

2024 Results Report

# Supplier Management Program

Dexco

This report presents the outcomes of the twelfth cycle of the Dexco Supplier Management Program (GFD), a strategic initiative designed to assess, develop, and recognize sustainable practices across the company's supplier network.



## INTRODUCTION

This report presents the consolidated results of the twelfth edition of the Dexco Supplier Management Program (GFD), conducted in 2024. It also aims to recognize and highlight suppliers that demonstrated outstanding performance in implementing exemplary practices in managing their operations and processes, as well as in conducting their business efficiently contributing significantly to Dexco's strategic goals and to the broader sustainability of the sector.

Launched in 2012, the Dexco Supplier Management Program – GFD – is a strategic initiative aimed at strengthening a Responsible Supply Chain. Through assessments, on-site audits, and continuous incentives to integrate sustainable practices, the program seeks to raise management standards across Dexco's supply network.

Since its inception, the GFD has conducted over 2,000 self-assessment evaluations and performed 285 on-site audits and 78 remote verifications<sup>1</sup>. These efforts have involved approximately 650 distinct suppliers, playing a key role in the annual improvement and evaluation cycles. The timeline below outlines the evolution and major milestones of the Program:

### Timeline

Program Launch	Self-Assessment Questionnaire Distribution
2013	24 visitas
2014	84 Assessments and 31 Audited (On-Site or Remote)
2015	117 Assessments and 30 Audited (On-Site or Remote)
2016	125 Assessments and 32 Audited (On-Site or Remote)
2017	145 Assessments and 31 Audited (On-Site or Remote)
2018	156 Assessments and 31 Audited (On-Site or Remote)
2019	191 Assessments and 31 Audited (On-Site or Remote)
2020	192 Assessments and 31 Audited (On-Site or Remote)
2021	208 Assessments and 30 Audited (On-Site or Remote)
2022	264 Assessments and 30 Audited (On-Site or Remote)
2023	236 Assessments and 29 Audited (On-Site or Remote)
2024	333 Assessments and 29 Audited (On-Site or Remote)

1. Cumulative data from 2013 to 2024.

Since the launch of the GFD Program, Origami Management has served as Dexco's consulting partner for the program's implementation, supporting the supplier management process. This partnership encompasses the development of this report and the supplier self-assessment questionnaires, their implementation, data consolidation and analysis, and the execution of on-site audits. These visits are essential for identifying critical improvement areas and highlighting best practices, as well as for providing support in implementing strategic actions, innovative processes, and improvement initiatives that aim to elevate the social and environmental performance standards of Dexco's suppliers.

The GFD Program has already demonstrated tangible results and significant progress in the socio-environmental practices of participating suppliers. This is evidenced by improvements from one annual cycle to the next, with each cycle beginning in January and concluding in December. The compilation and analysis of data, along with field observations, provide a comprehensive and strategic view of risk management in Dexco's supply chain and of how to maximize economic, social, and environmental value. These insights are crucial for shaping the Program's plans and objectives in alignment with the Company's overall strategy, investments, and management approach.

## **RESPONSIBLE SUPPLY CHAIN MANAGEMENT**

The GFD Program encompasses a structured management process defined by socio-environmental, economic, compliance, and quality criteria, aiming to create synergy and share Dexco's purpose with its suppliers. It is one of the Company's main tools for supplier relationship management and is used to mitigate supply chain risks and foster increasingly ethical and responsible business practices.

In 2017, Dexco structured its Sustainable Procurement System to map its supply chain and prioritize different purchasing categories. This made it possible to carry out specific actions per category, based on their criticality profile, and to define facilitators, formalize planning criteria, and establish supplier selection, evaluation, and monitoring processes.

Through this system, the selection of GFD Program participants is conducted annually, based on a Criticality Matrix analysis. This matrix evaluates two main axes:

1. Category Relevance (Y-axis) – assessing potential impacts on Dexco:

- Impact on production / productivity
- Influence on the final product
- Influence on cost

2. Sustainability Risk (X-axis) – assessing:

- Exposure and incidence of socio-environmental issues
- Shared liability (likelihood of involvement)
- Reputational risk (likelihood of reputational damage)

The graph below reveals the logic for constructing Dexco's supply chain criticality matrix:

**Y-axis- Category Relevance**

<b>High</b>	<b>Medium</b>	<b>Critical</b>	<b>Very Critical</b>
<b>Medium</b>	<b>Low</b>	<b>Medium</b>	<b>Critical</b>
<b>Low</b>			<b>Medium</b>
	<b>Low</b>	<b>Medium</b>	<b>High</b>

**X-axis- Sustainability Risk**

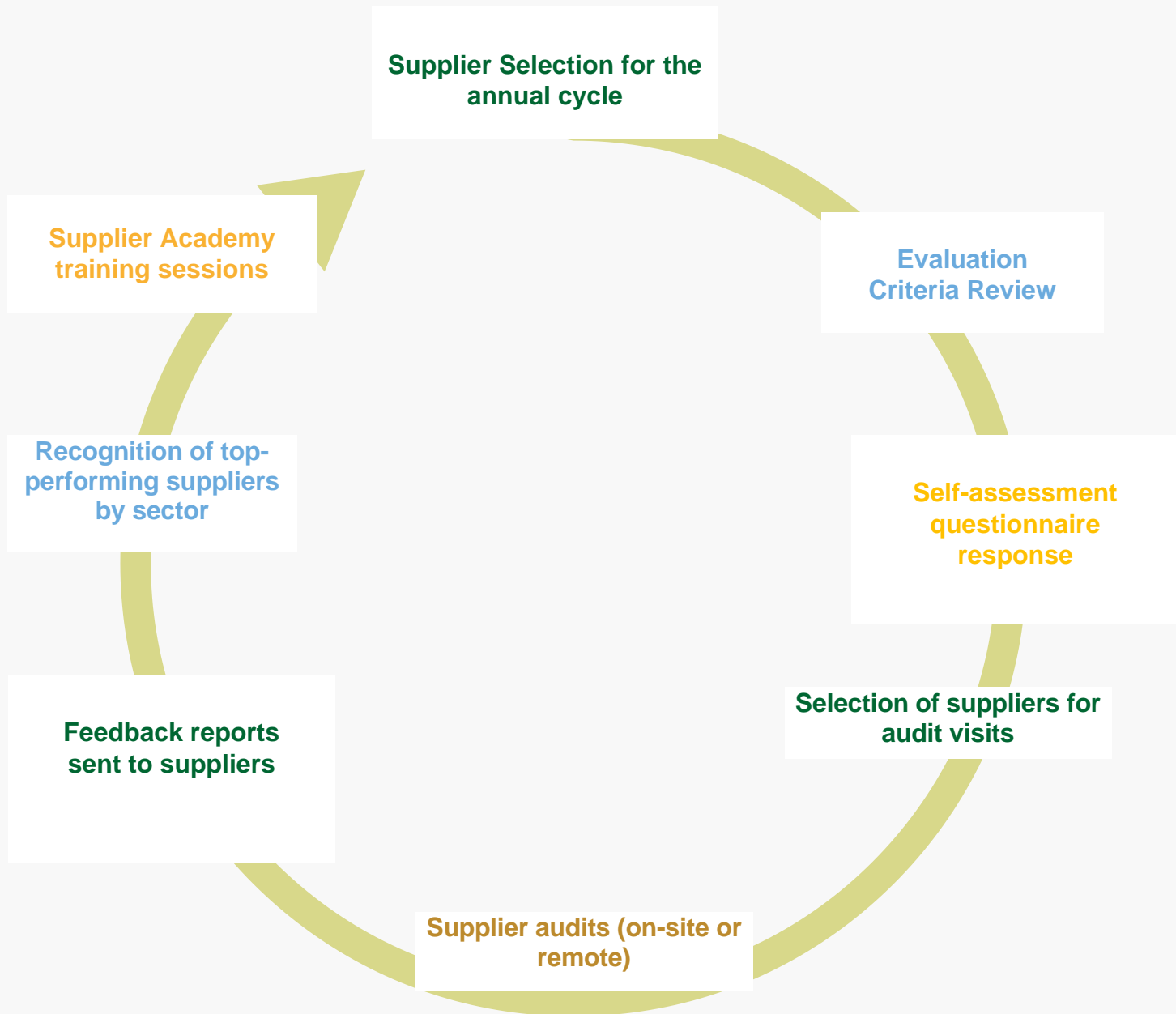
Suppliers categorized as Critical and Very Critical are required to complete the self-assessment questionnaire. At the discretion of the Procurement team, suppliers classified as Low and Medium criticality may also be included.

Suppliers that score below 6.0 on the self-assessment or show significant performance variation (positive or negative) are prioritized for on-site or remote audits. Suppliers with excellent performance may also be audited for possible recognition of their practices.

After each audit (on-site or remote), individualized reports are generated for each supplier, highlighting best practices, dimensions of concern, and an Action Plan to support improvements in the identified topics.

Suppliers showing significant opportunities for improvement are evaluated annually. If no progress is observed and the supplier poses socio-environmental risk to Dexco, the company may be disqualified from providing products and/or services. It's important to note that the GFD Program serves not only as an evaluation tool but also as a key development mechanism for Dexco's supply base. See below the annual cycle of the GFD Program.

## Annual GFD Program Cycle



## GFD PROGRAM ANALYSIS DIMENSIONS

The evaluation of suppliers' socio-environmental practices under the GFD Program is structured into seven analytical dimensions. Each dimension comprises a set of specific questions with weighted scores, which vary depending on the supplier's industry sector and company size.

### COMPLIANCE

This dimension assesses compliance with legal and technical requirements across various areas of business operations, contributing directly to the organization's risk management. Compliance is a critical topic, as the failure to meet certain obligations can result in penalties, financial losses, obstacles in obtaining or renewing operational licenses, and significant reputational damage.

The evaluation focuses on the fulfillment of all legal obligations applicable to the organization. To ensure accurate analysis, suppliers are required to present supporting documentation during on-site or remote audits, including licenses, certificates, and proof of legal compliance.

### LABOR PRACTICES

Labor relations can be understood as the set of practices and policies that structure the company's relationship with its employees. This dimension analyzes the company's human resources management processes and actions, including topics such as:

- Employee compensation and benefits
- Training programs and professional development
- Career advancement practices
- Code of conduct policies
- Compliance with regulations related to hiring young apprentices and people with disabilities

These elements reflect the organization's commitment to creating a structured, inclusive, and development-oriented work environment. Companies that implement these practices demonstrate responsibility in managing their workforce and contribute to broader goals of equity and social inclusion.

### OCCUPATIONAL HEALTH AND SAFETY

This dimension covers the actions and policies adopted by companies to ensure a safe and healthy work environment. The goal is to minimize the risks of accidents and occupational illnesses, while safeguarding the physical and mental health, well-being, and productivity of employees.

It assesses consistent and structured health and safety practices, including regulatory compliance, which reinforce the company's commitment to the topic. Sound performance in this dimension helps reduce costs associated with health-related absences or incidents and strengthens the company's image as a responsible employer.

### ENVIRONMENT

Within a corporate context, environmental management encompasses all practices aimed at minimizing the environmental impacts resulting from a company's economic activities. This dimension evaluates initiatives such as the rational use of natural resources, the implementation of actions to conserve biodiversity, the adoption of systems for treating and properly disposing of solid waste, and the treatment and reuse of water, as well as the reduction of energy and other resource consumption in production processes.

An efficient environmental management system is directly linked to the company's sustainability, as it not only reduces operational costs but also helps prevent risks and penalties arising from non-compliance with applicable laws and regulations. Furthermore, it contributes to the proactive management of environmental impacts along Dexco's supply chain.

### COMMUNITY RELATIONS

This dimension refers to initiatives that promote positive engagement with the communities surrounding the company's operations. The management of operational impacts on these communities should be carried out with respect for their specific characteristics and involve dialogue around decisions that may affect them, either directly or indirectly.

Open and transparent communication helps prevent and resolve conflicts and encourages the development of local projects that address the unique needs of those communities. Including local communities in the company's dialogue is part of building trust and transparency, generating shared value, and supporting the long-term reputation of the business.

### ETHICS AND HUMAN RIGHTS

This highly relevant dimension encompasses a set of principles, guidelines, and practices related to the management of sensitive topics such as:

- Child labor and forced or slave-like labor
- Violations of codes of conduct
- Corruption and bribery
- Unfair competition
- Use of force by private security personnel
- Gender equity
- Prevention of the sexual exploitation of children and adolescents

This dimension evaluates the existence of formal policies addressing these topics, as well as the implementation of effective, impartial mechanisms for oversight, complaints, and whistleblowing, which legitimize the company's conduct and demonstrate compliance with current laws and conventions.

It is also crucial from a human resources perspective, as it reinforces the perception of the company as a safe, ethical workplace. Transparency in managing these matters contributes to

trust among employees and society, while helping prevent reputational and financial risks.

### **SUSTAINABILITY MANAGEMENT**

This dimension integrates socio-environmental aspects of both company operations and its value chain, considering the entire product and service lifecycle. It promotes the adoption of policies and practices that increase process efficiency and reduce social and environmental impacts.

Evaluated topics include:

- Management of the company's own supply chain, especially the identification and mitigation of socio-environmental risks and impacts
- Product and packaging recovery initiatives
- Research and Development (R&D) projects focused on products and services with sustainable attributes

These efforts contribute to cost reduction, operational efficiency, and the company's reputation, while reinforcing a strategic approach to sustainability.

### **EVOLUTION OF THE GFD PROGRAM IN 2024**

As part of its continuous improvement efforts, the GFD Program underwent its annual review in 2024, including updates to the supplier self-assessment questionnaire. These changes were designed to reflect evolving socio-environmental themes in society and to ensure greater efficiency and relevance in the assessment process.

Based on feedback from suppliers who responded to the previous year's questionnaire, the number of questions was revised and optimized without compromising the depth or quality of the analysis. Below are the main adjustments made:

#### **Compliance – General Data Protection Law (LGPD):**

Following the implementation of Resolution CD/ANPD No. 2, dated January 27, 2022, the compliance section of the GFD questionnaire was adjusted to meet the specific requirements of Brazil's General Data Protection Law (LGPD).

Companies covered by this resolution now respond to a simplified questionnaire with three fewer questions, reflecting the exclusion of items related to:

- Formal appointment of a Data Protection Officer (DPO)
- Contact details of the DPO
- Existence of a privacy governance committee

These changes are intended to align requirements with the operational and legal contexts of smaller companies. Suppliers not covered by the resolution continue to complete the original version of the questionnaire, ensuring legal responsibilities are assessed fairly.



### Compliance – Documentation:

In the Compliance dimension, documentation-related questions were revised to simplify and streamline the evaluation process. Five questions were removed from the GFD questionnaire because the information is already collected through the due diligence form used by the Procurement team during the contracting of products and services:

- Status of the Corporate Taxpayer Registry (CNPJ)
- Federal Tax Clearance Certificate (including social security and third-party contributions)
- Labor Debt Clearance Certificate (CNDT)
- FGTS Compliance Certificate (CRF)
- Registration in the SINTEGRA system

Although these items were removed from the questionnaire, their data continues to be integrated into the supplier's final score through system automation, preserving the robustness and alignment with Dexco's due diligence practices.

### Environment:

Within the Environment dimension, eight questions were removed specifically for suppliers in the Services category. These questions had low applicability, as most service providers operate within Dexco or client facilities and have limited interaction with environmental management at their own premises.

### Supplier Management:

Two multiple-choice questions regarding socio-environmental supplier management were excluded:

- One concerning criteria for identifying critical suppliers
- One regarding the types of initiatives for evaluating suppliers

These topics were consolidated into broader questions that address supplier and value chain socio-environmental management more effectively, ensuring clarity and streamlining the assessment.

### Relationship with Dexco:

To optimize and simplify the questionnaire, several questions were consolidated into **three broader and more structured questions**, each with space for detailed explanations. This allows for more objective and in-depth analysis of the supplier's relationship with Dexco.

