

Dexco S.A

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions

This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.

[Terms of disclosure for corporate questionnaire 2024 - CDP](#)

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C1. Introduction

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

Privately owned organization

(1.3.3) Description of organization

Dexco is a publicly traded company with 73 years of history with a corporate purpose to offer Solutions for a Better Living for customers and consumers. With our business divisions - Wood, Deca and Tiles - we are working to produce and sell products for the furniture and the finishing sectors in the civil construction industry. We are part of people's daily lives, working in the segments of wood panels, bathroom fixtures and metals, electric showers and ceramic tiles, through our brands recognized in their segments for their design and quality: Durafloor, Duratex, Deca, Hydra, Ceusa Portinari and Castelatto (the latter acquired at the end of 2021). As a member of the Brazilian Association of Publicly-Held Companies (ABRASCA), Dexco maintains its commitment to the ABRASCA Code of Self-Regulation and Good Practices of Publicly-Held Companies, with best market practices and the principles of transparency, equity, accountability, and corporate responsibility. Dexco has 15 industrial units located in the South, Southeast and Northeast regions of Brazil and 2 additional wood panels units in Colombia. Besides serving the Brazilian market, our products reach over 50 countries, with a special presence in South America, Central America, Africa and the USA. In addition to the factories, Dexco is responsible for more than 150 thousand hectares of planted forests and conservation areas in Brazil and Colombia. Also, over 30 thousand hectares are managed by Caetex, a joint-venture for eucalyptus plantation in Northeastern Brazil. Since 1995, forestry areas managed by Dexco in Brazil are certified according to Forest Stewardship Council (FSC) standards. Our chain of custody is also certified, ensuring the traceability of the wood used in our production process. In our forest areas in Brazil and Colombia, we produce eucalyptus seedlings in nurseries, planting them at our own farms and at leased farms and using the wood to supply the MDF and MDP factories. We also manufacture the resin used to bind the particles and fibers in the panels. Verticalization of operations and the proximity between planted areas and industrial units are some of our main competitive advantages, adding value to our business at lower costs. Our investments in open innovation are made through DX Ventures, Dexco's corporate venture capital fund. Despite being created in 2021 with initial capital of BRL 100 million, DX Ventures already planned investments of BRL 134 million in minority stakes in startups and scale-ups connected to our Sustainability Strategy and our value proposition, reinforcing the Dexco's commitment to transforming the construction, renovation and interior design industry. In 2022, BRL 45 million were invested in two complementary businesses in the civil construction chain that use engineered wood, a product that has a strong connection with sustainability, since, in addition to being renewable, it comes from reforested areas and, during its useful life, stocks carbon taken from the atmosphere. We calculate our GHG emissions by following the guidelines of The Greenhouse Gas Protocol – the top international benchmark for corporate emission calculation – and its Brazilian counterpart, the Brazilian GHG Protocol Program. Most of our direct emissions come from fuel consumption on stationary sources in our plants and mobile sources in forestry and transportation activities. Attentive to all opportunities to help fighting climate change, we continually seek to replace the use of fossil fuel with renewable alternatives and adopt new and less polluting equipment in our industrial processes.

[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2023	<i>Select from:</i> <input checked="" type="checkbox"/> Yes	<i>Select from:</i> <input checked="" type="checkbox"/> No

[Fixed row]

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	<i>Select from:</i> <input checked="" type="checkbox"/> Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

BRDXCOACNOR8

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

Yes

(1.6.2) Provide your unique identifier

DXCO3

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:

No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:

No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:

No

[Add row]

(1.11) Are greenhouse gas emissions and/or water-related impacts from the production, processing/manufacturing, distribution activities or the consumption of your products relevant to your current CDP disclosure?

Production

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

Value chain (including own land)

Processing/ Manufacturing

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

- Direct operations

Distribution

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

- Both direct operations and upstream/downstream value chain

Consumption

(1.11.1) Relevance of emissions and/or water-related impacts

Select from:

- Yes

[Fixed row]

(1.22) Provide details on the commodities that you produce and/or source.

Timber products

(1.22.1) Produced and/or sourced

Select from:

- Produced and sourced

(1.22.2) Commodity value chain stage

Select all that apply

- Production

- Processing
- Manufacturing

(1.22.4) Indicate if you are providing the total commodity volume that is produced and/or sourced

Select from:

- Yes, we are providing the total volume

(1.22.5) Total commodity volume (metric tons)

4567179.63

(1.22.8) Did you convert the total commodity volume from another unit to metric tons?

Select from:

- Yes

(1.22.9) Original unit

Select all that apply

- Cubic meters

(1.22.10) Provide details of the methods, conversion factors used and the total commodity volume in the original unit

1 cubic meter = 1 metric ton. This conversion factor was used only for Brazilian operations (in Colombia the working unit is already metric tons).

(1.22.11) Form of commodity

Select all that apply

- Hardwood logs
- Sawn timber, veneer, chips
- Softwood logs
- Wood-based bioenergy

(1.22.12) % of procurement spend

Select from:

1-5%

(1.22.13) % of revenue dependent on commodity

Select from:

61-70%

(1.22.14) In the questionnaire setup did you indicate that you are disclosing on this commodity?

Select from:

Yes, disclosing

(1.22.15) Is this commodity considered significant to your business in terms of revenue?

Select from:

Yes

(1.22.19) Please explain

Dexco manages forest plantations to ensure the supply of raw materials to our fiberboard (MDF and MDP) factories of the Wood Division. We are responsible for more than 152 thousand hectares of planted forests and conservation areas, distributed on owned and leased land, both in Brazil and Colombia. In addition to wood from our own forests, we also buy wood from third parties. The percentage of procurement spending was calculated considering both wood produced by Dexco and sourced from the market. The total spending with suppliers covers 100% of Dexco, including our Building Finishes division (Deca, Hydra, Ceusa, Portinari and Castelatto).

[Fixed row]

(1.23) Which of the following agricultural commodities that your organization produces and/or sources are the most significant to your business by revenue?

Cotton

(1.23.1) Produced and/or sourced

Select from:

No

Dairy & egg products

(1.23.1) Produced and/or sourced

Select from:

No

Fish and seafood from aquaculture

(1.23.1) Produced and/or sourced

Select from:

No

Fruit

(1.23.1) Produced and/or sourced

Select from:

No

Maize/corn

(1.23.1) Produced and/or sourced

Select from:

No

Nuts

(1.23.1) Produced and/or sourced

Select from:

No

Other grain (e.g., barley, oats)

(1.23.1) Produced and/or sourced

Select from:

No

Other oilseeds (e.g. rapeseed oil)

(1.23.1) Produced and/or sourced

Select from:

No

Poultry & hog

(1.23.1) Produced and/or sourced

Select from:

No

Rice

(1.23.1) Produced and/or sourced

Select from:

No

Sugar

(1.23.1) Produced and/or sourced

Select from:

No

Tea

(1.23.1) Produced and/or sourced

Select from:

No

Tobacco

(1.23.1) Produced and/or sourced

Select from:

No

Vegetable

(1.23.1) Produced and/or sourced

Select from:

No

Wheat

(1.23.1) Produced and/or sourced

Select from:

No

Other commodity

(1.23.1) Produced and/or sourced

Select from:

No

[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:

Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply

Upstream value chain

Downstream value chain

(1.24.3) Highest supplier tier mapped

Select from:

Tier 2 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

All supplier tiers known have been mapped

(1.24.6) Smallholder inclusion in mapping

Select from:

Smallholders relevant and included

(1.24.7) Description of mapping process and coverage

In our Wood division, we are able to map all our direct (tier 1) and indirect (tier 2) wood suppliers in Brazil. The indirect suppliers are the ones who sell wood to sawmills, which in turn sell their byproducts to Dexco. We have a database with the geographic coordinates and other info for all the tier 1 and tier 2 suppliers in Brazil. In Colombia, our database contains information for tier 1 suppliers, but information for tier 2 suppliers is manually available through legal documents. For the other business units, we have a database in our ERP with the addresses of all tier 1 suppliers. The submission of this information is required for the suppliers to be paid.

[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

No, but we plan to within the next two years

(1.24.1.5) Primary reason for not mapping plastics in your value chain

Select from:

Not an immediate strategic priority

(1.24.1.6) Explain why your organization has not mapped plastics in your value chain

While the issue of plastics is covered by Dexco's Sustainability Strategy (with a target to reduce plastics use on packaging), the mapping on our value chain is not yet a strategic

[Fixed row]

(1.24.2) Which commodities has your organization mapped in your upstream value chain (i.e., supply chain)?

Timber products

(1.24.2.1) Value chain mapped for this sourced commodity

Select from:

Yes

(1.24.2.2) Highest supplier tier mapped for this sourced commodity

Select from:

Tier 2 suppliers

(1.24.2.3) % of tier 1 suppliers mapped

Select from:

100%

(1.24.2.4) % of tier 2 suppliers mapped

Select from:

100%

(1.24.2.7) Highest supplier tier known but not mapped for this sourced commodity

Select from:

All supplier tiers known have been mapped for this sourced commodity

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Dexco considers an immediate risk/opportunity as a short-term risk/opportunity in a horizon from 0 to 3 years. Risks or opportunities that lead to prolonged results (actions that can start in the present or in the near future and whose impacts can be extended to the short term) are also included.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

15

(2.1.4) How this time horizon is linked to strategic and/or financial planning

For Dexco, medium-term horizon ranges from 4 to 15 years. Risks or opportunities that lead to prolonged results (actions that can start in the present or in the future and whose impacts can be extended to the medium term) are also included.

Long-term

(2.1.1) From (years)

16

(2.1.2) Is your long-term time horizon open ended?

Select from:

No

(2.1.3) To (years)

20

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Long-term horizon is considered over 16 years, especially for sustainable forest management. Risks or opportunities that lead to perennial results (actions that can start in the present or in the future and whose impacts can be prolonged to the long term) are also included.

[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from:	Select from:

	Process in place	Dependencies and/or impacts evaluated in this process
	<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: <input checked="" type="checkbox"/> Yes	Select from: <input checked="" type="checkbox"/> Both risks and opportunities	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

- Climate change
- Forests
- Water

- Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

- Dependencies
- Impacts
- Risks
- Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

- Direct operations

(2.2.2.4) Coverage

Select from:

- Full

(2.2.2.7) Type of assessment

Select from:

- Qualitative only

(2.2.2.8) Frequency of assessment

Select from:

- Annually

(2.2.2.9) Time horizons covered

Select all that apply

- Short-term
- Medium-term
- Long-term

(2.2.2.10) Integration of risk management process

Select from:

- Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

- National

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

- Encore tool
- LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

Enterprise Risk Management

- COSO Enterprise Risk Management Framework
- Enterprise Risk Management

International methodologies and standards

- IPCC Climate Change Projections

Other

- Desk-based research
- Materiality assessment
- Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

- Drought
- Landslide
- Wildfires
- Heat waves
- Pollution incident

Chronic physical

- Heat stress
- Soil erosion
- Water stress
- Sea level rise
- Soil degradation
- Rationing of municipal water supply
- Water quality at a basin/catchment level
- Precipitation or hydrological variability
- Increased severity of extreme weather events
- Water availability at a basin/catchment level

Policy

- Carbon pricing mechanisms
- Increased pricing of water
- Changes to national legislation
- Regulation of discharge quality/volumes
- Limited or lack of river basin management

Market

- Availability and/or increased cost of certified sustainable material
- Availability and/or increased cost of raw materials
- Changing customer behavior
- Uncertainty about commodity origin and/or legality

- Heavy precipitation (rain, hail, snow/ice)
- Flood (coastal, fluvial, pluvial, ground water)
- Storm (including blizzards, dust, and sandstorms)

- Change in land-use
- Declining water quality
- Temperature variability
- Scarcity of land resources
- Declining ecosystem services
- Seasonal supply variability/interannual variability
- Changing temperature (air, freshwater, marine water)
- Changing precipitation patterns and types (rain, hail, snow/ice)

- Increased difficulty in obtaining operations permits
- Changes to international law and bilateral agreements
- Increased difficulty in obtaining water withdrawals permit
- Statutory water withdrawal limits/changes to water allocation
- Mandatory water efficiency, conservation, recycling, or process standards

- Uncertainty in the market signals

Reputation

- Impact on human health
- Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Stakeholder conflicts concerning water resources at a basin/catchment level

Technology

- Dependency on water-intensive energy sources
- Inability to increase yield of existing production areas
- Transition to lower emissions technology and products
- Transition to water efficient and low water intensity technologies and products
- Transition to water intensive, low carbon energy sources

Liability

- Exposure to litigation
- Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

- | | |
|--|--|
| <input checked="" type="checkbox"/> Customers | <input checked="" type="checkbox"/> Local communities |
| <input checked="" type="checkbox"/> Employees | <input checked="" type="checkbox"/> Water utilities at a local level |
| <input checked="" type="checkbox"/> Investors | <input checked="" type="checkbox"/> Other water users at the basin/catchment level |
| <input checked="" type="checkbox"/> Suppliers | |
| <input checked="" type="checkbox"/> Regulators | |

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

Yes

(2.2.2.16) Further details of process

In 2023, a comprehensive assessment was conducted aiming to identify risks, opportunities, dependencies and impacts related to climate change, water security and forests and biodiversity. This study was done using Dexco's main corporate risk matrix, where each existing risk was qualitatively assessed in relation to those issues, therefore being fully integrated to our risk management framework. A stepwise approach was used, where the first phase focused on impacts and dependencies, which served as input for the next step, where risks and opportunities were identified. As the corporate risk matrix covers the whole company, this assessment also has full coverage. At this stage, we focused mainly on direct operations in order to mature the process before expanding it to the value chain. The assessment considered the level of impacts and dependencies, the likelihood of risks/opportunities materialization and the scale of potential financial, operational and reputational impacts, which were classified (low, medium, high or critical) according to the same thresholds and criteria used on the corporate risk matrix. It was conducted by the ESG team with inputs from the risk management and operations teams, using internal data and collective knowledge, as well as information from publicly available databases (ENCORE, for example), which contributed to compose the bespoke scenarios. The results were presented to the COO of each business division. In 2024, this assessment is being refined, aiming to help on the prioritization of the identified risks and opportunities. As this was a new process established in 2023, this differs from the previous reporting year.

[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

Yes

(2.2.7.2) Description of how interconnections are assessed

The assessment of risks, opportunities, impacts and dependencies was conducted simultaneously, using the same internal framework based on the corporate risks matrix. Each risk on that matrix was evaluated in relation to its risks, opportunities, impacts and dependencies regarding climate change, water and forests and biodiversity. By consolidating this analysis into one single place, it is possible to have a holistic view that interconnect different risks and dependencies on a feedback cycle that enriches the assessment. For example, the level of dependency of water for the risk "forest fires" is critical (as it is needed for firefighting) and the same issue has a critical risk level related to climate change. As climate change increases the likelihood of more frequent and severe wildfires, the dependence on water also increases.

[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

- Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

- Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

- Areas important for biodiversity
- Areas of importance for ecosystem service provision

(2.3.4) Description of process to identify priority locations

We use two approaches for the identification of sensitive areas, one for forestry areas and another for industrial sites. For forestry areas, we use the FSC guidelines for High Conservation Value Areas identification, using criteria developed internally and appropriate to local conditions. The methodology and results are third-party verified during surveillance FSC surveillance audits. The process includes public consultation of the classification criteria and the results of each year's assessment with stakeholders such as local communities and scholar specialists. The results are available in the public summaries of our Forest Management Plans. For the industrial sites, an internal assessment was conducted in 2023 using publicly available geographic databases, such as Key Biodiversity Areas (KBA), Ramsar Sites, Intact Forest Landscapes (IFL) and proximity of protected lands. These layers were overlapped to identify which areas could be classified as sensitive due to the many attributes on these sites. The methodology was developed internally, and the study covered only direct operations. All sites assessed were classified as very low, low or medium sensitivity level.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

- No, we have a list/geospatial map of priority locations, but we will not be disclosing it

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Asset value

(2.4.3) Change to indicator

Select from:

- % decrease

(2.4.4) % change to indicator

Select from:

- 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- Frequency of effect occurring

(2.4.7) Application of definition

There are some criteria to classify a risk as critical. If the expected financial impact of the risk materialization is higher than a defined percentage of the total equity, the risk is defined as critical. Among other factors, the history of occurrence of the risk is also considered into the analysis, with events of higher frequency leading to a higher risk level.

Opportunities

(2.4.1) Type of definition

Select all that apply

- Qualitative
- Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

- Asset value

(2.4.3) Change to indicator

Select from:

- % increase

(2.4.4) % change to indicator

Select from:

- 1-10

(2.4.6) Metrics considered in definition

Select all that apply

- Likelihood of effect occurring

(2.4.7) Application of definition

There are some criteria to classify an opportunity as critical. If the expected net financial impact of the opportunity materialization is higher than a defined percentage of the total equity, the opportunity is defined as critical. Among other factors, the likelihood for the opportunity to be materialized is also considered into the analysis.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Through the assessment of environmental Aspects and Impacts, carried out in all units, the company analyzes the types of waste and wastewater from our processes in order to perform adequate monitoring. As part of our Environmental Management System, we have procedures to monitor laws and regulations applicable to the sites we operate. These regulations, as well as the environmental permits required for discharging wastewater on streams, set the quality standards which must be followed. Periodic analyses ensure the efficiency of the treatment and the quality of the discharged wastewater, which are made according to the legally required procedures and thresholds. Dexco has an Environmental Policy and an ESG Policy that covers the protection of water resources and continuous process improvement. Local Environmental Management Systems have monitoring plans and specific environmental indicators for onsite monitoring and to make adjustments on the treatment processes if necessary.

[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

Nitrates

(2.5.1.2) Description of water pollutant and potential impacts

In our forestry nurseries, we use irrigation systems in order to apply fertilization for the seedlings, including nitrogen. The exceeding water is captured by draining pipes into decantation tanks. After this physical treatment, residual water is incorporated into the soil or runs to a nearby water stream. The samples for monitoring are collected from these tanks before runoff. Despite the very small concentrations of this nutrient, the potential environmental impact could be eutrophication of nearby water bodies. Therefore, we monitor the water quality according to the legal limits for these substances.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Industrial and chemical accidents prevention, preparedness, and response
- Provision of best practice instructions on product use

(2.5.1.5) Please explain

We have procedures in place to use adequate quantities of fertilizers according to technical recommendations, reducing the possibility of exceeding nutrients going into the environment. All employees are trained according to the applicable procedures and we have emergency action plans to deal with accidental spills. We collect samples of the residual water from the decantation tanks twice a year for lab analysis against the quality standards set by law. The measure of success for this measure is compliance with the related legal requirements. In 2023, all analysis were compliant to the required standards, thus demonstrating the efficacy of the treatment.

Row 2

(2.5.1.1) Water pollutant category

Select from:

- Phosphates

(2.5.1.2) Description of water pollutant and potential impacts

In our forestry nurseries, we use irrigation systems in order to apply fertilization for the seedlings, including phosphorus. The exceeding water is captured by draining pipes into decantation tanks. After this physical treatment, residual water is incorporated into the soil or runs to a nearby water stream. The samples for monitoring are collected from these tanks before runoff. Despite the very small concentrations of this nutrient, the potential environmental impact could be eutrophication of nearby water bodies. Therefore, we monitor the water quality according to the legal limits for these substances.

(2.5.1.3) Value chain stage

Select all that apply

- Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

- Industrial and chemical accidents prevention, preparedness, and response
- Provision of best practice instructions on product use

(2.5.1.5) Please explain

We have procedures in place to use adequate quantities of fertilizers according to technical recommendations, reducing the possibility of exceeding nutrients going into the environment. All employees are trained according to the applicable procedures and we have emergency action plans to deal with accidental spills. We collect samples of the residual water from the decantation tanks twice a year for lab analysis against the quality standards set by law. The measure of success for this measure is compliance with the related legal requirements. In 2023, all analysis were compliant to the required standards, thus demonstrating the efficacy of the treatment.

[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

Forests

(3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

Yes, both in direct operations and upstream/downstream value chain

Plastics

(3.1.1) Environmental risks identified

Select from:

No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

- Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

The main risk related to plastics are changes in legislation related to their use in packaging, which could affect mainly products from the Deca brand. However, its impacts are not considered significant due to the relatively low amount of plastics used for packaging and the existence of alternatives (paper, for instance). Moreover, should restrictions for this use arise, we expect that a transition period would be adequate to adapt our operations to compliance.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

- Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical

- Wildfires

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Brazil
- Colombia

(3.1.1.9) Organization-specific description of risk

Dexco has 22 industrial and forestry units in Brazil and Colombia, exporting to over 50 countries. The company also owns LD Celulose, a joint venture with Grupo Lenzing, and Caetex, a joint venture for planting eucalyptus forests in Alagoas. During the Climate Risk study carried out in 2021, a tool was developed to model the calculation of the Company's financial impact in the face of risks and opportunities related to climate change. It is assumed that the increase in temperatures and extreme weather events may negatively impact the Company's activities. The objective is to adjust the Company's market price definition in light of weather variables, identifying in advance the events that can create or destroy value. Although most fires in Brazil are started by humans, climate change represents an increase in the severity of outbreaks, due to a combination of high temperatures, low humidity, low precipitation and frequency of strong winds. We have modelled the impact over the Company considering that in the last 40 years the fire climate index increased by 12%, in accordance to the study "Observed increases in extreme fire weather driven by atmospheric humidity and temperature".

(3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Short-term
- Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The increase on the frequency and intensity of wildfires in forests managed by Dexco could impact the wood supply for our fiberboard factories. This could lead to insufficient raw materials for our productive processes, thus possibly impacting our ability to fulfill some clients' orders. More likely, the reduced wood supply from managed forests could increase the need for sourcing wood from the market, with higher costs for this material. Moreover, there could be an increased need for fertilization in our forests to compensate the decreased productivity and/or higher investments on landbank expansions.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

63208458

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

63208458

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

267601918

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

267601918

(3.1.1.25) Explanation of financial effect figure

Variables considered in the tool for the potential financial impact figure associated with this risk: Based on the historical record of fires that affected our units in the last 10 years, we calculated the average number of fires per year (33). From the historical record of our financial losses in the last 5 years related to the occurrence of

forest fires, both referring to the decrease in available biological assets and the decrease in products in stock, we established an average financial impact of the occurrence of fires per year (BRL 1.11 million). The study "Observed increases in extreme fire weather driven by atmospheric humidity and temperature" demonstrates that, between 1979 and 2020, trends in extreme annual values of the fire climate index vary regionally with global increases in mean values of 12%. The decrease in relative humidity and the increase in temperature were the predominant factors. From this data, we calculated the CAGR rate of fire weather intensity per year (28.27%). Probability of occurrence was based on the confidence level of the scenarios proposed by IPCC, varying from 70% to 80% from Year 1 to 10. The estimated financial impact (BRL 267.6 million) represents 4.1% of Dexco's shareholders' equity (December 2023)

(3.1.1.26) Primary response to risk

Diversification

- Improve fire management systems in sourcing regions

(3.1.1.27) Cost of response to risk

6721718.73

(3.1.1.28) Explanation of cost calculation

Costs of forest fires monitoring and control in 2023 in Brazil and Colombia.

(3.1.1.29) Description of response

The occurrence of forest fires, either natural or human-induced, is inherent in the process. Our mitigation actions include fire brigade training, firefighting with water trucks, an emergency action plan and a local community communication plan for care and cooperation. To fight possible forest fires, we keep our forest unit teams ready, through training and development, so that we can promptly and actively respond to emergencies. In 2019, we replaced motorbikes by vehicles less vulnerable to accidents, equipped with a rapid response kit to fight forest fires at the first signs of fire. Radio and camera systems and satellite surveillance equipment installed in our forests allow real-time surveillance of our assets. Most fires in the last five years occurred accidentally. These were small-scale fires, with no significant financial losses. In cases where the forest is severely damaged, its value is written-off in our biological assets.

Forests

(3.1.1.1) Risk identifier

Select from:

- Risk2

(3.1.1.2) Commodity

Select all that apply

- Timber products

(3.1.1.3) Risk types and primary environmental risk driver

Chronic physical

- Changing temperature (air, freshwater, marine water)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

- Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

- Brazil
- Colombia

(3.1.1.9) Organization-specific description of risk

Dexco has 22 industrial and forestry units in Brazil and Colombia, exporting to over 50 countries. The company also owns LD Celulose, a joint venture with Grupo Lenzing, and Caetex, a joint venture for planting eucalyptus forests in Alagoas. In 2021, Dexco developed a tool to model the financial impact of climate change risks and opportunities. Increased temperatures and extreme weather events are expected to negatively impact the company's activities. The goal is to adjust market price definitions based on weather variables, identifying events that can create or destroy value. The study concluded that Dexco's forestry operations could be negatively impacted by extreme weather events. Using the ThinkHazard tool (GFDRR), it was found that four forestry units (Uberaba, Agudos, Lençóis Paulista, Maceió) are in high-risk areas for extreme temperatures and droughts. The study "Impact of climate change on eucalyptus productivity in two regions of Brazil" highlights the vulnerability of forest systems to climate variation, especially increased temperature and decreased precipitation. This modeling indicates a higher probability of productivity drops as climate change effects intensify.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Decreased revenues due to reduced production capacity

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Very likely

(3.1.1.14) Magnitude

Select from:

- Medium

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

The decrease of productivity in forests managed by Dexco could impact the wood supply for our fiberboard factories. This could lead to insufficient raw materials for our productive processes, thus possibly impacting our ability to fulfill some clients' orders. More likely, the reduced wood supply from managed forests could increase the need for sourcing wood from the market, with higher costs for this material. Moreover, there could be an increased need for fertilization in our forests to compensate the decreased productivity and/or higher investments on landbank expansions.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

26094946

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

(3.1.1.25) Explanation of financial effect figure

The estimated financial impact of the risk is BRL 26.1 million. The estimate was calculated based on the biological assets value from the 2023 balance sheet, subtracting in each year the percentage related to the reduction in eucalyptus productivity due to extreme weather events, according to the study "Impact of climate change on eucalyptus productivity in two regions of Brazil" (-0.3%/year). Following this rationale, the portion of Dexco's planted forests exposed to extreme weather events was considered, which are those located in areas of high exposure for the occurrence of these events (67% of the total planted landbank). The financial impact was calculated using the discounted cash flow method for a period of 10 years, considering that the frequency and intensity of these events should increase, according to the confidence level of the scenarios proposed by the IPCC. Probability of damage by extreme event based on the confidence level of the scenarios proposed by IPCC, varying from 30% to 60% from Year 1 to 10. This value equals to 0.40 of Dexco's stakeholders' equity (December 2023).

