PERFORMANCE</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<u>16, 84, 85</u>			
<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed	<u>16</u>			
	201-4 Financial assistance received from government	<u>85</u>			
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	<u>85</u>			
	207-4 Country-by-country reporting	<u>86</u>			
<b>MATERIAL TOPIC: RESEARCH AND INNOVATION</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<u>47, 48, 50, 52, 53, 55, 125, 126</u>			
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	<u>160 - 163</u>			
	301-2 Recycled input materials used	<u>163</u>			
	301-3 Reclaimed products and their packaging materials	<u>73, 164</u>			
<b>MATERIAL TOPIC: CLIMATE CHANGE</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<u>66 - 69, 139, 140</u>			
<b>GRI 201: Economic performance 2016</b>	201-2 Financial implications and other risks and opportunities due to climate change	<u>31, 140, 141</u>			
	302-1 Energy consumption within the organization	<u>67, 137, 138</u>			
<b>GRI 302: Energy 2016</b>	302-2 Energy consumption outside the organization	<u>138</u>			
	302-3 Energy intensity	<u>139</u>			
	302-4 Reduction of energy consumption	<u>139</u>			
	302-5 Reductions in energy requirements of products and services	<u>139</u>			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>MATERIAL TOPIC: CLIMATE CHANGE (CONT.)</b>					
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	69, 141, 142, 144			
	305-2 Energy indirect (Scope 2) GHG emissions	69, 141, 142, 144			
	305-3 Other indirect (Scope 3) GHG emissions	141, 142, 144			
	305-4 GHG emissions in intensity	143			
	305-5 Reduction of GHG emissions	143			
	305-6 Emissions of ozone-depleting substance (ODS)	145			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	145			
<b>MATERIAL TOPIC: WATER AND EFFLUENTS</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	66, 71, 155 - 157			
<b>GRI 303: Water and effluents 2018</b>	303-1 Interactions with water as a shared resource	71, 157, 158			
	303-2 Management of water discharge-related impacts	158			
	303-3 Water withdrawal	72, 158			
	303-4 Water discharge	159			
	303-5 Water consumption	159, 160			
<b>MATERIAL TOPIC: LOCAL COMMUNITY DEVELOPMENT</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics 3	45, 62, 63, 132, 133			
<b>GRI 202: Market presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	117			
	202-2 Proportion of senior management hired from the local community	25			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>MATERIAL TOPIC: LOCAL COMMUNITY DEVELOPMENT (CONT.)</b>					
<b>GRI 203: Indirect economic impacts 2016</b>	203-1 Investimentos em infraestrutura e apoio a serviços	<a href="#">63</a> , <a href="#">64</a>			
	203-2 Impactos econômicos indiretos significativos	<a href="#">133</a> , <a href="#">134</a>			
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Casos de violação de direitos de povos indígenas	<a href="#">63</a>			
<b>GRI 413: Local communities 2016</b>	413-1 Operações com engajamento, avaliações de impacto e programas de desenvolvimento voltados à comunidade local	<a href="#">134</a> , <a href="#">135</a>			
	413-2 Operações com impactos negativos significativos reais ou potenciais nas comunidades locais	<a href="#">135</a>			
<b>MATERIAL TOPIC: ORGANIZATIONAL CULTURE AND PEOPLE MANAGEMENT</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<a href="#">33</a> , <a href="#">35</a> - <a href="#">39</a> , <a href="#">92</a> , <a href="#">93</a>			
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	<a href="#">101</a> - <a href="#">103</a>			
	401-2 Benefits offered to full-time employees that are not provided to temporary or part-time employees	<a href="#">117</a>			
	401-3 Parental leave	<a href="#">118</a>			
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	<a href="#">42</a> , <a href="#">43</a>			
	403-2 Hazard identification, risk assessment and incident investigation	<a href="#">118</a> , <a href="#">119</a>			
	403-3 Occupational health services	<a href="#">44</a>			
	403-4 Worker participation, consultation and communication on occupational health and safety	<a href="#">119</a>			
	403-6 Promotion of worker health	<a href="#">119</a> , <a href="#">120</a>			
	403-6 Promotion of worker health	<a href="#">44</a> , <a href="#">120</a> , <a href="#">121</a>			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>MATERIAL TOPIC: ORGANIZATIONAL CULTURE AND PEOPLE MANAGEMENT (CONT.)</b>					
<b>GRI 403: Occupational health and safety 2018</b>	403-7 Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	<a href="#">121</a>			
	403-8 Workers covered by an occupational health and safety management system	<a href="#">42, 121</a>			
	403-9 Work-related injuries	<a href="#">121 - 123</a>			
	403-10 Work-related ill health	<a href="#">123</a>			
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	<a href="#">41, 114</a>			
	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">38, 39, 41</a>			
	404-3 Percentage of employees receiving regular performance and career development reviews	<a href="#">115</a>			
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	<a href="#">36, 104 - 112</a>			
	405-2 Ratio of basic salary and remuneration of women to men	<a href="#">113</a>			
<b>GRI 406: Non- discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	<a href="#">29, 91, 92</a>			
<b>MATERIAL TOPIC: SUPPLY CHAIN AND TRACEABILITY</b>					
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	<a href="#">59, 60, 129, 130</a>			
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion on spending with local suppliers	<a href="#">59</a>			
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	<a href="#">60</a>			
	308-2 Negative environmental impacts in the supply chain and actions taken	<a href="#">59, 60, 61, 131</a>			
<b>407: Freedom of association and collective bargaining</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">45</a>			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>MATERIAL TOPIC: SUPPLY CHAIN AND TRACEABILITY (CONT.)</b>					
<b>GRI 408: Child labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">60</a> , <a href="#">61</a> , <a href="#">124</a>			
<b>GRI 409: Forced or compulsory labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">60</a> , <a href="#">61</a> , <a href="#">124</a>			
<b>GRI 414: Social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	<a href="#">60</a>			
	414-2 Negative social impacts in the supply chain and actions taken	<a href="#">59</a> , <a href="#">60</a> , <a href="#">61</a> , <a href="#">131</a>			
<b>OTHER INDICATORS WITHOUT CORRELATED MATERIAL TOPICS</b>					
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for corruption-related risks	<a href="#">27</a>	205-1.a	Information not available	Dexco does not disclose the total number and percentage of transactions assessed for corruption risk, as the company's assessment is transversal.
	205-2 Communication and training about anti-corruption policies and procedures	<a href="#">27</a> , <a href="#">28</a> , <a href="#">61</a>			
	205-3 Confirmed cases of corruption and actions taken	<a href="#">27</a> , <a href="#">29</a>			
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	We do not suffer lawsuits whose object referred to anti-competitive behavior, trust and monopoly practices in the last three years.			