Previously, the questionnaire contained **38 questions** related to this relationship, covering processes such as procurement, service delivery, negotiation, payments, and competitive processes.

These enhancements reflect Dexco's ongoing commitment to sustainability, corporate governance, and integrity in supplier engagement and supply chain management.

## 2024 RESULTS

### SUPPLIER PARTICIPATION

In 2024, the twelfth year of the GFD Program, 658 suppliers were invited to complete the self-assessment questionnaire, of which 333 responded (significant Tier-1 suppliers). Until 2023, participation was primarily composed of suppliers classified as Critical and Very Critical, with relatively stable numbers:

- 264 in 2022
- 236 in 2023

In 2024, however, the number of respondents increased significantly due to the inclusion of additional suppliers invited at the request of buyers. These additions reflected factors such as:

- High purchase volumes, even if not classified as critical.
- Strategic partnerships where Dexco seeks to strengthen engagement.

This expansion marked an important milestone in the program's scope, enabling broader and more diversified engagement across the supply chain.

Supplier selection was conducted by the Procurement dimension based on three main factors:

1. **Spending representativeness**
2. **Sector criticality**
3. **Participation history in the GFD Program**

Of the 658 invited suppliers:

- 333 responded (51%)
- Representing 76% of the spending of invited suppliers
- And 42% of Dexco's total supplier spending

By comparison, in 2023:

- 236 suppliers responded (62% of those invited)
- Representing 78% of invited suppliers' spending
- And 53% of total supplier spending

Although the number of participants increased in 2024, their share of total spending decreased. This is explained by:

1. The inclusion of suppliers with lower purchase volumes
2. A 16% increase in Dexco's total annual supplier spending

Each year, approximately **30 suppliers** are evaluated more deeply through on-site or remote audits, based on predefined criteria. In 2024, **29 such evaluations** were conducted.

Chart 1: Evolution of Supplier Participation (2013–2024)

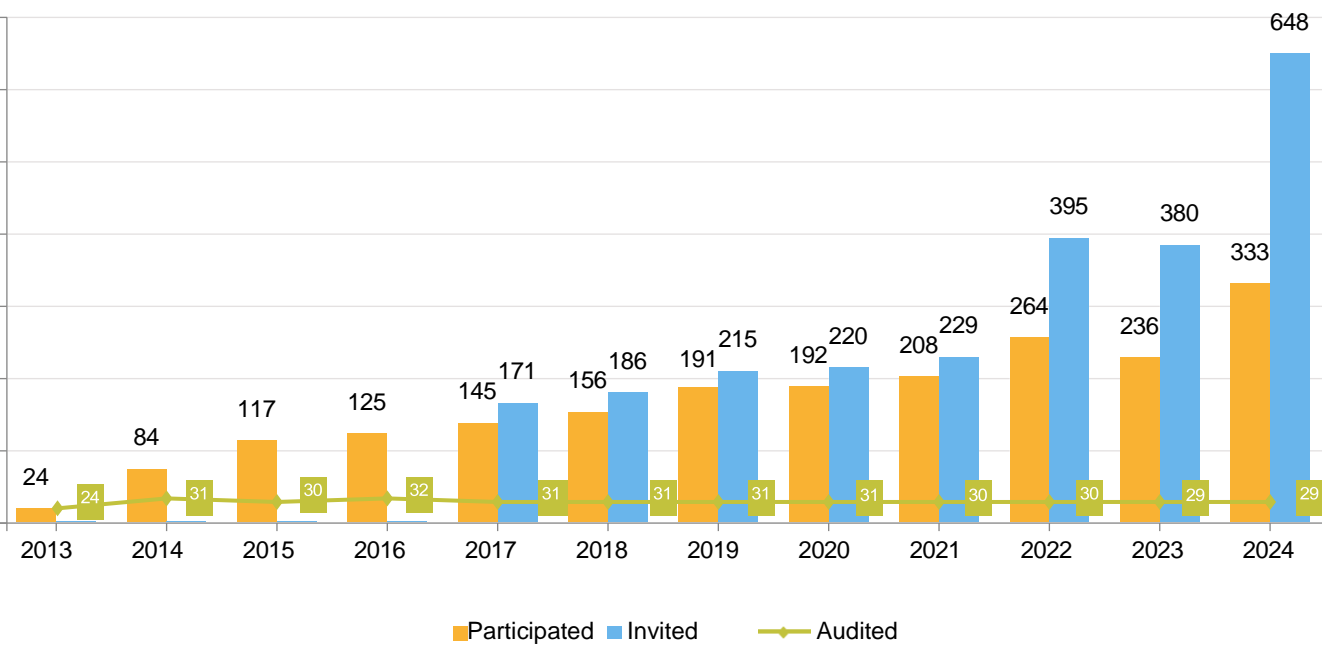
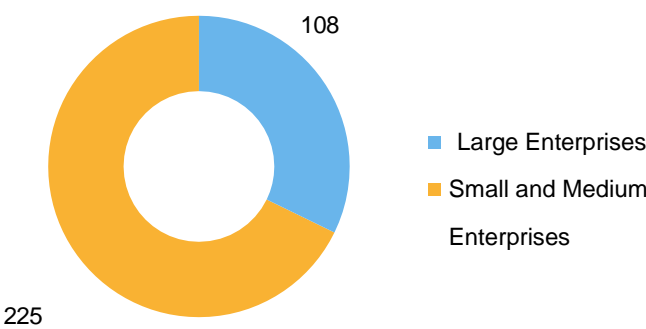
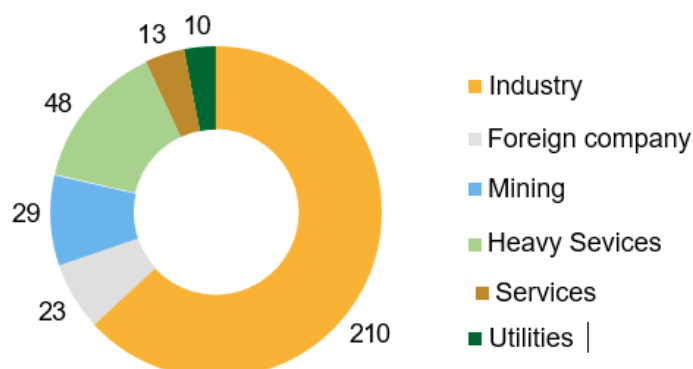


Chart 1 illustrates the evolution of supplier participation in the GFD Program over the years, highlighting the significant increase recorded in 2024.

Chart 2: Participants by Company Size (2024)



**Chart 3: Participants by Sector (2024)**



## SUPPLIER PROFILE AND SECTOR DISTRIBUTION

In 2024, there was a continued concentration of small and medium-sized enterprises (SMEs) in the Industry and Heavy Services sectors, maintaining a historical trend observed in the GFD Program. Comparatively:

- In 2022, 36% of participating suppliers were Large Enterprises (LEs) and 64% were SMEs.
- In 2023, the proportion shifted to 42% LEs and 58% SMEs, indicating increased representation of large companies.
- In 2024, SMEs continued to predominate, representing 68% of all suppliers (225 companies), while LEs accounted for 32% (108 companies).

This distribution reflects the strategic importance of SMEs in Dexco's supply chain. The slight decrease in SME share was a result of new suppliers being included at the request of buyers, which increased the diversity of the participant base.

**The industry sector** showed a dynamic trajectory over the years:

- Participation gradually decreased from 58% in 2018 to 49% in 2019, and 40% in 2020.
- It then increased to 50% in 2021, followed by a sharp rise to 70% in 2022.
- In 2023, it dropped 4 percentage points to 66%, but in 2024, it returned to 70%, maintaining its position as the most represented sector in the program.

Of the industry suppliers in 2024:

- 70% were SMEs
- 30% were LEs

It is also noteworthy that foreign companies, included within the Industry LEs, reduced their representation from 13.6% in 2023 to 7% in 2024. This trend highlights a strengthening of the local supply base and demonstrates the resilience and adaptability of Dexco's supply chain.

**The Heavy Services sector**, traditionally a key segment, experienced a drop in 2023, reaching 12.3% of participants — a 23% decrease compared to the previous year. In 2024, however, the sector rebounded, accounting for 14% of suppliers:

- 5% were LEs
- 9% were SMEs

**The Mining sector** declined from 10.2% in 2023 to 8.7% in 2024, a decrease of 1.5 percentage points. The Services sector also saw a drop, falling from 8.4% in 2023 to 3.9% in 2024. These reductions reflect ongoing sectoral adjustments but also reinforce the flexibility of the GFD Program to align with evolving market and sourcing priorities.

**The Utilities sector** remained stable at 3% in both 2023 and 2024, reflecting consistent participation levels in this segment.

These shifts reflect ongoing changes in Dexco's supplier base and highlight the GFD Program's ability to adapt to sourcing strategies and market demands. The continued predominance of SMEs, alongside the strategic inclusion of LEs and the reduction in the share of foreign suppliers, demonstrate the program's commitment to inclusive and comprehensive supply chain management.

## PERFORMANCE IN THE GFD PROGRAM

In 2024, participating suppliers achieved an average consolidated score of 7.61 in the GFD Program, slightly higher than the 2023 average of 7.56.

Analyzing score trends since 2016, a decrease in the average score was observed in 2020. This drop is attributed to the introduction of new questions in the supplier questionnaire, as well as the onboarding of new suppliers following the acquisitions of Ceusa (2017) and Cecrisa (2019), the latter being the owner of the Portinari brand. Nevertheless, supplier performance showed a moderate recovery in 2021. It is important to note that the global crisis caused by the COVID-19 pandemic in 2020 and 2021 significantly impacted the financial and operational health of many suppliers, which may have influenced their ability to plan and implement social and environmental initiatives.

In 2022, supplier performance declined again, which can be partially attributed to the evaluation of a large number of new participants. That year, 142 new suppliers joined the program, representing 54% of all participants. Of these, 48% received scores below 7.0. The post-pandemic restructuring of companies and the deterioration of macroeconomic conditions, including rising inflation rates, may also have contributed to the lower performance observed.

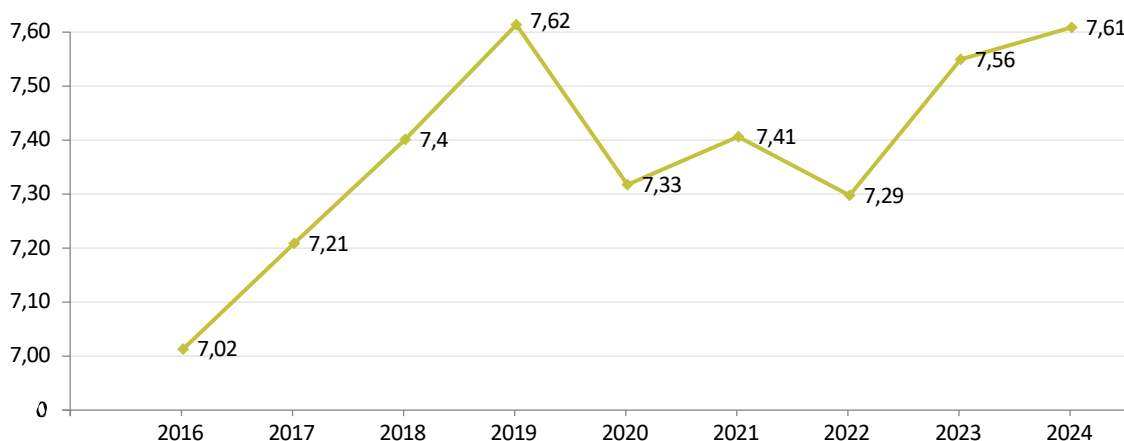
In contrast, 2023 saw a positive trend in the GFD Program. The average supplier score increased from 7.3 in 2022 to 7.6. Among the 101 new suppliers evaluated that year, 54% scored above 7.0, showing an improvement over the previous cohort. Additionally, among suppliers participating for the second consecutive year, 68% improved their performance compared to the previous cycle.

In 2024, with a significant increase in the number of participants, 135 suppliers were assessed for the second year in a row, of which 83 (61%) improved their scores. Among the 198 new suppliers, 65% achieved a score above 7.0. This scenario reflects the program's maturity in

engaging a broader supplier base while continuing to promote continuous improvement and prioritizing increasingly sustainable suppliers.

The chart below shows the evaluation of suppliers from 2016:

**Chart 4: Historical Evolution of Average Scores (2013–2024)**



The graph above considers data from 2016, when the questionnaire was revised, with the inclusion of new questions.

Notably, in 2024, large companies in the Utilities sector recorded the highest performance in the GFD Program, achieving an average score of 8.81, positioning this segment as the top-performing group. Foreign suppliers also maintained strong results, with an average score of 8.43, followed by large companies in the Industrial sector (8.02) and Heavy Services (7.97).

On the other hand, the Mining sector continued to show the lowest performance, with average scores of 7.03 for large enterprises and 7.10 for small and medium-sized enterprises (SMEs). Historically, mining companies have underperformed in the GFD Program, reinforcing the need for ongoing monitoring and targeted initiatives to drive the adoption of more sustainable practices in this sector.

The table below presents the average supplier scores in 2022, 2023, and 2024, disaggregated by sector and company size.

**Table 1: Average Scores of Participating Suppliers in 2022, 2023, and 2024, by Sector and Company Size**

Sector	Company Size	Number of Companies	2022	2023	2024	Variation 22/23	Variation 23/24
Foreign Suppliers	-	23	8,15	8,10	8,43	-1%	4%
Industry	LE	47	7,80	7,79	8,02	0%	3%
Industry	SME	163	6,96	7,37	7,40	6%	0%
Mining	LE	10	7,73	0,00	7,03	-	-

Mining	SME	19	6,99	7,17	7,10	3%	-1%
Heavy Services	LE	17	8,03	7,98	7,97	-1%	0%
Heavy Services	SME	31	7,12	7,11	7,46	0%	5%
Services	LE	3	9,40	7,94	7,45	-16%	-6%
Services	SME	10	7,37	6,99	7,49	-5%	7%
Utilities	LE	8	7,40	8,56	8,81	16%	3%
Utilities	SME	2	-		7,95	-	-
Total		333	7,29	7,56	7,61	4%	1%

As shown in Table 1, the Services – Large Enterprises (LE) segment recorded the lowest performance in 2024, with a significant drop in its average score—from 9.40 in 2022 to 7.94 in 2023, and then to 7.45 in 2024. This represents a 6% decrease compared to the previous year.

It is important to highlight that in 2022, only one company from this segment responded to the questionnaire, which elevated the average score to 9.40. Therefore, that result is not representative of the overall performance of the sector.

On the other hand, the Services – SMEs segment showed positive recovery in 2024, reaching an average score of 7.49, a 7% increase over 2023. This improvement can be attributed to the repeat participation of certain suppliers: among those that took part in both 2023 and 2024, four out of five improved their scores, indicating a learning and development curve.

Table 2 presents the evolution of supplier participation between 2023 and 2024, including the percentage of new suppliers joining the GFD Program during this cycle.

**Tabela 2: Evolução dos fornecedores participantes do GFD pelo segundo ano e porcentagem de novos fornecedores.**

Sector	Company Size	Gets better	Gets worse	1 year
Industry	LE	22	10	15
Industry	SME	29	15	119
Foreign Suppliers	-	10	7	6
Mining	LE	1	7	2
Mining	SME	6	1	12

Heavy Services	LE	6	3	8
Heavy Services	SME	4	3	24
Services	LE	0	0	3
Services	SME	4	1	5
Utilities	LE	1	4	3
Utilities	SME	0	1	1
Total		25%	16%	59%

In 2024, the percentage of suppliers that achieved a GFD evaluation score equal to or greater than 8.0 increased from 34% to 36%. Likewise, the share of participants scoring between 7.0 and 8.0 rose from 33% to 34%, while the percentage of suppliers scoring between 6.0 and 7.0 remained at 29%, consistent with 2023 levels.

During the 2022 and 2023 cycles, the GFD Program reached a significant milestone: no supplier received a score below 5.0. However, in 2024, one supplier recorded a score below this threshold. This case is being treated as a high priority, with the implementation of a customized action plan and ongoing monitoring to support the supplier's development over the coming years.