(3.1.1.26) Primary response to risk

Agricultural practices

Species management and/or recovery

(3.1.1.27) Cost of response to risk

1690000

(3.1.1.28) Explanation of cost calculation

Value spent in the forest breeding program (genetic improvement) in 2023.

(3.1.1.29) Description of response

For over 40 years, we have been carrying out a genetic improvement program aimed at the selection of eucalyptus species that are well adapted to different climatic conditions and present higher quality standards (such as density and resistance to pests and diseases). This genetic improvement program generates forests more adapted to climate change, while also increasing productivity and resistance to pests and diseases. Since 2008, we also have been participating in the Eucflux program. This is a cooperative initiative coordinated by universities and research institutes to periodically collect data on carbon, water and nutrients flows of the planted forests. With these initiatives, we have practically doubled our productivity: in the 1980's, it was around 30.0 m³/ha/yr. and, in 2020 we reached 54.0 m³/ha/yr, (forests located in São Paulo) above Brazilian current average of 32.7 m³/ha/yr, according to data from the 2023 Annual Report of the Brazilian Industry of Trees (Ibá).

Water

(3.1.1.1) Risk identifier

Select from:

Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Policy

Increased pricing of water

(3.1.1.4) Value chain stage where the risk occurs

Select from:

Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

Brazil

(3.1.1.7) River basin where the risk occurs

Select all that apply

Other, please specify :Pardo, Baixo Itapetininga, Bauru, Jundiaí, Penha-Pinheiros, Uberaba, Sinos, Taquari-Antas, Paraíba do Sul, Gramame, GL2

(3.1.1.9) Organization-specific description of risk

The charge for the use of water resources in Brazil is an instrument of the National Policy of Water Resources established by Law number. 9.433/97, the "water law". This charge is not a tax, but rather a fee for the use of a public good whose price is fixed from a pact between water users, civil society, and the government under the Watershed Committees - CBHs, to whom the Brazilian legislation establishes the competence of proposing mechanisms of collection of values for direct withdrawal, consume, and surface water discharges. The state of São Paulo, where we have operational units, is one of those that already adopts collection mechanisms. The possibility of other states starting to adopt collection mechanisms for the use of water resources is a risk for the Company because we operate in 8 different states and that could result in an increase of operational costs. In 2022, 96% of water was withdrawn in Brazil (68% groundwater, 22% surface water and 10% water from public water supply). 52% of discharges took place in surface waters. In the case of the use of water and the discharge of effluents in public

supply/collection systems, the charge for the treatment and distribution is made by the responsible utility company. For Dexco, there is already a charge for these services.

(3.1.1.11) Primary financial effect of the risk

Select from:

- Increased production costs

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

- Likely

(3.1.1.14) Magnitude

Select from:

- Low

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

As water is a fundamental resource to our production processes, increases on its price could lead to higher operational costs, proportionally to each site water use intensity.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

- Yes

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

844384.18

(3.1.1.25) Explanation of financial effect figure

Estimate: based on the water prices practiced in 2023 at federal level in Brazil for the PCJ watershed. Calculation: The 'current price' values, which multiply the volume of water consumed, were extracted from ANA Resolution 172/2023 (PCJ watershed, watershed table). The 'future price' values were calculated considering withdrawals and discharges (Brazil and Colombia, data from 2023), with water prices adjusted for inflation (expected IPCA for 2024 – Brazilian inflation indicator; Brazilian Central Bank's Focus Bulletin 08/23/2024) and with cumulative costs for 10 years brought to present value (NPV) considering the Brazilian standard interest rate (expected SELIC for 2024; Brazilian Central Bank's Focus Bulletin 08/23/2024). This value equals to 0.0023% of Dexco's stakeholders' equity (December/2023)

(3.1.1.26) Primary response to risk**Infrastructure, technology and spending**

Adopt water efficiency, water reuse, recycling and conservation practices

(3.1.1.27) Cost of response to risk

96000

(3.1.1.28) Explanation of cost calculation

The cost considered here (96,000.00 BRL) was the amount spent in Taquari panels plant in order to implement a closed recirculation water system. By doing so, the unit was able to reduce its need of collecting water and increased its reuse rates. Of the total investment, 60% were related to materials and equipment and 40% related to services. Dexco is constantly looking for alternatives that can turn its productive systems into more sustainable ones, and that includes the initiatives aimed at reducing water consumption. This reduction also has a financial impact, considering that our units may be subjected to water use pricing increases or implementation.

(3.1.1.29) Description of response

The risk of increasing water prices has always been considered by the company in its strategic decisions, and was intensified in 2014, when the country underwent one of its most critical droughts. We have been engaged in eco-efficiency actions to reduce water consumption, adapt the productive lines to increase reuse and invest in research and development to reduce the use of water in forestry operations ever since. At a strategic and operational level, our Sustainability Strategy

includes a target for reduction of relative water withdrawal at all of the facilities. Considering the 2020 baseline, our target is a 10% decrease in water withdrawals by 2025. Additionally, we maintain active participation in consultative forums and representative associations engaged with policy makers to discuss matters related to environmental relevant issues, through sector representations, such as meetings of Municipal Councils and Working Groups of the Brazilian Tree Industry (IBA).
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

2503438000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

11-20%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

2503438000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

11-20%

(3.1.2.7) Explanation of financial figures

Dexco's biological assets value, as reported on the balance sheet (December 2023). All biological assets are exposed to the risk related to climate change disclosed on question 3.1.1.

Forests

(3.1.2.1) Financial metric

Select from:

Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

2503438000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

11-20%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

2503438000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

11-20%

(3.1.2.7) Explanation of financial figures

Dexco's biological assets value, as reported on the balance sheet (December 2023). All biological assets are exposed to the risk related to forests disclosed on question 3.1.1.

Water

(3.1.2.1) Financial metric

Select from:

Assets

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

4307168000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:

21-30%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

4307168000

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

21-30%

(3.1.2.7) Explanation of financial figures

Dexco's immobilized assets' value, as reported on the balance sheet (December 2023). All immobilized assets are exposed to the risk related to water security disclosed on question 3.1.1.

[Add row]

(3.2) Within each river basin, how many facilities are exposed to substantive effects of water-related risks, and what percentage of your total number of facilities does this represent?

Row 1

(3.2.1) Country/Area & River basin

Brazil

Other, please specify :Penha-Pinheiros

(3.2.2) Value chain stages where facilities at risk have been identified in this river basin

Select all that apply

Direct operations

(3.2.3) Number of facilities within direct operations exposed to water-related risk in this river basin

1

(3.2.4) % of your organization's total facilities within direct operations exposed to water-related risk in this river basin

Select from:

1-25%

(3.2.10) % organization's total global revenue that could be affected

Select from:

1-10%

(3.2.11) Please explain

A study was carried out in 2015 involving the Evaluation of the Sustainability Index of Hydrographic Basins to assess the hydrological resources of the basins where our industrial units are located, using the most recent data, at the time, made available by international organisms hydrographic basin committees and government bodies. The main water stress indicators have been reviewed, and a Sustainability Index Basin (WSI) has been applied in the river basins where Dexco operates. The Penha Pinheiros Basin, where one of our Deca Metals unit is located, was classified as median sustainability (for WSI). And according to the Falkenmark indicator, the basin is characterized by absolute water scarcity, resulting in the concept of water risk high for the unit. Within evaluation of local factors and hydro conditions the unit was classified as high risk. The company already takes measures to mitigate the risks, like intensification of water reuse, a water acquisition plan by alternative suppliers and campaigns to increase awareness among employees. In 2021, there was no case of water shortage in the unit. The same unit, due to population density and local urbanisation, is exposed to flooding risks, as well as several points in the city of São Paulo. In 2020, we experienced a flood that impacted several parts of the city, and some of our operations were affected. However, the reestablishment of operations occurred quickly, resulting in a few material losses. There were no such incidents in 2023.

[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: <input checked="" type="checkbox"/> No	Dexco did not get any fines, enforcement orders, and/or other penalties for water-related regulatory violations in 2023.

[Fixed row]

(3.5.3) Complete the following table for each of the tax systems you are regulated by.

Colombia carbon tax

(3.5.3.1) Period start date

01/31/2023

(3.5.3.2) Period end date

(3.5.3.3) % of total Scope 1 emissions covered by tax

1.87

(3.5.3.4) Total cost of tax paid

253880

(3.5.3.5) Comment

Amount reported in BRL, converted from 203104137 COP (1 COP 0,001250 BRL 29 december 2023)
 [Fixed row]

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

	Environmental opportunities identified
Climate change	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Forests	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized
Water	Select from: <input checked="" type="checkbox"/> Yes, we have identified opportunities, and some/all are being realized

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

Opp1

(3.6.1.2) Commodity

Select all that apply

Timber products

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

Participation in carbon market

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Brazil

Colombia

(3.6.1.8) Organization specific description

ESG credit operations are growing significantly in Brazil and worldwide. In 2021, the volume of debt securities with ESG attributes was a world record and reached almost US 1 trillion, while an estimate indicates that in 2022 a new record should be reached, with US 1.35 trillion in sustainable bonds, as calculated by Moody's. This number represents double what was issued in 2020 and a 36% growth over the total for 2021, considering all types of ESG debt, from green bonds to sustainability-linked bonds. There is evidence that green or ESG lending has a premium (greenium) over traditional operations. This driver models a reduction in the cost of capital, due to the possibility of issuing ESG debt. Due to the trend of sustainable debt issuances in the market and mainly in forest sector players, such as Dexco, it is believed that we have a high probability of reaching 100% of our ESG debt issuance at the end of the 10-year period.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased access to capital at lower/more favorable rates

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

- Unlikely (0–33%)

(3.6.1.12) Magnitude

Select from:

- Low

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

ESG credit operations are growing significantly in Brazil and worldwide. In 2021, the volume of debt securities with ESG attributes was a world record and reached almost US 1 trillion, while an estimate indicates that in 2022 a new record should be reached, with US 1.35 trillion in sustainable bonds, as calculated by Moody's. This number represents double what was issued in 2020 and a 36% growth over the total for 2021, considering all types of ESG debt, from green bonds to sustainability-linked bonds. There is evidence that green or ESG lending has a premium (greenium) over traditional operations. This driver models a reduction in the cost of capital, due to the possibility of issuing ESG debt. Due to the trend of sustainable debt issuances in the market and mainly in forest sector players, such as Dexco, it is believed that we have a high probability of reaching 100% of our ESG debt issuance at the end of the 10-year period.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

15954729

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

15954729

(3.6.1.23) Explanation of financial effect figures

The financial impact of the opportunity (brought) to present value is BRL 15,954,719 calculated by the discounted cash flow method for a period of 10 years. This represents 0.24% of our shareholders' equity at the end of 2023. The estimate of the amount was calculated based on the company's total debt (BRL 7.1 billion - short and long-term loans, financing and debentures), and the average debt term (4.1 years). The percentage drop in the cost of debt of 0.2% was considered, according to the study "Drivers of green bond issuance and new evidence on the "greenium" (Feb, 2021). Since this is an estimate, the value of the gain was multiplied by the probability of this opportunity occurring, which, due to the trend of sustainable debt issuances in the market and especially in players in the forestry sector, such as Dexco, can reach 100% issuance of ESG debt at the end of the 10-year period. Variables considered in the tool for the potential financial impact figure associated with this opportunity: As of December 31, 2022, the Company's total consolidated debt was BRL 5.8 billion (understood here as short-term and long-term loans, financing and debentures). The average cost of financing at the end of the period was equivalent to 107.0% of the CDI, with an average maturity of 4.1 years. According to the study "Drivers of green bond issuance and new evidence on the "greenium"" (Feb, 2021), due to a greater demand for green bonds, the issuer's debt cost is reduced by approx. 20bps (0.2%). Due to the trend of sustainable debt issuances in the market and mainly in forest sector players, such as Dexco, it is believed that we have a high probability of reaching 100% of our ESG debt issuance at the end of the 10-year period.

(3.6.1.24) Cost to realize opportunity

0

(3.6.1.25) Explanation of cost calculation

The cost here was considered zero as, at the moment, efforts for this preparation are concentrated internally in our ESG team.

(3.6.1.26) Strategy to realize opportunity

Internally, we began preparations to meet the eligibility criteria for a possible labelled issue linked to ESG credits. An example is the establishment of emission reduction targets that take into account the SBTi recommendations.

Forests

(3.6.1.1) Opportunity identifier

Select from:

Opp2

(3.6.1.2) Commodity

Select all that apply

Timber products

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resilience

Increased resilience to impacts of climate change

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Brazil

Colombia

(3.6.1.8) Organization specific description

Climate change already affects the world in different ways and one of the activities that strongly feels this impact, especially regarding extreme weather phenomena, is the forestry industry. Dexco, aware of the importance of adapting to these conditions in order to guarantee the continuity of its business, has been studying genetic breeding techniques for over 40 years to make its forests more adaptable to extreme climates. The studies focus on the selection of eucalyptus species that are well adapted to different climatic conditions and present higher quality standards (such as density and resistance to pests and diseases). The strength and maturity of this program makes us stand out in the Brazilian and Colombian forestry sector. The learning achieved along the genetic improvement program contributed to the ongoing improvement of our forestry processes. This is strategic for Dexco, since more than half of our revenues come from our Wood division. If our forests can produce more wood in the same area, there will be less need for land expansions and lower exposure to supply and climate risks.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

- Increased revenues resulting from increased production capacity

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

- The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

- Medium

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

The main objective of our genetic breeding program is to increase the productivity of our forests, developing genetic materials that can be well adapted to the environmental conditions where is planted, with the highest possible efficiency of natural resources use, such as soil and water. As climate conditions change on sites we operate, the program continuously adapts its strategy to develop materials that are compatible with those future environmental conditions. As a long-standing program with more than 40 years of cumulative scientific knowledge, we have almost doubled our productivity: in the 1980s, it was around 30 m³/ha/yr. and, in 2022 we reached 50 m³/ha/yr, (average of our eucalyptus forests in São Paulo) well above Brazilian current average of 32.7 m³/ha/yr, according to data from the 2023 Annual Report of the Brazilian Tree Industry (Ibá).

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

No

(3.6.1.24) Cost to realize opportunity

1690000

(3.6.1.25) Explanation of cost calculation

Costs of our forest breeding program (genetic improvement program) in 2023.

(3.6.1.26) Strategy to realize opportunity

Dexco, aware of the importance of adapting to these conditions in order to guarantee the continuity of its business, has been studying genetic breeding techniques for over 40 years to make its forests more adaptable to extreme climate conditions. The studies focus on the selection of eucalyptus materials that are well adapted to different climatic conditions and present higher quality standards (such as density and resistance to pests and diseases). The strength and maturity of this program makes us stand out in the Brazilian and Colombian forestry sector.

Water

(3.6.1.1) Opportunity identifier

Select from:

Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

Reduced impact of product use on water resources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

Downstream value chain

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

Brazil

(3.6.1.6) River basin where the opportunity occurs

Select all that apply

Other, please specify :All basins where the products are used

(3.6.1.8) Organization specific description

Most of our products from Deca and Hydra brands (showers, faucets, bathroom fixtures) depend on water for consumer use. Considering the trend of scarcity and water crisis, issues that are increasingly present nowadays, it is important that we seek solutions so that the use of our products does not imply a high consumption or waste of water resources. As these products are very relevant within their brands' portfolio and considering the products' characteristics (where most of water consumption happens during the use phase), the opportunity to offer water-saving products is material for Dexco.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

Increased revenues resulting from increased demand for products and services

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

The opportunity has already had a substantive effect on our organization in the reporting year

(3.6.1.12) Magnitude

Select from:

Low

(3.6.1.13) Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

Increased revenues from sales of water-saving products (faucets, showers, valves and electronic showers). The disclosed financial impact value equals to 46% of Dexco's net revenues in 2023, which is the share comprising the sales of the aforementioned product lines.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

Yes

(3.6.1.16) Financial effect figure in the reporting year (currency)

3396368.14

(3.6.1.23) Explanation of financial effect figures

Difference between the net revenues from products with natural resources saving attributes (2023 - 2022). In both years, these products amounted to 46% of Dexco's total net revenues.

(3.6.1.24) Cost to realize opportunity

11900000

(3.6.1.25) Explanation of cost calculation

Costs of our R&D departments for 2023. Includes all business units (metal fittings, sanitary ware, ceramic tiles and wood panels).

(3.6.1.26) Strategy to realize opportunity

With the awareness about natural resources use, water-saving products have gained a larger share in Brazilian market. That awareness has become even more poignant among end users and architects, especially after a serious water crisis affecting Brazil in 2014. In this sense, Deca Metals Division has developed the a technology that is present in all the brand's faucets, bathroom single-handle and basin mixers. These products bring more comfort to consumers while also helping to save water resources. This innovation, which has no impact on the design of tap and mixers, guarantees a standard flow, regardless of whether a building has low or high-pressure plumbing system. This results in a smooth and constant jet of water, that does not cause unpleasant splashing when washing hands, for instance. This system has been patented.

[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

2503438000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

11-20%

(3.6.2.4) Explanation of financial figures

Dexco's biological assets value, as reported on the balance sheet (December 2023). All biological assets could materialize the opportunity related to climate change disclosed on question 3.6.1.

Forests

(3.6.2.1) Financial metric

Select from:

Assets

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

2503438000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

11-20%

(3.6.2.4) Explanation of financial figures

Dexco's biological assets value, as reported on the balance sheet (December 2023). All biological assets could materialize the opportunity related to climate change disclosed on question 3.6.1.

Water

(3.6.2.1) Financial metric

Select from:

Revenue

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

1682756000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

21-30%

(3.6.2.4) Explanation of financial figures

Dexco's net revenue from Deca and Hydra brands, as reported on the balance sheet (December 2023). All the products from these brands could materialize the opportunity related to water security disclosed on question 3.6.1.

[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

The Policy for appointment of board members (PO.06) states that the appointment process should consider "complementarity of competences, knowledge and diversity", among other items. It also states that "it is recommended that the Board, its Committees and the Executive Committee are composed by professionals with experience in diversified issues". Dexco's bylaws also require that the Board must be composed by at least one third of independent members (e.g. not from the controlling groups).

(4.1.6) Attach the policy (optional)

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board’s oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding acquisitions, mergers, and divestitures
- Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

Dexco's ESG Policy states how climate change issues are relevant for the Company (item number 9 of the Policy: "Constantly map and assess the business' risks, vulnerabilities and opportunities in the face of climate change, act to mitigate greenhouse gas emissions and adopt adaptation mechanisms to their impacts"). As an organization committed to ensure the sustainable development of its business, Dexco has an ESG executive management, which encompasses the Sustainability and Social Responsibility areas. Environmental management of our productive activities involves the periodic reporting of performance indicators, which cover our main results in water and energy efficiency and management of materials, waste and emissions. These results are used as foundation to the integrated strategic planning and the evaluation of opportunities for improvements, based on the analysis of external scenarios, materiality and market indicators. In our Sustainability

Strategy, climate change has specific goals, discussed at Board level, covering all of our business units. Our Sustainability Committee plays an active role in the definition of priority themes (including those regarding climate change), definition of the strategic positioning of the business units, definition of performance measurements and incorporation of sustainability as a transversal theme in the Company. Its bylaws state that this Committee is responsible for climate change-related issues at Dexco. The Committee's president and the ESG manager are responsible for communicating and discussing sustainability themes with the Board of Directors, which include climate change issues. Although there is no formalization of how many times a year climate change themes will be brought up to the Committee meetings, the more we move towards our goal of maintaining a positive carbon balance (established in the Sustainability Strategy). In 2023, the Committee approved the revised Sustainability Strategy, which sets goals related to many issues, including climate change. Even though the emissions targets were not changed, the Committee approved their maintenance as is. Also, the ESG manager reported on the status of the targets and the trends for their conclusion, as we approach the 2025 deadline. The ESG team also reported on the development of Brazilian ETS, as well as our participation on industrial associations that engage with the government to contribute on its construction.

Forests

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding the development of a business strategy
- Overseeing and guiding acquisitions, mergers, and divestitures

(4.1.2.7) Please explain

Our current Sustainability Strategy was approved and published in 2021, with a revision conducted in 2023 and approved in 2024. Its development involved the engagement of the Board and the Sustainability Committee, which at the end of the process approved the strategic commitments, metrics and targets. One of our strategic goals is to “ensure sustainable growth and keep a positive carbon balance”, which in turn has a performance indicator regarding forest management certification. An update on the Strategy indicators is presented to the Committee periodically. Its Charter also states that it is its attribution to, among others, advise the Board in establishing guidelines and principles for sustainable development of the Company and its subsidiaries in their four pillars (social, environmental, economic and within the best practices of corporate governance), to evaluate and recommend membership to any agreements related to sustainability, to evaluate new investments and partnerships from the perspective of operational sustainability and to evaluate the guidelines and policies that discipline the management of main environmental and social risks. Some issues discussed on the Committee’s meetings in 2023 were: COP 28 highlights that could affect our forestry operations (nature-based solutions, CO2 removals from forest management, deforestation commitments), the carbon balance of our operations and the removals of our forests and investors’ requests regarding forest management certification.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board-level committee

(4.1.2.2) Positions’ accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions’ accountability for this environmental issue

Select all that apply

- Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Overseeing and guiding public policy engagement
- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding the development of a business strategy
- Monitoring compliance with corporate policies and/or commitments

(4.1.2.7) Please explain

Dexco's governance structure is composed of the Board of Directors, which establishes the strategic direction of the business, and the Executive Board. The Board of Directors is supported by six Committees that assess and address the most relevant aspects of Dexco's administration. One of them is the Sustainability Committee. Among the agendas, those referring to water are addressed and proposed by the chairman of the Committee, who is responsible for the negotiations and deliberations, also reporting to the Board of Directors. As an example, our water consumption reduction target established in the Sustainability Strategy, published in 2021, was firstly discussed by the Committee and, after being considered challenging enough by the president of the Board, it was approved. Our CEO, alongside the business directors, evaluates the environmental performance of company's business, also checking water indicators. These environmental indicators are monitored monthly by the units and published quarterly and annually by the Company. In 2023, water-related topics discussed at the Sustainability Committee, included the approval of our reviewed Sustainability Strategy ecoefficiency targets, which consolidated the previous relative targets by each business unit into one single corporate absolute target (10% reduction on water withdrawals by 2025) and the sustainability attributes of our products (water saving product lines, for example).

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

- Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

- Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

- Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

- Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

- Overseeing the setting of corporate targets
- Monitoring progress towards corporate targets
- Approving corporate policies and/or commitments
- Overseeing and guiding public policy engagement
- Overseeing and guiding public policy engagement
- Approving and/or overseeing employee incentives
- Monitoring the implementation of a climate transition plan
- Monitoring compliance with corporate policies and/or commitments
- Overseeing and guiding the development of a climate transition plan

(4.1.2.7) Please explain

Our current Sustainability Strategy was approved and published in 2021, with a revision conducted in 2023 and approved in 2024. Its development involved the engagement of the Board and the Sustainability Committee, which at the end of the process approved the strategic commitments, metrics and targets. One of our strategic goals is to “ensure sustainable growth and keep a positive carbon balance”, which in turn has a performance indicator regarding forest management certification. An update on the Strategy indicators is presented to the Committee periodically. Its Charter also states that it is its attribution to, among others, advise the Board in establishing guidelines and principles for sustainable development of the Company and its subsidiaries in their four pillars (social, environmental, economic and within the best practices of corporate governance), to evaluate and recommend membership to any agreements related to sustainability, to evaluate

new investments and partnerships from the perspective of operational sustainability and to evaluate the guidelines and policies that discipline the management of main environmental and social risks. Some issues discussed on the Committee's meetings in 2023 were: COP 28 highlights that could affect our forestry operations (nature-based solutions, CO2 removals from forest management, deforestation commitments), the carbon balance of our operations and the removals of our forests and investors' requests regarding forest management certification.

[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

Consulting regularly with an internal, permanent, subject-expert working group

Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :Masters' degree in renewable energies

Experience

Management-level experience in a role focused on environmental issues

Active member of an environmental committee or organization

Forests

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

Consulting regularly with an internal, permanent, subject-expert working group

Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

Undergraduate education (e.g., BSc/BA in environment and sustainability, climate science, environmental science, water resources management, environmental engineering, forestry, etc.), please specify :Forest engineering

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

Consulting regularly with an internal, permanent, subject-expert working group

Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Academic

Postgraduate education (e.g., MSc/MA/PhD in environment and sustainability, climate science, environmental science, water resources management, forestry, etc.), please specify :Masters' degree in Renewable energies

Experience

Executive-level experience in a role focused on environmental issues

Active member of an environmental committee or organization

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	Select from: <input checked="" type="checkbox"/> Yes
Forests	Select from: <input checked="" type="checkbox"/> Yes
Water	Select from: <input checked="" type="checkbox"/> Yes
Biodiversity	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a climate transition plan environmental issues
- Implementing a climate transition plan
- Managing annual budgets related to environmental issues
- Developing a business strategy which considers environmental issues
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The CEO is responsible for executing the company strategy, which includes the Sustainability Strategy and issues related to climate change, forest, biodiversity and water security. The CEO meets weekly with the Executive Committee, which is composed by the C-suite (Operations – Wood Division, Operations – Building Finishes, Finance, IR and ESG, People, IT and Marketing executive directors) and where relevant issues are addressed. The CEO reports to the Board at every meeting, which are held at least 6 times each year. The CEO is also a permanent guest of the Board's Sustainability Committee, which meets at least 8 times each year.

