



PO.18 ENVIRONMENTAL, SOCIAL & GOVERNANCE

Responsible Area: Sustainability & Social Responsibility

Management: ESG

Creation date: 05/17/2017

Last Revision: 07/28/2021

1. OBJECTIVES

This policy aims to share with all employees and society the aspirations for each of the topics considered strategic for the business and for the generation of value to Duratex's stakeholders, taking into account environmental, social and governance aspects, as well as establish commitments to legal compliance and sustainable development.

2. SCOPE

This Policy applies to all areas of Duratex, its managers and employees.

3. REFERÊNCIAS NORMATIVAS

- PO.02 Environmental Policy
- PO.03 Corporate Governance Policy
- PO.04 Internal Controls and Risk Management System Policy
- PO.05 Securities Trading and Disclosure of Material Act or Fact Policy
- PO.07 Transactions with Related Parties Policy
- PO.09 Occupational Health and Safety Policy
- PO.11 Compliance Policy
- PO.13 Free Competition Protection Policy
- PO.14 Anti-Corruption Policy
- PO.22 Internal Audit Policy
- NO.05 Donations
- NO.07 Engagement with Stakeholders
- NO.08 Combating Child Sexual Exploitation
- NO.11 Private Social Investment
- NO.13 Sponsorships with the Use of Tax Incentives
- NO.52 – AD 95 Duratex Supplier Management Program – GFD

4. DEFINITIONS

4.1 ESG: acronym that represents the Environmental, Social and Governance aspects that are representative for Duratex.

4.2 Stakeholders: stakeholders who interact with the Company. For Duratex, employees, clients, consumers, shareholders, investors, suppliers and communities stand out.

4.3 Influencers: for Duratex, the public of influencers is made up of architects, specifiers, carpenters, installers, hydraulic installers, electricians and other professionals who can present correlations with the segments in which the Company operates.

4.4 Solutions: products, services and business models developed by Duratex, aiming to deliver better experiences to customers, consumers and other interested parties.

4.5 Co-create solutions: collect inputs from influencers, customers and consumers through projects, events and surveys, in order to establish relevant requirements to enhance and develop new products, services and business models, aiming to constantly meet the demands of these audiences.

5. ESG POLICY STRUCTURE

The structure of this Policy results from the intersection of relevant organizational themes in Environmental, Social and Governance terms, with the interests of the Company's main stakeholders. Thus, this document describes Duratex's position in its processes, solutions and initiatives, both in the interaction with internal and external audiences.

Periodically, Duratex carries out a more in-depth materiality analysis, through which it revisits topics of high significance for the continuity of its business and for the creation of long-term value, also considering the demands of interested parties. Based on this assessment, Duratex's Sustainability Strategy is created, as well as the commitments derived from it, whose provisions are described in detail in Attachment 1 – Sustainability Strategy.

This Policy is also based on transversal guidelines and responsibilities throughout the Company, formalized through a series of Standards and Policies, some of which are listed in items 3 and 20. These documents, referred to in this Policy, support, reinforce and detail the items described below, and should be considered an integral part of this.

6. PURPOSE

The ESG Policy and other related documents are aligned with the Purpose "Solutions for Better Living".

7. CORPORATE GOVERNANCE

Duratex has a robust Corporate Governance structure, described in Attachment 2 and guided by the Corporate Governance Policy. The Company's processes are guided by ethics, transparency and legality, based on concepts established in this and other policies. The Compliance Policy, Internal Controls and Risk Management System Policy, Internal Audit Policy, Free Competition Protection Policy, Anti-Corruption Policy and the Code of Conduct should be highlighted. The items below summarize some of the concepts established in these policies:

- Make decisions seeking to generate value for stakeholders, in line with applicable laws and the principles of internal rules and policies;

- Ensure and monitor the proper compliance of processes and conduct;
- Act preventively and correctively to maintain the integrity of processes and conduct.

8. CULTURE

Duratex's organizational culture is represented by the Way of Being and Doing and its drivers. It is an important element that underlies all the organization's practices, including the ESG Policy, and underpins the behaviors expected of employees and managers who conduct, expand and sustain the business. Duratex seeks to ensure this cultural alignment in its People and Management practices, that is, attracting, developing, engaging and retaining people, seeking an increasingly diverse, inclusive, healthy work environment with exceptional results.