The GFD Program maintains a strategic target of zero suppliers scoring below 5.0 by 2030, reinforcing its commitment to continuous improvement and responsible supply chain development. To support this goal, all suppliers with a score below 6.0 receive individualized action plans during audit visits, with specific recommendations for improvement. The progress of these plans is tracked throughout the year as part of a structured effort to drive consistent advancement.

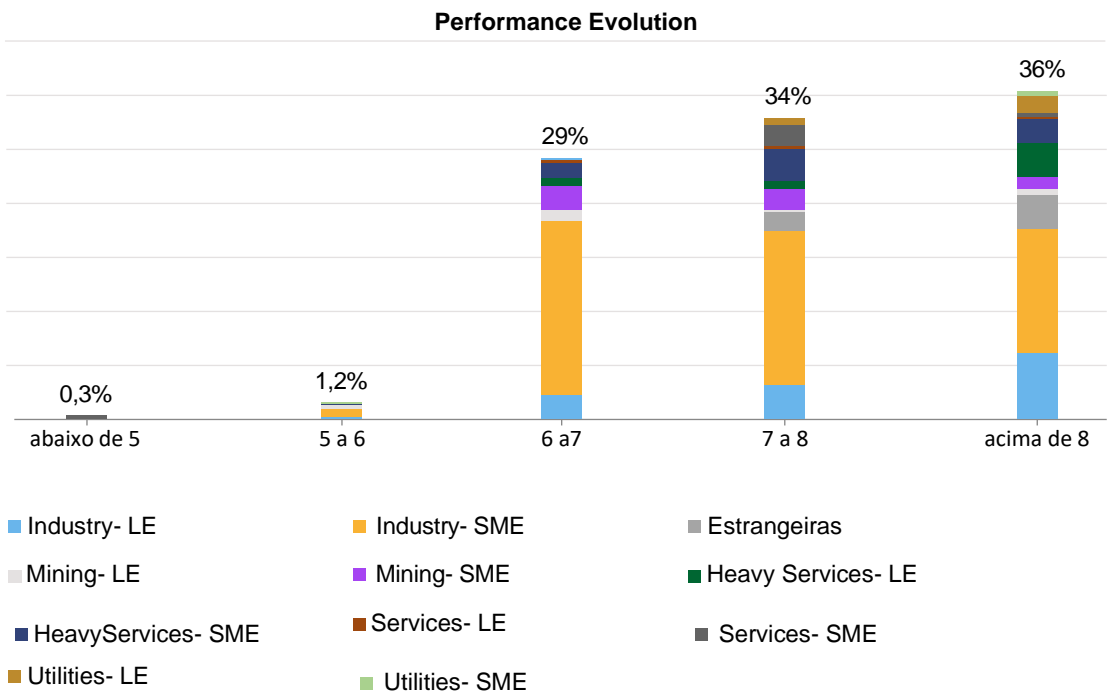
In 2024, 1.5% of suppliers (equivalent to 5 participants) scored below 6.0, an improvement from the previous year, when 4% (9 suppliers) fell into this range. These suppliers represented less than 0.3% of Dexco's total supplier spending during the period. They received tailored improvement recommendations, which will be monitored in upcoming program cycles. This group constitutes a strategic focus dimension for Dexco, which is committed to supporting their journey toward higher performance.

This positive shift in supplier performance during the 2024 cycle is aligned with the company's Sustainability Strategy, which aims to achieve a 10% increase in average supplier scores by 2025, compared to the 2020 baseline. The goal is to reach an average score of 8.0, and the current results demonstrate meaningful and consistent progress toward that objective.

Chart 5 presents the number of companies by score range and category among the 2024 program participants.



Chart 5: Number of Companies by Score Range



## DIMENSIONAL ADHERENCE ANALYSIS

For each of the dimensions assessed by the GFD Program, supplier adherence is measured in relation to the key topics encompassed in the evaluation. In other words, the analysis indicates the extent to which suppliers — in a consolidated manner — have implemented practices or policies that address the respective subjects.

The multi-dimensional analysis of supplier responses reveals continuous improvement in both practices and formalized policies, as evidenced by the year-over-year trends in the annual charts. High adherence rates were observed in Compliance and Occupational Health and Safety, while dimensions such as Sustainability Management, Ethics and Human Rights, and Labor Practices recorded comparatively lower adherence, highlighting priority areas for improvement. Once again, Utilities – Large Enterprises stood out for their strong performance.

Compliance and Community Relations demonstrated high and consistent adherence over time, confirming the strengthening of regulatory alignment and social engagement practices. In contrast, Sustainability Management remains a persistent challenge, with low levels of adherence across all sectors.

There are notable differences between Large Enterprises (LEs) and Small and Medium Enterprises (SMEs) across multiple dimensions, particularly in Sustainability Management, Ethics and Human Rights, Labor, and Health and Safety. These differences underscore the greater difficulty that SMEs face in implementing structured and sustainable practices in these areas.

Nonetheless, the annual charts show an encouraging trend of improvement among SMEs, especially across dimensions such as Labor Practices and Sustainability Management, although further progress remains possible. In summary, the results demonstrate an evolution in supplier practices, with some high-performing dimensions and others that still require development — particularly among SMEs.

As shown in Chart 6, topics related to regulation and legislation continue to have naturally higher adherence levels among suppliers. Notably:

- Compliance scored an average adherence rate of 93.6%
- Health and Safety reached 78.6%

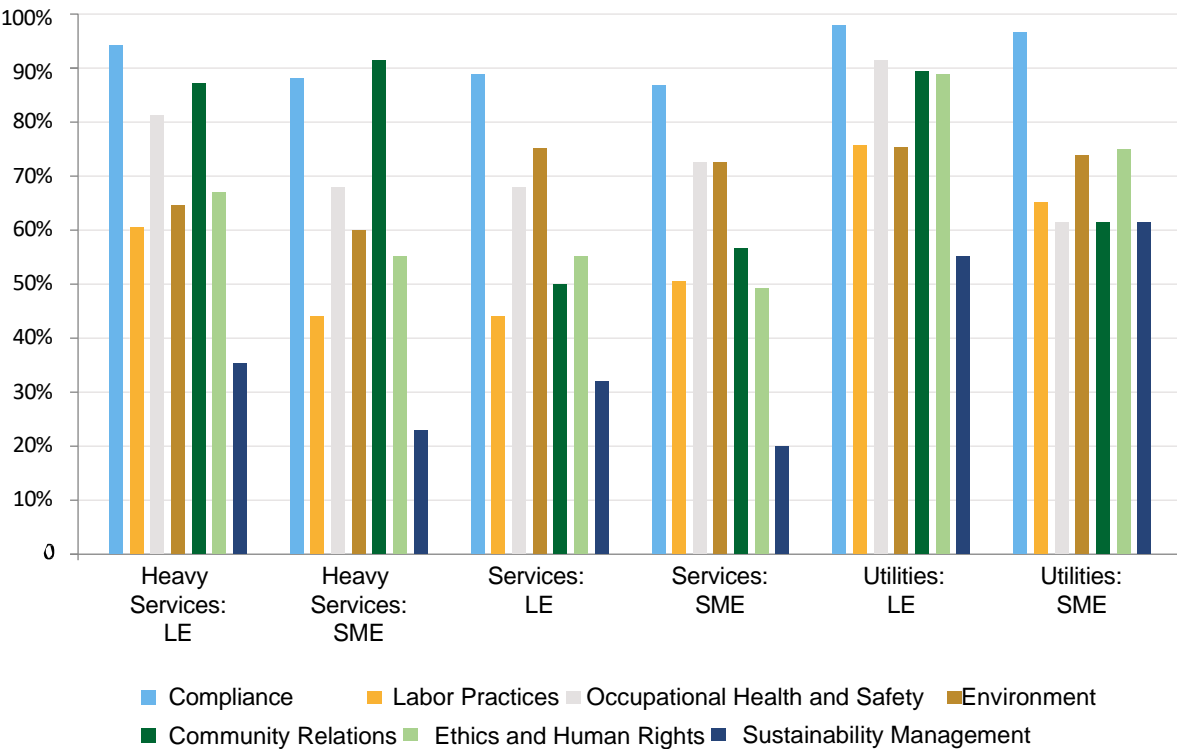
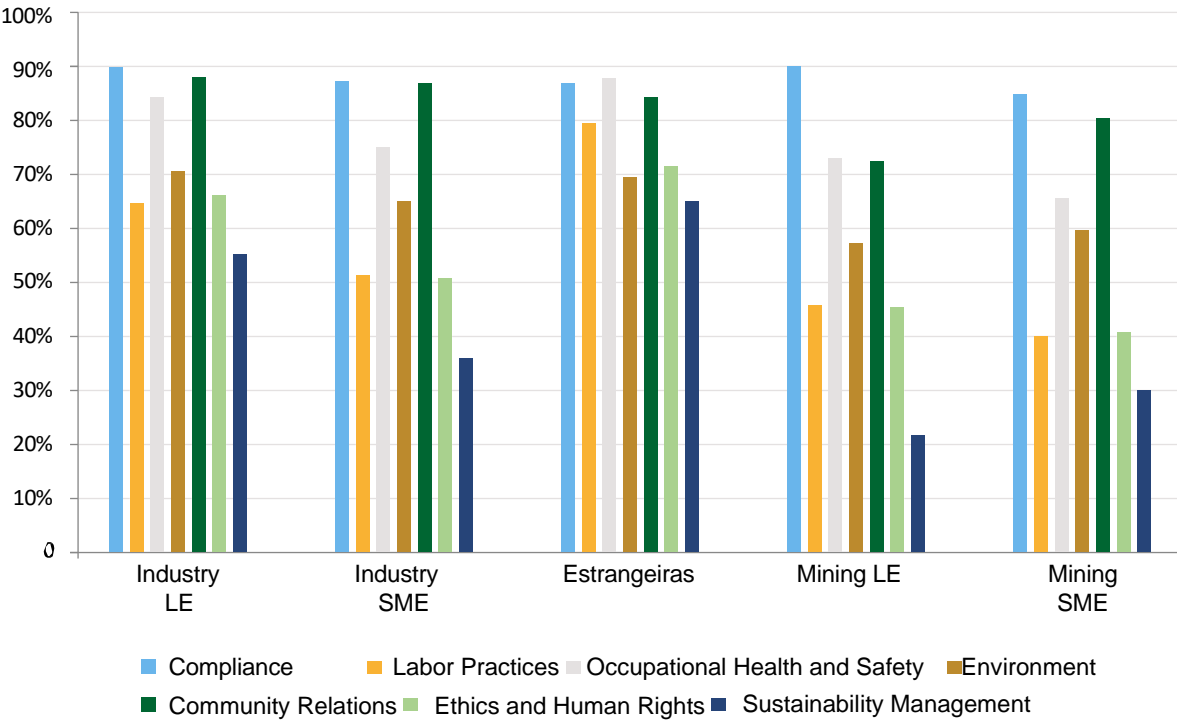
In contrast:

- Sustainability Management: 48%
- Ethics and Human Rights: 61%
- Labor Practices: 57%

The Environment dimension showed a decline of 6 percentage points, falling from 73% in 2023 to 67% in 2024. This drop is associated with the expansion of the participant base in the current cycle, which included a considerable number of new suppliers, many of whom are still in the early stages of adopting structured environmental management practices.

The sector-by-sector comparison, also presented in the chart below, confirms once again that the Utilities – Large Enterprises segment demonstrated the highest overall performance.

Chart 6: Supplier Adherence Rate by Dimension



Compliance and Community Relations were the dimensions with the highest levels of adherence in the GFD Program in 2024, 2023, and 2022. The adherence rates for Community Relations were 85% in 2022, 83% in 2023, and 82% in 2024, demonstrating a consistently important level of supplier engagement with the topic over the years.

In contrast, the Sustainability Management dimension — historically the lowest-performing area in the GFD Program — once again recorded the lowest level of adherence in 2024, reaching only 48% across all sectors. This dimension has shown limited progress in recent years, with adherence rates of 52% in 2022 and 49% in 2023.

This performance suggests that the integration of sustainability practices — both within suppliers and throughout their respective supply chains — has not yet reached a strategic management level for most participating companies. This remains a critical dimension for improvement in future cycles.

Chart 7 below shows the evolution of supplier adherence for each of the seven GFD dimensions over the last three years (2022, 2023, and 2024).

Chart 7: Average Score by Dimension

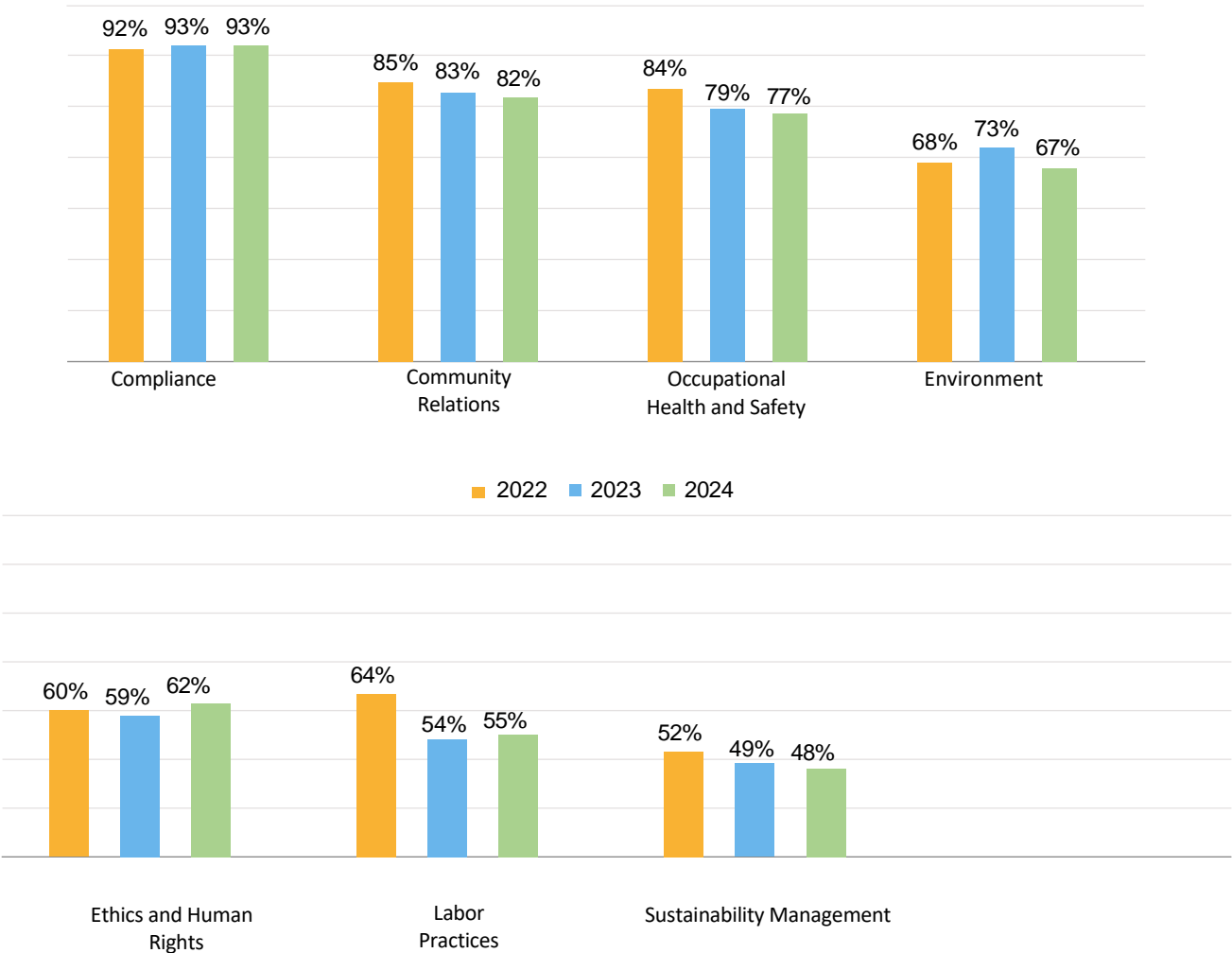
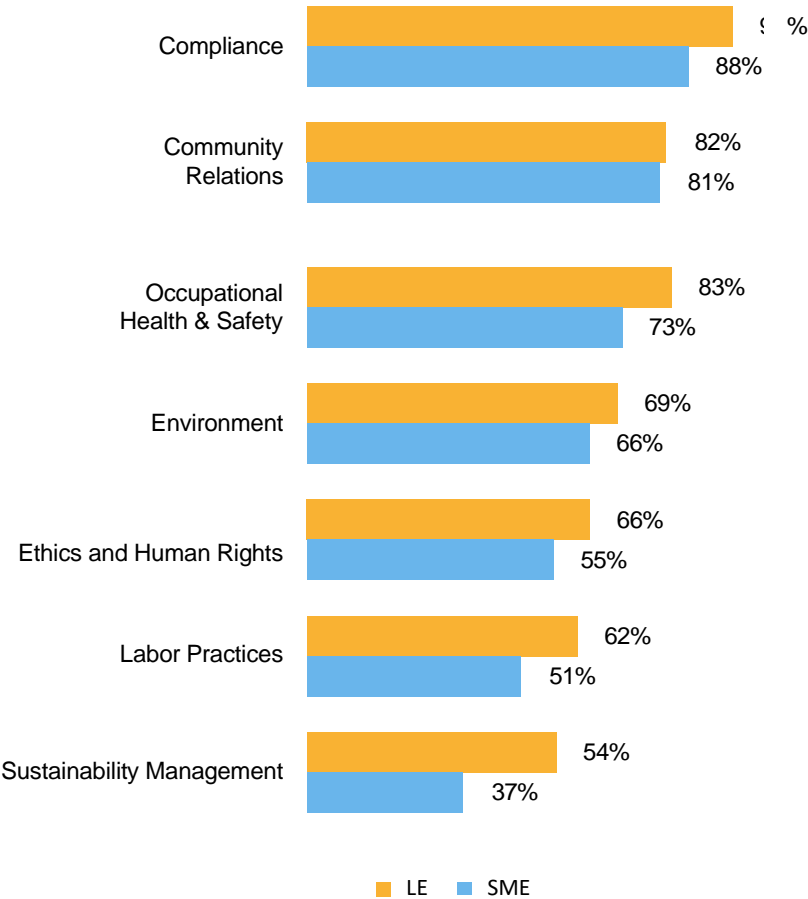