Forests

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities

- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Implementing the business strategy related to environmental issues
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing annual budgets related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The CEO is responsible for executing the company strategy, which includes the Sustainability Strategy and issues related to climate change, forest, biodiversity and water security. The CEO meets weekly with the Executive Committee, which is composed by the C-suite (Operations – Wood Division, Operations – Building Finishes, Finance, IR and ESG, People, IT and Marketing executive directors) and where relevant issues are addressed. The CEO reports to the Board at every meeting, which are held at least 6 times each year. The CEO is also a permanent guest of the Board's Sustainability Committee, which meets at least 8 times each year.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Implementing the business strategy related to environmental issues
- Managing acquisitions, mergers, and divestitures related to environmental issues

- Managing annual budgets related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

- More frequently than quarterly

(4.3.1.6) Please explain

The CEO is responsible for executing the company strategy, which includes the Sustainability Strategy and issues related to climate change, forest, biodiversity and water security. The CEO meets weekly with the Executive Committee, which is composed by the C-suite (Operations – Wood Division, Operations – Building Finishes, Finance, IR and ESG, People, IT and Marketing executive directors) and where relevant issues are addressed. The CEO reports to the Board at every meeting, which are held at least 6 times each year. The CEO is also a permanent guest of the Board's Sustainability Committee, which meets at least 8 times each year.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

- Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

- Assessing environmental dependencies, impacts, risks, and opportunities
- Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Managing environmental dependencies, impacts, risks, and opportunities

Engagement

- Managing public policy engagement related to environmental issues

Policies, commitments, and targets

- Monitoring compliance with corporate environmental policies and/or commitments
- Measuring progress towards environmental corporate targets
- Setting corporate environmental policies and/or commitments
- Setting corporate environmental targets

Strategy and financial planning

- Developing a business strategy which considers environmental issues
- Implementing the business strategy related to environmental issues
- Managing acquisitions, mergers, and divestitures related to environmental issues
- Managing annual budgets related to environmental issues
- Managing major capital and/or operational expenditures relating to environmental issues

Other

- Providing employee incentives related to environmental performance

(4.3.1.4) Reporting line

Select from:

- Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

More frequently than quarterly

(4.3.1.6) Please explain

The CEO is responsible for executing the company strategy, which includes the Sustainability Strategy and issues related to climate change, forest, biodiversity and water security. The CEO meets weekly with the Executive Committee, which is composed by the C-suite (Operations – Wood Division, Operations – Building Finishes, Finance, IR and ESG, People, IT and Marketing executive directors) and where relevant issues are addressed. The CEO reports to the Board at every meeting, which are held at least 6 times each year. The CEO is also a permanent guest of the Board’s Sustainability Committee, which meets at least 8 times each year.

[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

All C-suite members (including the CEO) have targets related to sustainability issues (including climate, water and forests), which comprise 10% of their yearly variable compensation. The targets are set considering the scope of responsibilities of each director.

Forests

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

All C-suite members (including the CEO) have targets related to sustainability issues (including climate, water and forests), which comprise 10% of their yearly variable compensation. The targets are set considering the scope of responsibilities of each director.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

10

(4.5.3) Please explain

All C-suite members (including the CEO) have targets related to sustainability issues (including climate, water and forests), which comprise 10% of their yearly variable compensation. The targets are set considering the scope of responsibilities of each director.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

One of the targets for performance evaluation of the CEO comprises the overall yearly implementation of our Sustainability Strategy, representing 10% of his variable compensation. The short-term incentives are given as yearly financial bonus, whereas the long-term incentives are composed of Company's stocks. The amount of granted shares is proportional the CEO performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As part of the CEO's yearly goals contract, 10% of the performance evaluation is related to the execution of our Sustainability Strategy, which has specific targets regarding: carbon balance, absolute GHG emissions reduction, relative emissions reduction in our ceramic tiles business, responsible forestry certification for managed and fostered areas, ecoefficient products, water consumption and energy consumption.

Forests

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

One of the targets for performance evaluation of the CEO comprises the overall yearly implementation of our Sustainability Strategy, representing 10% of his variable compensation. The short-term incentives are given as yearly financial bonus, whereas the long-term incentives are composed of Company's stocks. The amount of granted shares is proportional the CEO performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As part of the CEO's yearly goals contract, 10% of the performance evaluation is related to the execution of our Sustainability Strategy, which has specific targets regarding: carbon balance, absolute GHG emissions reduction, relative emissions reduction in our ceramic tiles business, responsible forestry certification for managed and fostered areas, ecoefficient products, water consumption and energy consumption.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

- Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

- Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

- Progress towards environmental targets

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

- Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

One of the targets for performance evaluation of the CEO comprises the overall yearly implementation of our Sustainability Strategy, representing 10% of his variable compensation. The short-term incentives are given as yearly financial bonus, whereas the long-term incentives are composed of Company's stocks. The amount of granted shares is proportional the CEO performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

As part of the CEO's yearly goals contract, 10% of the performance evaluation is related to the execution of our Sustainability Strategy, which has specific targets regarding: carbon balance, absolute GHG emissions reduction, relative emissions reduction in our ceramic tiles business, responsible forestry certification for managed and fostered areas, ecoefficient products, water consumption and energy consumption.

[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations

(4.6.1.4) Explain the coverage

Our ESG Policy (PO.02) covers all Dexco's operations, both industrial and forestry. It sets the guidelines for environmental, social and corporate governance issues. Our operations are located in the Mata Atlântica, Cerrado and Pampa biomes in Brazil and in the Andina natural region in Colombia.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to respect legally designated protected areas
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance
- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to stakeholder engagement and capacity building on environmental issues
- Commitment to engage in integrated, multi-stakeholder landscape (including river basin) initiatives to promote shared sustainability goals

Water-specific commitments

- Commitment to control/reduce/eliminate water pollution
- Commitment to reduce water consumption volumes
- Commitment to reduce water withdrawal volumes

Social commitments

- Adoption of the UN International Labour Organization principles
- Commitment to promote gender equality and women's empowerment
- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities
- Commitment to respect internationally recognized human rights

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Paris Agreement
- Yes, in line with the Kunming-Montreal Global Biodiversity Framework

(4.6.1.7) Public availability

Select from:

- Publicly available

(4.6.1.8) Attach the policy

PO.02 - Environmental, Social and Corporate Governance Policy.pdf

Row 2

(4.6.1.1) Environmental issues covered

Select all that apply

- Forests
- Biodiversity

(4.6.1.2) Level of coverage

Select from:

- Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

- Direct operations
- Upstream value chain

(4.6.1.4) Explain the coverage

Our Responsible Forest Management internal standard (NO.70) covers all Dexco's operations and wood suppliers. It complements the ESG Policy (PO.02) and sets the guidelines for adequate forest management and wood procurement. Our operations are located in the Mata Atlântica, Cerrado and Pampa biomes in Brazil and in the Andina natural region in Colombia.

(4.6.1.5) Environmental policy content

Environmental commitments

- Commitment to No Net Loss species
- Commitment to avoidance of negative impacts on threatened and protected species
- Commitment to no trade of CITES listed species
- Commitment to respect legally designated protected areas
- Commitment to comply with regulations and mandatory standards
- Commitment to take environmental action beyond regulatory compliance

Forests-specific commitments

- Commitment to no development on peat regardless of depth
- Commitment to no-deforestation by target date, please specify :2022
- Commitment to best management practices for soils and peat
- Commitment to no land clearance by burning or clearcutting
- Commitment to the use of the High Conservation Value (HCV) approach
- Commitment to no-conversion of natural ecosystems by target date, please specify :2022

Social commitments

- Adoption of the UN International Labour Organization principles
- Commitment to respect and protect the customary rights to land, resources, and territory of Indigenous Peoples and Local Communities

Additional references/Descriptions

- Description of impacts on natural resources and ecosystems

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

- Yes, in line with the Kunming-Montreal Global Biodiversity Framework

(4.6.1.7) Public availability

Select from:

Publicly available

(4.6.1.8) Attach the policy

NO.70 - Responsible Forest Management.pdf

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

Forest Stewardship Council (FSC)

UN Global Compact

(4.10.3) Describe your organization's role within each framework or initiative

FSC: In addition to being a certificate holder (forest management and chain of custody), Dexco is a member of FSC (International and Brazil), actively participating on decision-making processes. Since 2020, Dexco has a seat at FSC Brazil Board of Directors, and its designated representative served as the Board Chairperson between 2022 and 2023. UN Global Compact: as a signatory of the UN Global Compact, Dexco reports its progress towards the SDGs and is a member of the Human Rights platform on the Brazilian Network of the UN Global Compact.

[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

Paris Agreement

(4.11.4) Attach commitment or position statement

IGR Report 2023.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

Through involvement with associations and trade organizations, we anticipate trends and progress in the market. Corporately, we participate in the Brazilian Association of Publicly Traded Companies (Abrasca), the Federation of Industries of the State of São Paulo (Fiesp), the Brazilian Institute of Investor Relations (IBRI), Ethos Institut Ethos and Brazilian Business Network for Life Cycle Assessment (Rede ACV). Under the auspices of our forestry activities, associations considered strategic to are: Brazilian Tree Industry (Ibá); Forestry Science and Research Institute (Ipef); and Forestry Investigation Society (Sociedade de Investigações Florestais - SIF). As a Deca Business we also participate of: Brazilian Association of Sanitation Materials (Asfama), National Confederation of Industries (CNI),

Brazilian Association of Building Materials Industry (ABRAMAT). Our participation in associations and committees focused on specific topics, such as Climate Change, water security and forestry, ensures that we are aligned with global sustainability trends and gives us theoretical and practical foundations so that we can strategically plan the future of our business. The benchmark with other participants in these groups brings an innovative look at the changes and process improvements that we intend to implement, such as those described in our sustainability strategy.

[Fixed row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

- Indirect engagement via a trade association

(4.11.2.4) Trade association

South America

- Other trade association in South America, please specify :Brazilian Tree Industry - Iba

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

- Climate change
- Forests
- Water

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

Yes, we publicly promoted their current position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Engagement in topics related to biodiversity, water resource management, forest protection, climate change, carbon markets, among others that are of interest to the Company. Dexco has representatives in many thematic committees and working groups at Ibá, who actively contribute to the construction of positions and engagement strategies.

(4.11.2.9) Funding figure your organization provided to this organization or individual in the reporting year (currency)

110414

(4.11.2.10) Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment

Membership fees (value in USD, converted from BRL 534.408)

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

- Paris Agreement
- Kunming-Montreal Global Biodiversity Framework
- Sustainable Development Goal 6 on Clean Water and Sanitation

[Add row]

(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- GRI

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Emission targets
- Emissions figures
- Commodity volumes
- Value chain engagement
- Biodiversity indicators
- Public policy engagement
- Water accounting figures
- Water pollution indicators
- Content of environmental policies
- Deforestation and conversion footprint

(4.12.1.6) Page/section reference

Information available throughout the entire document. GRI summary on pages 172-179

(4.12.1.7) Attach the relevant publication

Integrated Report 2023.pdf

(4.12.1.8) Comment

2023 Integrated Report

Row 2

(4.12.1.1) Publication

Select from:

- In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

- TCFD

(4.12.1.3) Environmental issues covered in publication

Select all that apply

- Climate change

(4.12.1.4) Status of the publication

Select from:

- Complete

(4.12.1.5) Content elements

Select all that apply

- Governance
- Risks & Opportunities
- Strategy
- Emissions figures
- Emission targets

(4.12.1.6) Page/section reference

Information available throughout the entire document.

(4.12.1.7) Attach the relevant publication

Climate-Related Risks and Opportunities Report.pdf

(4.12.1.8) Comment

2023 Climate-Related Risks and Opportunities Report
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Annually

Forests

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Annually

Water

(5.1.1) Use of scenario analysis

Select from:

Yes

(5.1.2) Frequency of analysis

Select from:

Annually

[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

Bespoke climate transition scenario

(5.1.1.3) Approach to scenario

Select from:

Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

Policy

Market

- Reputation
- Technology
- Liability

(5.1.1.6) Temperature alignment of scenario

Select from:

- 1.5°C or lower

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040

(5.1.1.9) Driving forces in scenario

Finance and insurance

- Cost of capital

Regulators, legal and policy regimes

- Global regulation
- Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the survey of transition risks and opportunities, the study considered the advance of the transition to a low carbon economy as a global response to the threat of climate change. The effort is aimed at keeping global warming at a maximum of 1.5° C above pre-industrial levels, according to the IPCC report. The objective of the

study was to identify the Company's exposure to the four categories of risks related to the transition to a low carbon economy (Regulatory and legal, technological, market and reputation) defined by the TCFD, listing the main controversies related to the transition. Taking into account the particularities of Dexco's activities, the study presented a qualitative analysis of risks from a sectoral and geographic perspective (location of the Company's activities). Based on desk research in public sources, proxies were developed to estimate the magnitude of the financial impact, the probability of occurrence and the materialization horizon (Short term 1 to 3 years; Medium term 4 to 14 years; and Long term 15 years or more) of each identified risk. The identified risks and opportunities were classified on a criticality scale and the most critical were analysed quantitatively through calculations based on the company's financial parameters such as market cap and discount rate.

(5.1.1.11) Rationale for choice of scenario

As a bespoke scenario, the issues covered are very well aligned to Dexco's businesses. As a result, the risks and opportunities that arose from this scenario are relevant to our activities and consider possible transformations in context that could cause or require significant changes on operations or strategic planning.

Forests

(5.1.1.1) Scenario used

Forests scenarios

- Bespoke forests scenario

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Business division

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

During the Climate Risk study carried out in 2021, a tool was developed to model the calculation of the Company's financial impact in the face of risks and opportunities related to climate change. It is assumed that the increase in temperatures and extreme weather events may negatively impact the Company's activities. The objective is to adjust the Company's market price definition in light of weather variables, identifying in advance the events that can create or destroy value. Regarding extreme weather events, we concluded that our forestry operations can be negatively impacted by the increase of occurrence of such events. In our study of climate risks and opportunities, we identified through the ThinkHazard tool! (GFDRR), that four Dexco forestry units are located in areas at high risk for extreme temperatures and droughts. They are Uberaba, Agudos, Lençóis Paulista, Maceió. The study entitled "Impact of climate change on eucalyptus productivity in two regions of Brazil" demonstrates the vulnerability of forest systems to climate variation, especially to increased temperature and decreased precipitation. In this way, we have modeled the impact over the Company since it is expected that the probability of a drop in productivity will increase, increasing as the effects of climate change intensify.

(5.1.1.11) Rationale for choice of scenario

As a bespoke scenario, the issues covered are very well aligned to Dexco's businesses. As a result, the risks and opportunities that arose from this scenario are relevant to our activities and consider possible transformations in context that could cause or require significant changes on operations or strategic planning.

Specifically for forest risks, the scenario addresses the possible reduction on productivity due to climate change, which could decrease the availability of wood, a relevant raw material for the Wood division.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

- Bespoke physical climate scenario

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- Unknown

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Changes to the state of nature
- Climate change (one of five drivers of nature change)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

During the Climate Risk study carried out in 2021, a tool was developed to model the calculation of the Company's financial impact in the face of risks and opportunities related to climate change. It is assumed that the increase in temperatures and extreme weather events may negatively impact the Company's activities. The objective is to adjust the Company's market price definition in light of weather variables, identifying in advance the events that can create or destroy value. Regarding extreme weather events, we concluded that our forestry operations can be negatively impacted by the increase of occurrence of such events. In our study of climate risks and opportunities, we identified through the ThinkHazard tool! (GFDRR), that four Dexco forestry units are located in areas at high risk for extreme temperatures and droughts. They are Uberaba, Agudos, Lençois Paulista, Maceió. The study entitled "Impact of climate change on eucalyptus productivity in two regions of Brazil" demonstrates the vulnerability of forest systems to climate variation, especially to increased temperature and decreased precipitation. In this way, we have modeled the impact over the Company since it is expected that the probability of a drop in productivity will increase, increasing as the effects of climate change intensify. The risk of flooding at our Metals plant in São Paulo was also identified as a point of attention, as it puts machinery at risk and can increase our operating costs.

(5.1.1.11) Rationale for choice of scenario

As a bespoke scenario, the issues covered are very well aligned to Dexco's businesses. As a result, the risks and opportunities that arose from this scenario are relevant to our activities and consider possible transformations in context that could cause or require significant changes on operations or strategic planning.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

- RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- No SSP used

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 2.5°C - 2.9°C

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050
- 2060
- 2070

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the evaluation of physical risks (acute and chronic), the climate experiments HadGEM and MIROC with ETA regional model were the main sources of information used, with the average time horizon (2040/2070) and number of rounds of future simulations (RCPs 4.5 and 8.5). Simulations of climate scenarios were carried out for each city where there are Dexco units, pointing out the specific climate risks that can interfere in the company's operations and chain.

(5.1.1.11) Rationale for choice of scenario

The RCP scenarios coupled with the experiments provide relevant information to assess the exposure of Dexco's operational sites to physical climate risks. As the RCP 4.5 is considered an intermediate scenario, it aligns with our strategy by being not overly optimistic, while the RCP 8.5 can be considered a worst case scenario.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

- RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

- No SSP used

(5.1.1.3) Approach to scenario

Select from:

- Qualitative

(5.1.1.4) Scenario coverage

Select from:

- Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

- Acute physical
- Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

- 4.0°C and above

(5.1.1.7) Reference year

2020

(5.1.1.8) Timeframes covered

Select all that apply

- 2025
- 2030
- 2040
- 2050
- 2060

- 2070

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

- Climate change (one of five drivers of nature change)

Regulators, legal and policy regimes

- Global targets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

For the evaluation of physical risks (acute and chronic), the climate experiments HadGEM and MIROC with ETA regional model were the main sources of information used, with the average time horizon (2040/2070) and number of rounds of future simulations (RCPs 4.5 and 8.5). Simulations of climate scenarios were carried out for each city where there are Dexco units, pointing out the specific climate risks that can interfere in the company's operations and chain.

(5.1.1.11) Rationale for choice of scenario

The RCP scenarios coupled with the experiments provide relevant information to assess the exposure of Dexco's operational sites to physical climate risks. As the RCP 4.5 is considered an intermediate scenario, it aligns with our strategy by being not overly optimistic, while the RCP 8.5 can be considered a worst case scenario. [Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

After carrying out the analysis, we were able to prioritize the most critical risks and the most relevant opportunities, incorporating them into the company's corporate risk matrix. Once identified, these risks became drivers for internal analysis and strategic decision-making, such as possible improvements in infrastructure and control measures in our operating units. As a result of the analysis of the combined scenarios, we identified the two most critical risks: forest fires and droughts. We also identified other risks and opportunities with potential of smaller financial impacts, such as the issuance of green bonds, development of new products from renewable raw materials to substitute climate intensive sources (plastic and concrete, for example), higher insurance premiums, new restrictive legislation on certain markets regarding GHG emissions. This analysis supported the prioritization of our actions in order to be less exposed to climate risks and to be prepared to capture future climate-related opportunities. As an example of a tangible action, the results reaffirmed the need for us to maintain investments on our decades-long genetic breeding program in our forestry activities to be better prepared for the environmental conditions that our forests could be exposed as a result of climate change.

Forests

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

- Business division

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

After carrying out the analysis, we were able to prioritize the most critical risks and the most relevant opportunities, incorporating them into the company's corporate risk matrix. Once identified, these risks became drivers for internal analysis and strategic decision-making, such as possible improvements in infrastructure and control measures in our operating units. As a result of the analysis of the combined scenarios, we identified the two most critical risks: forest fires and droughts. We also identified other risks and opportunities with potential of smaller financial impacts, such as the issuance of green bonds, development of new products from

renewable raw materials to substitute climate intensive sources (plastic and concrete, for example), higher insurance premiums, new restrictive legislation on certain markets regarding deforestation. This analysis supported the prioritization of our actions in order to be less exposed to forest risks and to be prepared to capture future forest-related opportunities. As an example of a tangible action, the results reaffirmed the need for us to maintain investments on our decades-long genetic breeding program in our forestry activities to be better prepared for the environmental conditions that our forests could be exposed as a result of climate change, which could in turn impact the availability of wood for the operations of our Wood business unit.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

- Risk and opportunities identification, assessment and management

(5.1.2.2) Coverage of analysis

Select from:

- Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

After carrying out the analysis, we were able to prioritize the most critical risks and the most relevant opportunities, incorporating them into the company's corporate risk matrix. Once identified, these risks became drivers for internal analysis and strategic decision-making, such as possible improvements in infrastructure and control measures in our operating units. As a result of the analysis of the combined scenarios, we identified the two most critical risks: forest fires and droughts. We also identified other risks and opportunities with potential of smaller financial impacts, such as the issuance of green bonds. This analysis supported the prioritization of our actions in order to be less exposed to climate risks and to be prepared to capture future climate-related opportunities. As an example of a tangible action, the results reaffirmed the need for us to maintain investments on our decades-long genetic breeding program in our forestry activities to be better prepared for the environmental conditions (such as water availability and rainfall patterns) that our forests could be exposed as a result of climate change.

[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

- No, but we are developing a climate transition plan within the next two years

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

- Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

We still do not have a formalized and public transition plan, however, we already have actions focused on this theme that meet the elements considered essential for a credible transition plan. Our emissions inventory for scopes 1, 2 and 3 is prepared following the standards of the GHG Protocol methodology and, in addition to being publicly available, it is audited by a third party annually. In 2022, we conducted the financial modelling of the mapped risks and opportunities and the matching of climate risks with Dexco's risk scorecard. In 2021, we released our new sustainability strategy with science-based emission reduction targets. Emissions from all our business units are measured and monitored monthly, along with other environmental performance indicators. Regarding governance, the chairman of our Sustainability Committee is also a member of the Board of Directors and has the necessary skills to deliberate on climate-related issues. This Board member participates in all Committee meetings, in which, in addition to decision-making, also take place discussions and presentations of topics relevant to sustainability (including climate issues) and their connections to Dexco's strategic planning. In addition, he is assisted by a sustainability specialist. For the next two years, we are committed to build a transition plan, including the implementation of a reliable stakeholder feedback mechanism as well.

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

- Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

- Products and services
- Upstream/downstream value chain
- Investment in R&D
- Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Forests
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The search for sustainable innovations in products and services is driven by our purpose to offer Solutions for Better Living. Our Sustainability Strategy has water related targets, focusing on ecoefficiency and reduction in consumption. A study was carried out in 2015 involving the Evaluation of the Sustainability Index of Hydrographic Basins to assess the hydrological resources of the basins where our industrial units are located, using the most recent data made available by international organisms, hydrographic basin committees and government bodies. Aware of the importance of reducing water consumption not only within its production process, but also during the use of its products, Dexco began to look for more conscientious consumption solutions. In 2017, we introduced the Deca Comfort technology, that brings more comfort to consumers while also helps to save water resources (up to 60% water savings in relation to products without this technology). This innovation, which has no impact on the design of taps and mixers, guarantees a standard flow, regardless of whether a building has low or high pressure plumbing system. In 2023, we also conducted a project to better incorporate sustainability attributes on the marketing of our products, As a result, their benefits such as water economy, energy efficiency and responsible forest management are being better communicated to our consumers.

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

Climate change

Forests

Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

An important factor that allows our operations to be stable is the constant control and monitoring of our supply chain, in order to avoid risks. Similarly, companies with which we relate and sell products and services to are increasingly interested in the full extent of their value chains, which also involves the suppliers of their suppliers. In this way, Dexco's potential entry into a carbon market would be more facilitated as the company keeps improving its supply chain management. In Brazil we have developed the GFD - Dexco's Supplier Management program, through which critical and highly critical suppliers respond to socio-environmental questionnaires and undergo on-site visits. These questionnaires also help us to understand how suppliers address industrial emissions issues. In 2023, 380 suppliers were selected and invited to participate in the program. Of that total, 236 responded to the self-assessment questionnaire, representing 53% of our supplier spending. We also promote activities such as workshops to assist the suppliers to improve their adherence to issues of relevance to GFD. In 2021, the program started being implemented in Colombia, reinforcing our commitment to the development and engagement of our supply chain. Also, the decision of discontinuing the production of wood hardboards in 2018 took into consideration, among other factors, the large amounts of water needed of its manufacturing process. This, along with the fact that the plant was located in a water-stressed area, posed a risk that more frequent extreme events such as droughts intensified by climate change could hinder the operation of this plant. For wood procurement in our Wood business unit, we have implemented a robust due diligence system that aims to prevent the occurrence of deforestation, conversion or illegalities in the supply areas. Also, we expect to use an improved version of this system for complying to the requirements set by the European Union Deforestation Regulation (EUDR).

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

Risks

Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Forests
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

To better understand the impacts of the use of natural resources, the influence of climatic seasonality and the sustainability of planted forests, there should be long-term monitoring of carbon, water and nutrient flows in these ecosystems. Therefore, since 2008, Dexco is one of the companies that has been participating in "Euflux - Torre de Fluxo", a cooperative program, which has an experimental research base installed in an area of 200 hectares that periodically captures data of our planted forests, contributing to scientific studies regarding the best sustainability practices and production optimization for specific types of cultivation. Coordinated by IPEF (Institute of Science and Forest Research) and CIRAD (Agricultural Research for Development), the program was renewed in 2017 for its 2nd phase and now has 6 companies. This program aims to quantify the inputs and outputs of carbon, water and nutrients for a complete rotation of Eucalyptus, increasing the collection of biogeochemical cycles of forests, helping to formulate practical recommendations, optimize production and ensure the sustainability of crops. This program has already provided relevant information to improve forest management, such as the reduction in the fertilization of forest plantations. It also showed that one hectare of planted forest sequesters more than one tonne of CO2 per month and that, after harvesting, the carbon balance is again positive seven months after planting the new stand. In this sense, advances in this field of research provide specific data applicable to our planted areas and assist in the improvement of carbon capture and balance measurement methodologies. Since there is still no official consolidated methodology or regulation in Brazil in terms of carbon balance and commercialization, Dexco invests in its own studies. In 2022, Dexco led the creation of another research initiative on IPEF, focused on the possible effects of climate change on planted forests and looking for ways of improving the estimations of land-based carbon fluxes and stocks, using the long history of scientific data and studies conducted by IPEF itself, universities and other research institutes.

Operations

(5.3.1.1) Effect type

Select all that apply

- Risks

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

- Climate change
- Forests
- Water

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Dexco's investments in equipment adaptations and replacement of fuels led to operational adjustments in some production lines and increase or reduce the demand for certain types of materials. There are plans for the substitution of coal for wood pellet in our ceramic tiles factories, which could result in significant reductions on our GHG emissions. In 2022, we also installed a new coating at the Itapetininga plant. This project enabled us to reduce the consumption of natural gas by replacing it with biomass. Currently, the lines have a heater that runs on gas. With this new equipment, a biomass-powered heater will be installed, which will be able to partially supply the thermal energy demand of other coating lines as well. Also in 2022, we decided to shut down one of our ceramic tiles plant, which was more costly and less energy-efficient than the other newer units. This decision is aligned with our constant efforts to improve the ecoefficiency of our operations. In 2023, the shutdown of a sanitaryware factory contributed to reduce absolute emissions, water withdrawals and wastewater discharge.