GRI Standard/ Other source	Content	Location	Omission		
			Requirement(s) omitted	Reason	Explanation
<b>OTHER INDICATORS WITHOUT CORRELATED MATERIAL TOPICS (CONT.)</b>					
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">145</a> , <a href="#">146</a>			
	304-2 Significant impacts of activities, products and services on biodiversity	<a href="#">69</a> , <a href="#">146</a>			
	304-3 Habitats protected or restored	<a href="#">15</a> , <a href="#">69</a> , <a href="#">70</a> , <a href="#">147 - 150</a>			
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">150</a> , <a href="#">151</a>			
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	<a href="#">72</a> , <a href="#">73</a> , <a href="#">166 - 168</a>			
	306-2 Management of significant waste-related impacts	<a href="#">72</a> , <a href="#">168</a> , <a href="#">169</a>			
	306-3 Waste generated	<a href="#">73</a> , <a href="#">169</a>			
	306-4 Waste diverted from disposal	<a href="#">170</a>			
	306-5 Waste directed to disposal	<a href="#">73</a> , <a href="#">170</a>			
<b>GRI 410: Security practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	<a href="#">45</a>			
<b>GRI 415: Public policy 2016</b>	415-1 Political contributions	<a href="#">92</a>			
<b>GRI 416: Customer health and safety 2016</b>	416-1 Assessment of health and safety impacts of product and service categories	<a href="#">58</a>			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">58</a>			
<b>GRI 417: Marketing and labeling 2016</b>	417-1 Requirements for product and service information and labeling	<a href="#">126</a>			
	417-2 Incidents of non-compliance concerning product and service information and labelling	<a href="#">126</a> , <a href="#">127</a>			
	417-3 Incidents of non-compliance in concerning marketing communications	<a href="#">55</a>			
<b>418: Customer privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">53</a>			