Chart 8 presents the comparison of average adherence rates by dimension, segmented by company size (Large Enterprises vs. SMEs). The data reveals a consistent gap between the two groups, particularly in dimensions not linked to regulatory compliance, such as Sustainability Management, Ethics and Human Rights, and Labor Practices.

Chart 8: Average Score by Dimension and Company Size



As illustrated, although SMEs consistently scored lower across all dimensions, the largest gap was found in Sustainability Management, with a 17-percentage-point difference between large enterprises (54%) and SMEs (37%). This result highlights the need to strengthen sustainability governance processes among SMEs, particularly to support the strategic and structured integration of sustainable practices into their operations.

In the Ethics and Human Rights dimension, the gap is also significant: 11 percentage points (66% for LEs vs. 55% for SMEs). This indicates the need to enhance integrity and compliance practices not only internally but also throughout the supply chain.

For the Labor Practices dimension, SMEs also lagged by 11 percentage points (62% for LEs vs. 51% for SMEs). This suggests that smaller companies face greater challenges in structuring robust labor policies and practices—whether due to operational constraints or limited technical capacity.

In cases where potential non-compliance with labor regulations is identified, the issue is escalated to Dexco’s Compliance team, which evaluates the appropriate actions to be taken, following the company’s internal protocols and compliance guidelines.

As in previous cycles of the GFD Program, the Compliance dimension maintained a high overall adherence rate in 2024. Among the best performers were Utilities – Large Enterprises (LEs) with 98.6%, Utilities – SMEs with 97.1%, and Heavy Services – LEs with 94.67%, making them the categories with the highest compliance scores. These results reinforce a strong commitment to regulatory alignment and compliance with mandatory standards.

In the Occupational Health and Safety dimension, large enterprises continued to perform well, driven by strict regulatory requirements applicable in Brazil. One exception was observed in the Services – LEs segment, which recorded a lower score of 68.7%. It is important to note, however, that this figure is based on responses from only three companies, which limits the representativeness of the analysis.

Among SMEs, there remains significant room for improvement—especially in the Utilities, Mining, and Heavy Services sectors, which all performed below the average of large enterprises in this dimension. These areas must reinforce structured health and safety policies to ensure safe and healthy working conditions for their employees.

In the Environment dimension, environmental awareness was consistently observed, particularly among large enterprises. While companies in the Mining and Heavy Services sectors showed lower adherence rates, these results likely reflect the sector-specific challenges they face, such as:

- High consumption of natural resources
- Complexity in waste management
- Significant greenhouse gas (GHG) emissions
- Strict environmental regulations associated with their operations

These segments typically involve continuous and resource-intensive processes, which can make the adoption of lower-impact solutions more difficult in the short term.

Overall, the most critical sectors and dimensions, with scores below 30%, include:

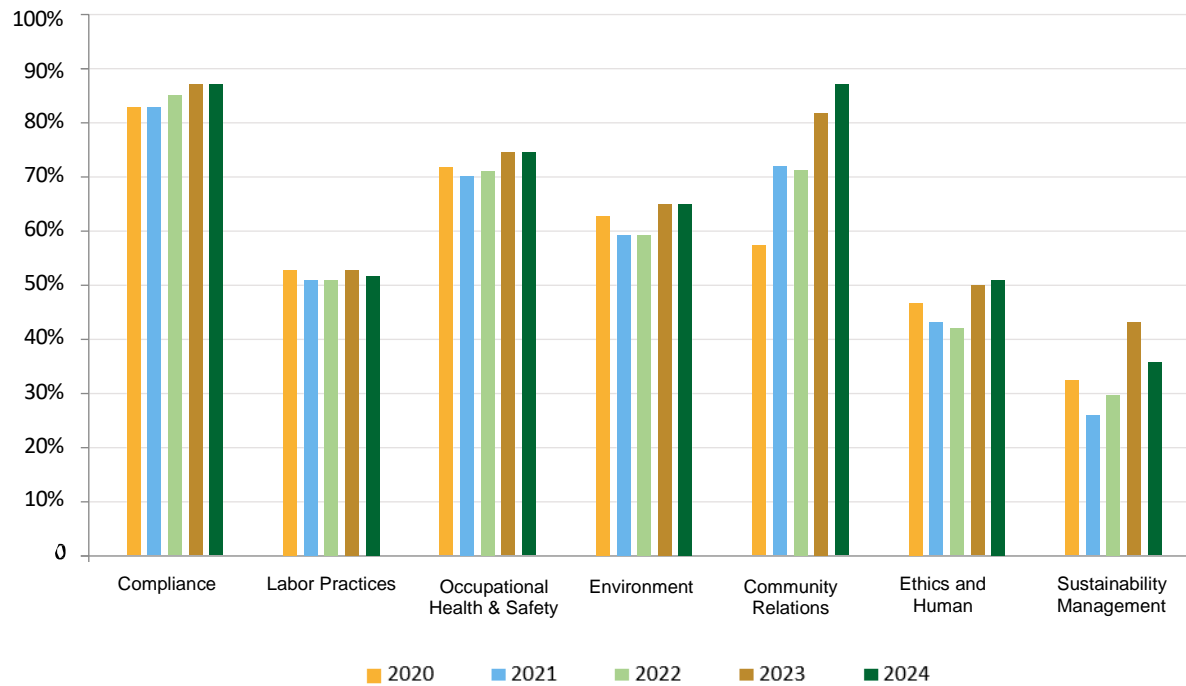
- Sustainability Management in:
- Services – SMEs: 20.0%
- Heavy Services – SMEs: 23.4%
- Mining – LEs: 22.5%

It is noteworthy that no other dimension analyzed presented average scores below 40%.

It is expected that large enterprises achieve higher scores due to their more robust governance structures and mature socio-environmental management processes. However, the performance evolution of small and medium-sized companies is particularly relevant, as it reflects the strategic role of the GFD Program in developing and empowering these suppliers.

Charts 9 to 12 present a comparison of SME scores across each dimension, tracking progress between 2020 and 2024.

Chart 9. Evolution of SME Scores – Occupational Health and Safety (2020–2024)

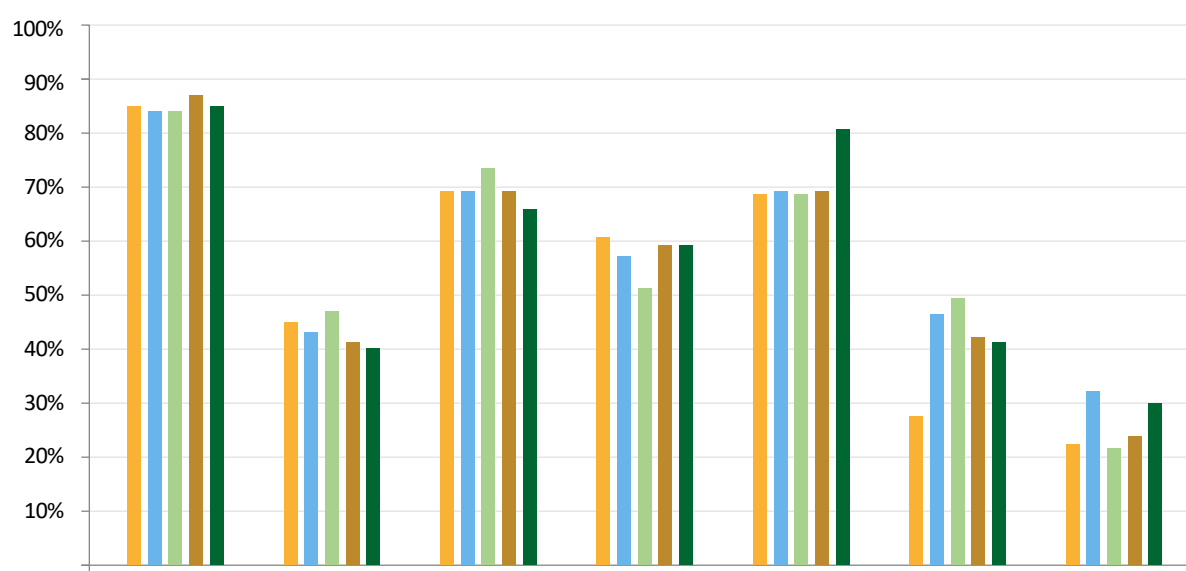


As shown in the chart above, between 2020 and 2024, Industry-sector SMEs recorded improvements in their scores across several dimensions, including Compliance, Occupational Health and Safety, Community Relations, Ethics and Human Rights, and Sustainability Management.

The Community Relations dimension demonstrated the most considerable progress, with a 51.4% increase over the period.

However, a sharp decline was noted in the Sustainability Management dimension, which fell by 17 percentage points between 2023 and 2024, from 43.5% to 36.1%. This drop underscores the need to reinforce strategic sustainability governance among SMEs in the sector.

Chart 10. Evolution of SME Scores – Ethics and Human Rights (2020–2024)





As illustrated in Chart 10, SMEs in the Mining sector demonstrated improvements between 2020 and 2024 in the following dimensions:

- Ethics and Human Rights: +11.4%
- Community Relations: +18.2%
- Sustainability Management: +30.7%

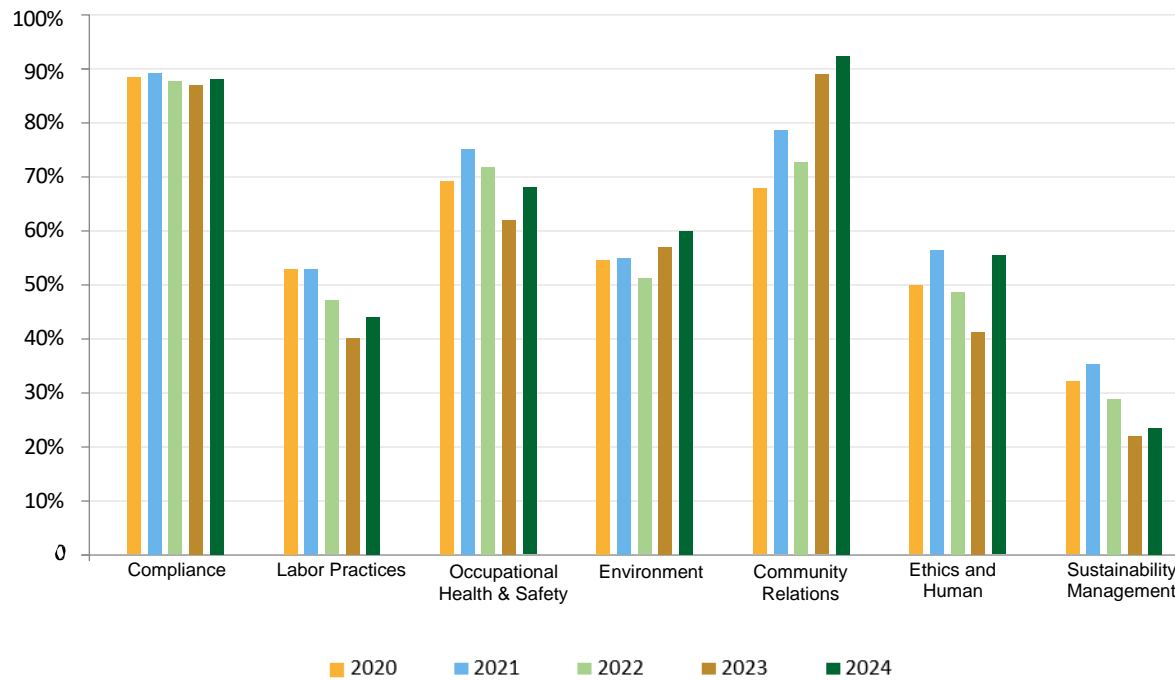
These results indicate progress in the structuring of social and governance practices within this segment.

On the other hand, the data also reveals declines in other dimensions over the same period:

- Environment: -2.8%
- Labor Practices: -9.9%
- Occupational Health and Safety: -5.0%

These reductions highlight the need for targeted support and reinforcement of structured practices in these dimensions, particularly regarding environmental risk management, labor conditions, and workplace safety.