[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

- Direct costs
- Capital expenditures
- Assets

(5.3.2.2) Effect type

Select all that apply

- Risks
- Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

- Climate change
- Forests

Water

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

As forestry activities have a high exposure level to impacts related to climate change and water security and are source of a strategic raw material for Dexco's Wood business unit (wood for fiberboards and particleboards), it is critical that we have a genetic breeding program in order to research and develop materials (seedlings) that are well adapted to different environmental conditions, which might change from the current status (rainfall patterns, temperature oscillations or long droughts, for example). Additionally, as an Eucalyptus forest cycle is usually 6 years long, the forestry planning must consider a timeframe of at least 3 cycles (meaning roughly 20 years ahead). This includes the objectives of the breeding program, landbank planning (area and location), required equipment and workforce. Therefore, the financial planning for forestry must take into account issues related to climate change and water security in order to ensure a sustainable supply of wood for our factories in the future.

[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: <input checked="" type="checkbox"/> No, but we plan to in the next two years

[Fixed row]

(5.9) What is the trend in your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

0

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

0

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

0

(5.9.5) Please explain

*We are working to improve water-related investments classification and the documentation format for reporting this data.
[Fixed row]*

(5.10) Does your organization use an internal price on environmental externalities?

(5.10.1) Use of internal pricing of environmental externalities

Select from:

No, but we plan to in the next two years

(5.10.3) Primary reason for not pricing environmental externalities

Select from:

Lack of internal resources, capabilities, or expertise (e.g., due to organization size)

(5.10.4) Explain why your organization does not price environmental externalities

*While we recognize the relevance of internal pricing mechanisms for the management of environmental issues, we're still in the process of developing these tools. After restructuring the ESG team in 2024, we expect to have the adequate resources to build such mechanisms in the next two years.
[Fixed row]*

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Forests <input checked="" type="checkbox"/> Water
Smallholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply
Customers	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Forests <input checked="" type="checkbox"/> Water
Investors and shareholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Forests <input checked="" type="checkbox"/> Water
Other value chain stakeholders	Select from: <input checked="" type="checkbox"/> Yes	Select all that apply <input checked="" type="checkbox"/> Climate change <input checked="" type="checkbox"/> Forests <input checked="" type="checkbox"/> Water

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 51-75%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Engagement on Dexco's Supplier Management Program (GFD), with response to the self-assessment questionnaire.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

236

Forests

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

- Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

- Impact on deforestation or conversion of other natural ecosystems

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

- 51-75%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Engagement on Dexco's Supplier Management Program (GFD), with response to the self-assessment questionnaire.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

- 76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

236

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

Impact on water availability

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

51-75%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Engagement on Dexco's Supplier Management Program (GFD), with response to the self-assessment questionnaire.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

76-99%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

236

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Procurement spend
- Strategic status of suppliers

(5.11.2.4) Please explain

The suppliers eligible to participate in the GFD Program are selected annually, based on the analysis of a criticality matrix, which evaluates, in an axis, the Relevance of the Category, considering: 1. Reduced production/productivity; 2. Influence on the product; 3. Influence on cost; And, in another axis, the Sustainability Risk, considering: 1. Exposure and incidence of socio-environmental problems; 2. Co-responsibility (probability); 3. Reputation (probability). The GFD program includes critical and very critical suppliers to complete the self-assessment questionnaire. For on-site and online audits, companies that presented a score lower than 6.0 in the self-assessment questionnaire are considered, as well as companies that presented significant positive or negative evolution in the Program. Suppliers who performed very well in the questionnaire are also visited and evaluated for possible recognition of their practices.

Forests

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Procurement spend
- Strategic status of suppliers

(5.11.2.4) Please explain

The suppliers eligible to participate in the GFD Program are selected annually, based on the analysis of a criticality matrix, which evaluates, in an axis, the Relevance of the Category, considering: 1. Reduced production/productivity; 2. Influence on the product; 3. Influence on cost; And, in another axis, the Sustainability Risk, considering: 1. Exposure and incidence of socio-environmental problems; 2. Co-responsibility (probability); 3. Reputation (probability). The GFD program includes critical and very critical suppliers to complete the self-assessment questionnaire. For on-site and online audits, companies that presented a score lower than 6.0 in the self-assessment questionnaire are considered, as well as companies that presented significant positive or negative evolution in the Program. Suppliers who performed very well in the questionnaire are also visited and evaluated for possible recognition of their practices.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

- Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

- Procurement spend
- Strategic status of suppliers

(5.11.2.4) Please explain

The suppliers eligible to participate in the GFD Program are selected annually, based on the analysis of a criticality matrix, which evaluates, in an axis, the Relevance of the Category, considering: 1. Reduced production/productivity; 2. Influence on the product; 3. Influence on cost; And, in another axis, the Sustainability Risk, considering: 1. Exposure and incidence of socio-environmental problems; 2. Co-responsibility (probability); 3. Reputation (probability). The GFD program includes critical and very critical suppliers to complete the self-assessment questionnaire. For on-site and online audits, companies that presented a score lower than 6.0 in the self-assessment questionnaire are considered, as well as companies that presented significant positive or negative evolution in the Program. Suppliers who performed very well in the questionnaire are also visited and evaluated for possible recognition of their practices.

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- No, we do not have a policy in place for addressing non-compliance

(5.11.5.3) Comment

The Code of conduct for suppliers covers issues related to climate change.

Forests

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

- Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

- Yes, we have a policy in place for addressing non-compliance

(5.11.5.3) Comment

As part of our due diligence system for wood procurement, we have suspension and exclusion criteria for wood suppliers. When we identify a serious deviation (e.g., absence of environmental license) or multiple minor accumulated deviations, the supplier is immediately suspended until the situation is regularized. There is no specified deadline for correcting the deviations; however, until compliance with our requirements and the fulfillment of action plans is demonstrated, wood from this supplier cannot enter our factories. If any critical deviation (e.g., forced or child labor) or numerous minor deviations are identified, the supplier is immediately

excluded and cannot supply wood to Dexco for a minimum period of 6 months. At the end of the exclusion period, the supplier needs to undergo a new approval process before being able to sell wood to Dexco again. In 2023, 1 supplier was excluded due to cumulative minor issues.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

No, we do not have a policy in place for addressing non-compliance

(5.11.5.3) Comment

*The Code of conduct for suppliers covers issues related to water security.
[Fixed row]*

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- First-party verification
- Grievance mechanism/ Whistleblowing hotline
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 51-75%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

- None

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

- None

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- No response

(5.11.6.12) Comment

The requirement is to engage on the self assessment questionnaire as part of Dexco's Supplier Management Program (GFD) if invited. However, the participation is voluntary. We are not able to specify the amount of scope 3 emissions related to the suppliers that engaged on GFD.

Forests

(5.11.6.1) Environmental requirement

Select from:

- No deforestation or conversion of other natural ecosystems

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- Certification
- First-party verification
- Grievance mechanism/ Whistleblowing hotline
- Off-site third-party audit
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 1-25%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

- 1-25%

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

Suspend and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

Providing information on appropriate actions that can be taken to address non-compliance

Re-integrating suppliers back into upstream value chain based on the successful and verifiable completion of activities

(5.11.6.12) Comment

As part of our due diligence system for wood procurement, we have suspension and exclusion criteria for wood suppliers. When we identify a serious deviation (e.g., absence of environmental license) or multiple minor accumulated deviations, the supplier is immediately suspended until the situation is regularized. There is no specified deadline for correcting the deviations; however, until compliance with our requirements and the fulfillment of action plans is demonstrated, wood from this supplier cannot enter our factories. If any critical deviation (e.g., forced or child labor) or numerous minor deviations are identified, the supplier is immediately excluded and cannot supply wood to Dexco for a minimum period of 6 months. At the end of the exclusion period, the supplier needs to undergo a new approval process before being able to sell wood to Dexco again. In 2023, 1 supplier was excluded due to cumulative minor issues. After a reassessment and with evidence that the problems were solved, the supplier was readmitted.

Water

(5.11.6.1) Environmental requirement

Select from:

- Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

- First-party verification
- Grievance mechanism/ Whistleblowing hotline
- Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

- 51-75%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

- 51-75%

(5.11.6.5) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue required to comply with this environmental requirement

Select from:

- None

(5.11.6.6) % tier 1 suppliers with substantive environmental dependencies and/or impacts related to this environmental issue that are in compliance with this environmental requirement

Select from:

- None

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

- No response

(5.11.6.12) Comment

The requirement is to engage on the self assessment questionnaire as part of Dexco's Supplier Management Program (GFD) if invited. However, the participation is voluntary. We are not able to specify the level of impacts or dependencies of the suppliers that engaged on GFD.

[Add row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

- Emissions reduction

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to measure GHG emissions
- Provide training, support and best practices on how to mitigate environmental impact

Information collection

- Collect climate transition plan information at least annually from suppliers
- Collect targets information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Since 2013, we have been implementing the Dexco Supplier Management Program (GFD), a comprehensive set of mechanisms to identify, select, and monitor the social, environmental, economic, and quality performance of suppliers that provide essential products and services for our operations. In the GFD dynamic, critical and highly critical suppliers are invited to respond to a self-assessment questionnaire. Participants are classified into the following groups: Industry, Hard Services, Utilities, Services, and Mining. The selection criteria include the volume of payments made to the supplier, the criticality of their sector for our business, and their participation history in the program. In 2022, the total number of suppliers was 6,300. Out of this total, 395 were invited to respond to the questionnaire, and 264 actively participated in the Program, representing 58% of purchasing expenses in Brazil. The questionnaire includes questions related to greenhouse gas management, GHG inventories, water and biodiversity management, among others. In relation to the Environmental dimension of the GFD Program, the following topics are addressed: Existence of an environmental management system; Occurrence of environmental violations or complaints; Waste management and disposal; Water (consumption, reduction targets, effluent disposal, and significant spill incidents); Energy (access to energy in the required quantity and quality, consumption levels, reduction targets, energy matrix); Atmospheric emissions; Greenhouse gas emissions (initiatives and reduction targets); Noise; Biodiversity (operational impact on biodiversity and conservation actions); Use of renewable or recycled raw materials; Product and packaging recovery initiatives; Environmental origin of wood; Freight efficiency; Energy efficiency, electric matrix, energy conservation initiatives.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :Environmental disclosure through a non-public platform

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Forests

(5.11.7.1) Commodity

Select from:

- Timber products

(5.11.7.2) Action driven by supplier engagement

Select from:

- No deforestation and/or conversion of other natural ecosystems

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact

Financial incentives

- Offer purchase guarantee linked to best agricultural practices
- Provide financial incentives for certified products

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers
- Tier 2 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 1-25%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

100%

(5.11.7.8) Number of tier 2+ suppliers engaged

10

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

We work with our direct suppliers through the due diligence system that is in place for wood procurement in Brazil. For all non FSC-certified wood used in our productive processes, all suppliers and sub-suppliers must be evaluated through desk and field audits, covering 100% of all suppliers and supply units (forests). These audits ensure no deforestation or conversion of natural ecosystems is in place as well as compliance with laws and commitments. In 2023, 142 field and desk audits were conducted in all our 36suppliers, which resulted in the exclusion of one sub-supplier. This sub-supplier was engaged to establish a roadmap to enable them to sell wood to our supplier. This exclusion was not related to any deforestation, but instead to occupational health, safety and labor-related documentation. Most of our suppliers in Brazil are smallholders that are part of our forest fostering program. Regardless of their size, all suppliers must go through our due diligence system for wood procurement, with assessments include desk and field audits to ensure compliance with laws and other commitments. In addition to the continuous support provided to the group of certified suppliers through a consultancy financed by Dexco, we also pay higher prices for the certified wood from these members. As part of this certification effort, since 2019 we host public meetings (at least yearly) where the fostered producers interested in joining the certified groups are invited to know more about certification requirements and the benefits of this program.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

Yes, please specify the environmental requirement :No deforestation or conversion of other natural ecosystems

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

Yes

Water

(5.11.7.2) Action driven by supplier engagement

Select from:

- Total water withdrawal volumes reduction

(5.11.7.3) Type and details of engagement

Capacity building

- Provide training, support and best practices on how to mitigate environmental impact
- Support suppliers to set their own environmental commitments across their operations

Financial incentives

- Feature environmental performance in supplier awards scheme

Information collection

- Collect targets information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

- Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

- 51-75%

(5.11.7.7) % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Select from:

- Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Since 2013, we have been implementing the Dexco Supplier Management Program (GFD), a comprehensive set of mechanisms to identify, select, and monitor the social, environmental, economic, and quality performance of suppliers that provide essential products and services for our operations. In the GFD dynamic, critical and highly critical suppliers are invited to respond to a self-assessment questionnaire. Participants are classified into the following groups: Industry, Hard Services, Utilities, Services, and Mining. The selection criteria include the volume of payments made to the supplier, the criticality of their sector for our business, and their participation history in the program. In 2022, the total number of suppliers was 6,300. Out of this total, 395 were invited to respond to the questionnaire, and 264 actively participated in the Program, representing 58% of purchasing expenses in Brazil. The questionnaire includes questions related to greenhouse gas management, GHG inventories, water and biodiversity management, among others. In relation to the Environmental dimension of the GFD Program, the following topics are addressed: Existence of an environmental management system; Occurrence of environmental violations or complaints; Waste management and disposal; Water (consumption, reduction targets, effluent disposal, and significant spill incidents); Energy (access to energy in the required quantity and quality, consumption levels, reduction targets, energy matrix); Atmospheric emissions; Greenhouse gas emissions (initiatives and reduction targets); Noise; Biodiversity (operational impact on biodiversity and conservation actions); Use of renewable or recycled raw materials; Product and packaging recovery initiatives; Environmental origin of wood; Freight efficiency; Energy efficiency, electric matrix, energy conservation initiatives.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

- Yes, please specify the environmental requirement :Environmental disclosure through a non-public platform

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

- Yes

[Add row]

(5.11.8) Provide details of any environmental smallholder engagement activity

Row 1

(5.11.8.1) Commodity

Select from:

- Timber products

(5.11.8.2) Type and details of smallholder engagement approach

Capacity building

- ☑ Organize capacity building events
- ☑ Offer on-site technical assistance and extension services
- ☑ Support smallholders to clarify and secure land tenure rights
- ☑ Support smallholders to adhere to standards in upstream value chain
- ☑ Support smallholders to adopt best practices which protect biodiversity
- ☑ Provide training, support and best practices on sustainable agriculture practices and nutrient management

Financial incentives

- ☑ Provide financial incentives for certified products
- ☑ Provide financial support to smallholders to invest in precise fertilization techniques, sustainable agricultural practices and nutrient management

(5.11.8.3) Number of smallholders engaged

242

(5.11.8.4) Effect of engagement and measures of success

We approach smallholders with our forest fostering program. Through this program we can reach smallholders that are located nearby our factories and establish a partnership with them, where we supply seedlings and technical assistance for them to plant forests. In 2023 we had 242 smallholders enrolled in this program through 697 contracts. As part of the fostering contract, Dexco is the preferred buyer of the production. The cost of seedlings is then discounted from the timber sales price. This program helps smallholders to diversify their income, reducing their dependency on the sale of agricultural goods. Regardless of being a participant of the fostering program, all suppliers must be assessed according to our due diligence system in order to be able to sell timber to our factories. These assessments include desk and field audits to ensure compliance with laws and other commitments. In 2019 we began our process of helping some of our smallholder suppliers to get FSC-certified by the end of 2020, with the help of external consultants experts on smallholder certification. Over 2020, actions with the first group of producers were carried out aimed at adjusting them to certification requirements and we expanded the certified group in 2021, 2022 and 2023, covering 59.2% of all our fostered area. In addition to the technical assistance, we also pay an extra for certified wood to the members of the group.

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Forests

(5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

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(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Water

(5.11.9.1) Type of stakeholder

Select from:

- Investors and shareholders

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

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(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Forests

(5.11.9.1) Type of stakeholder

Select from:

- Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Water

(5.11.9.1) Type of stakeholder

Select from:

- Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Water

(5.11.9.1) Type of stakeholder

Select from:

Other value chain stakeholder, please specify :Suppliers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Suppliers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

- Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

Forests

(5.11.9.1) Type of stakeholder

Select from:

- Other value chain stakeholder, please specify :Suppliers

(5.11.9.2) Type and details of engagement

Education/Information sharing

- Share information about your products and relevant certification schemes
- Share information on environmental initiatives, progress and achievements

(5.11.9.3) % of stakeholder type engaged

Select from:

- 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

As Dexco is a listed company, with stocks publicly traded on Brazilian stock exchange, it is relevant for us to disclose information to investors, shareholders and any other interested stakeholder. The main tool used for this is our Integrated Report, which is constructed following GRI and SASB guidelines and has third-party assurance. The report contains information regarding our products, initiatives and certifications related to climate change, water security, forests and biodiversity. As

this document is made available through our website and is accessible by anyone, we consider that 100% of these stakeholders are engaged. Besides our Integrated Report, additional information is also available in our website, through the ESG Portal and the Investor Relations Portal.

(5.11.9.6) Effect of engagement and measures of success

As the information is publicly available, we are not able to measure the impact of this disclosure.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

This consolidation approach was selected in order to cover all Dexco's direct operations. Therefore, our joint-ventures (Caetex and LD Celulose) are excluded from the reported data.

Forests

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

This consolidation approach was selected in order to cover all Dexco's direct operations. Therefore, our joint-ventures (Caetex and LD Celulose) are excluded from the reported data.

Water

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

This consolidation approach was selected in order to cover all Dexco's direct operations. Therefore, our joint-ventures (Caetex and LD Celulose) are excluded from the reported data.

Plastics

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

This consolidation approach was selected in order to cover all Dexco's direct operations. Therefore, our joint-ventures (Caetex and LD Celulose) are excluded from the reported data.

Biodiversity

(6.1.1) Consolidation approach used

Select from:

Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

This consolidation approach was selected in order to cover all Dexco's direct operations. Therefore, our joint-ventures (Caetex and LD Celulose) are excluded from the reported data.

[Fixed row]

C7. Environmental performance - Climate Change

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

(7.1.1.1) Has there been a structural change?

Select all that apply

Yes, a divestment

(7.1.1.2) Name of organization(s) acquired, divested from, or merged with

Louças Queimados factory (sanitaryware) Painéis Manizales factory (particleboard) RC2 factory (ceramic tiles)

(7.1.1.3) Details of structural change(s), including completion dates

In 2023 we shut down operations of two factories: Louças Queimados (Brazil; June/2023) and Painéis Manizales (Colombia; September/2023). Also, one factory had its operations suspended indefinitely in 2023: RC2 (Brazil; July/2023).

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	<i>Select all that apply</i>

	Change(s) in methodology, boundary, and/or reporting year definition?
	<input checked="" type="checkbox"/> No

[Fixed row]

(7.1.3) Have your organization’s base year emissions and past years’ emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:

No, because the impact does not meet our significance threshold

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

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

(7.1.3.4) Past years’ recalculation

Select from:

No

[Fixed row]

(7.3) Describe your organization’s approach to reporting Scope 2 emissions.

(7.3.1) Scope 2, location-based

Select from:

We are reporting a Scope 2, location-based figure

(7.3.2) Scope 2, market-based

Select from:

We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

(7.3.3) Comment

Despite acquiring energy from some renewable sources in 2023 (such as small hydro plants), no certificates are issued for these transactions, therefore we are not able to report emissions using the market-based approach.

[Fixed row]

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO₂e)

290135.18

(7.5.3) Methodological details

This total includes all scope 1 emissions related to the production process of operations in Brazil and Colombia. Default emissions factors were used.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

57523.28

(7.5.3) Methodological details

This total includes emissions from electricity acquired from third parties. Emissions factors appropriate to each country of operation were used.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

5028.45

(7.5.3) Methodological details

Outsourced forestry operations. Default emissions factors were used.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

42639.53

(7.5.3) Methodological details

Transport of products between different factories and between factories and own warehouses (Wood division). Default emissions factors used.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

21835.04

(7.5.3) Methodological details

Waste treatment emissions (landfilling, incineration, recycling and composting). Default emissions factors were used.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

473.66

(7.5.3) Methodological details

Emissions from flights and car fleet. Default emissions factors were used.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

1644.14

(7.5.3) Methodological details

Emissions from buses hired to transport workers. Default emission factors were used.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2020

(7.5.2) Base year emissions (metric tons CO2e)

11054.19

(7.5.3) Methodological details

Transport of products between different factories, between factories and own warehouses and from factories to clients (Wood division). Default emissions factors used.

[Fixed row]

(7.6) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

	Gross global Scope 1 emissions (metric tons CO2e)	Methodological details
Reporting year	224.681	<i>This total includes all scope 1 emissions related to the production process of operations in Brazil and Colombia. Default emissions factors were used.</i>

[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

36198.72

(7.7.4) Methodological details

This total includes emissions from electricity acquired from third parties. Emissions factors appropriate to each country of operation were used. We only report scope 2 emissions using the location-based method.

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Dexco follows the GHG Protocol methodology to calculate its Emissions Inventory, including scope 3 and IPCC emission factors. Emissions refer to leased farms with operations carried out by third parties, with information referring to the Taquari Florestal unit. Dexco still does not calculate the emissions that occur in the extraction and production of products (raw material). It is possibly a relevant issue, but we must expand our knowledge. According to studies carried out in the Life Cycle Assessment of some products in our portfolio, emissions related to production inputs are possibly the 3rd most relevant value in our supply chain. Dexco is evaluating this category.

Capital goods

(7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

(7.8.5) Please explain

Dexco still does not calculate emissions resulting from the extraction and production of capital goods (equipment). Dexco began to understand and map the sources of Scope 3 emissions and create an action plan to report the relevant sources of emissions in the coming years, and this category is being evaluated by the company. The focus is on the most significant emission sources for the products, aiming to improve efficiency and reduce the environmental impact of these items.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Dexco does not calculate emissions resulting from the extraction and production of fuels used in our supply chain. At the moment it is not a relevant issue. According to studies carried out in the Life Cycle Assessment of some products in our portfolio, the emissions related to these fuels are not relevant to the product's environmental footprint.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

48744.75

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Dexco uses the GHG Protocol methodology to calculate its Emissions Inventory, including scope 3, and the IPCC emission factors. For this category, emissions from the transport and distribution of products purchased by vehicles that are not owned or operated by the organization, as well as other third-party transport and distribution (including inbound and outbound logistics), are calculated using the distance-based method. Information on the distance traveled by upstream transport is accounted for and determined by the Supply area. The emission factors (emission/km traveled) are applied to calculate the GHG emissions of each fuel. Dexco's

Supply area has an outsourced system for surveying and mapping routes, which makes it possible to collect information to calculate emissions. Currently, this system has been expanded and unified for the company's businesses.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

41910.12

(7.8.3) Emissions calculation methodology

Select all that apply

Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Dexco follows the GHG Protocol methodology to calculate its Emissions Inventory, including scope 3, IPCC and emission factors for the sewage system in Brazil. For this category, emissions from effluents and solid waste are calculated by applying the factors for each type of waste disposal and for each type of effluent treatment. Emissions from solid waste and effluents are calculated using factors recommended in the literature and in the IPCC. The factors are not specific to the recipients to which we ship our waste.

Business travel

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1521.79

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

We calculate emissions from air travel for Dexco employees. All flights are informed by the contracted Travel Agency. Travel is classified into short, medium and long distance and the respective conversion factors are applied in the calculation of emissions. The increase in emissions related to business travel is a consequence of the effects brought about by the post-pandemic period. All flight data is provided by our contracted Travel Agency

Employee commuting

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1401.62

(7.8.3) Emissions calculation methodology

Select all that apply

Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Dexco follows the GHG Protocol methodology for calculating our Emissions Inventory, including scope 3, and IPCC emission factors. Emissions related to public transport by Dexco employees are calculated based on information on fuel consumption or the mileage of the vehicles that make the journey (home/work/home). Emission factors are applied for each situation. Distance and fuel information is provided by third-party companies that provide transportation services to Dexco. Data is collected and entered into an emissions calculation system.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

For now, this category is not relevant. Dexco started expanding the mapping of its Scope 3 sources and an action plan was built to report the most relevant emission sources in the coming years. The company understands that the category of leased assets is not representative when compared to the other categories of scope 3.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

12220.25

(7.8.3) Emissions calculation methodology

Select all that apply

Distance-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Dexco uses the GHG Protocol methodology to calculate its Emissions Inventory, including scope 3, and IPCC emission factors. For this category, emissions from transport and distribution of produced products are calculated, by vehicles that are not owned or operated by the organization, as well as other third-party transport and distribution (including inbound and outbound logistics), using the distance-based method. Information on the distance traveled by upstream transport is accounted for and determined by the company's Logistics area, and applied to calculate GHG emissions for each fuel. Dexco's Procurement area has an outsourced system for surveying and mapping routes, which makes it possible to collect information to calculate emissions. Currently, this system has been expanded and unified for the company's business.

Processing of sold products

(7.8.1) Evaluation status

Select from:

Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO₂e)

219.83

(7.8.3) Emissions calculation methodology

Select all that apply

Supplier-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

These emissions are relevant to the Wood Business, in which our wood products are processed by the woodworking and furniture industries. Dexco started to understand and map the sources of Scope 3 emissions and created an action plan to report the most relevant sources of emissions in the coming years.

Use of sold products

(7.8.1) Evaluation status

Select from:

Relevant, not yet calculated

(7.8.5) Please explain

Dexco began to understand and map the sources of Scope 3 emissions and create an action plan to report the relevant sources of emissions in the coming years. This question would be representative for Deca products. According to studies carried out in the Life Cycle Assessment of some products in our portfolio, emissions related to this water treatment represent a significant percentage of the use of the phase product. When using our products, greenhouse gas emissions may be related to the consumption of electricity and gas in our showers. However, considering the company's entire portfolio (about 12%), we are researching an action plan to report on the most relevant emission sources in the coming years. This category is being analyzed by Dexco.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

The company's products have a long durability and the emissions from the end-of-life treatment of the products sold are not representative when compared to the other phases of their life cycle studies.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Not applicable for Dexco. We do not have downstream leased assets.

Franchises

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

This category is not applicable to Dexcos operations. We do not have any franchises.

Investments

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

This category is not applicable to Dexcos operations. Our inventory is based on our operating limit. Although Dexco has investments in other companies, there is no operational control.

Other (upstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Not applicable for Dexco.

Other (downstream)

(7.8.1) Evaluation status

Select from:

Not relevant, explanation provided

(7.8.5) Please explain

Not applicable for Dexco.