**SASB: Building Products & Furnishings (CG-BF)**

SASB Topic/Code	Reporting metric	Location	Omission
<b>ENERGY MANAGEMENT IN MANUFACTURING</b>			
CG-BF-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	67, 137, 138	
<b>MANAGEMENT OF CHEMICALS IN PRODUCTS</b>			
CG-BF-250a.1	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	127, 128	
CG-BF-250a.2	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	171	
<b>PRODUCT LIFE CYCLE ENVIRONMENTAL IMPACTS</b>			
CG-BF-410a.1	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	164 - 166	
CG-BF-410a.2	(1) Weight of end-of-life material recovered, (2) percentage of recovered materials recycled	166	
<b>WOOD SUPPLY CHAIN MANAGEMENT</b>			
CG-BF-430a.1	(1) Total weight of wood fibre materials purchased, (2) percentage from third-party certified forestlands, (3) percent by standard and (4) percent certified to other wood fibre standards, (5) percent by standard	154, 155	
<b>ACTIVITY METRICS</b>			
CG-BF-000.A	Annual production	11, 14	
CG-BF-000.B	Area of manufacturing facilities	15, 84	

**SASB: Forest stewardship (RR-FM)**

SASB Topic/Code	Reporting metric	Location	Omission
<b>ECOSYSTEM SERVICES AND IMPACTS</b>			
RR-FM-160a.1	Area of forestland certified to a third-party forest management standard, percentage certified to each standard	15, 70, 147 - 150	
RR-FM-160a.2	Area of forestland with protected conservation status	145, 146	
RR-FM-160a.3	Area of forestland in endangered species habitat	152	
RR-FM-160a.4	Description of approach to optimizing opportunities from ecosystem services provided by forestlands	152, 153	
<b>RIGHTS OF INDIGENOUS PEOPLES</b>			
RR-FM-210a.1	Area of forestland in indigenous land	63, 153, 154	
RR-FM-210a.2.	Description of engagement processes and due diligence practices with respect to human rights, indigenous rights, and the local community	136	
<b>CLIMATE CHANGE ADAPTATION</b>			
RR-FM-450a.1	Description of strategy to manage opportunities for and risks to forest management and timber production presented by climate change	31, 140, 141	
<b>ACTIVITY METRICS</b>			
RR-FM-000.A	Area of forestland owned, leased, and/or managed by the entity	83	
RR-FM-000.B	Aggregate standing timber inventory	83	
RR-FM-000.C	Timber harvest volume	83	



São Paulo Corporate Towers  
Av. Presidente Juscelino Kubitschek, 1.909  
6º ao 10º andar - Vila Nova Conceição  
04543-011 - São Paulo - SP - Brasil  
Tel: +55 11 2573-3000  
ey.com.br

## Limited assurance report of independent auditors on nonfinancial information contained in the Sustainability Report and Inventory of Greenhouse Gas Emissions.

To the  
Shareholders, Board of Directors and Officers  
**Dexco S/A**  
São Paulo - SP

### Introduction

We have been engaged by Dexco S.A. ("Dexco") to submit our limited assurance report on the sustainability indicators ("indicators") contained in the Integrated Reporting and the Greenhouse Gas Emissions Inventory ("GHG Inventory") for the year ended December 31, 2023.

Our limited assurance does not extend to prior period information, or any other information disclosed in conjunction with the Integrated Report, including any embedded images, audio files, or videos.

### Dexco management's responsibility

Dexco management is responsible for:

- selecting and establishing the appropriate criteria for the preparation of the information contained in the Sustainability Report and GHG Inventory;
- prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative ("GRI Standards") and the Sustainability Accounting Standards Board – Consumer Goods, and Renewable Resources and Alternative Energy ("SASB") for Integrated Reporting and in accordance with the specifications adopted from the Brazilian GHG Protocol Program for GHG Inventory;
- Design, implement and maintain internal control over the relevant information for the preparation of the indicators contained in the Integrated Report and GHG Inventory, which are free from material misstatement, regardless of whether caused by fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the indicators contained in the Integrated Report and the GHG Inventory, based on the limited assurance work conducted in accordance with Technical Communiqué (CTO) No. 07/2022, issued by the Federal Accounting Council – CFC,



and based on 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) and NBC TO 3410 - Assurance Work for Greenhouse Gas Emissions (GHG) and Climate Change Declarations which is equivalent to the international standard ISAE 3410 Assurance Engagements on Greenhouse Gas Statements also issued by the IAASB. These standards require the auditor to comply with ethical requirements, independence, and other responsibilities related to them, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In addition, these standards require that the work be planned and executed with the aim of obtaining limited assurance that the indicators contained in the Integrated Reporting and the GHG Inventory, taken together, are free from material misstatements.