Chart 11. Evolution of SME Scores – Sustainability Management (2020–2024)





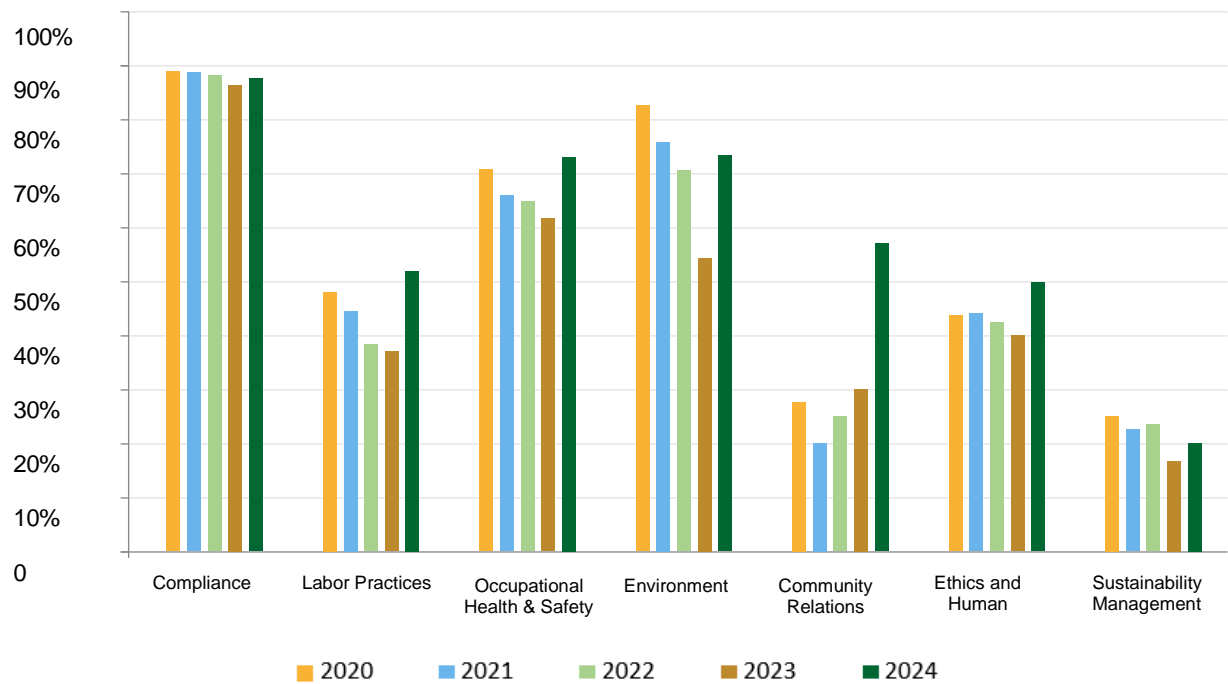
As shown in the chart above, the Heavy Services – SME segment demonstrated positive progress across all dimensions between 2023 and 2024. One of the key highlights was the Ethics and Human Rights dimension, which recorded a significant 34% increase, followed by Labor Practices, with a 10.4% increase.

However, when analyzing the performance from 2020 to 2024, there were notable declines in two dimensions:

- Sustainability Management: -27.2%
- Labor Practices: -16.8%

These results suggest that despite short-term improvements, there are long-term structural challenges in governance and workforce management that need to be addressed to ensure consistent progress.

Chart 12. Evolution of SME Scores – Labor Practices (2020–2024)



Like the Heavy Services – SME segment, the Services – SME segment showed positive progress across all dimensions from 2023 to 2024. Notable improvements include:

- Community Relations: +91.7%
- Labor Practices: +40.3%
- Environment: +35.1%

Despite these advances, an analysis of the longer time frame (2020 to 2024) reveals significant declines in:

- Sustainability Management: -20%
- Environment: -11.2%

These trends underscore the need to strengthen sustainability governance and environmental practices within the Services segment, ensuring that recent gains translate into long-term structural improvements.

It is also worth noting that in previous years, there were no participating companies from the Utilities – SME segment. However, in 2024, two companies from this segment took part in the assessment for the first time, showing robust performance in the Compliance dimension, with an average score of 97.1%.

On the other hand, the dimensions Community Relations, Occupational Health and Safety, and Sustainability Management all received scores of 62.5%, highlighting clear opportunities for development in these areas.

The following section presents the main results for each of the GFD dimensions in 2024:

COMPLIANCE

To achieve robust performance in the Compliance dimension, suppliers must meet all legal obligations applicable to their operations and have no outstanding issues with relevant authorities. During the evaluation process, suppliers are asked to present certificates, documentation, and licenses that demonstrate their legal and regulatory compliance.

For suppliers who are not subject to on-site audits, no specific documentation is required at the time of completing the self-assessment questionnaire—beyond what is already analyzed during the regular supplier onboarding process.

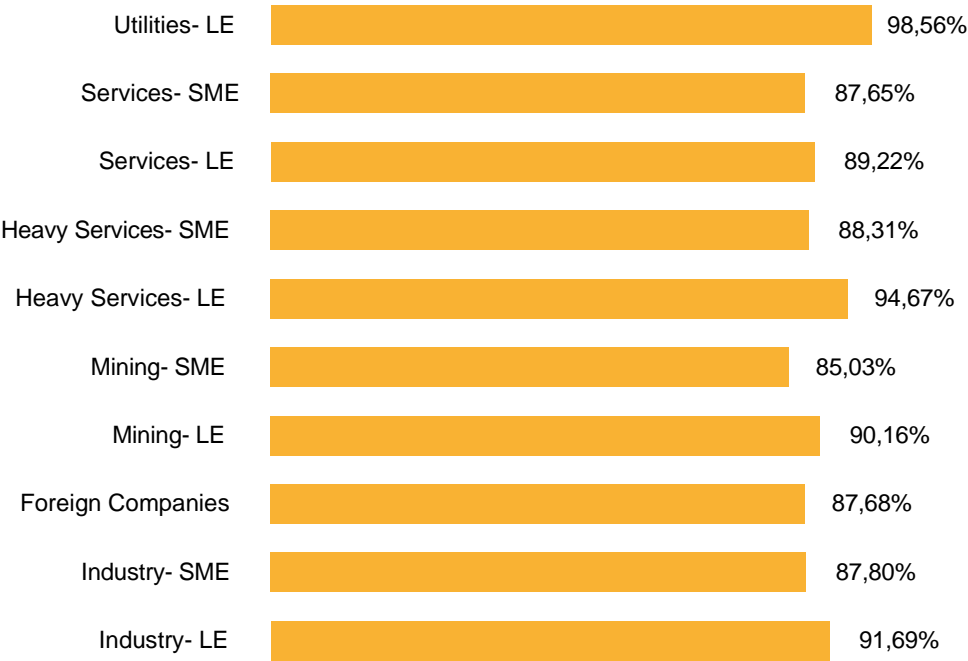
It is important to note that Dexco’s supplier approval process includes the automated verification of the following documents, which increases both the efficiency and reliability of compliance screening:

- Corporate Taxpayer Registry (CNPJ) status
- Federal Tax Clearance Certificate (including social security and debt to the Union)
- Labor Debt Clearance Certificate (CNDT)
- FGTS Compliance Certificate (CRF)
- Status in the SINTEGRA system (Integrated System of Information on Interstate Operations)

Historically, the Compliance dimension has shown the highest adherence level among GFD participants, with an average score of 93.6% in 2024. As shown in the chart below, the **Services – LEs** and **Utilities** sectors recorded the highest scores in this dimension.

Chart 13. Sector Scores – Compliance Dimension





Despite the strong average performance in this category, a total of 93 documentation issues were identified in 2024, including:

- Corporate Taxpayer Registry (CNPJ)
- Municipal Business License or Permit
- Fire Department Inspection Certificate (AVCB or CLCB)
- Environmental Operating License
- FGTS Compliance Certificate
- Federal Tax Clearance Certificate
- State Tax Clearance Certificate
- Labor Debt Clearance Certificate (CNDT)

Dexco emphasizes the importance of full compliance with legal obligations by its suppliers as a fundamental element of sustainable business management.

LABOR PRACTICES

The Labor Practices dimension within the GFD Program assesses how suppliers ensure healthy and fair working conditions and relationships, fostering a workplace culture focused on employee care and development. The analysis covers topics such as:

- Compensation and benefits
- Performance evaluation, career development, and employee satisfaction
- Training and capacity-building programs

- Hiring and development of young apprentices
- Inclusion and development of people with disabilities
- Initiatives to support and offer flexible conditions for returning to work after maternity/child-bonding leave.
- Actions to prevent moral and sexual harassment in the workplace.
- Measures to prevent discrimination in the workplace.
- Guarantee of fair and pre-established disciplinary practices

The chart below shows the average scores by sector in the Labor Practices dimension.

**Chart 14. Sector Scores – Labor Practices Dimension**

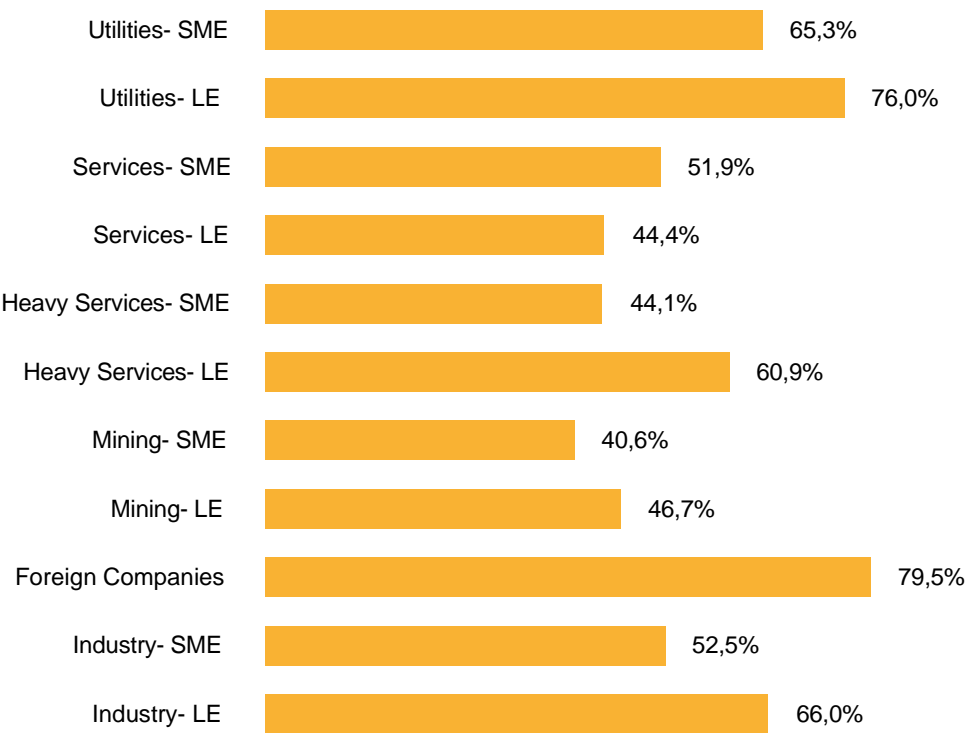
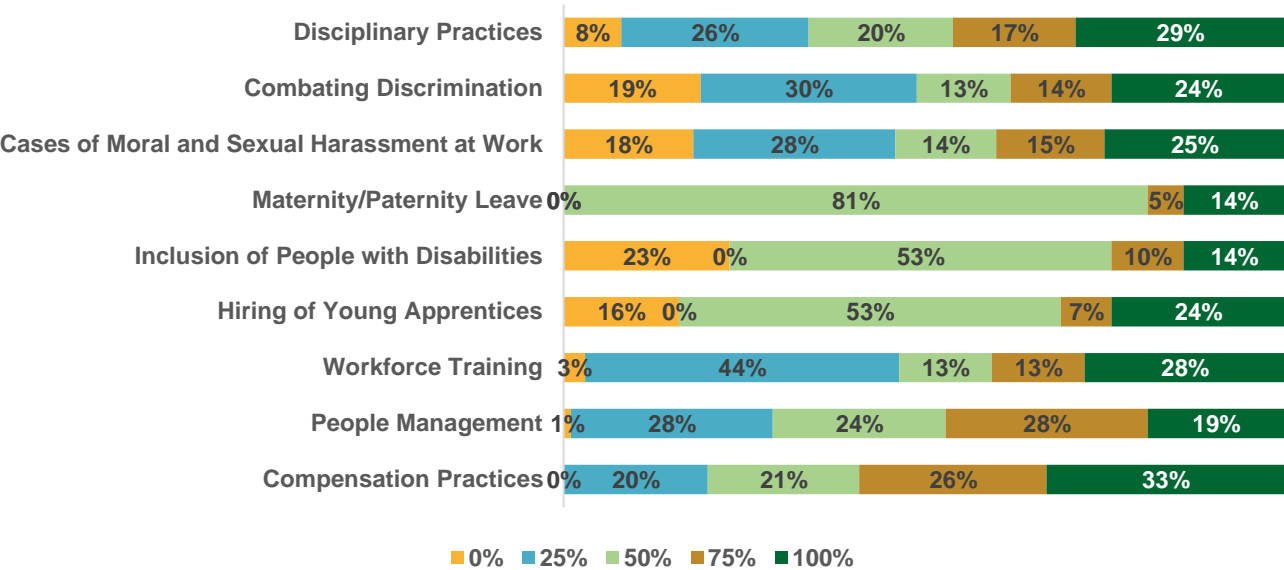


Chart 15, below, presents the distribution of scores for each question within the Labor dimension. Score ranges span from 0% (indicating the company lacks structured practices related to the topic) to 100% (indicating the company demonstrates robust and exemplary initiatives). It is important to emphasize that low adherence percentages do not imply non-compliance with requirements but rather highlight opportunities for improving management systems in this area.

**Chart 15: Score Distribution for Each Question in the Labor Dimension**



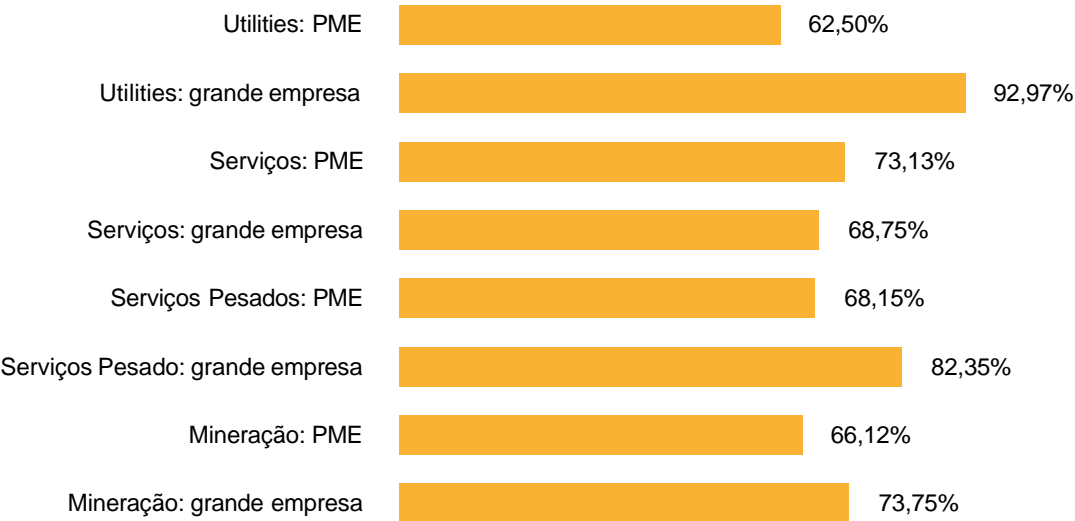
Historically, within the GFD Program, the criterion with the highest adherence rate relates to compensation practices, with 59% of evaluated companies demonstrating strong compliance with this standard. This outcome reflects the efforts of many organizations to offer salaries and benefits above the market average in their respective contexts, aiming to attract and retain top talent.

HEALTH AND SAFETY

This dimension evaluates specific aspects of occupational safety, verified through compliance with the applicable Regulatory Standards (“NRs”). Additionally, it assesses issues related to employee health promotion, workplace risk prevention, hazardous materials storage, and the health and safety of end-users of the products or services offered (including product labeling, where applicable).

The chart below presents the scores by sector within the Health and Safety dimension.