[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place
Scope 3	<i>Select from:</i> <input checked="" type="checkbox"/> Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:

Annual process

(7.9.1.2) Status in the current reporting year

Select from:

Complete

(7.9.1.3) Type of verification or assurance

Select from:

Limited assurance

(7.9.1.4) Attach the statement

Integrated Report 2023.pdf

(7.9.1.5) Page/section reference

Pages 182-185

(7.9.1.6) Relevant standard

Select from:

ISAE 3410

(7.9.1.7) Proportion of reported emissions verified (%)

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

- Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

- Annual process

(7.9.2.3) Status in the current reporting year

Select from:

- Complete

(7.9.2.4) Type of verification or assurance

Select from:

- Limited assurance

(7.9.2.5) Attach the statement

Integrated Report 2023.pdf

(7.9.2.6) Page/ section reference

(7.9.2.7) Relevant standard

Select from:

- ISAE 3410

(7.9.2.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply

- Scope 3: Business travel
- Scope 3: Employee commuting
- Scope 3: Processing of sold products
- Scope 3: Purchased goods and services
- Scope 3: Waste generated in operations
- Scope 3: Upstream transportation and distribution
- Scope 3: Downstream transportation and distribution

(7.9.3.2) Verification or assurance cycle in place

Select from:

- Annual process

(7.9.3.3) Status in the current reporting year

Select from:

Complete

(7.9.3.4) Type of verification or assurance

Select from:

Limited assurance

(7.9.3.5) Attach the statement

Integrated Report 2023.pdf

(7.9.3.6) Page/section reference

Pages 182-185

(7.9.3.7) Relevant standard

Select from:

ISAE 3410

(7.9.3.8) Proportion of reported emissions verified (%)

100

[Add row]

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO₂e)

1263.92

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

0.3624

(7.10.1.4) Please explain calculation

*Emissions from biomass and ethanol consumption. 2022: 6900.66 tCO₂e 2023: 5636.74 tCO₂e Difference: -1263.92 tCO₂e Total scopes 12 emissions (2022): 348724.56 Calculation: $(1263.92/348724.56)*100$ 0.3624%*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO₂e)

4993.88

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

1.432

(7.10.1.4) Please explain calculation

*Emissions from coal and fuel oil use. This reduction is result of phasing-out the coal use in the RC1 (ceramic tiles) plant and the substitution of fuel oil by biomass in the Painéis Itapetininga (fiberboards) plant. RC1 coal emissions 2022: 53623.20 tCO₂e Fuel oil emissions 2022: 2399.34 tCO₂e RC1 coal emissions 2023: 50244.87 tCO₂e Fuel oil emissions 2023: 783.79 tCO₂e Emissions value calculation: $((50244.87783.79)-(53623.20\ 2399.34))/348724.56*100$ 1.4320%*

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

49219.93

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

14.1142

(7.10.1.4) Please explain calculation

*Reduction of emissions from factories that were shut down (Louças Queimados, RC3 and Painéis Manizales) or suspended (RC2) in 2022 and 2023. Change [total scopes 12 2023 emissions from these units] - [total scopes 12 2022 emissions from these units] Emissions value (percentage) $(49219.93/348724.56)*100$ 14.1142%*

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No acquisitions were made in 2023.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No mergers were made in 2023.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

32426.79

(7.10.1.2) Direction of change in emissions

Select from:

Decreased

(7.10.1.3) Emissions value (percentage)

9.2987

(7.10.1.4) Please explain calculation

Regular variation of production levels. The value is the remaining difference from the 2023 and 2022 emissions, discounting the values reported in other lines.
Emissions value (percentage) $(32426.79/348724.56)*100$ 9.2987%

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There was no methodology change in 2023.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There was no change on boundaries in 2023.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

There was no change in physical operation conditions in 2023.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

All variations were identified.

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

All changes were classified in the other categories.

[Fixed row]

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
	302203.82	Emissions from biomass combustion, biofuels use (ethanol, biodiesel) and forest fires. Only scope 1 emissions.

[Fixed row]

(7.13.1) Account for biogenic carbon data pertaining to your direct operations and identify any exclusions.

CO2 emissions from land use management

(7.13.1.1) Emissions (metric tons CO2)

0

(7.13.1.2) Methodology

Select all that apply

Process-based models

(7.13.1.3) Please explain

Net biogenic emissions from forestry activities. As our forests had a positive carbon balance in 2023 (increase on stocks), there were no net emissions in the reporting year. The removals are reported on the specific line of this table.

CO2 removals from land use management

(7.13.1.1) Emissions (metric tons CO2)

29054.02

(7.13.1.2) Methodology

Select all that apply

Process-based models

(7.13.1.3) Please explain

Net carbon removals from forestry activities, both planted forests and conservation areas. The removals from planted forests were calculated using the stocks difference method and the removals on conservation areas used removal factors that considered the biomes and the natural vegetation regeneration stage (assessed using geoprocessing tools).

Sequestration during land use change

(7.13.1.1) Emissions (metric tons CO2)

0

(7.13.1.2) Methodology

Select all that apply

Process-based models

(7.13.1.3) Please explain

No removals from land use change were reported. As all Dexco's forests are grown in areas previously used for agriculture or cattle ranching, we consider all removals as coming from land use management.

CO2 emissions from biofuel combustion (land machinery)

(7.13.1.1) Emissions (metric tons CO2)

0

(7.13.1.2) Methodology

Select all that apply

Default emissions factors

- Region-specific emissions factors

(7.13.1.3) Please explain

Emissions from land preparation equipment are being reported with all other forestry equipment on the "(other)" category.

CO2 emissions from biofuel combustion (processing/manufacturing machinery)

(7.13.1.1) Emissions (metric tons CO2)

296744.91

(7.13.1.2) Methodology

Select all that apply

- Default emissions factors

(7.13.1.3) Please explain

Biogenic emissions from biomass and biofuels use on stationary sources.

CO2 emissions from biofuel combustion (other)

(7.13.1.1) Emissions (metric tons CO2)

2525.69

(7.13.1.2) Methodology

Select all that apply

- Default emissions factors
- Region-specific emissions factors

(7.13.1.3) Please explain

Biogenic emissions from biofuels used on vehicles and forestry equipment. Different factors were used for Brazilian and Colombian operations, as the renewable portion of diesel is different for each country.

[Fixed row]

(7.14) Do you calculate greenhouse gas emissions for each agricultural commodity reported as significant to your business?

Timber products

(7.14.1) GHG emissions calculated for this commodity

Select from:

Yes

(7.14.2) Reporting emissions by

Select from:

Total

(7.14.3) Emissions (metric tons CO₂e)

32998.51

(7.14.4) Denominator: unit of production

Select from:

Other, please specify :Not applicable (total emissions reported)

(7.14.5) Change from last reporting year

Select from:

Higher

(7.14.6) Please explain

The reported figure represents scopes 1, 2 and 3 emissions from Dexco's forestry operations in Brazil and Colombia in 2023. It covers emissions from operations (such as logging and timber transportation), forest fires and fertilization. The changes on carbon stocks are not included here.
[Fixed row]

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

205025.6

(7.15.1.3) GWP Reference

Select from:

IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

6038.82

(7.15.1.3) GWP Reference

Select from:

- IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

- N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

11642.84

(7.15.1.3) GWP Reference

Select from:

- IPCC Fifth Assessment Report (AR5 – 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

- HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1974.06

(7.15.1.3) GWP Reference

Select from:

IPCC Fifth Assessment Report (AR5 – 100 year)

[Add row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)
Brazil	218989.94	29944.6
Colombia	5691.38	6254.12

[Fixed row]

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

Row 1

(7.17.1.1) Business division

Painéis (wood panels) - Brazil

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

24419.97

Row 2

(7.17.1.1) Business division

Hydra (electronic showers)

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

44.47

Row 3

(7.17.1.1) Business division

Louças (sanitaryware)

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

37692.41

Row 4

(7.17.1.1) Business division

Metais (metal fittings)

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

3020.41

Row 5

(7.17.1.1) Business division

Revestimentos cerâmicos (ceramic tiles)

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

125964.04

Row 6

(7.17.1.1) Business division

Castelatto (concrete tiles)

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

193.48

Row 7

(7.17.1.1) Business division

Florestal (forestry) - Brazil

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

27655.15

Row 8

(7.17.1.1) Business division

Painéis (wood panels) - Colombia

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

5273.84

Row 9

(7.17.1.1) Business division

Florestal (forestry) - Colombia

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

417.54

[Add row]

(7.17.2) Break down your total gross global Scope 1 emissions by business facility.

Row 1

(7.17.2.1) Facility

RC 1

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

92997.11

(7.17.2.3) Latitude

-28.807112

(7.17.2.4) Longitude

-49.371738

Row 2

(7.17.2.1) Facility

Hydra - Aracajú

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

38.95

(7.17.2.3) Latitude

-10.916818

(7.17.2.4) Longitude

-37.073895

Row 3

(7.17.2.1) Facility

Distribution Center Hydra

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

5.53

(7.17.2.3) Latitude

-10.916904

(7.17.2.4) Longitude

-37.073991

Row 6

(7.17.2.1) Facility

Distribution Center Pernambuco

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

11.36

(7.17.2.3) Latitude

-8.261007

(7.17.2.4) Longitude

-35.017262

Row 7

(7.17.2.1) Facility

Distribution Center Tubarão

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0.25

(7.17.2.3) Latitude

-2.848

(7.17.2.4) Longitude

-49.03

Row 8

(7.17.2.1) Facility

Louças Queimados

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

4095.07

(7.17.2.3) Latitude

-22.730522

(7.17.2.4) Longitude

-43.62375

Row 9

(7.17.2.1) Facility

Painéis Itapetininga

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

9645.48

(7.17.2.3) Latitude

-23.586486

(7.17.2.4) Longitude

-48.105526

Row 10

(7.17.2.1) Facility

Metais São Paulo

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1923.34

(7.17.2.3) Latitude

-46.843107

(7.17.2.4) Longitude

-46.688054

Row 11

(7.17.2.1) Facility

Painéis Uberaba

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

4675.61

(7.17.2.3) Latitude

-19.742167

(7.17.2.4) Longitude

-47.978368

Row 12

(7.17.2.1) Facility

Metais Jundiá

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

890.9

(7.17.2.3) Latitude

-23.202716

(7.17.2.4) Longitude

-46.843107

Row 13

(7.17.2.1) Facility

Castelatto - Rosario

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

193.27

(7.17.2.3) Latitude

-23.114772

(7.17.2.4) Longitude

-46.351162

Row 14

(7.17.2.1) Facility

Painéis Agudos

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

13331.85

(7.17.2.3) Latitude

-22.488451

(7.17.2.4) Longitude

-49.133606

Row 15

(7.17.2.1) Facility

Show Room - Deca

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0.18

(7.17.2.3) Latitude

-23.568771

(7.17.2.4) Longitude

-46.672883

Row 16

(7.17.2.1) Facility

Louças Recife

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

8374.97

(7.17.2.3) Latitude

-8.254303

(7.17.2.4) Longitude

-35.027161

Row 17

(7.17.2.1) Facility

Castelatto - Portão

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0.21

(7.17.2.3) Latitude

-23.133081

(7.17.2.4) Longitude

-46.351944

Row 19

(7.17.2.1) Facility

Florestal Uberaba

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

7746.5

(7.17.2.3) Latitude

-19.75334

(7.17.2.4) Longitude

-47.97688

Row 20

(7.17.2.1) Facility

Louças Jundiaí

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

18383.56

(7.17.2.3) Latitude

-23.18171

(7.17.2.4) Longitude

-46.861324

Row 22

(7.17.2.1) Facility

Painéis Yarumal

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

1168.63

(7.17.2.3) Latitude

6.812468

(7.17.2.4) Longitude

-75.495412

Row 23

(7.17.2.1) Facility

Distribution Center Betim

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

24.43

(7.17.2.3) Latitude

-19.985502

(7.17.2.4) Longitude

-44.19023

Row 24

(7.17.2.1) Facility

Show Room RC

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0

(7.17.2.3) Latitude

-23.575357

(7.17.2.4) Longitude

-46.666158

Row 25

(7.17.2.1) Facility

Florestal Taquari

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

959.3

(7.17.2.3) Latitude

-29.803859

(7.17.2.4) Longitude

-51.846371

Row 26

(7.17.2.1) Facility

Painéis Taquari

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

2125.42

(7.17.2.3) Latitude

-29.803859

(7.17.2.4) Longitude

-51.846371

Row 27

(7.17.2.1) Facility

Painéis Manizales

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

3265.08

(7.17.2.3) Latitude

5.030965

(7.17.2.4) Longitude

-75.432513

Row 28

(7.17.2.1) Facility

Escritório Central (corporate headquarters)

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

26.74

(7.17.2.3) Latitude

-23.558145

(7.17.2.4) Longitude

-46.659214

Row 29

(7.17.2.1) Facility

Florestal Agudos

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

8940.82

(7.17.2.3) Latitude

-22.488451

(7.17.2.4) Longitude

-49.133606

Row 30

(7.17.2.1) Facility

Florestal Itapetininga

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

9645.48

(7.17.2.3) Latitude

-23.586486

(7.17.2.4) Longitude

-48.105526

Row 31

(7.17.2.1) Facility

Louças João Pessoa

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

6838.81

(7.17.2.3) Latitude

-7.178436

(7.17.2.4) Longitude

-34.910088

Row 32

(7.17.2.1) Facility

Metais Jacareí

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

179.01

(7.17.2.3) Latitude

-23.28647

(7.17.2.4) Longitude

-45.9779

Row 33

(7.17.2.1) Facility

Painéis Barbosa

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

840.13

(7.17.2.3) Latitude

6.43161

(7.17.2.4) Longitude

-75.346086

Row 34

(7.17.2.1) Facility

RC 2

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

8653.57

(7.17.2.3) Latitude

-28.776754

(7.17.2.4) Longitude

-49.365223

Row 35

(7.17.2.1) Facility

RC 3

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

41.7

(7.17.2.3) Latitude

-28.533926

(7.17.2.4) Longitude

-49.317838

Row 36

(7.17.2.1) Facility

RC 4

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

24271.66

(7.17.2.3) Latitude

-28.564466

(7.17.2.4) Longitude

-49.274043

Row 37

(7.17.2.1) Facility

Florestal Brasil (emissions from fires)

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

363.05

(7.17.2.3) Latitude

-22.488451

(7.17.2.4) Longitude

-49.133606

Row 38

(7.17.2.1) Facility

Florestal Colômbia (emissions from fires)

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

0.81

(7.17.2.3) Latitude

6.218412

(7.17.2.4) Longitude

-75.583405

Row 39

(7.17.2.1) Facility

Florestal Colômbia

(7.17.2.2) Scope 1 emissions (metric tons CO2e)

416.73

(7.17.2.3) Latitude

6.218412

(7.17.2.4) Longitude

-75.583405

[Add row]

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

Row 1

(7.17.3.1) Activity

Agricultural emissions

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

11928.02

Row 2

(7.17.3.1) Activity

Fugitive emissions

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

1978.57

Row 3

(7.17.3.1) Activity

Industrial Processes

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

4447.32

Row 4

(7.17.3.1) Activity

Solid Waste and liquid effluents

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

4389.1

Row 5

(7.17.3.1) Activity

Land use change

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

363.86

Row 6

(7.17.3.1) Activity

Mobile Combustion

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

26875.59

Row 7

(7.17.3.1) Activity

Stationary Combustion

(7.17.3.2) Scope 1 emissions (metric tons CO2e)

174698.86

[Add row]

(7.18.2) Report the Scope 1 emissions pertaining to your business activity(ies) and explain any exclusions. If applicable, disaggregate your agricultural/forestry by GHG emissions category.

Row 1

(7.18.2.1) Activity

Select from:

Agriculture/Forestry

(7.18.2.2) Emissions category

Select from:

Non-mechanical

(7.18.2.3) Emissions (metric tons CO2e)

11931.27

(7.18.2.4) Methodology

Select all that apply

Default emissions factor

(7.18.2.5) Please explain

Emissions from fertilization, liming and sanitary wastewater (from forestry activities) treatment.

Row 2

(7.18.2.1) Activity

Select from:

Agriculture/Forestry

(7.18.2.2) Emissions category

Select from:

Land use change

(7.18.2.3) Emissions (metric tons CO2e)

363.86

(7.18.2.4) Methodology

Select all that apply

Default emissions factor

(7.18.2.5) Please explain

Emissions from forest fires (CH4 and N2O).

Row 3

(7.18.2.1) Activity

Select from:

Agriculture/Forestry

(7.18.2.2) Emissions category

Select from:

Mechanical

(7.18.2.3) Emissions (metric tons CO2e)

15777.57

(7.18.2.4) Methodology

Select all that apply

Default emissions factor

(7.18.2.5) Please explain

Emissions from fuel use on forestry equipment.

Row 4

(7.18.2.1) Activity

Select from:

Agriculture/Forestry

(7.18.2.2) Emissions category

Select from:

Total

(7.18.2.3) Emissions (metric tons CO₂e)

28072.7

(7.18.2.4) Methodology

Select all that apply

Default emissions factor

(7.18.2.5) Please explain

Total forestry emissions.

Row 5

(7.18.2.1) Activity

Select from:

Processing/Manufacturing

(7.18.2.2) Emissions category

Select from:

Total

(7.18.2.3) Emissions (metric tons CO2e)

196608.63

(7.18.2.4) Methodology

Select all that apply

Default emissions factor

(7.18.2.5) Please explain

Total non-forestry emissions.

[Add row]

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

Row 1

(7.20.1.1) Business division

Castelatto (concrete tiles)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

38.92

Row 2

(7.20.1.1) Business division

Hydra (electronic showers)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

216.98

Row 3

(7.20.1.1) Business division

Louças (sanitaryware)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

1661.86

Row 4

(7.20.1.1) Business division

Metais (metal fittings)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

1897.28

Row 5

(7.20.1.1) Business division

Painéis (wood panels) - Brazil

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

23007.98

Row 6

(7.20.1.1) Business division

Painéis (wood panels) - Colombia

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

6254.12

Row 7

(7.20.1.1) Business division

Revestimentos Cerâmicos (ceramic tiles)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

3099.44

Row 8

(7.20.1.1) Business division

Florestal (Forestry)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

22.14

[Add row]

(7.20.2) Break down your total gross global Scope 2 emissions by business facility.

Row 1

(7.20.2.1) Facility

Castelatto - Portão

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0.4

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 2

(7.20.2.1) Facility

Castelatto - Rosário

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

38.51

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 3

(7.20.2.1) Facility

CD Betim

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0.6

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.2.1) Facility

CD Hydra Aracajú

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2.28

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 5

(7.20.2.1) Facility

CD Pernambuco

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0.15

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 6

(7.20.2.1) Facility

CD Tubarão

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

4.43

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 7

(7.20.2.1) Facility

Escritório Central

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

54.99

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 8

(7.20.2.1) Facility

Florestal Agudos

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

16.43

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 9

(7.20.2.1) Facility

Florestal Itapetininga

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

0.11

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 10

(7.20.2.1) Facility

Florestal Uberaba

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5.6

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 11

(7.20.2.1) Facility

Hydra Aracajú

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

214.7

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 12

(7.20.2.1) Facility

Louças João Pessoa

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

257.55

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 13

(7.20.2.1) Facility

Louças Jundiá I

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

728.87

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 14

(7.20.2.1) Facility

Louças Queimados

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

209.29

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 15

(7.20.2.1) Facility

Louças Recife

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

466.15

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 16

(7.20.2.1) Facility

Metals Jacareí

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

160.31

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 17

(7.20.2.1) Facility

Metals Jundiaí

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

626.67

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 18

(7.20.2.1) Facility

Metals São Paulo

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1048.48

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 19

(7.20.2.1) Facility

Painéis Agudos

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

8731.83

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 20

(7.20.2.1) Facility

Painéis Barbosa

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3950.76

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 21

(7.20.2.1) Facility

Painéis Itapetininga

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5811.76

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 22

(7.20.2.1) Facility

Painéis Manizales

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

656.1

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 23

(7.20.2.1) Facility

Painéis Taquari

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

3032.61

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 24

(7.20.2.1) Facility

Painéis Uberaba

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

5431.03

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 25

(7.20.2.1) Facility

Painéis Yarumal

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1647.26

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 26

(7.20.2.1) Facility

Revestimento RC1

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2081.86

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 27

(7.20.2.1) Facility

Revestimento RC2

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

308.69

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 28

(7.20.2.1) Facility

Revestimento RC4

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

707.74

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 29

(7.20.2.1) Facility

Show room

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

2.39

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

Row 30

(7.20.2.1) Facility

Show Room RC

(7.20.2.2) Scope 2, location-based (metric tons CO2e)

1.16

(7.20.2.3) Scope 2, market-based (metric tons CO2e)

0

[Add row]

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)
Row 1	Electricity acquisition	36198.72

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

230027.73

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

36205.49

(7.22.4) Please explain

Includes emissions from Dexco's direct operations in Brazil and Colombia (operational control) and Caetex (joint venture, where Dexco has a 60% stake and which information is consolidated on Dexco's financial statements). The presented figure considers 100% of Caetex emissions. These emissions are not included elsewhere on this questionnaire.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

154499.21

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

20155.33

(7.22.4) Please explain

Emissions from LD Celulose, a joint venture which Dexco has a 49% stake. The reported figure considers 100% of the emissions. These emissions are not included elsewhere on this questionnaire.

[Fixed row]

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired electricity	Select from: <input checked="" type="checkbox"/> Yes
Consumption of purchased or acquired heat	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired steam	Select from: <input checked="" type="checkbox"/> No
Consumption of purchased or acquired cooling	Select from: <input checked="" type="checkbox"/> No
Generation of electricity, heat, steam, or cooling	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.1) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

824210.17

(7.30.1.3) MWh from non-renewable sources

836989.35

(7.30.1.4) Total (renewable and non-renewable) MWh

1661199.52

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

760795.08

(7.30.1.3) MWh from non-renewable sources

65010.57

(7.30.1.4) Total (renewable and non-renewable) MWh

825804.92

Total energy consumption

(7.30.1.1) Heating value

Select from:

Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1585005.25

(7.30.1.3) MWh from non-renewable sources

901999.92

(7.30.1.4) Total (renewable and non-renewable) MWh

2487005.17

[Fixed row]

(7.30.6) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for the generation of heat	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of steam	Select from: <input checked="" type="checkbox"/> Yes
Consumption of fuel for the generation of cooling	Select from: <input checked="" type="checkbox"/> No
Consumption of fuel for co-generation or tri-generation	Select from: <input checked="" type="checkbox"/> No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

824015.94

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

824015.94

(7.30.7.8) Comment

Biomass from planted forests (usually in the form of chips or sawdust), produced at Dexco's own forests or sourced from third-parties.

Other biomass

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

-

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

194.24

(7.30.7.4) MWh fuel consumed for self-generation of heat

194.24

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Ethanol fuel

Coal

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

144216.46

(7.30.7.4) MWh fuel consumed for self-generation of heat

144216.46

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Sub-bituminous coal

Oil

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

88139.94

(7.30.7.4) MWh fuel consumed for self-generation of heat

88139.94

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Diesel, gasoline and fuel oil

Gas

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

604344.93

(7.30.7.4) MWh fuel consumed for self-generation of heat

604344.93

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Natural gas, liquefied petroleum gas and vehicular natural gas

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

288.01

(7.30.7.4) MWh fuel consumed for self-generation of heat

288.01

(7.30.7.5) MWh fuel consumed for self-generation of steam

0

(7.30.7.8) Comment

Acetylene and propane

Total fuel

(7.30.7.1) Heating value

Select from:

LHV

(7.30.7.2) Total fuel MWh consumed by the organization

1661199.52

(7.30.7.4) MWh fuel consumed for self-generation of heat

837183.58

(7.30.7.5) MWh fuel consumed for self-generation of steam

824015.94

(7.30.7.8) Comment

-

[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Brazil

(7.30.16.1) Consumption of purchased electricity (MWh)

776169.78

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

1594295.81

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

2370465.59

Colombia

(7.30.16.1) Consumption of purchased electricity (MWh)

49635.87

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

66903.71

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

116539.58

[Fixed row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.00068

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

232.4

(7.45.3) Metric denominator

Select from:

square meter

(7.45.4) Metric denominator: Unit total

340022.9

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

3.57

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Change in output

(7.45.9) Please explain

Emissions from the Castelatto division (concrete tiles), using square meters of product as metric denominator. The change in intensity was due to regular operational variations.

Row 2

(7.45.1) Intensity figure

0.19524

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

27677.29

(7.45.3) Metric denominator

Select from:

Other, please specify :hectare

(7.45.4) Metric denominator: Unit total

141757.79

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

0.58

(7.45.7) Direction of change

Select from:

Increased

(7.45.8) Reasons for change

Select all that apply

Change in output

(7.45.9) Please explain

Emissions from forestry activities in Brazil, using the total forest landbank as metric denominator. The change in intensity was due to regular operational variations.

Row 3

(7.45.1) Intensity figure

0.00007

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

261.45

(7.45.3) Metric denominator

Select from:

unit of production

(7.45.4) Metric denominator: Unit total

3619129

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

37.1

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Change in output

(7.45.9) Please explain

Emissions from the Hydra business division (electronic showers), using units of product as metric denominator. The change in intensity was due to regular operational variations.

Row 4

(7.45.1) Intensity figure

0.00071

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

39354.27

(7.45.3) Metric denominator

Select from:

metric ton of product

(7.45.4) Metric denominator: Unit total

55697.53

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

8.93

(7.45.7) Direction of change

Select from:

Increased

(7.45.8) Reasons for change

Select all that apply

Divestment

Change in output

(7.45.9) Please explain

Emissions from the Louças division (sanitaryware), using tons of product as metric denominator. The change in intensity was due to regular operational variations and to the closure of the Queimados plant in 2023.

Row 5

(7.45.1) Intensity figure

0.00039

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

4917.7

(7.45.3) Metric denominator

Select from:

unit of production

(7.45.4) Metric denominator: Unit total

12556086

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

1.64

(7.45.7) Direction of change

Select from:

Increased

(7.45.8) Reasons for change

Select all that apply

Change in output

(7.45.9) Please explain

Emissions from the Metais division (metal fittings), using units of product as metric denominator. The change in intensity was due to regular operational variations.

Row 6

(7.45.1) Intensity figure

0.01779

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

47427.95

(7.45.3) Metric denominator

Select from:

Other, please specify :cubic meters of product

(7.45.4) Metric denominator: Unit total

2666291.31

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

11.39

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Other emissions reduction activities

Change in output

(7.45.9) Please explain

Emissions from the Painéis division (wood panels) in Brazil, using cubic meters of product as metric denominator. The change in intensity was due to regular operational variations and to the substitution of fuel oil by biomass in a process at the Itapetininga plant.