8.1 Employees

Among Duratex's commitments to employees, which reflect their rights and responsibilities, these stand out:

- Prioritize the health and safety of all employees, its own and third parties, investing in the continuous improvement of working conditions and awareness of safe behavior, preventing accidents and preventing occupational diseases, in line with the Occupational Health and Safety Policy, supported by Proteg.
- Adopt behaviors that are above all humanized and that value the quality of relationships, respecting the principles and basic universal rights established by the International Labour Organization (ILO), seeking a more diverse and inclusive environment, where the different characteristics are respected and valued, complying with the Duratex's Code of Conduct;
- Promote an innovative and open environment so that employees can propose solutions to the Company's current and future challenges, taking into account social and environmental criteria.

9. PRODUCTIVE PROCESSES AND OPERATIONS

At Duratex, continuous improvement, innovation and efficiency in production processes are valued, ideals reaffirmed through Duratex's Environmental Policy and Forestry Management Plan. The following items are relevant:

- Rational and sustainable use of natural resources, raw materials and inputs necessary for production processes, adopting principles that allow for the reduction, optimization and reuse of resources, as well as waste management in a manner that converges with the concepts of reduction, reuse and recycling;

- Prevent pollution and environmental risks in operations from production to product distribution, with technical and innovative solutions, mitigating negative impacts;
- Seek continuous improvement of environmental performance through management, periodic evaluation of results, innovations and technologies;
- 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;
- Expand the share of energy from renewable sources in the company's energy matrix, when feasible.
- Protect biodiversity, springs, watercourses, as well as conserve the soil and forest genetic bases for the maintenance and/or improvement of ecosystem services and environmental values.

10. PRODUCTS, SERVICES AND BUSINESS MODELS

A reference in offering competitive and sustainable solutions that combine design, technology, quality and innovation, Duratex seeks to:

- Expand the development of sustainable solutions in products and services, both in terms of materials and features, promoting social and environmental benefits to clients and consumers;
- Seek business models that guarantee the company's longevity and generate value for stakeholders in the face of social, environmental and economic challenges;
- Implement businesses, projects and products that contribute to comfort and well-being, including social and environmental.

11. SUPPLY CHAIN

The Company encourages and values the promotion of responsible practices in its supply chain and transparency in competition processes, according to the Supplier Conduct Guide, and even has specific processes that cover strategic suppliers, as described in the Duratex Supplier Management Program - GFD. In supply management, Duratex seeks to:

- Assess and monitor suppliers in terms of economic, social and environmental aspects, ethics and transparency, in order to avoid and prevent negative impacts on the value chain, creating a solid relationship;
- Maintain mechanisms for evaluating and inducing improvements in socio-environmental terms in the supply chain, including issues related to corporate governance and climate change management;
- Promote partnerships with suppliers to implement practices that provide

innovation, continuous improvement and reduction of social and environmental impacts covering their production chains;

12. CLIENTS, CONSUMERS AND INFLUENCERS

Duratex works with influencers and clients and seeks to continuously approach consumers, aiming to meet demands, collect inputs and co-create solutions:

- Maintain a permanent dialogue with clients, consumers and influencers to promote and develop sustainable practices;
- Engage clients, consumers and influencers in the development and appreciation of comfortable and sustainable solutions that bring benefits to society and the environment;
- Engage and train influencers for business development and sustainability.

13. SOCIAL RELATIONS

Duratex's performance in society and communities where there are company units is based on respect and cordiality and based on strategies and policies related to Private Social Investment, Donations, Sponsorships with the Use of Tax Incentives and Combating Child Sexual Exploitation. The following guidelines stand out:

- Ensure openness to promote dialogue and collaboration with the communities surrounding the units, continuously identifying risks of violations of legislation and human rights, as well as opportunities to reduce social and environmental impacts of our activities and expand the positive impacts;
- Promote social actions that generate development, socioeconomic inclusion and reduction of social inequalities through Private Social Investment;
- Contribute to the fight against child sexual exploitation, the eradication of child and forced labor and respect for inclusion.