Chart 16: Scores by Sector in the Health and Safety Dimension

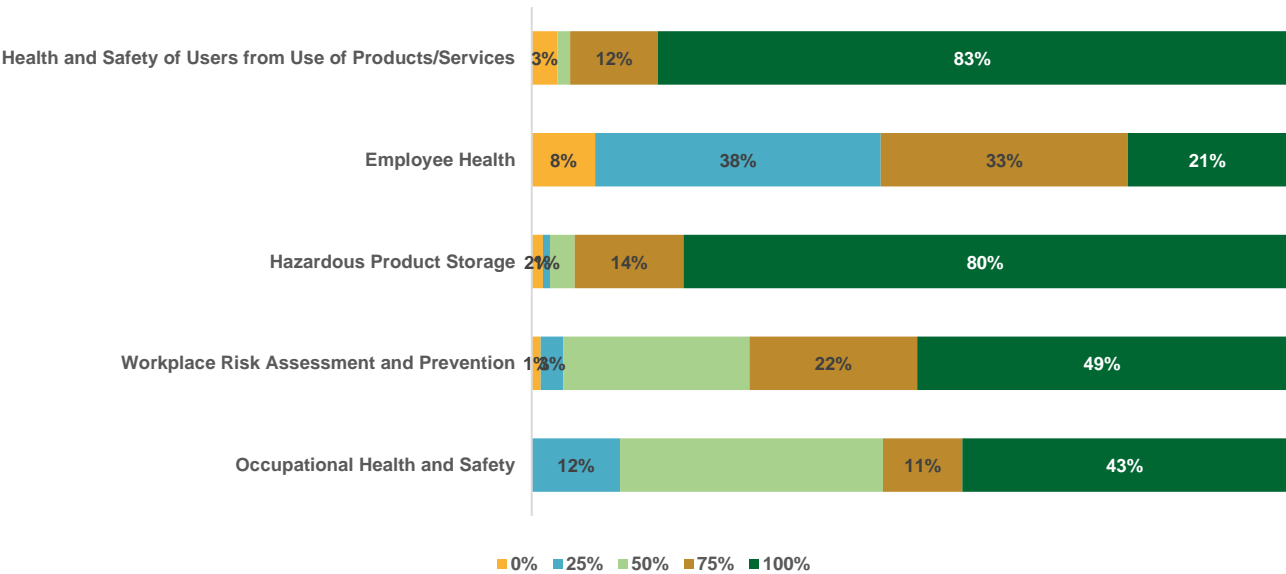




Among the topics covered, all questions showed adherence rates above 50%. The lowest adherence was related to employee health promotion, where 8.4% of respondents reported having no programs or only occasional initiatives on this topic, and 37.8% indicated having only occasional initiatives for promoting employee health.

Conversely, the question regarding the health and safety of customers resulting from product use achieved a high adherence rate of 94.8%, largely since most supplied materials do not pose risks to end-users. Another highlighted topic is the storage of hazardous materials, which is highly regulated across various sectors and reached an adherence rate of 94.3%.

Chart 17: Score Distribution for Each Question in the Health and Safety Dimension



ENVIRONMENT

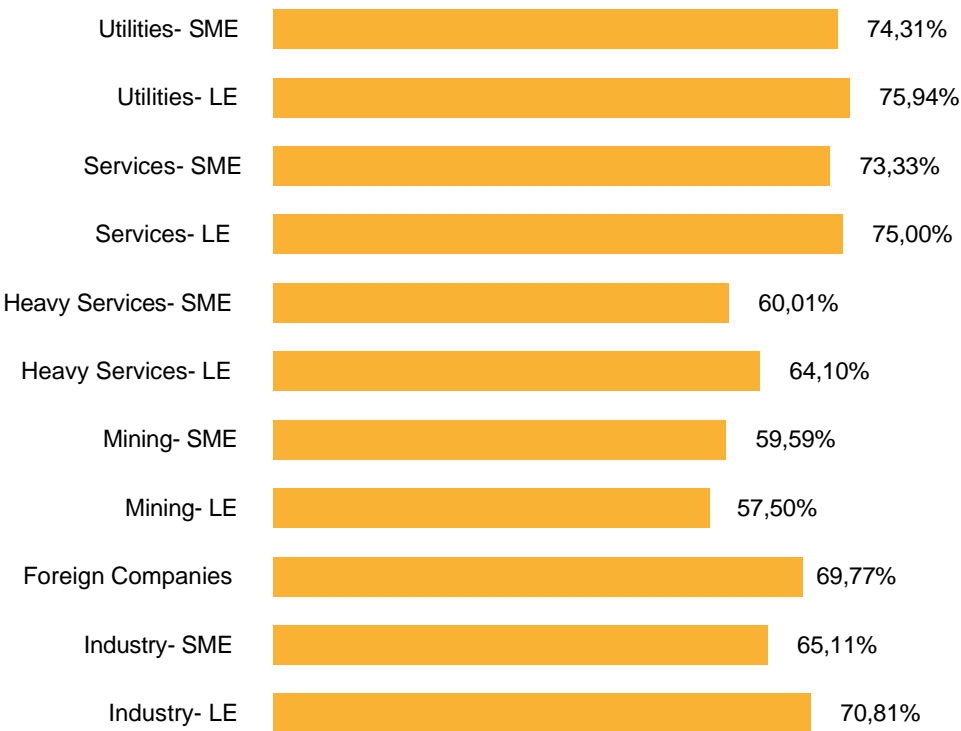
The Environment dimension of the GFD Program covers the following topics:

- Existence of an environmental management system.
- Occurrence of environmental violations or complaints.
- Waste management and disposal (initiatives and reduction targets).
- Water (access to quality and enough, consumption levels, reduction targets, effluent discharge, and spill incidents).
- Energy (access to energy in required quality and quantity, consumption levels,

- reduction targets, energy matrix).
- Atmospheric emissions.
  - Greenhouse gas (GHG) emissions, including initiatives and targets for reduction.
  - Noise.
  - Biodiversity (operational impacts on biodiversity, ecosystem conservation, compliance and documentation in conservation dimensions, and occurrences of native vegetation suppression)
  - Use of renewable or recycled raw materials.
  - Product and packaging recovery initiatives.
  - Timber sourcing (applicable to sectors using wood).
  - Freight efficiency (applicable to the Transportation sector).
  - Energy efficiency, electricity matrix, and energy conservation initiatives (applicable to the Energy sector).

The chart below shows the scores of different sectors within the Environment dimension.

**Chart 18: Scores by Sector in the Environment Dimension**

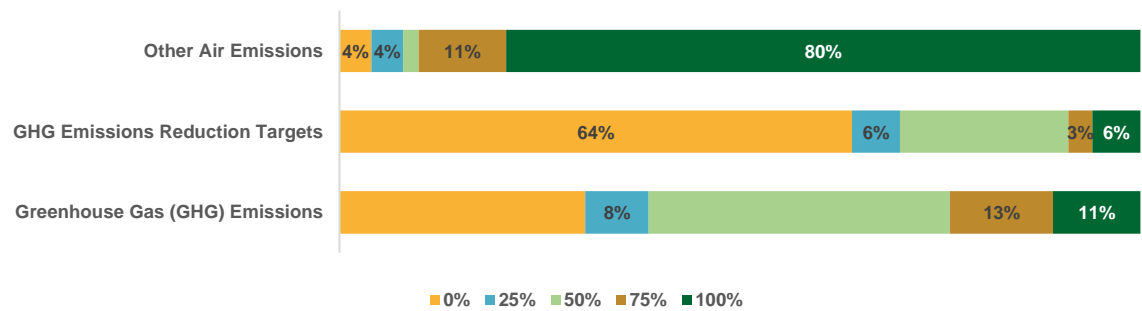


As observed in Chart 18, all sectors recorded adherence rates above 60% in the Environment dimension, except for companies in the Mining sector, highlighting the need for improvements in their environmental practices. This result is consistent with previous years; for example, in 2023, adherence in this sector was 59%, indicating persistent challenges.

The main opportunities for advancement focus on the development of structured environmental management strategies, the establishment of targets related to environmental issues, and improvements in greenhouse gas emissions management practices.

Below are the charts showing score distributions by question, organized by theme. After each chart, analyses highlight key findings and dimensions requiring attention.

Chart 19: Score Distribution for Air Emissions Questions

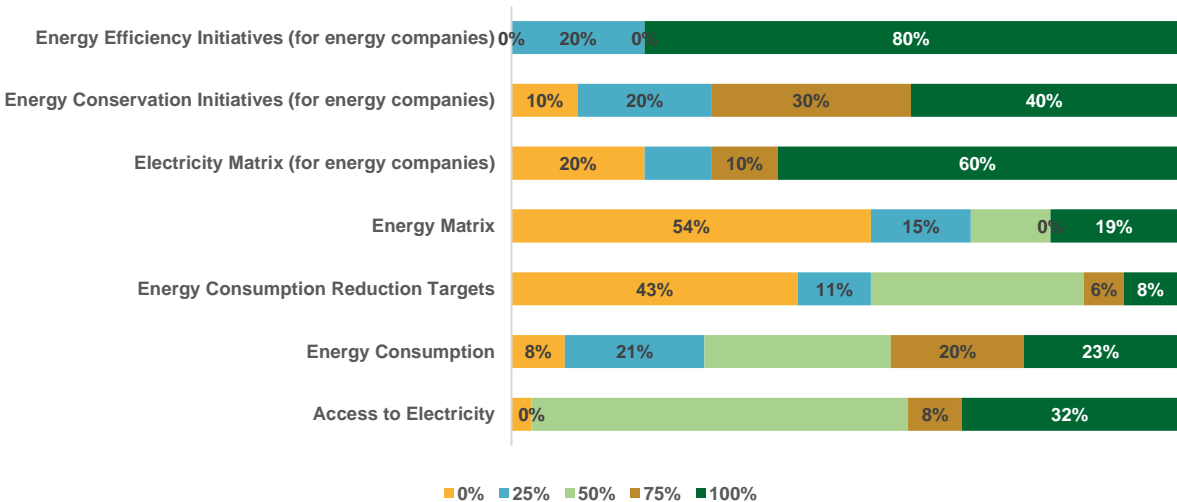




Setting targets for the reduction of greenhouse gas (GHG) emissions remains one of the dimensions with the lowest adherence among suppliers in 2023 and 2024. Nonetheless, progress has been made in 2024, 36% of suppliers reported having specific emission reduction targets, up from 33% in 2023 and 31% in 2022, indicating a positive trend in engagement with this issue.

To support supplier development on this topic, Dexco’s ESG team hosted Climate Change-focused events at the Supply Academy in 2022, 2023, and 2024. The improvement in adherence over the past two years highlights the importance of such initiatives in fostering supply chain engagement on this critical matter.

Chart 20: Score Distribution for Energy Questions



The topic of the Energy Matrix continues to show significant room for improvement, with 54% of suppliers in 2024 reporting they are unaware of the proportion of renewable energy in their operations. Additionally, 15% stated that the use of renewable sources accounts for 50% or less of their energy consumption.

Although 2023 figures were slightly better, with 47% indicating lack of knowledge and 23% reporting up to 50% renewable energy use, the 2022 data were similar to those of 2024. In contrast, the situation was more critical in 2021, when 62% of suppliers were unaware of their energy matrix and 17% used renewable sources for up to 50% of their consumption.

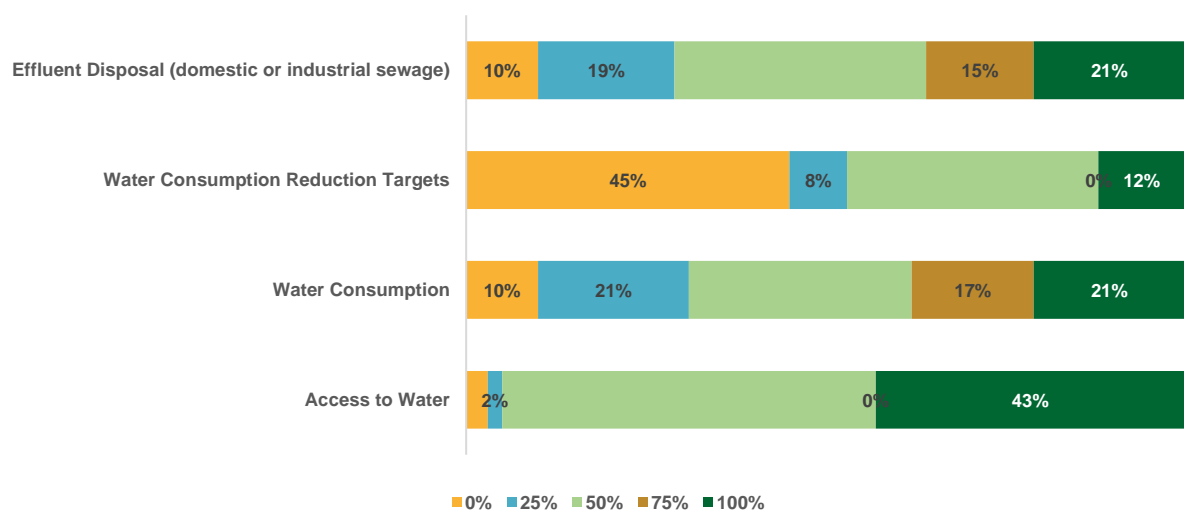
Regarding energy consumption targets, 43% of companies in 2024 reported having no defined targets, while 11% have targets but failed to meet them in the past year. Comparatively, these figures were 33% in 2023, 39% in 2022, and 43% in 2021, indicating a regression in this indicator relative to the previous year, returning to 2021 levels. This situation underscores the importance of continuing to promote education and technical support for the establishment of sustainable practices, as well as the formulation of clear and achievable energy consumption targets.

In recent years, Dexco has promoted supplier capacity-building initiatives through its Supply

Academies, focusing on strategic environmental topics. In 2022, the focus was on Environmental Management Systems; in 2023, Energy Resource Management; and in 2024, Dexco hosted a specific online seminar on Climate Change, attended by 40 suppliers. These actions reflect the Company's ongoing effort to expand supply chain engagement in decarbonization and sustainability agendas, reinforcing the importance of keeping these topics prominent in upcoming GFD Program cycles.

A noteworthy data point is the strong commitment from energy sector companies regarding energy efficiency initiatives, energy matrix management, and energy conservation, as expected from their sector.

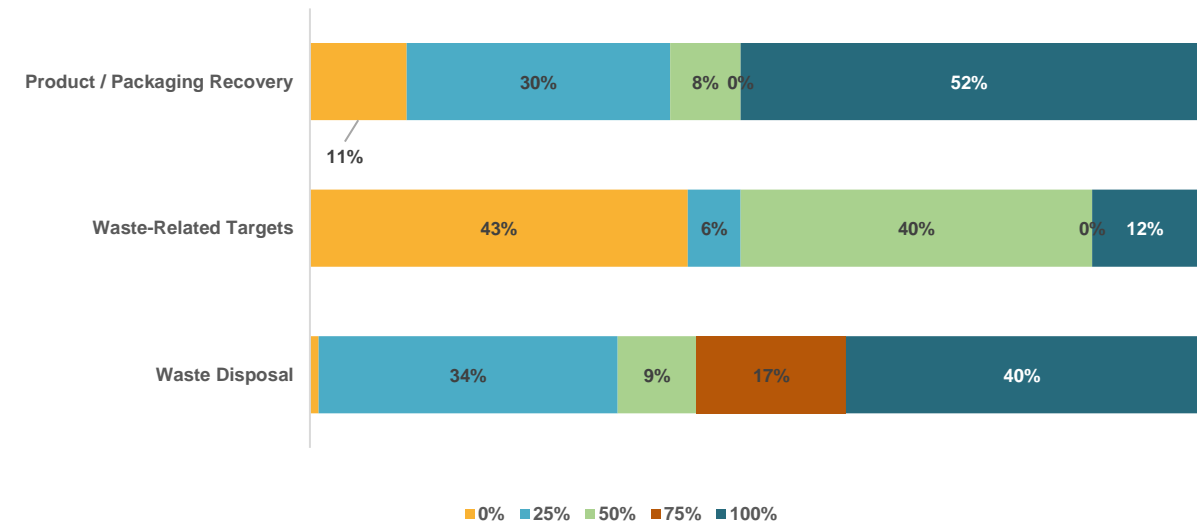
Chart 21: Score Distribution for Water-Related Questions



Regarding water use, 69% of suppliers monitor and manage their water consumption, demonstrating concern for water resource management. However, 45% of suppliers do not have targets to reduce consumption, indicating an opportunity to raise awareness for more efficient water use.

In terms of effluents and chemicals, suppliers showed robust performance, with 97% reporting no significant spills of chemical products and/or effluents in the past 12 months. This result reflects companies' attention to the issue, driven by environmental regulations and the risk of financial penalties, which demand more rigorous and preventive management.