Row 7

(7.45.1) Intensity figure

0.05743

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

11527.96

(7.45.3) Metric denominator

Select from:

Other, please specify :cubic meters of product

(7.45.4) Metric denominator: Unit total

200729.29

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

5.37

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

Divestment

Change in output

(7.45.9) Please explain

Emissions from the Painéis division (wood boards) in Colombia, using cubic meters of product as metric denominator. The change in intensity was due to regular operational variations and to the shutdown of the Manizales plant in 2023.

Row 8

(7.45.1) Intensity figure

0.00748

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

129063.48

(7.45.3) Metric denominator

Select from:

square meter

(7.45.4) Metric denominator: Unit total

17258562.52

(7.45.5) Scope 2 figure used

Select from:

Location-based

(7.45.6) % change from previous year

9.06

(7.45.7) Direction of change

Select from:

Decreased

(7.45.8) Reasons for change

Select all that apply

- Other emissions reduction activities
- Divestment
- Change in output

(7.45.9) Please explain

Emissions from the Revestimentos Cerâmicos division (ceramic tiles), using square meters of product as metric denominator. The change in intensity was due to regular operational variations and to the suspension of the RC2 plant in 2023. Also, the beginning of the coal phase-out at the RC1 plant contributed to reduce intensity.

Row 9

(7.45.1) Intensity figure

0.0000357

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

2608080.04

(7.45.3) Metric denominator

Select from:

- unit total revenue

(7.45.4) Metric denominator: Unit total

7303409000

(7.45.5) Scope 2 figure used

Select from:

- Location-based

(7.45.6) % change from previous year

13.07

(7.45.7) Direction of change

Select from:

- Decreased

(7.45.8) Reasons for change

Select all that apply

- Other emissions reduction activities
- Divestment
- Change in revenue

(7.45.9) Please explain

This intensity indicator (tCO₂e/BRL) considers all scopes 1 and 2 emissions and the total gross revenue for 2023 (as reported on financial statements for the period). The initiatives for emission reductions are described on the other lines of this table. The shutdown of three sites (Louças Queimados, RC2 and Painéis Manizales) in 2023 also contributed for the reduction in total emissions.

[Add row]

(7.52) Provide any additional climate-related metrics relevant to your business.

Row 1

(7.52.1) Description

Select from:

- Waste

(7.52.2) Metric value

346518.01

(7.52.3) Metric numerator

Waste generation (metric tons)

(7.52.4) Metric denominator (intensity metric only)

Not applicable

(7.52.5) % change from previous year

22.99

(7.52.6) Direction of change

Select from:

Decreased

(7.52.7) Please explain

The main reasons for this reduction were quality improvements on the production processes (reducing waste generation) and reduced production volumes at the Sanitaryware and Ceramic Tiles divisions.

[Add row]

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

- Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

(7.53.1.4) Target ambition

Select from:

- 1.5°C aligned

(7.53.1.5) Date target was set

12/01/2021

(7.53.1.6) Target coverage

Select from:

- Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)

(7.53.1.8) Scopes

Select all that apply

- Scope 1
- Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

Location-based

(7.53.1.11) End date of base year

12/31/2020

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

511275.86

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

103758.14

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

615034.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

(7.53.1.54) End date of target

12/31/2030

(7.53.1.55) Targeted reduction from base year (%)

37

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

387471.420

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

224681.32

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

36198.72

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

260880.040

(7.53.1.78) Land-related emissions covered by target*Select from:* No, it does not cover any land-related emissions (e.g. non-FLAG SBT)**(7.53.1.79) % of target achieved relative to base year**

155.63

(7.53.1.80) Target status in reporting year

Select from:

Underway

(7.53.1.82) Explain target coverage and identify any exclusions

The target covers all Dexco S.A operations (Tiles, Deca and Wood Divisions, in Brazil and Colombia), including scope 1 and 2 emissions. For reporting purposes, we are considering the base year 2020, the year in which it was achieved the definition of the goals. However, each business has a specific base year, depending on the representativeness of emissions from its production units. The absolute emissions (Scopes 1+2) against the baseline scenario for each business are: Sanitaryware: 96,146 tCO₂e (2015) Metals: 8,744 tCO₂e (2016) Wood - Brazil: 291,116 tCO₂e (2018) Hydra: 960 tCO₂e (2017) Ceramic tiles: 191,535 tCO₂e (2020) Wood - Colombia: 26,535 tCO₂ (2020)

(7.53.1.83) Target objective

One of the three strategic objectives on Dexco's Sustainability Strategy is to "ensure sustainable growth, while maintaining a positive carbon balance". Therefore, setting an emissions reduction target is important to achieve this objective. Also, climate change is a material topic for Dexco, which further stresses the relevance of this target.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

The absolute emission targets for scopes 1 and 2 were established according to the challenges of each Dexco division, considering a baseline for each business. An annual reduction was established for each business with the objective of achieving a 37% reduction in emissions by 2030. The actions that guide these commitments are closely related to the continuous improvement of production processes, aiming a eco-efficiency in the use of resources (mainly fuels), in addition to replacing fossil fuels with renewable ones. Carbon removal via forests is based on a robust model of responsible forest management, verified against international standards

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

No

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

- Int 1

(7.53.2.2) Is this a science-based target?

Select from:

- No, but we are reporting another target that is science-based

(7.53.2.5) Date target was set

12/01/2021

(7.53.2.6) Target coverage

Select from:

- Business division

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

- Carbon dioxide (CO₂)
- Methane (CH₄)
- Nitrous oxide (N₂O)
- Hydrofluorocarbons (HFCs)

(7.53.2.8) Scopes

Select all that apply

- Scope 1

(7.53.2.11) Intensity metric

Select from:

- Metric tons CO₂e per metric ton of product

(7.53.2.12) End date of base year

12/31/2020

(7.53.2.13) Intensity figure in base year for Scope 1 (metric tons CO2e per unit of activity)

0.3255

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

0.3255000000

(7.53.2.34) % of total base year emissions in Scope 1 covered by this Scope 1 intensity figure

63.5

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

63.5

(7.53.2.55) End date of target

12/31/2030

(7.53.2.56) Targeted reduction from base year (%)

15

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

0.2766750000

(7.53.2.58) % change anticipated in absolute Scope 1+2 emissions

-7.96

(7.53.2.60) Intensity figure in reporting year for Scope 1 (metric tons CO2e per unit of activity)

0.0073

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

0.0073000000

(7.53.2.81) Land-related emissions covered by target

Select from:

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

651.72

(7.53.2.83) Target status in reporting year

Select from:

Underway

(7.53.2.85) Explain target coverage and identify any exclusions

Dexco has diverse businesses, and it is important to understand the complexity and impact of each of our Divisions individually, with actions that are viable for each one of them. In the Ceramic Tiles Division, we had operations that used coal, which has a negative influence on our carbon balance, and it is where we need to concentrate efforts to reduce emissions. The expectation is to challenge ourselves and seek eco-efficient solutions and processes, resulting in a lower climate impact.

(7.53.2.86) Target objective

One of the three strategic objectives on Dexco's Sustainability Strategy is to "ensure sustainable growth, while maintaining a positive carbon balance". Therefore, setting an emissions reduction target is important to achieve this objective. Also, climate change is a material topic for Dexco, which further stresses the relevance of this target. As the Ceramic Tiles division is the most emissions-intensive, it was important to set a specific target to leverage our efforts on emissions reductions.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

As the oldest factories of the business unit were shut down or suspended in 2022 and 2023, the emissions intensity was reduced due to the remaining active sites' more efficient processes. In 2023 we also began the phase-out of coal use at the RC1 plant. We expect to fully capture the results of this change in the next reporting cycle.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

No

[Add row]

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

Low 1

(7.54.1.2) Date target was set

12/01/2021

(7.54.1.3) Target coverage

Select from:

Organization-wide

(7.54.1.4) Target type: energy carrier

Select from:

All energy carriers

(7.54.1.5) Target type: activity

Select from:

Consumption

(7.54.1.6) Target type: energy source

Select from:

Renewable energy source(s) only

(7.54.1.7) End date of base year

12/31/2020

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

2856021.69

(7.54.1.9) % share of low-carbon or renewable energy in base year

56.9

(7.54.1.10) End date of target

12/31/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

50

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

63.7

(7.54.1.13) % of target achieved relative to base year

-98.55

(7.54.1.14) Target status in reporting year

Select from:

Underway

(7.54.1.16) Is this target part of an emissions target?

This target is part of one of the three major commitments that Dexco has made in its Sustainability Strategy. Maintaining our energy matrix made up predominantly of renewable sources is part of the Company's commitment of maintaining a positive carbon balance even considering business growth, and also contributes to the achievement of one other target that focus on reducing GHG emissions.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

No, it's not part of an overarching initiative

(7.54.1.19) Explain target coverage and identify any exclusions

This target encompasses Dexco's operations both in Brazil and Colombia, taking into account the consumption of fuels and electricity in its operations (scopes 1 and 2). Furthermore, the goal also includes the newly acquired units by the company, meaning that emission reduction targets apply to all existing and future Dexco operations, aiming to reduce the environmental impact across the entirety of its activities.

(7.54.1.20) Target objective

This target aims to keep our energy matrix composed by at least 50% of renewable sources until 2030. It is part of the strategic objective of "Ensuring sustainable growth, maintaining a positive carbon balance" of our Sustainability Strategy.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

This is a maintenance target, which means our objective is to maintain a proportion of renewable sources in our energy matrix over 50% until 2030. Therefore, our challenge is to keep our good ecoefficiency practices and to seek alternative sources of energy to fossil fuels. Some pathways to fulfill this ambition include the possibility of substitution of fossil fuels (natural gas and coal, for instance) by biomass, where technically viable.

[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

Oth 1

(7.54.2.2) Date target was set

12/01/2021

(7.54.2.3) Target coverage

Select from:

Country/area/region

(7.54.2.4) Target type: absolute or intensity

Select from:

Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Net emissions target

Net metric tons CO2e

(7.54.2.7) End date of base year

12/31/2020

(7.54.2.8) Figure or percentage in base year

0

(7.54.2.9) End date of target

12/31/2030

(7.54.2.10) Figure or percentage at end of date of target

0.00001

(7.54.2.11) Figure or percentage in reporting year

104772.11

(7.54.2.12) % of target achieved relative to base year

1047721100000.0000000000

(7.54.2.13) Target status in reporting year

Select from:

Underway

(7.54.2.15) Is this target part of an emissions target?

One of the strategic objectives set in our Sustainability Strategy is to "ensure sustainable growth, while keeping a positive carbon balance". While our emissions reduction targets focus solely on the negative impacts, this positive balance aims to capture the positive impacts on climate generated by responsible forest management. Nevertheless, any emissions reduction also contributes to this target of positive carbon balance.

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply

No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

This target covers emissions (scopes 1, 2 and 3) and removals from industrial and forestry operations in Brazil. Since Colombia already has a regulated carbon market in place (where we traded credits in 2017 and 2021), we opted to exclude our Colombian operations from the target to avoid double accounting of removals.

Specifically for this target, the emissions and removals from our joint ventures (Caetex and LD Celulose) are accounted through the equity share approach (60% and 49%, respectively).

(7.54.2.19) Target objective

To keep a cumulative positive carbon balance, considering the period from 2020 to 2030. As the target considers only the aforementioned period, the baseline is 0 (beginning of 2020) and the target is also 0 (in order to have a positive balance, the cumulative balance must be numerically negative, representing net removals). For reporting purposes, the target value is being reported as 0.000001.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

The main driver to meet this target is the responsible management of our forests. By increasing the productivity of our forests, they also increase carbon removals. Initiatives for emissions reductions also contribute to this objective. By 2023, our cumulative carbon balance was -104.772,11 tCO₂e (net removals).

[Add row]

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO₂e savings.

	Number of initiatives	Total estimated annual CO ₂ e savings in metric tonnes CO ₂ e (only for rows marked *)
Under investigation	0	`Numeric input
To be implemented	0	0
Implementation commenced	1	50000
Implemented	1	2400
Not to be implemented	0	`Numeric input

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

Fuel switch

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

50000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

5600000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

6000000

(7.55.2.7) Payback period

Select from:

1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

6-10 years

(7.55.2.9) Comment

In the Itapetininga Panels unit, we had several engineering projects that implemented various Industry 4.0-oriented improvements, which aids in better operational management. Besides the decrease in production demand, the optimization can also be attributed to the partial substitution of this oil with biomass. A thermal fluid heating system was implemented, that uses biomass as fuel, intensifying the consumption of surplus biomass from the process, thereby reducing the consumption of fuel oil.

[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

Internal incentives/recognition programs

(7.55.3.2) Comment

At Dexco we have an Innovation Program called Imagine, which incentivizes all employees to submit ideas that could have positive impacts on our operations. One of the categories in which these ideas can be classified is ecoefficiency, which comprises initiatives related to energy and fuel consumption reduction, that have a direct impact on our scopes 1 and 2 emissions. The authors of the best ideas with a significant financial impact can receive monetary awards for their contribution.

[Add row]

(7.67.1) Specify the agricultural or forest management practice(s) implemented on your own land with climate change mitigation and/or adaptation benefits and provide a corresponding emissions figure, if known.

Row 1

(7.67.1.1) Management practice reference number

Select from:

MP1

(7.67.1.2) Management practice

Select from:

Biodiversity considerations

(7.67.1.3) Description of management practice

All forest areas of Dexco have conservation areas and productive areas. In addition to contributing to the carbon balance, the conservation areas maintained by Dexco serve as habitats for native flora and fauna. In these areas, no forest operations are carried out.

(7.67.1.4) Primary climate change-related benefit

Select from:

Increase carbon sink (mitigation)

(7.67.1.5) Estimated CO2e savings (metric tons CO2e)

177360.33

(7.67.1.6) Please explain

The reported figure is the calculated removals from Dexco's conservation areas in Brazil in 2023.

Row 2

(7.67.1.1) Management practice reference number

Select from:

MP2

(7.67.1.2) Management practice

Select from:

Composting

(7.67.1.3) Description of management practice

At the Wood Division, we have continued to reuse biomass and sludge ash from effluent treatment to produce natural fertilizers at the composting plants installed at the Agudos (SP) and Uberaba (MG) units. In 2023, 12,269 ton of sludge waste were destined for composting and incorporated into the soil for fertilization. Another composting unit was built on the Itapetininga factory, which we expect to begin operating in 2024.

(7.67.1.4) Primary climate change-related benefit

Select from:

Reduced demand for fertilizers (adaptation)

(7.67.1.5) Estimated CO2e savings (metric tons CO2e)

207.46

(7.67.1.6) Please explain

Dexco, when using organic compost as fertilizer on forestry activities and incorporating it into the soil helps to replace the use of traditional nitrogen fertilizer, reduces GHG emissions of fossil origin into the atmosphere. In 2023, the amount of organic compost used contributed to avoid the emission of 135,73 tCO2e by not using nitrogen fertilizer.

[Add row]

(7.68.1) Specify which agricultural or forest management practices with climate change mitigation and/or adaptation benefits you encourage your suppliers to undertake and describe your role in the implementation of each practice.

Row 1

(7.68.1.1) Management practice reference number

Select from:

MP1

(7.68.1.2) Management practice

Select from:

Afforestation

(7.68.1.3) Description of management practice

Dexco fosters more than 22,000 hectares of forests, destined to supply its panels plants. We share our technical knowledge with fostered smallholders to encourage best management practices in their forests, in order to reduce socio-environmental impacts and increase forest productivity.

(7.68.1.4) Your role in the implementation

Select all that apply

Knowledge sharing

Operational

(7.68.1.5) Explanation of how you encourage implementation

Dexco has a due diligence system for the supply of controlled timber and for fostered forests. Through this system, we ensure the compliance of non-certified timber suppliers with labor, environmental, land, tax and occupational health and safety legislation, laying the foundation for future certification. We also provide tree saplings for timber producers, which give preference to wood supply to Dexco. Additionally, one of the targets of the Sustainability Strategy is "For 80% of areas to be certified (FSC) by 2035.

(7.68.1.6) Climate change related benefit

Select all that apply

Increasing resilience to climate change (adaptation)

Increase carbon sink (mitigation)

Reduced demand for fossil fuel (adaptation)

Reduced demand for fertilizers (adaptation)

Reduced demand for pesticides (adaptation)

(7.68.1.7) Comment

The good management practices we encourage in fostered areas allow the reduction of the use of inputs and natural resources, in addition to increase productivity. By using the seedlings we supply, all the benefits of the genetic improvement program are shared with the fostered smallholders, such as the utilization of genetic materials well adapted to the local conditions, giving them better resilience to climate change.
[Add row]

(7.69.1) Provide details on those management practices that have other impacts besides climate change mitigation/adaptation and on your management response.

Row 1

(7.69.1.1) Management practice reference number

Select from:

MP1

(7.69.1.2) Overall effect

Select from:

Positive

(7.69.1.3) Which of the following has been impacted?

Select all that apply

Biodiversity

Soil

Water

Yield

(7.69.1.4) Description of impact

Every time Dexco acquires a new area for forest planting, a positive impact is generated on conserving biodiversity. Our forests are planted only in areas which were already used for commercial activities, so not only deforestation is prevented, but also part of these areas is set aside for conservation purposes, where the natural regeneration of these areas is made possible. Along with planted forests, Dexco maintains areas of native vegetation containing habitats suited to the development of local fauna and flora. These areas are connected through the biodiversity corridors at Dexcos units, contributing to the preservation of animal and plant species.

Studies have been conducted since the 1970s in partnership with universities in the conservation areas have monitored the positive impacts of the biodiversity conservation actions we carry out. In these locations, measures are in place to protect the environmental values, such as prohibiting hunting and fishing, patrols by forest rangers, actions for preservation and mitigation of forest fires, reduced speed limits and control of invasive species. These actions aim to protect old growth forests, thus also protecting the biodiversity found in these areas, including species within the local flora and fauna that are rare or threatened by extinction. We have already identified more than 2,000 flora and fauna species. From this total, 39 species are classified as highly threatened, threatened and vulnerable, according to the International Union for Conservation of Nature (IUCN).

(7.69.1.5) Have you implemented any response to these impacts?

Select from:

Yes

(7.69.1.6) Description of the response

Dexco is responsible for 141 thousand hectares of own and leased areas in Brazil, 31.9% of which are set aside for conservation. We continue to adopt best forestry management practices, certified according to FSC standards, ensuring the maintenance of conservation areas and habitats suited to development of fauna and flora. These conservation areas in our forest areas are interspersed with planted eucalyptus, allowing for connection between conservation areas and facilitating the flow of animals and plants. In Rio Grande do Sul, we also help producers by supporting their environmental licensing processes, sharing our intellectual capital so that these forest owners meet all of the legal requirements for forestry management. Since 1977, Dexco has carried out various studies on plant and animal life through partnerships with universities and research institutions that showed considerable diversity of wildlife and plant life in the conservation areas and forest plantations throughout different biomes. These studies contribute to the development of scientific research in Brazil by sharing the results with the scientific community through theses, dissertations, papers and participation at congresses. In 2019, a study conducted by an international consultancy assessment that ranked our management practices among the best standards worldwide, which reflects our commitment to sustainable development since the beginning of our operations.

Row 2

(7.69.1.1) Management practice reference number

Select from:

MP2

(7.69.1.2) Overall effect

Select from:

Positive

(7.69.1.3) Which of the following has been impacted?

Select all that apply

- Biodiversity
- Soil
- Yield
- Other, please specify :Local community

(7.69.1.4) Description of impact

Dexco does not use fire as a management practice. Actions guarantee prevention and combating of forest fires, so as to protect crop and conservation areas, as well as the community and employees, machinery and company facilities. The destruction of plant cover, resulting in an increase in the occurrence of ecological and humanitarian disasters, such as: soil erosion and major floods.

(7.69.1.5) Have you implemented any response to these impacts?

Select from:

- Yes

(7.69.1.6) Description of the response

Many forest workers are qualified as forest firefighters; surrounding communities are informed about forest operations and are given a communication channel that can be used to report fires; firebreaks maintenance.
[Add row]

(7.70.1) Provide details of those management practices implemented by your suppliers that have other impacts besides climate change mitigation/adaptation.

Row 1

(7.70.1.1) Management practice reference number

Select from:

- MP1

(7.70.1.2) Overall effect

Select from:

- Positive

(7.70.1.3) Which of the following has been impacted?

Select all that apply

- Biodiversity
 Soil
 Other, please specify :Working conditions

(7.70.1.4) Description of impacts

Dexco provides technical guidance to its outgrowers, ensuring that the best forest management practices are in place. By doing this, the conservation areas are adequately protected (no harvesting there), the soil is protected and the workers' rights are respected.

(7.70.1.5) Have any response to these impacts been implemented?

Select from:

- Yes

(7.70.1.6) Description of the response(s)

The due diligence system we have established for wood procurement ensures these positive impacts are amplified. Desk and field audits are conducted on all wood suppliers. If issues are found, an action plan is generated with a deadline to follow up. If there are major or recurring problems, the supplier is suspended until the issue is resolved.

[Add row]

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

- Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

- No taxonomy used to classify product(s) or service(s) as low carbon

(7.74.1.3) Type of product(s) or service(s)

Power

- Other, please specify :Electronic showers

(7.74.1.4) Description of product(s) or service(s)

Electronic and digital showers from Hydra brand

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

- Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

- Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

- Use stage

(7.74.1.8) Functional unit used

1 shower

(7.74.1.9) Reference product/service or baseline scenario used

Traditional electric showers with pre-set heating/temperature levels

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

7555.92

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

Electronic and digital showers allow the user to have precise control of the heating level. Compared to the traditional electric showers (with 3 or 4 pre-set heating/temperature levels), this avoids unnecessary energy use to reach the desired comfort water temperature. These energy savings avoid GHG emissions. Figure represents the avoided emissions in 2023.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

2.2

[Add row]

C8. Environmental performance - Forests

(8.1) Are there any exclusions from your disclosure of forests-related data?

	Exclusion from disclosure
Timber products	<i>Select from:</i> <input checked="" type="checkbox"/> No

[Fixed row]

(8.2) Provide a breakdown of your disclosure volume per commodity.

Timber products

(8.2.1) Disclosure volume (metric tons)

4567179.63

(8.2.2) Volume type

Select all that apply

Produced

Sourced

(8.2.3) Produced volume (metric tons)

3122533.02

(8.2.4) Sourced volume (metric tons)

1444646.6
[Fixed row]

(8.3) Provide details on the land you own, manage and/or control that is used to produce your disclosed commodities.

Timber products

(8.3.1) Type of control

Select from:

Own land

(8.3.2) Country/area

Select from:

Brazil

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

São Paulo

(8.3.5) Land type

Select from:

Tree plantations

(8.3.6) Area (hectares)

43225

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

1398581.5

(8.3.9) % area third-party certified

99.02

(8.3.10) Third-party certification scheme

Select all that apply

FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

Concessions/lease

(8.3.2) Country/area

Select from:

Brazil

(8.3.3) First-level administrative division

Select from:

- States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

São Paulo

(8.3.5) Land type

Select from:

- Tree plantations

(8.3.6) Area (hectares)

14191

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

- Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

584232.53

(8.3.9) % area third-party certified

87.88

(8.3.10) Third-party certification scheme

Select all that apply

- FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

Concessions/lease

(8.3.2) Country/area

Select from:

Brazil

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Rio Grande do Sul

(8.3.5) Land type

Select from:

Tree plantations

(8.3.6) Area (hectares)

1556

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

50389.57

(8.3.9) % area third-party certified

98.14

(8.3.10) Third-party certification scheme

Select all that apply

FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

Concessions/lease

(8.3.2) Country/area

Select from:

Brazil

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Minas Gerais

(8.3.5) Land type

Select from:

- Tree plantations

(8.3.6) Area (hectares)

28751

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

- Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

899075.99

(8.3.9) % area third-party certified

97.77

(8.3.10) Third-party certification scheme

Select all that apply

- FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

- Own land

(8.3.2) Country/area

Select from:

- Colombia

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Antioquia

(8.3.5) Land type

Select from:

Tree plantations

(8.3.6) Area (hectares)

3429

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

47721.41

(8.3.9) % area third-party certified

100

(8.3.10) Third-party certification scheme

Select all that apply

FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

Own land

(8.3.2) Country/area

Select from:

Colombia

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Caldas

(8.3.5) Land type

Select from:

Tree plantations

(8.3.6) Area (hectares)

276

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

134.02

(8.3.9) % area third-party certified

100

(8.3.10) Third-party certification scheme

Select all that apply

FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

Own land

(8.3.2) Country/area

Select from:

Colombia

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Tolima

(8.3.5) Land type

Select from:

- Tree plantations

(8.3.6) Area (hectares)

782

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

- Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

11115.04

(8.3.9) % area third-party certified

100

(8.3.10) Third-party certification scheme

Select all that apply

- FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

- Concessions/lease

(8.3.2) Country/area

Select from:

Colombia

(8.3.3) First-level administrative division

Select from:

States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Antioquia

(8.3.5) Land type

Select from:

Tree plantations

(8.3.6) Area (hectares)

2019

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

88513.69

(8.3.9) % area third-party certified

19.45

(8.3.10) Third-party certification scheme

Select all that apply

- FSC Forest Management certification

Timber products

(8.3.1) Type of control

Select from:

- Concessions/lease

(8.3.2) Country/area

Select from:

- Colombia

(8.3.3) First-level administrative division

Select from:

- States/equivalent jurisdictions

(8.3.4) Specify the states or equivalent jurisdictions

Santander

(8.3.5) Land type

Select from:

- Tree plantations

(8.3.6) Area (hectares)

682

(8.3.7) Indicate if you can provide the volume produced on land you own, manage and/or control

Select from:

Yes

(8.3.8) Volume produced on land you own, manage and/or control (metric tons)

2511.56

(8.3.9) % area third-party certified

0

(8.3.10) Third-party certification scheme

Select all that apply

FSC Forest Management certification

[Add row]

(8.4.1) Provide details on the land you own, manage and/or control that was not used to produce your disclosed commodities in the reporting year.

Row 1

(8.4.1.1) Country/area

Select from:

Brazil

(8.4.1.2) Type of control

Select from:

Own land

(8.4.1.3) Land type

Select from:

Set-aside land for conservation

(8.4.1.4) Area (hectares)

20259

(8.4.1.5) % covered by natural forests and other natural ecosystems

100

(8.4.1.6) Please explain

These set-aside areas are used exclusively for conservation purposes, surpassing the required minimum required by the Brazilian Forest Code (20%). They include permanent preservation areas (APPs), legal reserves (RLs) and other additional conservation areas. We monitor the regeneration stage of these areas using satellite imagery, classifying them in initial, intermediate and advanced stages.