14. INVESTORS AND SHAREHOLDERS RELATIONS

Duratex preserves the interests of shareholders and investors, in addition to valuing an effective and reciprocal relationship, rendering accounts in a transparent and assertive manner, respecting and considering social and environmental criteria for the maintenance, expansion of the business and generation of shared value. Some of the documents that guide Duratex's activities in this area are the Policy on Securities Trading and Disclosure of Material Act or Fact, the Transactions with Related Parties Policy and the Corporate Governance Policy. In relations with shareholders and investors, it intends to:

- Contribute to and mediate discussions between shareholders and investors and the Company's management, in order to maintain attention and

engagement with the demands and developments required from the various discussion niches;

- Respond concisely, quickly and objectively to regulatory bodies and organizational entities;
- Seek constant improvement in the formats and methodologies of reports, reports and reports, aiming at the manifestation of clear and resolute positions and results;
- During the processes to verify relevant information to meet the demands of shareholders and investors, connect across the Company's specialist areas and professionals, in order to bring them closer to accountability systems and translate concepts in an objective manner;
- Promote continuous integration between financial reporting models and the Company's results and impacts with environmental, social and governance attributes.

15. INNOVATION AND DIGITAL AMBITION

In a constant and intense process of digital transformation and for a mindset of innovation, Duratex acts on fronts involving the company's internal and external environments, accelerating partners through open innovation programs and, therefore, fostering corporate and social entrepreneurship; developing intrapreneurship initiatives, seeking to challenge the business status quo and internally strengthening the culture of innovation; and evolving in processes and tools to improve solution delivery. Among the criteria valued by Duratex, these stand out:

- Develop new products and services in current markets, complementing the portfolio;
- Develop new businesses, exploring new markets with new products and services that are leveraged by internal skills;
- Expand the incorporation of innovations and new technologies into the portfolio;
- Consider the potential for generating positive social and environmental impacts in the selection and expansion of partnerships and innovation initiatives;
- Provide environments, tools and incentive mechanisms that foster an innovation mindset
- Seek digitalization in various dimensions such as processes, relationships and experiences with consumers, in addition to business models, strengthening our culture and people.

16. COMMUNICATION AND INTERACTION WITH STAKEHOLDERS

The communication channels with interested parties made available by Duratex are listed in the procedures of the local management systems of the

businesses and in digital media and enable consultations and clarifications on aspects of the company's sustainability. It is also the company's commitment to document and disclose the scopes and results achieved in meeting the social and environmental commitments, undertaken voluntarily, through public documents, reports and/or sustainability reports.

The disclosure of the contents of this ESG Policy to the internal public actively takes place through the dissemination of the Sustainability Strategy and also through the dissemination of other related Policies, with an emphasis on the Environmental Policy, Occupational Health and Safety Policy, Code of Conduct and the Way of Being and Doing.

Duratex's performance during interaction with stakeholders is guided by an Engagement with Stakeholders Standard.

17. RESPONSIBILITIES

The Company's ESG strategy and positioning are defined by management, validated and approved by the Board of Directors, duly advised by the Sustainability Committee. It is the responsibility of the Executive Committee to manage, monitor the implementation of this policy, as well as assess the company's social and environmental performance, keeping the Sustainability Committee involved and informed.

Every three years, or for a shorter period, if necessary, the ESG Management must submit a proposal to review this policy and submit it for analysis by the Executive Committee and then to the Sustainability Committee, which evaluates, validates and recommends its approval by the Board of Directors. The reference documents and annexes of the ESG Policy have frequencies and needs for independent review, and their most up-to-date versions should be considered for the purposes of association with this standard.

18. SANCTIONS

Non-compliance with the guidelines of this Policy will be subject to the application of the appropriate disciplinary and judicial measures.

19. TERM

This Policy will become effective from its publication date and must be revised every three (3) years.

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20. ATTACHMENTS

1. [Sustainability Strategy](#)
2. [Governance Structure](#)
3. [Culture: Way of Being and Doing](#)
4. [Code of Conduct](#)
5. [Proteg](#)
6. [Supplier Conduct Guide](#)

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