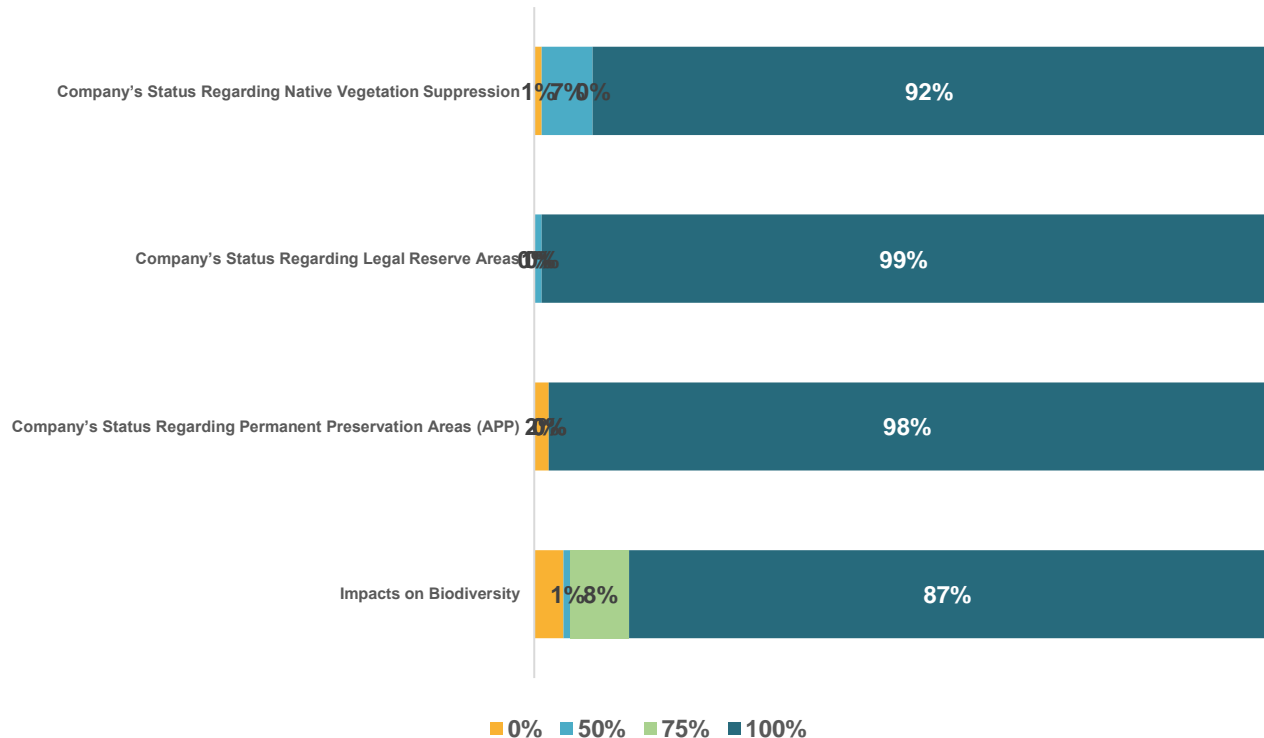
Chart 22: Score Distribution for Waste-Related Questions



Regarding waste management, 99% of companies reported disposing of their waste correctly and in accordance with its classification. Additionally, 65% stated they have a Solid Waste Management Plan in place (where applicable and compliant with regulations).

On the other hand, commitment to waste reduction targets is lower, with 43% of companies lacking defined waste reduction goals within their operations.

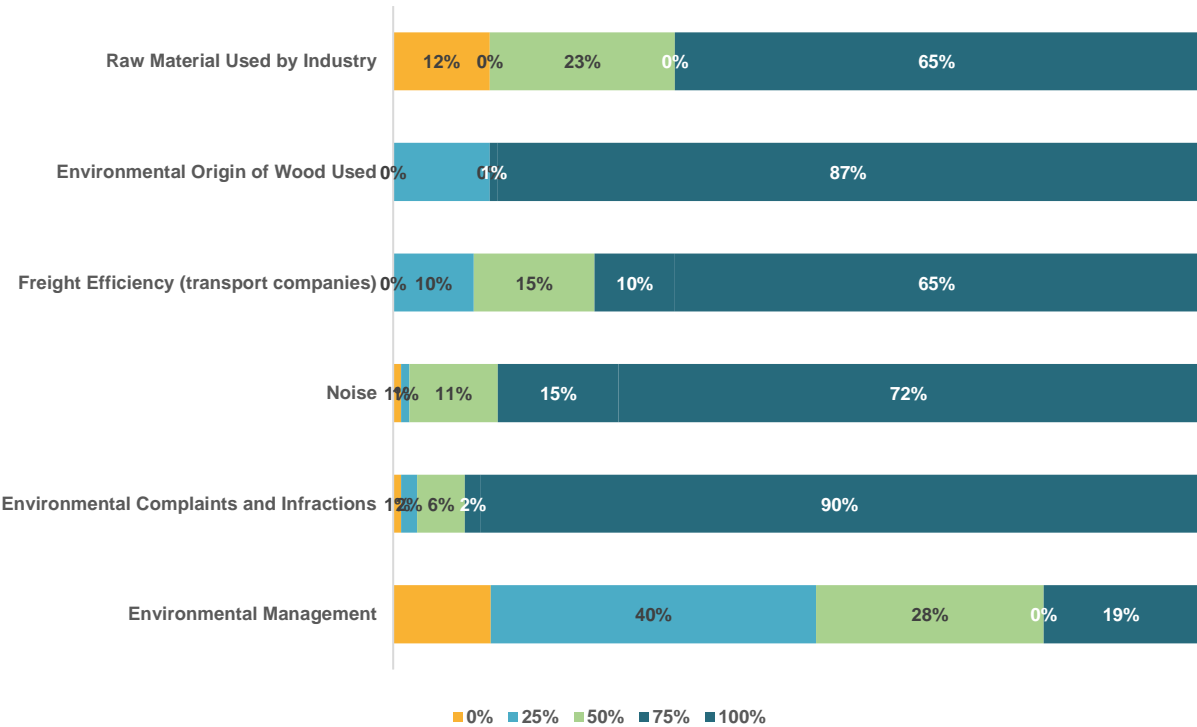
Chart 23: Score Distribution for Biodiversity-Related Questions



In 2024, suppliers maintained strong commitment to biodiversity issues, a result partly driven by the oversight of environmental regulatory agencies. It is worth noting that many suppliers

are excluded from this criterion’s analysis, as they reported it as not applicable to their operations. Among suppliers who acknowledged direct negative impacts on biodiversity, **96% reported having mitigation plans in place**, underscoring the attention given to this topic.

**Chart 24: Score Distribution for Questions on Management, Noise, Complaints and Infractions, Product Origin, Freight, and Raw Materials**



Among environmental issues, Environmental Management stood out negatively in 2024. **12% of companies** reported having neither a structured environmental management program nor any impact mitigation actions, while **40%** stated they only carried out occasional initiatives to mitigate socio-environmental impacts without a consolidated program.

On the other hand, positive performance was observed regarding environmental violations and complaints, with **90% of companies** reporting no notifications or environmental complaints in the past 12 months.

Furthermore, among companies that use wood, **88%** affirmed having the necessary documentation for 100% of the native wood used or declared exclusively using reforested wood, highlighting strong commitment to sustainable practices in this dimension.

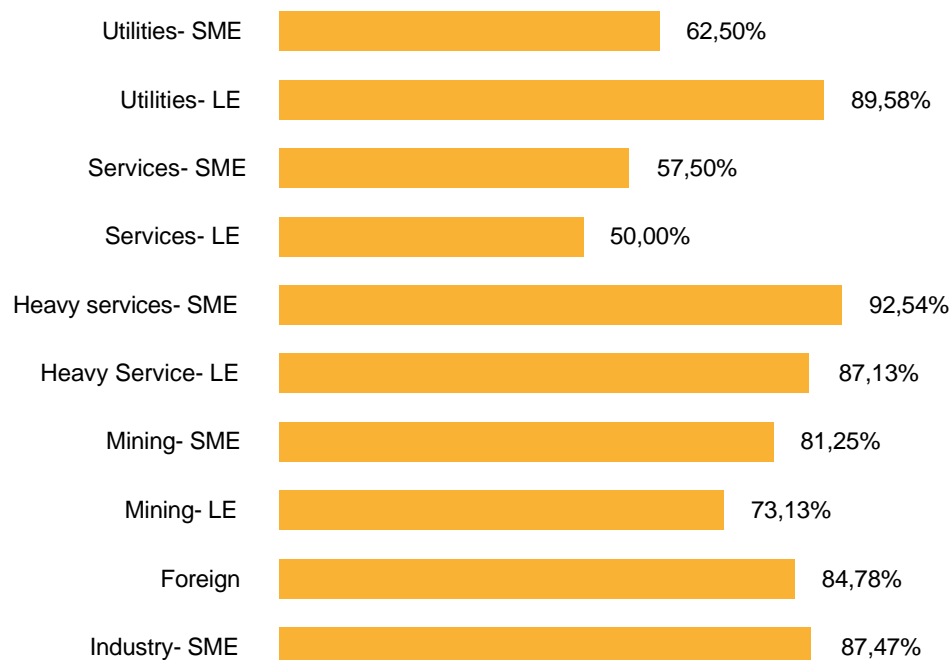
### COMMUNITY ENGAGEMENT

The pursuit of a transparent and respectful relationship with communities surrounding operations, and the company’s direct or indirect involvement in addressing their social and environmental challenges, are encompassed in this dimension, which covers the following topics:

- Social actions or initiatives aimed at local socioeconomic development.
- Initiatives ensuring and promoting health and safety in surrounding dimensions.
- Relationships with Indigenous peoples and traditional communities inhabiting the region of operation.
- Existence of a decommissioning plan that considers not only environmental aspects but also actions aimed at economic/fiscal independence of the region (applicable to mining companies).
- Presence of production units located within archaeological heritage sites.

The chart below shows sector scores within the Community Engagement dimension.

Chart 25: Scores by Sector in the Community Engagement Dimension



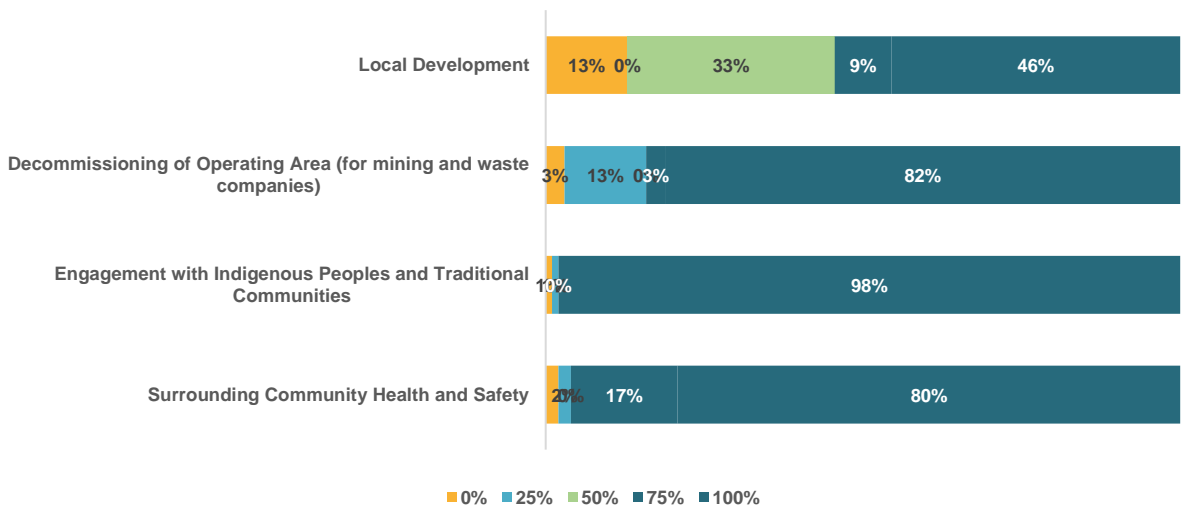


In the Community Engagement dimension, an adherence rate of 82% was observed across the analyzed sectors. As shown in Chart 23, for the second consecutive year, companies in the Services category demonstrated low adherence in this dimension, reflecting limited engagement with surrounding communities. This may be attributed to the fact that many Services suppliers primarily operate within their clients’ facilities, without significant own infrastructures, which often reduces their focus on local community relations.

Regarding local development, notable progress was achieved in 2024. Adoption of structured practices to foster community development increased to 55%, surpassing 48% in 2023 and 26% in 2022. This advancement demonstrates growing supplier engagement in social responsibility initiatives, local development, and community volunteering.

Lastly, the indicator related to health and safety of neighboring communities stands out with a strong adherence of 97%. This figure reflects that suppliers regularly assess health and safety impacts in dimensions adjacent to their operations, while also promoting risk mitigation and prevention measures. This commitment highlights the priority given to the well-being and quality of life of populations surrounding business activities.

Chart 26: Score Distribution for Questions in the Community Engagement Dimension



In 2024, an online training session focused on Social Responsibility and Tax Incentive Laws was conducted, with 32 participants. The training emphasized the importance of suppliers’ role in actions aimed at the socioeconomic development of the communities where they operate. This capacity-building initiative reinforces Dexco’s commitment to supporting its partners in implementing responsible practices aligned with ESG strategies.

ETHICS AND HUMAN RIGHTS

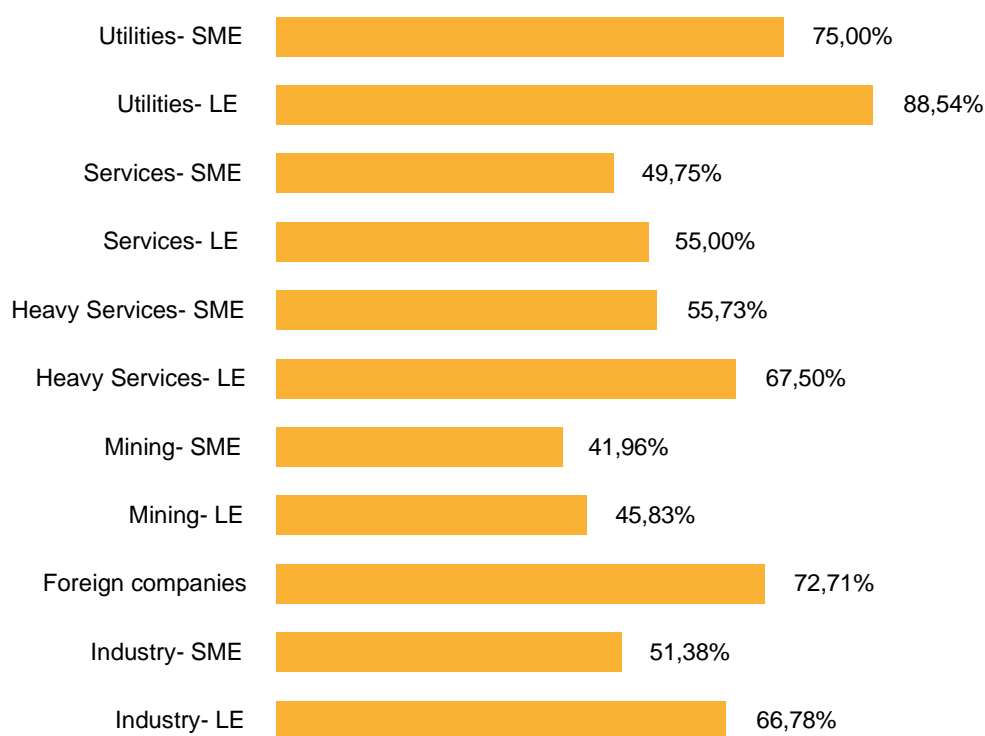
The Ethics and Human Rights dimension within the GFD Program encompasses the following topics:

- Existence of a Code of Conduct and Whistleblower Channel.

- Actions to combat forced labor or child labor.
- Programs or initiatives promoting diversity.
- Risk assessments related to the company's exposure.
- Actions to combat the sexual exploitation of children and adolescents.
- Mapping of risks related to sexual exploitation of children and adolescents within operations and the value chain.
- Training provided to employees working directly with Dexco.
- Application of integrity criteria in supplier selection.
- Security and human rights.