Row 2

(8.4.1.1) Country/area

Select from:

Brazil

(8.4.1.2) Type of control

Select from:

Concessions/lease

(8.4.1.3) Land type

Select from:

Set-aside land for conservation

(8.4.1.4) Area (hectares)

(8.4.1.5) % covered by natural forests and other natural ecosystems

100

(8.4.1.6) Please explain

These set-aside areas are used exclusively for conservation purposes, surpassing the required minimum required by the Brazilian Forest Code (20%). They include permanent preservation areas (APPs), legal reserves (RLs) and other additional conservation areas. We monitor the regeneration stage of these areas using satellite imagery, classifying them in initial, intermediate and advanced stages.

Row 3**(8.4.1.1) Country/area**

Select from:

Brazil

(8.4.1.2) Type of control

Select from:

Own land

(8.4.1.3) Land type

Select from:

Area for infrastructure

(8.4.1.4) Area (hectares)

2936

(8.4.1.5) % covered by natural forests and other natural ecosystems

0

(8.4.1.6) Please explain

Area used for forestry infrastructure (roads, transmission lines and water reservoirs, for instance).

Row 4

(8.4.1.1) Country/area

Select from:

Colombia

(8.4.1.2) Type of control

Select from:

Own land

(8.4.1.3) Land type

Select from:

Set-aside land for conservation

(8.4.1.4) Area (hectares)

2783

(8.4.1.5) % covered by natural forests and other natural ecosystems

100

(8.4.1.6) Please explain

*Since 2011, we have carried out the work of characterizing forest conservation areas to determine the existence of species of special importance ("Assessment of the biological diversity of forests associated with the production centers of Dexco S.A."). In 2012, we began the process of identifying High Conservation Value Attributes as part of the preparation process for Voluntary Forest Certification. In 2014, after this identification, the update of High Conservation Value Forests was carried. From these analyses, the list of Dexco's High Conservation Value Areas ("HCVA") was obtained. In 2020, the species *Atapletes blancae* was identified on our areas and included on our HCVA's list. All these set-aside areas are used exclusively for conservation and are covered with natural vegetation in different ecological stages.*

Row 5

(8.4.1.1) Country/area

Select from:

Colombia

(8.4.1.2) Type of control

Select from:

Concessions/lease

(8.4.1.3) Land type

Select from:

Set-aside land for conservation

(8.4.1.4) Area (hectares)

892

(8.4.1.5) % covered by natural forests and other natural ecosystems

100

(8.4.1.6) Please explain

*Since 2011, we have carried out the work of characterizing forest conservation areas to determine the existence of species of special importance ("Assessment of the biological diversity of forests associated with the production centers of Dexco S.A."). In 2012, we began the process of identifying High Conservation Value Attributes as part of the preparation process for Voluntary Forest Certification. In 2014, after this identification, the update of High Conservation Value Forests was carried. From these analyses, the list of Dexco's High Conservation Value Areas ("HCVA") was obtained. In 2020, the species *Atapletes blancae* was identified on our areas and included on our HCVA's list. All these set-aside areas are used exclusively for conservation and are covered with natural vegetation in different ecological stages.*

Row 6

(8.4.1.1) Country/area

Select from:

Brazil

(8.4.1.2) Type of control

Select from:

Concessions/lease

(8.4.1.3) Land type

Select from:

Area for infrastructure

(8.4.1.4) Area (hectares)

2638

(8.4.1.5) % covered by natural forests and other natural ecosystems

0

(8.4.1.6) Please explain

Area used for forestry infrastructure (roads, transmission lines and water reservoirs, for instance).

Row 7

(8.4.1.1) Country/area

Select from:

Brazil

(8.4.1.2) Type of control

Select from:

Own land

(8.4.1.3) Land type

Select from:

Other land type, please specify :Tree plantations

(8.4.1.4) Area (hectares)

3232

(8.4.1.5) % covered by natural forests and other natural ecosystems

0

(8.4.1.6) Please explain

Own areas with tree plantations in the Rio Grande do Sul state. As there was no harvesting on these areas in 2023, this area is disclosed in this question instead of 8.3.

Row 8

(8.4.1.1) Country/area

Select from:

Colombia

(8.4.1.2) Type of control

Select from:

Own land

(8.4.1.3) Land type

Select from:

Other land type, please specify :Tree plantations

(8.4.1.4) Area (hectares)

127

(8.4.1.5) % covered by natural forests and other natural ecosystems

0

(8.4.1.6) Please explain

*Own areas with tree plantations in the Santander department. As there was no harvesting on these areas in 2023, this area is disclosed in this question instead of 8.3.
[Add row]*

(8.5) Provide details on the origins of your sourced volumes.

Timber products

(8.5.1) Country/area of origin

Select from:

Brazil

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

São Paulo

(8.5.4) Volume sourced from country/area of origin (metric tons)

345383.89

(8.5.5) Source

Select all that apply

- Independent smallholders
- Single contracted producer
- Multiple contracted producers

(8.5.7) Please explain

Wood sourced from third parties in São Paulo state in 2023. Biomes covered: Mata Atlântica and Cerrado

Timber products

(8.5.1) Country/area of origin

Select from:

- Brazil

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Minas Gerais

(8.5.4) Volume sourced from country/area of origin (metric tons)

204584.62

(8.5.5) Source

Select all that apply

- Independent smallholders
- Single contracted producer
- Multiple contracted producers

(8.5.7) Please explain

Wood sourced from third parties in Minas Gerais state in 2023. Biomes covered: Cerrado

Timber products

(8.5.1) Country/area of origin

Select from:

- Brazil

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Rio Grande do Sul

(8.5.4) Volume sourced from country/area of origin (metric tons)

799502.43

(8.5.5) Source

Select all that apply

- Independent smallholders

- Company-affiliated smallholders
- Single contracted producer
- Multiple contracted producers

(8.5.7) Please explain

Wood sourced from third parties in Rio Grande do Sul state in 2023. Biomes covered: Mata Atlântica and Pampa

Timber products

(8.5.1) Country/area of origin

Select from:

- Colombia

(8.5.2) First level administrative division

Select from:

- States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Antioquia

(8.5.4) Volume sourced from country/area of origin (metric tons)

129014

(8.5.5) Source

Select all that apply

- Independent smallholders
- Single contracted producer
- Multiple contracted producers

(8.5.7) Please explain

Wood sourced from third parties in Antioquia department in 2023. Biomes covered: Andina natural region

Timber products

(8.5.1) Country/area of origin

Select from:

Colombia

(8.5.2) First level administrative division

Select from:

States/equivalent jurisdictions

(8.5.3) Specify the states or equivalent jurisdictions

Tolima

(8.5.4) Volume sourced from country/area of origin (metric tons)

36615

(8.5.5) Source

Select all that apply

Independent smallholders

Single contracted producer

Multiple contracted producers

(8.5.7) Please explain

Wood sourced from third parties in Tolima department in 2023. Biomes covered: Andina natural region

[Add row]

(8.7) Did your organization have a no-deforestation or no-conversion target, or any other targets for sustainable production/ sourcing of your disclosed commodities, active in the reporting year?

Timber products

(8.7.1) Active no-deforestation or no-conversion target

Select from:

Yes, we have a no-conversion target

(8.7.2) No-deforestation or no-conversion target coverage

Select from:

Organization-wide (including suppliers)

(8.7.5) Other active targets related to this commodity, including any which contribute to your no-deforestation or no-conversion target

Select from:

Yes, we have other targets related to this commodity

[Fixed row]

(8.7.1) Provide details on your no-deforestation or no-conversion target that was active during the reporting year.

Timber products

(8.7.1.1) No-deforestation or no-conversion target

Select from:

No-conversion

(8.7.1.2) Your organization's definition of "no-deforestation" or "no-conversion"

Definition of conversion: conversion of certain types of forests into other kinds of forests or other wooded land. Sustainable forest management systems can be employed, provided they do not lead to a conversion. Conversion for other uses such as urban development or infrastructure does not fall under the conversion definition. For instance, wood from a forest area that has been legally harvested to build a road would not be considered conversion. Definition aligned with the EUDR.

(8.7.1.3) Cutoff date

Select from:

2020

(8.7.1.4) Geographic scope of cutoff date

Select from:

Applied globally

(8.7.1.5) Rationale for selecting cutoff date

Select from:

Legal requirements

(8.7.1.6) Target date for achieving no-deforestation or no-conversion

Select from:

2024

[Add row]

(8.7.2) Provide details of other targets related to your commodities, including any which contribute to your no-deforestation or no-conversion target, and progress made against them.

Timber products

(8.7.2.1) Target reference number

Select from:

Target 1

(8.7.2.2) Target contributes to no-deforestation or no-conversion target reported in 8.7

Select from:

Yes, this target contributes to our no-conversion target

(8.7.2.3) Target coverage

Select from:

Country/area/region

(8.7.2.4) Commodity volume covered by target (metric tons)

Select from:

Total commodity volume associated with operations or locations covered by target

(8.7.2.5) Category of target & Quantitative metric

Third-party certification

Other third-party certification target metric, please specify :Percentage of managed areas with third-party certification

(8.7.2.7) Third-party certification scheme

Forest management unit/Producer certification

FSC Forest Management certification

(8.7.2.8) Date target was set

12/01/2021

(8.7.2.9) End date of base year

12/31/2020

(8.7.2.10) Base year figure

97.5

(8.7.2.11) End date of target

12/31/2025

(8.7.2.12) Target year figure

100

(8.7.2.13) Reporting year figure

97.1

(8.7.2.14) Target status in reporting year

Select from:

Underway

(8.7.2.15) % of target achieved relative to base year

-16.00

(8.7.2.16) Global environmental treaties/ initiatives/ frameworks aligned with or supported by this target

Select all that apply

Kunming-Montreal Global Biodiversity Framework

Sustainable Development Goals

(8.7.2.17) Explain target coverage and identify any exclusions

Managed forest areas in Brazil (owned and leased).

(8.7.2.18) Plan for achieving target, and progress made to the end of the reporting year

In our Sustainability Strategy published in 2021, we maintained and renewed our previous target to reach 100% of our own and leased areas in Brazil certified according to FSC Forest Management Standards. Our commitment to FSC goes back to 1995, when Dexco was the first company to achieve this certification in the Southern Hemisphere. We believe that the relevance and reach of FSC Principles and Criteria for environmental, social and economic aspects are significant enough to measure our performance on forest management. Therefore, we aim to have all our forests in Brazil certified against this standard by 2025, ensuring the supply of wood from responsible sources to our panel factories. This is also a solid action to enforce our commitment to no conversion of natural ecosystems, since FSC does not allow this in certified areas and its compliance is annually verified in our annual surveillance audits by a third-party. This process is led by our Environmental Management team in the Wood Division, which is highly qualified on FSC standards and Dexco is a member of FSC International and FSC Brazil, ensuring we have the resources to achieve this goal. Since 2020, Dexco is part of FSC Brazil Board of Directors and in 2021 our designated representative was elected Chairperson of the BoD and President of FSC Brazil. From 2021 to 2023 we had some areas of expansion, which were not owned by Dexco when the target was set. These areas were acquired without certification, therefore the percentage of certified areas decreased. We expect to reach 99% by the end of 2024.

(8.7.2.20) Further details of target

As a company with a mainly vertical business model (managing forests to supply our factories), it makes sense to have all areas under our direct control to become certified. The percentage of volume certified is defined according to FSC chain of custody requirements for our factories.
[Add row]

(8.8) Indicate if your organization has a traceability system to determine the origins of your sourced volumes and provide details of the methods and tools used.

Timber products

(8.8.1) Traceability system

Select from:

Yes

(8.8.2) Methods/tools used in traceability system

Select all that apply

Chain-of-custody certification

Value chain mapping

Supplier engagement/communication

Internal traceability system

(8.8.3) Description of methods/tools used in traceability system

All our Brazilian factories are certified according to FSC Chain of Custody standard, which ensures only wood from responsible sources are used in our manufacturing process. For wood grown in our own forests, we have a complete database that allows us to track every truck load of wood up to the plot within the forest. Every load has the transportation documentation as required by law. For procured wood, we have a due diligence system in place. Every supplier is assessed against our standard and measures are taken according to the risk of origin. This system requires us to conduct field audits in all our suppliers' forests that are not FSC-certified, including all the suppliers of the mills that supply us sawdust. Every audit results in a score and if a supplier reaches an established threshold, it can be suspended until the issues identified on the audit are solved or, if major problems (child labor, for instance) are found, it can be banished from our pool of suppliers. This system is annually audited by a third party as part of our FSC chain of custody certification. For example, in 2023 we conducted 142 field and desk audits on the suppliers of our Taquari, Itapetininga and Agudos plants. As a result of these audits, 1 indirect supplier was excluded due to health, safety and labor-related documentation issues. At Dexco Colombia we source wood in accordance with the requirements of national regulations and legislation, complying with the mobility certificate requirements corresponding to the plantation registry for each of the own wood trips that are moved for the plants. On the other hand, the wood that comes from third parties requires a commercial agreement to enter each of the plants and, to establish this agreement, each of the third parties is required to send the plantation registration documentation. Also, each of the wood transport trips must present the mobility permit associated with the plantation registry, which must coincide with the number that was registered in the commercial agreement.

[Fixed row]

(8.8.1) Provide details of the point to which your organization can trace its sourced volumes.

Timber products

(8.8.1.1) % of sourced volume traceable to production unit

98

(8.8.1.2) % of sourced volume traceable to sourcing area and not to production unit

2

(8.8.1.3) % sourced volume traceable to country/area of origin and not to sourcing area or production unit

0

(8.8.1.4) % of sourced volume traceable to other point (i.e., processing facility/first importer) not in the country/area of origin

0

(8.8.1.5) % of sourced volume from unknown origin

0

(8.8.1.6) % of sourced volume reported

100.00
[Fixed row]

(8.9) Provide details of your organization's assessment of the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of its disclosed commodities.

Timber products

(8.9.1) DF/DCF status assessed for this commodity

Select from:

Yes, deforestation- and conversion-free (DCF) status assessed

(8.9.2) % of disclosure volume determined as DF/DCF in the reporting year

98

(8.9.3) % of disclosure volume determined as DF/DCF through a third-party certification scheme providing full DF/DCF assurance

83.4

(8.9.4) % of disclosure volume determined as DF/DCF through monitoring of production unit

(8.9.5) % of disclosure volume determined as DF/DCF through monitoring of sourcing area

0

(8.9.6) Is a proportion of your disclosure volume certified through a scheme not providing full DF/DCF assurance?

Select from:

 No

[Fixed row]

(8.9.1) Provide details of third-party certification schemes used to determine the deforestation-free (DF) or deforestation- and conversion-free (DCF) status of the disclosure volume, since specified cutoff date.

	Third-party certification scheme providing full DF/DCF assurance	% of disclosure volume determined as DF/DCF through certification scheme providing full DF/DCF assurance	Comment
Timber products	Forest management unit/Producer certification <input checked="" type="checkbox"/> FSC Forest Management certification	83.4	<i>FSC-certified wood used in our factories.</i>

[Add row]

(8.9.3) Provide details of production unit monitoring used to determine deforestation-free (DF) or deforestation- and conversion-free (DCF) status of volumes since specified cutoff date.

Timber products**(8.9.3.1) % of disclosure volume determined as DF/DCF through monitoring of production unit**

(8.9.3.2) Production unit monitoring approach

Select all that apply

- Ground-based monitoring system

(8.9.3.3) Description of production unit monitoring approach

Direct operations: Dexco is an FSC member, and as such has the commitment not to convert any natural forest into plantations or any other land use. As part of our annual surveillance audits to maintain our FSC Forest Management certification, we must show compliance to this requirement, with greater detail for the areas that are being included into the certified scope. The assessment and monitoring of these areas are made initially through satellite imagery and, if necessary, field visits. Supply chain: According to our Responsible Forest Management Internal Standard, we do not buy wood from areas being converted. Through our due diligence system for wood procurement, we visit all our suppliers in field audits and one of the assessed points is the presence of deforestation or conversion. If any of these are found on the area, the supplier is immediately suspended.

(8.9.3.4) DF/DCF status verified

Select from:

- No

[Fixed row]

(8.10) Indicate whether you have monitored or estimated the deforestation and conversion of other natural ecosystems footprint for your disclosed commodities.

	Monitoring or estimating your deforestation and conversion footprint
Timber products	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

(8.10.1) Provide details on the monitoring or estimating of your deforestation and conversion footprint.

Timber products

(8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:

- We monitor the deforestation and conversion footprint on the land we own, manage or control

(8.10.1.2) % of disclosure volume monitored or estimated

65.7

(8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

- During the reporting period
 Since a specified cutoff date

(8.10.1.4) Year of cutoff date

1994

(8.10.1.5) Known or estimated deforestation and conversion footprint in the reporting period (hectares)

0

(8.10.1.6) Known or estimated deforestation and conversion footprint since the specified cutoff date (hectares)

422.31

(8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

The monitoring of conversion is done using concepts of photo-interpretation and digital processing of satellite images, which are acquired through orbital remote sensors and processed using Geographic Information Systems software. Data from MapBiomass is also used for the analysis. The comparison is made annually (since 2020) in all management units in Brazil, assessing the existence of land use changes between the periods of analysis that could characterize conversion.

Timber products

(8.10.1.1) Monitoring and estimating your deforestation and conversion footprint

Select from:

- We monitor the deforestation and conversion footprint in our value chain

(8.10.1.2) % of disclosure volume monitored or estimated

10.6

(8.10.1.3) Reporting of deforestation and conversion footprint

Select all that apply

- During the reporting period
- Since a specified cutoff date

(8.10.1.4) Year of cutoff date

1994

(8.10.1.5) Known or estimated deforestation and conversion footprint in the reporting period (hectares)

0

(8.10.1.6) Known or estimated deforestation and conversion footprint since the specified cutoff date (hectares)

17.61

(8.10.1.9) Describe the methods and data sources used to monitor or estimate your deforestation and conversion footprint

The monitoring of conversion is done using concepts of photo-interpretation and digital processing of satellite images, which are acquired through orbital remote sensors and processed using Geographic Information Systems software. Imagery from Google Earth and Landviewer are also used for the analysis. The comparison is made annually (since 2020) in all management units that are part of our fostered producers certification groups, assessing the existence of land use changes between the periods of analysis that could characterize conversion.

[Add row]

(8.11) For volumes not assessed and determined as deforestation- and conversion-free (DCF), indicate if you have taken actions in the reporting year to increase production or sourcing of DCF volumes.

	<p>Actions taken to increase production or sourcing of DCF volumes</p>
<p>Timber products</p>	<p>Select from: <input checked="" type="checkbox"/> Yes</p>

[Fixed row]

(8.11.1) Provide details of actions taken in the reporting year to assess and increase production/sourcing of deforestation- and conversion-free (DCF) volumes.

Timber products

(8.11.1.1) Action type

Select from:

Increasing traceability

(8.11.1.2) % of disclosure volume that is covered by this action

(8.11.1.3) Indicate whether you had any major barriers or challenges related to this action in the reporting year

Select from:

No

(8.11.1.4) Main measures identified to manage or resolve the challenges

Select all that apply

Greater enforcement of regulations

(8.11.1.5) Provide further details on the actions taken, their contribution to achieving DCF status, and any related barriers or challenges

The volumes reported as DCF represent the non-certified wood sourced in Colombia. Even though we are not able to ensure the DCF status of this material, it is possible to manually trace its origin through the legal documents issued by the Colombian Agricultural Institute (ICA). As this is a burdensome manual process, there is no systematic approach for this traceability, rather implementing it as needed.

[Add row]

(8.14) Indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards, and provide details.

(8.14.1) Assess legal compliance with forest regulations

Select from:

Yes, from both suppliers and owned/managed/controlled land

(8.14.2) Aspects of legislation considered

Select all that apply

Labor rights

Land use rights

Third parties' rights

Environmental protection

- Human rights protected under international law
- Tax, anti-corruption, trade and customs regulations
- Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting

(8.14.3) Procedure to ensure legal compliance

Select all that apply

- Certification
- First party audits
- Third party audits
- Third party databases
- Ground-based monitoring
- Supplier self-declaration
- Remote sensing or other geospatial monitoring

(8.14.4) Indicate if you collect data regarding compliance with the Brazilian Forest Code

Select from:

- Yes

(8.14.5) Please explain

Our wood panel factories in Brazil are supplied only with certified wood or wood from other controlled sources, and in our Colombian units, the supply is made with certified wood or wood registered with the ICA (Colombian Agricultural Institute). All wood used as raw materials by Dexco come from Brazil and Colombia. In 2023, 81.5% of the total wood used by Dexco as raw material had third-party forest certification. For the wood acquired from third parties (controlled) in Brazil, we have a due diligence system that assesses environmental, land, labor, tax, and social issues both from the suppliers and the supply areas. All suppliers undergo a documentary approval audit before wood acquisition, followed by field audits conducted by Dexco technicians at each supply unit in all links of the chain, until reaching the original forest of the wood. This allows us to ensure complete traceability of the raw material for our forest-based products. With these processes, we guarantee that the wood used by Dexco does not involve: Wood illegally harvested; Wood harvested in violation of human and traditional rights; Wood harvested in threatened areas of high conservation value (HCVAs); Wood from conversion or deforestation areas; or Wood from genetically modified trees. When deviations are identified in the audits, the supplier, together with Dexco, develops an action plan to correct these points. In 2023, we conducted 142 desk and field audits, involving 32 suppliers (tier 1) and subcontractors (tier 2). As a result of these audits, 1 subcontractor was excluded due to deviations related to labor documentation, and use of personal protective equipment. No issues related to deforestation or compliance to the Brazilian Forest Code were found.

[Fixed row]

(8.15) Do you engage in landscape (including jurisdictional) initiatives to progress shared sustainable land use goals?

	Engagement in landscape/jurisdictional initiatives
	Select from: <input checked="" type="checkbox"/> Yes, we engage in landscape/jurisdictional initiatives

[Fixed row]

(8.15.1) Indicate the criteria you consider when prioritizing landscapes and jurisdictions for engagement in collaborative approaches to sustainable land use and provide an explanation.

(8.15.1.1) Criteria for prioritizing landscapes/jurisdictions for engagement

Select all that apply

Organization has operational presence in area

(8.15.1.2) Explain your process for prioritizing landscapes/jurisdictions for engagement

Since 2020 Dexco is part of São Paulo Forest Forum (FFSP), which is the regional representative of the Brazilian Forest Dialogue. With over 60% of our forest areas in Brazil located in São Paulo state, it makes sense for us to engage on this forum. In 2021, an initiative for constructing a land use dialogue through participative sustainable landscape planning (known as LUD-P3S) was launched within the Forum, with its activities held throughout 2022 and 2023.

[Fixed row]

(8.15.2) Provide details of your engagement with landscape/jurisdictional initiatives to sustainable land use during the reporting year.

Row 1

(8.15.2.1) Landscape/jurisdiction ID

Select from:

LJ1

(8.15.2.2) Name of initiative

Fórum Florestal Paulista (São Paulo Forest Forum)

(8.15.2.3) Country/area

Select from:

Brazil

(8.15.2.4) Name of landscape or jurisdiction area

Botucatu, Pardinho, Bofete and Itatinga (cities in São Paulo state)

(8.15.2.5) Attach public information about the initiative (optional)

lud-p3s-dialogo-campo-etapas1-e-2-pt-1.pdf

(8.15.2.6) Indicate if you can provide the size of the area covered by the initiative

Select from:

Yes

(8.15.2.7) Area covered by the initiative (ha)

332589.4

(8.15.2.8) Type of engagement

Select all that apply

Partner: Shares responsibility with other stakeholders to manage and implement actions.

Funder: Provides full or partial financial resources

(8.15.2.9) Engagement start year

(8.15.2.10) Engagement end year

Select from:

- Not defined

(8.15.2.11) Estimated investment over the project period

3285

(8.15.2.12) Landscape goals supported by engagement

Environmental

- Natural ecosystems conserved and/or restored

Governance

- Governance forums that represent all relevant stakeholders in place and maintained
- Promotion of transparency, participation, inclusion, and coordination in landscape policy, planning, and management

Production

- Increased adoption of sustainable production practices (e.g., input use efficiency and water management practices)

(8.15.2.13) Organization actions supporting initiative

Participate in planning and multi-stakeholder alignment

- Co-design and develop goals, strategies and an action plan with timebound targets and milestones for the initiative
- Collaborate on landscape sustainability assessments through participatory mapping
- Collaborate on management/land use planning in the landscape/jurisdiction
- Help establish a transparent governance platform responsible for managing the initiative and its activities with clear roles, responsibilities and balanced decision-making
- Identify and act on opportunities for pre-competitive collaboration with your sector

(8.15.2.14) Type of partners engaged in the initiative design and implementation

Select all that apply

- Sub-national government
- Local communities
- NGO and/or civil society
- Producers
- Private sector

(8.15.2.15) Description of engagement

São Paulo Forest Forum (FFSP) working group for Land Use Dialogue and Participative Sustainable Landscape Planning (LUD-P3S). This is a group formed in 2021 within the FFSP to engage stakeholders on identifying the current state of environmental, social and economic aspects on the defined region, comprising the territories of Itatinga, Botucatu, Pardinho and Bofete. The main goal of this initiative is to discuss land use practices in the selected landscape to ensure they are adequate to regional characteristics, respecting cultural values, local species conservation and maintenance of aquifer recharge areas. The Forum convenes representatives from forest companies, universities and local organizations. The project is on its initial phase, with the scope dialogue being held on November 2021. Besides being a member of the São Paulo Forest Forum, Dexco is part of the consultive group which is developing the land use dialogue (LUD-P3S) project in São Paulo.

(8.15.2.16) Collective monitoring framework used to measure progress towards landscape goals and actions

Select from:

- Yes, progress is monitored using an internally defined framework

(8.15.2.17) State the achievements of your engagement so far and how progress is monitored

Dexco is participating on the LUD P3S since its inception. In 2023, we took part on the land use field dialogue that was held by the Fórum Florestal Paulista, which focused on the definition of priority actions required to implement its objectives. This dialogue resulted in 5 priority actions, such as environmental education, widespread adoption of sustainable agricultural practices and integrated regional planning. With direct participation on the dialogue, Dexco can contribute on the development processes for these actions. As the project still is on the conceptual phase, performance indicators are not yet defined, but are being collectively constructed by the participant stakeholders.