A limited assurance engagement conducted in accordance with ISA 3000 (ISAE 3000) and ISA 3410 (ISAE 3410) consists primarily of inquiries to Dexco's management and other Dexco professionals who are involved in the preparation of the information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in the form of limited assurance, about the information taken together. Specifically the NBC TO 3410 standard, the work involves assessing the appropriateness in the circumstances of use as a basis for the preparation of the GHG statement by Dexco, assessing the risks of material misstatement due to fraud or error, responding to the risks assessed as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement also requires the execution of additional procedures when the practitioner becomes aware of matters that lead him or her to believe that the indicators disclosed in the Integrated Reporting and the GHG Inventory, taken together, may present material misstatements.

The selected procedures were based on our understanding of the aspects related to the compilation, materiality and presentation of the indicators contained in the Integrated Reporting and GHG Inventory, other circumstances of the work and our consideration of areas and processes associated with the material information disclosed in the Integrated Reporting and GHG Inventory, where relevant misstatements could exist. The procedures included, among others:

- a) the planning of the work, considering the relevance, the volume of quantitative and qualitative information and the operational and internal control systems that served as the basis for the elaboration of the indicators contained in the Integrated Report and the GHG Inventory;
- b) the understanding of the calculation methodology and the procedures for compiling the indicators contained in the Integrated Report and in the GHG Inventory through inquiries with the managers responsible for the preparation of the information;
- c) the application of analytical procedures on quantitative information and inquiries about qualitative information and its correlation with those of the indicators contained in the Integrated Report and the GHG Inventory;



d) for cases in which the indicators contained in the Integrated Report and the GHG Inventory are correlated with financial indicators, the comparison of these indicators with the financial statements and/or accounting records

The limited assurance work also included adherence to the guidelines and criteria of the GRI Standards and SASB preparation structure and the specifications of the Brazilian GHG Protocol Program applicable to the preparation of the indicators contained in the Integrated Report and GHG Inventory.

We believe that the evidence obtained in our work is sufficient and appropriate to support our conclusion in the limited form.

#### **Scope and limitations**

The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than in a reasonable assurance engagement. As a result, the level of assurance achieved in a limited assurance engagement is substantially lower than that which would have been achieved if a reasonable assurance engagement had been performed. If we had carried out a reasonable assurance engagement, we could have identified other issues and possible misstatements that may exist in the indicators contained in the Integrated Reporting and the GHG Inventory. As such, we do not express an opinion on this information.

Non-financial data are subject to more limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. In addition, we do not perform any work on reported data for prior periods, nor on future projections and targets.

The preparation and presentation of the indicators in the Integrated Report and GHG Inventory followed the criteria of GRI Standards, SASB and the specifications of the Brazilian GHG Protocol Program and, therefore, do not have the objective of ensuring compliance with social, economic, environmental or engineering laws and regulations. These standards provide, however, for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines occur. Our assurance report should be read and understood in this context, inherent to the selected criteria (GRI Standards, SASB and specifications of the Brazilian GHG Protocol Program).



## Conclusion

Based on the procedures carried out, described in this report and the evidence obtained, nothing has come to our attention that leads us to believe that the climate indicators and disclosures contained in Dexco's Integrated Reporting and GHG Inventory for the year ended December 31, 2023, were not prepared, in all material respects, in accordance with the criteria and guidelines of GRI Standards, SASB and the specifications of the Brazilian GHG Protocol Program.

São Paulo, June 04, 2024

### Ernst & Young

Auditores Independentes S/S Ltda.  
CRC SP - 034519/O

A handwritten signature in black ink, appearing to read 'Vanessa L. Pereira', written over a horizontal line.

Vanessa Lima Pereira  
Accountant CRC - SP282743/O



Coordination at Dexco  
ESG Management and Investor Relations

Editorial design, drafting, editing and proofreading  
Quintal 22

Graphic design and layout  
Quintal 22

Indicators and materiality consultancy  
Avesso Sustentabilidade

Photos  
Dexco Collection

Dexco's head office is located at Avenida Paulista,  
nº 1.938, 5º andar, Bela Vista, São Paulo, SP,  
CEP 01310-942.

| GRI 2-1



[www.dex.co](http://www.dex.co)