(8.15.2.18) Claims made

Select from:

No, we are not making any claims, and we do not plan to within the next two years

[Add row]

(8.15.3) For each of your disclosed commodities, provide details on the disclosure volume from each of the landscapes/jurisdictions you engage in.

Row 1

(8.15.3.1) Landscape/jurisdiction ID

Select from:

LJ1

(8.15.3.2) Does any of your produced and/or sourced commodity volume originate from this landscape/jurisdiction, and are you able/willing to disclose information on this volume?

Select from:

Yes, we do produce/source from this landscape/jurisdiction, and we are able/willing to disclose volume data

(8.15.3.3) Commodity

Select from:

Timber products

(8.15.3.4) % of disclosure volume from this landscape/jurisdiction

6.31

[Add row]

(8.16.1) Provide details of the external activities to support the implementation of your policies and commitments related to deforestation, ecosystem conversion, or human rights issues in commodity value chains

Row 1

(8.16.1.1) Commodity

Select all that apply

- Timber products

(8.16.1.2) Activities

Select all that apply

- Engaging with communities

(8.16.1.3) Country/area

Select from:

- Brazil

(8.16.1.4) Subnational area

Select from:

- Please specify :Rio Grande do Sul

(8.16.1.5) Provide further details of the activity

Dexco has a forest fostering program mainly directed to smallholders, where we supply seedlings and technical orientation for these partners to grow forests in their landbank. As part of the instructions given, concepts of human rights, environmental and labor-related requirements are shared with those engaged. When the forests reach their harvesting age, Dexco has the preference for buying the timber produced there. Through this program, we are able to share good forestry practices with these stakeholders and also provide an alternate source of income coming from the sale of wood produced by them.

[Add row]

(8.17.1) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Row 1

(8.17.1.1) Project reference

Select from:

- Project 1

(8.17.1.2) Project type

Select from:

- Natural regeneration

(8.17.1.3) Expected benefits of project

Select all that apply

- Compliance with regulation
- Compliance with certification
- Reduce/halt biodiversity loss
- Increase in carbon sequestration
- Restoration of natural ecosystem(s)
- Net gain in biodiversity and ecosystem integrity

(8.17.1.4) Is this project originating any carbon credits?

Select from:

- No

(8.17.1.5) Description of project

Brazilian Forest Code (Law 12651/2012) requires all rural properties to set aside at least 20% of their areas to conservation in Mata Atlantica, Cerrado and Pampa biomes. Therefore, Dexco had at the end of 2023 31.9% of its own and leased lands in Brazil set aside for conservation purposes (4;5.2 thousand hectares). In order to measure the environmental quality of these areas, we conduct biodiversity studies (every 3 years for fauna, every 5 years for flora) in some key plots that are representative of the remaining areas. For areas that were planted with eucalyptus and now are set aside for conservation, we have procedures in place to monitor the natural regeneration for at least 5 years in order to evaluate if further actions are needed.

(8.17.1.6) Where is the project taking place in relation to your value chain?

Select all that apply

Project based in area with direct operations

(8.17.1.7) Start year

2012

(8.17.1.8) Target year

Select from:

Indefinitely

(8.17.1.9) Project area to date (Hectares)

45210.26

(8.17.1.10) Project area in the target year (Hectares)

45210.26

(8.17.1.11) Country/Area

Select from:

Brazil

(8.17.1.12) Latitude

-23.940794

(8.17.1.13) Longitude

-47.73391

(8.17.1.14) Monitoring frequency

Select from:

Annually

(8.17.1.15) Total investment over the project period (currency)

0

(8.17.1.16) For which of your expected benefits are you monitoring progress?

Select all that apply

- Increase in carbon sequestration
- Reduce/halt biodiversity loss

(8.17.1.17) Please explain

The 2012 beginning date is defined by the approval of the most recent Brazilian Forest Code. Dexco has been maintaining set aside areas for several years, dating back to the 70s. However, considering that many areas were acquired throughout the years, we chose the 2012 date for standardization. Since this is a continuous action already in place, we consider our conservation areas as the target. The coordinates are from one of our set aside areas, just for example. All our farms have set aside areas according to the law. Since the first biodiversity studies in the 70s, we have registered more than 2,600 species of native flora and fauna on these set-aside areas. Of these, 39 are classified by the IUCN as threatened with extinction (VU, EN and CR categories). In 2023 these areas contributed for the removal of over 177 thousand tCO₂e. This number was externally audited by Ernest & Young.

[Add row]

C9. Environmental performance - Water security

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water withdrawals are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco monitors water withdrawal data from its Brazilian and Colombian operations. In 2023, Dexco has withdrawn a total of 3,591.6 megaliters of water, 96.4% of which to supply operations in Brazil.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water withdrawals are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco monitors water abstraction by data source from its operations in Brazil and Colombia. In operations in Brazil, the main source is groundwater (74.0% of the total withdrawn in 2023) and in operations in Colombia, surface water represents the largest consumption (85% in 2023).

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water withdrawals are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

The productive and environmental areas of the units are responsible for the control of water quality parameters, in order to comply with local legislation regarding the respective treatment standards. The production units may conduct internal water analysis in their own laboratories, in addition to maintaining outsourced monitoring, according to local periodicity and requirements.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharges are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco monitors water discharge data from Brazilian and Colombian operations. In 2023, Dexco disposed of a total of 728.1 megaliters of water (effluents), with 94.7% by its operations in Brazil.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharges are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco measures and monitors water discharges by destination at all units in Brazil and Colombia. The monitored destination and its percentage share of water discharges.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharges are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco measures and monitors water discharges by treatment method at all facilities. The treatment methods monitored (and their percentage share of water discharges) in 2023 were: Brazil: primary - 2,3%; secondary - 89.2%; tertiary - 8.4%; without treatment (septic tank, irrigation field, authorized by law) - 0.1%. Colombia: secondary - 99.6%; tertiary - 0.4%

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharges are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

The effluents released by Dexco comply with the standards required by legislation. According to each type of disposal, there are specific parameters to be followed and met, in accordance with the rules and requirements of environmental agencies.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

Not relevant

(9.2.4) Please explain

The effluents released by Dexco comply with the standards required by legislation. The emissions to water (nitrates, phosphates, pesticides, and/or other priority substances) are not relevant due to the nature of the business. There is no expected change on the relevance of this category in the future.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water discharges are monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

The effluents released by Dexco comply with the standards required by legislation. According to each type of disposal, there are specific parameters to be followed and met, in accordance with the norms and requirements of environmental agencies. Temperature is also one of the standards monitored to avoid impacting, in particular, local waterways.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water consumption is monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco monitors water consumption data at all units, both in Brazilian and Colombian operations. Total water consumption at Dexco was 2,863.5 megaliters in 2023, considering the difference between the total amount of water collected and that of water released into surface courses or public sanitation networks.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

100%

(9.2.2) Frequency of measurement

Select from:

Monthly

(9.2.3) Method of measurement

Water reuse is monitored monthly and the data is added to an online management platform.

(9.2.4) Please explain

Dexco monitors water reuse data at all units, both in Brazilian and Colombian operations. Total water reuse at Dexco was 5,395.8 megaliters in 2023.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

Not monitored

(9.2.4) Please explain

While WASH services are adequately supplied to all workers, in compliance with local regulations, we do not have yet established a performance indicator for its monitoring.

[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

3591.7

(9.2.2.2) Comparison with previous reporting year

Select from:

Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

Compared to the previous year, there was a total decrease of 20.0% in water intake. In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020). These goals were defined in the Sustainability Strategy published in 2021 and revised in 2023, consolidating all business-specific relative targets into one single absolute target. Criterion for year over year comparison: Much higher: 6%, Higher: 3%, About the same: -3%, Much lower: -6%.

Total discharges

(9.2.2.1) Volume (megaliters/year)

728.1

(9.2.2.2) Comparison with previous reporting year

Select from:

Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

Compared to the previous year, there was a total decrease of 21.4% in water discharge. In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020). Therefore, if withdrawals are lower, the discharges should also be lower. These goals were defined in the Sustainability Strategy published in 2021 and revised in 2023, consolidating all business-specific relative targets into one single absolute target. Criterion for year over year comparison: Much higher: 6%, Higher: 3%, About the same: -3%, Much lower: -6%.

Total consumption

(9.2.2.1) Volume (megaliters/year)

2863.5

(9.2.2.2) Comparison with previous reporting year

Select from:

Much lower

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.2.4) Five-year forecast

Select from:

Lower

(9.2.2.5) Primary reason for forecast

Select from:

Increase/decrease in efficiency

(9.2.2.6) Please explain

Compared to the previous year, there was a total decrease of 15.9% in water consumption. In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020). Therefore, if withdrawals are lower, the consumption should also be lower. These goals were defined in the Sustainability Strategy published in 2021 and revised in 2023, consolidating all business-specific relative targets into one single absolute target. Criterion for year over year comparison: Much higher: 6%, Higher: 3%, About the same: -3%, Much lower: -6%.

[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:

Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

71.5

(9.2.4.3) Comparison with previous reporting year

Select from:

Much higher

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.4.5) Five-year forecast

Select from:

About the same

(9.2.4.6) Primary reason for forecast

Select from:

Maximum potential volume reduction already achieved

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

1.99

(9.2.4.8) Identification tool

Select all that apply

WRI Aqueduct

(9.2.4.9) Please explain

Dexco carried out a study with the aim of assessing the situation of the river basins where our industrial units are located, considering aspects related to water, the economy, society and politics. The company deepened this study through an assessment of industrial departments to understand how local factors related to water – such as changes in rainfall and competition for this resource, for example – can impact industrial operations. We also use the AQUEDUCT tool to understand the areas of greatest exposure to water risk. In this study, only one site is located in water-stressed areas (Metais São Paulo).

[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

681.9

(9.2.7.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.7.5) Please explain

In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020).

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

Dexco does not use brackish surface water/seawater.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

Dexco does not use groundwater from renewable sources (shallow wells).

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

2578.3

(9.2.7.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.7.5) Please explain

In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020).

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

Not relevant

(9.2.7.5) Please explain

Dexco does not use produced water.

Third party sources

(9.2.7.1) Relevance

Select from:

Relevant

(9.2.7.2) Volume (megaliters/year)

329.5

(9.2.7.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.7.5) Please explain

In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020).

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

372.2

(9.2.8.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.8.5) Please explain

In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020).

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

Not relevant

(9.2.8.5) Please explain

Dexco does not discharge water into brackish surface water/sea water.

Groundwater

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

6.1

(9.2.8.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.8.5) Please explain

In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020).

Third-party destinations

(9.2.8.1) Relevance

Select from:

Relevant

(9.2.8.2) Volume (megaliters/year)

349.8

(9.2.8.3) Comparison with previous reporting year

Select from:

Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.8.5) Please explain

In 2023, we shut down 2 factories (Louças Queimados and Painéis Manizales) and suspended operations in 1 factory (RC 2). The forecast for use in 5 years is lower because we have an target for reducing 10% of absolute water withdrawals by 2025 (baseline 2020).

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

58.4

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

100%

(9.2.9.6) Please explain

The tertiary treatment decreased by 8.0% in comparison to 2022. These variations occurred due to the nature of the business in the period and to the shutdown of the Louças Queimados site in 2023. The sites that used tertiary treatment in 2023 were two factories of sanitary ware and two factories of metal fittings. This level of treatment is employed due to the characteristics of wastewater generated on these sites. The company complies with all legal standards. Our definition of change: Much higher: 10%, Higher: 5%, About the same: -5%, Much lower: -10%.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

653.6

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Facility closure

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

100%

(9.2.9.6) Please explain

Dexco's units are spread across 8 states in Brazil and Colombia, that said, in Brazil, the most common type of treatment used by concessionaires is secondary treatment, that is, removal via biological action of nutrients. The secondary treatment decreased by 20.0% in comparison to 2022. 90% of the discharged water goes through secondary treatment. The variations occurred due to the nature of the business in the period and also due to the shutdown of two factories and the

suspension of one factory in 2023. The company complies with all legal standards. Our definition of category was based on our targets for the eco-efficient use of raw materials, with a simple average of water use per business to meet the total reduction target over the 5 years and: Much higher: 6%, Higher: 3%, About the same: -3%, Much lower: -6%.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

15.6

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

100%

(9.2.9.6) Please explain

The primary treatment decreased by 2% in comparison to 2022. 2% of the discharged water goes through primary treatment. This treatment is mainly used in our Hydra Aracaju site for discharging water used for the testing of electronic showers. These variations occurred due to the nature of the business in the period. The company complies with all legal standards. Our definition of category was based on our targets for the eco-efficient use of raw materials, with a simple average of water use per business to meet the total reduction target over the 5 years and: Much higher: 6%, Higher: 3%, About the same: -3%, Much lower: -6%.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

This category is not relevant because Dexco does not discharge water directly into natural environment without treatment.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Relevant

(9.2.9.2) Volume (megaliters/year)

0.5

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

Much lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

100%

(9.2.9.6) Please explain

The volume of discharge to third parties without treatment decreased 10.5%, compared to 2022. It is worth mentioning that for this indicator we consider septic tank and irrigation field, authorized by law. The company complies with all legal standards. Our definition of category was based on our targets for the eco-efficient use of raw materials, with a simple average of water use per business to meet the total reduction target over the 5 years and: Much higher: 6%, Higher: 3%, About the same: -3%, Much lower: -6%.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

Not relevant

(9.2.9.6) Please explain

This category is not relevant since all Dexco's water discharges are covered by the remaining categories.
[Fixed row]

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

	Categories of substances included
	<p>Select all that apply</p> <p><input checked="" type="checkbox"/> Nitrates</p> <p><input checked="" type="checkbox"/> Phosphates</p>

	Categories of substances included
	<input checked="" type="checkbox"/> Pesticides

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

Yes, we have assessed this value chain stage and identified facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.2) Total number of facilities identified

1

(9.3.3) % of facilities in direct operations that this represents

Select from:

1-25

(9.3.4) Please explain

River basin: Penha-Pinheiros A study was carried out in 2015 involving the Evaluation of the Sustainability Index of Hydrographic Basins to assess the hydrological resources of the basins where our industrial units are located, using the most recent data, at the time, made available by international organisms hydrographic basin committees and government bodies. The main water stress indicators have been reviewed, and a Sustainability Index Basin (WSI) has been applied in the river basins where Dexco operates. The Penha Pinheiros Basin, where one of our Deca Metals unit is located, was classified as median sustainability (for WSI). And

according to the Falkenmark indicator, the basin is characterized by absolute water scarcity, resulting in the concept of water risk high for the unit. Within evaluation of local factors and hydro conditions the unit was classified as high risk. The company already takes measures to mitigate the risks, like intensification of water reuse, a water acquisition plan by alternative suppliers and campaigns to increase awareness among employees. In 2023, there was no case of water shortage in the unit. The same unit, due to population density and local urbanisation, is exposed to flooding risks, as well as several points in the city of São Paulo. In 2020, we experienced a flood that impacted several parts of the city, and some of our operations were affected. However, the reestablishment of operations occurred quickly, resulting in a few material losses. In 2023 there were no incidents.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

(9.3.4) Please explain

Despite having a qualitative analysis of water security risks on the supply chain, we do not have yet an assessment for the specific sites that are critical for our value chain.

[Fixed row]

(9.3.1) For each facility referenced in 9.3, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Row 1

(9.3.1.1) Facility reference number

Select from:

Facility 1

(9.3.1.2) Facility name (optional)

Metals São Paulo

(9.3.1.3) Value chain stage

Select from:

Direct operations

(9.3.1.4) Dependencies, impacts, risks, and/or opportunities identified at this facility

Select all that apply

Risks

(9.3.1.5) Withdrawals or discharges in the reporting year

Select from:

Yes, withdrawals and discharges

(9.3.1.7) Country/Area & River basin

Brazil

Other, please specify :Penha-Pinheiros

(9.3.1.8) Latitude

-23.517204

(9.3.1.9) Longitude

-46.687702

(9.3.1.10) Located in area with water stress

Select from:

Yes

(9.3.1.13) Total water withdrawals at this facility (megaliters)

71.5

(9.3.1.14) Comparison of total withdrawals with previous reporting year

Select from:

Higher

(9.3.1.15) Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

(9.3.1.16) Withdrawals from brackish surface water/seawater

0

(9.3.1.17) Withdrawals from groundwater - renewable

0

(9.3.1.18) Withdrawals from groundwater - non-renewable

0

(9.3.1.19) Withdrawals from produced/entrained water

0

(9.3.1.20) Withdrawals from third party sources

71.5

(9.3.1.21) Total water discharges at this facility (megaliters)

71.5

(9.3.1.22) Comparison of total discharges with previous reporting year

Select from:

Higher

(9.3.1.23) Discharges to fresh surface water

0

(9.3.1.24) Discharges to brackish surface water/seawater

0

(9.3.1.25) Discharges to groundwater

0

(9.3.1.26) Discharges to third party destinations

71.5

(9.3.1.27) Total water consumption at this facility (megaliters)

0

(9.3.1.28) Comparison of total consumption with previous reporting year

Select from:

Lower

(9.3.1.29) Please explain

The Penha Pinheiros Basin, where one of our Deca Metals unit is located, in São Paulo, was classified as median sustainability (for WSI), based on the study published in 2015. According to the Falkenmark indicator, which is a component of the WSI, the basin is characterized by high water scarcity, leading to a high-water risk concept for the unit. It is classified as a high-risk area based on an assessment of local factors and hydrological conditions. The proportion of financial value that could be affected in the Penha Pinheiros basin is primarily associated with the Metals São Paulo unit, which represents less than 10% of the company's overall revenue. The company has developed a contingency plan for the mentioned unit, along with initiatives to decrease water consumption. The complete list of basins

included in this risk assessment is as follows: Pardo River Basin, Baixo Itapetininga River Basin, Bauru River Basin, Jundiá River Basin, Penha-Pinheiros River Basin, Uberaba River Basin, Sinos River Basin, Taquari-Antas River Basin, Paraíba do Sul River Basin, Gramame River Basin, and GL2 River Basin.
[Add row]

(9.3.2) For the facilities in your direct operations referenced in 9.3.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303 and Ernst & Young International Methodology

Water withdrawals – volume by source

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303 and Ernst & Young International Methodology

Water withdrawals – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303, Ernst & Young International Methodology and ISO 14001 for certified sites

Water discharges – total volumes

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303 and Ernst & Young International Methodology

Water discharges – volume by destination

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303 and Ernst & Young International Methodology

Water discharges – volume by final treatment level

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303 and Ernst & Young International Methodology

Water discharges – quality by standard water quality parameters

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303, Ernst & Young International Methodology and ISO 14001 for certified sites

Water consumption – total volume

(9.3.2.1) % verified

Select from:

76-100

(9.3.2.2) Verification standard used

GRI 303 and Ernst & Young International Methodology
[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
	7383409000	2055686.44	<i>As we move towards the last year of our target for reduction of water withdrawals, we expect to increase its efficiency.</i>

[Fixed row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

(9.13.1) Products contain hazardous substances

Select from:

No

(9.13.2) Comment

The main inputs used in the production processes are not classified as dangerous substances that offer risk to the environment and people, and its use follows the necessary precautions to prevent contamination.

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

Yes

(9.14.2) Definition used to classify low water impact

In 2017, we introduced the Deca Comfort technology, that brings more comfort to consumers while also helps to save water resources (up to 60% water savings in relation to products without this technology).

(9.14.4) Please explain

Deca Metals Division has developed the Deca Comfort line. This technology is present in all the brand's faucets, bathroom single-handle and basin mixers. Deca comfort products bring more comfort to consumers while also helping to save water resources. This innovation, which has no impact on the design of tap and mixers, guarantees a standard flow, regardless of whether a building has low or high-pressure plumbing system. This results in a smooth and constant jet of water, that does not cause unpleasant splashing when washing hands, for instance. This system has been patented. The development and improvement of the Deca Comfort line is one of the initiatives in line with the Sustainability Strategy.

[Fixed row]

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:

No, but we plan to within the next two years

(9.15.1.2) Please explain

We do not have goals related to water pollution in our current Sustainability Strategy 2025. However, we will start to prepare the new strategy, in the next months, that will encompass up to the year 2030, and in this process, we will consider our gaps in market indices and frameworks in which we are involved. Furthermore, it is worth mentioning that we have effluent treatment plants in our facilities, and often we reuse them in our production processes. When we dispose of effluents in rivers, we do so in compliance with the legislation or send them to the local sewage treatment company.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

No, but we plan to within the next two years

(9.15.1.2) Please explain

We do not have goals related to WASH in our current Sustainability Strategy 2025. However, we will start to prepare the new strategy, in the next months, that will encompass up to the year 2030, and in this process, we will consider our gaps in market indices and frameworks in which we are involved. If deemed appropriate, a WASH-related target could be set.

Other

(9.15.1.1) Target set in this category

Select from:

No, but we plan to within the next two years

(9.15.1.2) Please explain

In 2024 we will start to prepare the new strategy, that will encompass up to the year 2030, and in this process, we will consider our gaps in market indices and frameworks in which we are involved.

[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:

Target 1

(9.15.2.2) Target coverage

Select from:

Country/area/region

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

Reduction in total water withdrawals

(9.15.2.4) Date target was set

12/01/2021

(9.15.2.5) End date of base year

12/31/2020

(9.15.2.6) Base year figure

3300000

(9.15.2.7) End date of target year

12/31/2025

(9.15.2.8) Target year figure

2970000

(9.15.2.9) Reporting year figure

(9.15.2.10) Target status in reporting year

Select from:

 Underway**(9.15.2.11) % of target achieved relative to base year**

54

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

 None, no alignment after assessment**(9.15.2.13) Explain target coverage and identify any exclusions***This target covers all Dexco's operations in Brazil.***(9.15.2.14) Plan for achieving target, and progress made to the end of the reporting year***Initiatives such as changes on processes to improve their ecoefficiency are being implemented in all business units. In 2023, the biggest project was the scaling up of the water recirculation system of the Panels Uberaba plant and the new wastewater treatment plant of the Panels Itapetininga site. Also, the shutdown of some sites in 2022 and 2023 have contributed to reduce the total amount of water withdrawn by Dexco. In 2023, there was a 3.9% reduction on withdrawals compared to the baseline.***(9.15.2.16) Further details of target***This target was reviewed in 2023. Previously, each business unit (Panels, Metal fittings, Sanitary Ware, Electronic showers and Ceramic Tiles) had specific relative targets (water withdrawals by production) with different baseline years and reduction ambitions. In this revision, all these separate targets were consolidated into one single target for absolute water withdrawals reduction. The ambition levels were not changed. The former relative targets still exist, but only as internal management tool with no external reporting.**[Add row]*

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

	Targets in place
	Select from: <input checked="" type="checkbox"/> Yes

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

- Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

- Land/water protection
- Land/water management
- Species management
- Education & awareness
- Law & policy

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	<p>Select from:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Yes, we use indicators 	<p>Select all that apply</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> State and benefit indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

(11.4.2) Comment

No industrial sites are located within or adjacent to legally protected areas. Some forestry areas are located within protected areas, where their category of protection that allows this kind of activity. There are also some forestry areas located near legally protected areas where human exploration is not permitted. In these cases, we do not have any kind of activities within these protected areas.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

No operations are held within or around these sites.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

No operations are held within or around these sites.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

No operations are held within or around these sites.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

No

(11.4.2) Comment

No operations are held within or around these sites.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

Yes

(11.4.2) Comment

*As part of our forest management certification, we seek to identify areas that have high conservation value attributes, where special management measures are put in place in order to protect and monitor these attributes. In Brazil, 32.5 hectares are classified as such and 115.4 hectares in Colombia.
[Fixed row]*

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: <input checked="" type="checkbox"/> Third-party verification/assurance is currently in progress

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

Waste data

Carbon removals

Fuel consumption

Progress against targets

Renewable fuel consumption

Emissions breakdown by country/area

- Methane emissions
- Base year emissions
- Electricity/Steam/Heat/Cooling consumption
- Emissions reduction initiatives/activities
- Year on year change in land use change emissions
- Renewable Electricity/Steam/Heat/Cooling generation
- Year on year change in absolute emissions (Scope 3)
- Emissions breakdown by business division
- Electricity/Steam/Heat/Cooling generation
- Renewable Electricity/Steam/Heat/Cooling consumption
- Year on year change in emissions intensity (Scope 3)
- Year on year change in absolute emissions (Scope 1 and 2)
- Year on year change in emissions intensity (Scope 1 and 2)

(13.1.1.3) Verification/assurance standard

General standards

- ISAE 3000
- ISAE 3410, Assurance Engagements on Greenhouse Gas Statements

(13.1.1.4) Further details of the third-party verification/assurance process

Limited assurance by Ernest & Young information reported in our 2023 Integrated Report, according to GRI and SASB standards. The assurance process is conducted annually for each year Integrated Report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Integrated Report 2023.pdf

Row 2

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- Forests

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Forests

- Ecosystem restoration and long-term protection projects
- Origins of sourced volumes
- Traceability data

(13.1.1.3) Verification/assurance standard

General standards

- ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Limited assurance by Ernest & Young information reported in our 2023 Integrated Report, according to GRI and SASB standards. The assurance process is conducted annually for each year Integrated Report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Integrated Report 2023.pdf

Row 3

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- Water

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Water security

- Water consumption– total volume
- Water discharges– total volumes
- Water withdrawals– total volumes
- Water discharges – volumes by destination
- Water intensities of products and services
- Water discharges – volumes by treatment method

- Water withdrawals – volumes by source
- Emissions to water in the reporting year

- Volume withdrawn from areas with water stress (megaliters)

(13.1.1.3) Verification/assurance standard

General standards

- ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Limited assurance by Ernest & Young information reported in our 2023 Integrated Report, according to GRI and SASB standards. The assurance process is conducted annually for each year Integrated Report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Integrated Report 2023.pdf

Row 4

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

- Climate change
- Forests
- Water
- Biodiversity

(13.1.1.2) Disclosure module and data verified and/or assured

Governance

- Environmental policies

(13.1.1.3) Verification/assurance standard

General standards

ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

Limited assurance by Ernest & Young information reported in our 2023 Integrated Report, according to GRI and SASB standards. The assurance process is conducted annually for each year Integrated Report.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Integrated Report 2023.pdf

[Add row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Chief Executive Officer

(13.3.2) Corresponding job category

Select from:

Chief Executive Officer (CEO)

[Fixed row]