The chart below presents the scores of different sectors within the Ethics and Human Rights dimension.

**Chart 27: Scores by Sector in the Ethics and Human Rights Dimension**



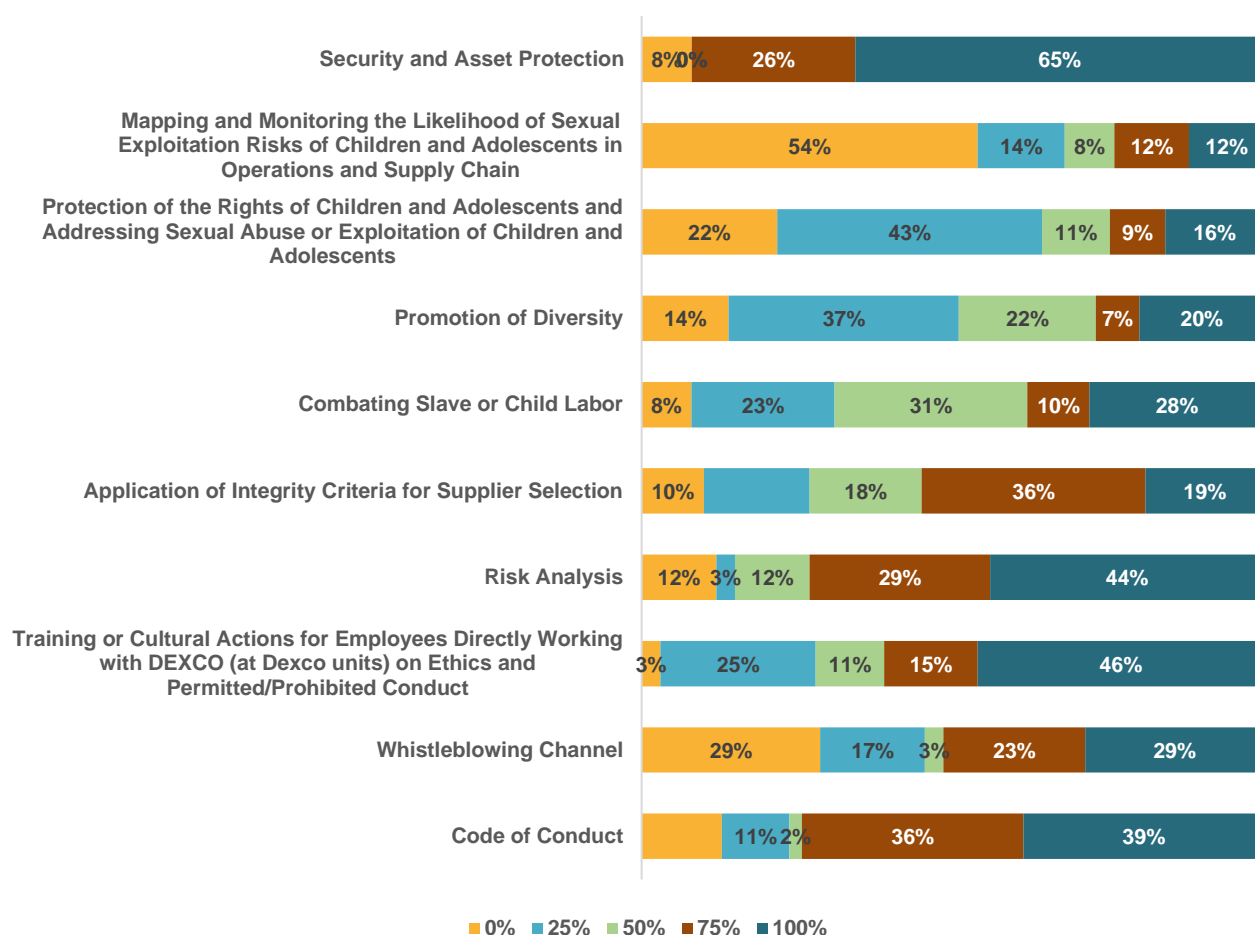
The engagement level in the Ethics and Human Rights dimension was 61% in 2024, like the 59% recorded in 2023. However, the sectors of Mining SMEs, Mining Large Enterprises, and Services SMEs showed adherence below 50%.

Few companies reported conducting mapping and monitoring actions regarding the risk of sexual exploitation of children and adolescents in their operations and supply chain (24% overall). Meanwhile, 68% of respondents stated they do not perform any such mapping, and 8% conduct risk mapping only within their own operations. In 2023, 2022, 2021, and 2020, the percentages reporting no such mapping were 72%, 73%, 76%, and 71%, respectively, indicating that this remains a challenge among Brazilian companies.

On the other hand, 92% of respondents reported having a private security team trained and updated on human rights and use of force or having no private security at all.

Regarding the Code of Conduct, 77% declared having one in place. Additionally, 85% of companies conduct risk analyses for the main risks to which they are exposed.

**Chart 28: Score Distribution for Questions in the Ethics and Human Rights Dimension**

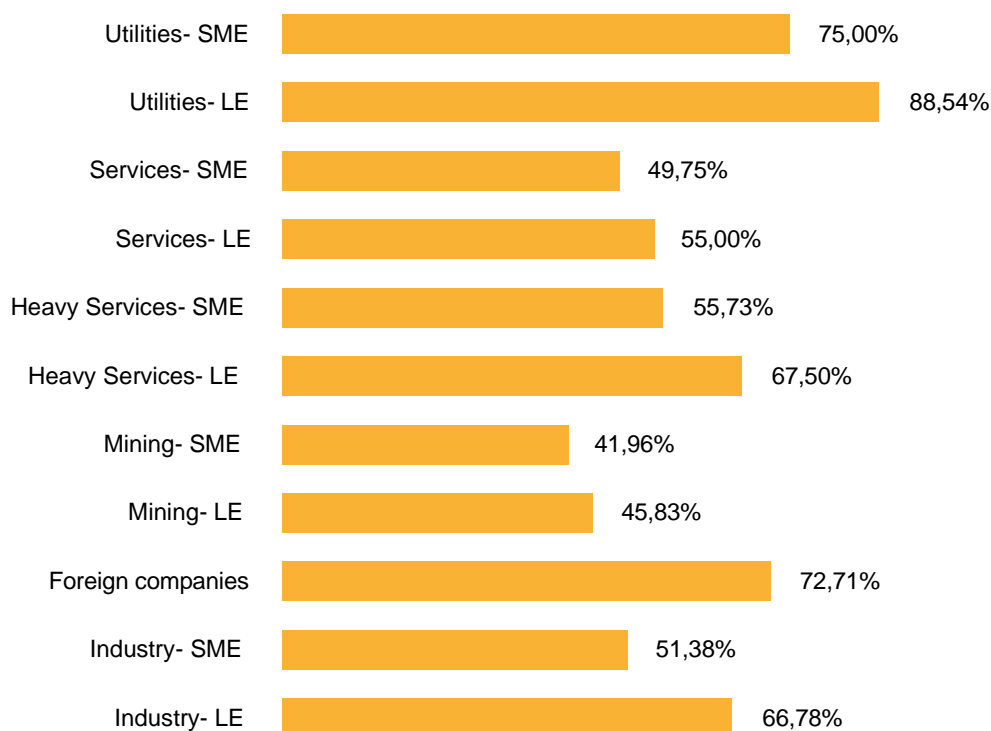


## SUSTAINABILITY MANAGEMENT

This dimension considers only two questions: The first addresses the social and environmental management of suppliers — that is, the extent to which the company has initiatives aimed at encouraging its suppliers to adopt sustainable practices in their operations (e.g., inclusion of social and environmental clauses in contracts, request for compliance documents, external audits, etc.). The second refers to research and development of products and services, considering the level of structuring of the company's initiatives, which may range from no actions at all to formal programs developed in partnership with clients, universities, or research centers.

**Chart 27: Scores by Sector in the Management Dimension**

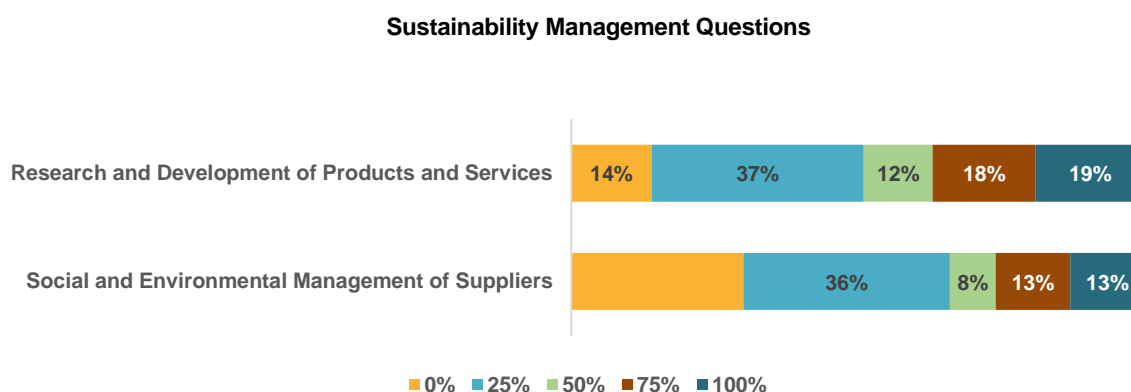




The Sustainability Management dimension maintained the lowest level of adherence in the GFD Program, with an average of 48% across all sectors in 2024. Progress in recent years has been limited: 49% in 2023, 52.5% in 2022, 46% in 2021, and 43% in 2020, indicating that sustainable practices are still not a priority — especially among small and medium-sized enterprises.

A substantial portion of companies reported either lacking structured initiatives or having only isolated actions. In supplier social and environmental management, adherence was even lower, with 30% of respondents stating they have no initiatives in this dimension. On the other hand, in research and development (R&D), 49% reported having formal programs for products and services.

**Chart 28: Score Distribution for Questions in the Management Dimension**



## Most Critical Issues Across the Assessed Dimensions

## Dexco Supplier Management

### Results Report 2024

The table below presents the questions that show the greatest opportunities for improvement. Each row corresponds to a question from the questionnaire, and the columns from 0% to 100% indicate the number of suppliers who selected the corresponding option for the level of practice adherence — with 0% representing the lowest level of engagement (no practice implemented) and 100% representing the highest (fully implemented practice).

The "Up to 50%" column shows the percentage of suppliers with low adherence (i.e., those who selected 0%, 25%, or 50%), highlighting the main performance gaps. The final column identifies the dimension to which the question belongs, such as Environment, Ethics and Human Rights, or Management. These data help identify topics with the greatest need for development.

Question	0%	25%	50%	75%	100%	Up to 50%	Dimension
Regarding greenhouse gas (GHG) emissions reduction targets, which option best describes the company's practices?	205	19	66	10	20	70%	Environment
Regarding the energy matrix, which option best describes the company's practices?	167	47	36	0	61	69%	Environment
Regarding the mapping and monitoring of the likelihood of sexual exploitation risks of children and adolescents in your operations and supply chain, which option best describes the company's practices?	178	47	27	41	40	68%	Ethics and Human Rights
Regarding the social and environmental management of suppliers, which option best describes the company's practices?	101	120	25	44	43	66%	Management

Question	0%	25%	50%	75%	100%	Up to 50%	Dimensão
Regarding the protection of the rights of children and adolescents and addressing sexual abuse or exploitation of children and adolescents, which option best describes the company's practices?	72	141	37	30	53	64%	Ethics and Human Rights
Regarding energy consumption reduction targets, which option best describes the company's practices	133	34	98	19	26	54%	Environment
Regarding water consumption reduction targets, which option best describes the company's practices?	143	26	112	0	39	53%	Environment
Regarding environmental management, which option best describes the company's practices?	41	134	93	0	65	53%	Environment
Regarding research and development of products and services, which option best describes the company's practices?	32	87	27	42	46	51%	Management
Regarding the promotion of diversity, considering equity in gender, race, sexual orientation, age, disability, among others, which option best describes the company's practices?	48	121	74	22	68	51%	Ethics and Human Rights

The analysis of supplier practices in 2024 reveals significant challenges, considering the number of suppliers showing adherence levels below 50% across various evaluated topics.

The Environment dimension presented the largest gaps, with five critical issues related to GHG emissions reduction targets (70% of suppliers with adherence below 50%), energy matrix (69%), environmental management (53%), energy consumption targets (54%), and water consumption targets (53%). These figures indicate that many companies still lack structured practices to manage their environmental impacts, reinforcing the need for progress in environmental sustainability across the supply chain.

In the Ethics and Human Rights dimension, the main challenges were related to the mapping and response to the sexual exploitation of children and adolescents, with 68% and 64% of suppliers, respectively, showing adherence below 50%. These results show that most companies do not have structured measures in place to address this issue. Additionally, promotion of diversity showed low adherence, with 51% of suppliers scoring below 50%, indicating a need to strengthen practices related to gender, race, sexual orientation, age, and disability equity.

Finally, the Sustainability Management dimension showed an overall adherence of only 48%, reinforcing its status as the GFD Program's most persistent challenge. Questions related to research and development of products and services (51% of suppliers with low adherence) and social and environmental management of suppliers (66%) highlight the lack of structured programs for sustainable innovation and supply chain impact monitoring. These results underscore the need for suppliers to integrate Sustainability Management practices into their core business operations.

### DEVELOPMENT ACTIONS IN 2024:

As part of the effort to address the challenges identified in 2023, two Supply Chain Academies were held in 2024: the Social Responsibility and Tax Incentive Laws Webinar, which had the participation of 32 suppliers; and the Climate Change Webinar, presented by the Climate and Natural Resources department, with 40 participants. The latter emphasized the role of suppliers in Dexco's ESG strategy, reinforcing the importance of integrating environmental and social practices into company operations.

### RECOMMENDATIONS FOR 2025

For the next cycle, it is recommended to continue and expand the Supply Academies, with a focus on the following dimensions:

- **Environmental Sustainability:** Training sessions on environmental targets and indicators, energy matrix, and environmental management, reinforcing the link between these practices and Dexco's strategic objectives.
- **Ethics and Human Rights:** Training on preventing child sexual exploitation and promoting diversity and inclusion within operations and across the supply chain.
- **Sustainability Management:** Workshops on socio-environmental supplier management and research and development programs for sustainable innovation.

These initiatives are essential to address identified performance gaps, raise supplier standards, and ensure the integration of robust socio-environmental practices throughout Dexco’s supply chain.

2024 BEST SUPPLIERS AWARD

Dexco, committed to excellence and sustainability, annually promotes the *Best Suppliers Award*, recognizing those who stood out through innovative and effective practices, evaluated under the GFD Program.

The award honors suppliers—categorized as Small and Medium-sized Enterprises (SMEs) and Large Enterprises (LEs)—that demonstrated strong commitment to action plans and continuous improvement within the program, while also inspiring others to adopt sustainable practices.

Below are the 2024 highlights by segment and the key dimensions for which they were recognized:

Industry (Large Enterprise)	
FMC Química	Score: 9.74
Highlights	<ul style="list-style-type: none"><li>• Global sustainability system (Sustainability 360) with corporate plans and targets.</li><li>• Installation of solar panels for energy generation in part of a production line.</li><li>• Approximately 95% of effluents are reused.</li><li>• Replacement of gas-powered forklifts with electric models.</li><li>• Some production lines are fully automated, reducing workload and workplace accidents.</li><li>• Recently updated Code of Conduct, now including data privacy (LGPD) considerations.</li></ul>

Mining (Large Enterprise)	
MAGNESITA	Score: 9.52
Highlights	<ul style="list-style-type: none"> <li>• Global integrity policy, reviewed periodically, and mandatory training for all employees.</li> <li>• Internal Training Academy and Brazilian Sign Language (LIBRAS) course for hearing-impaired inclusion.</li> <li>• Specific policy for the prevention of sexual harassment.</li> <li>• Global commitment to decarbonizing operations.</li> <li>• Circular economy practices: 100% of effluents treated and reused; waste transformed into sustainable bricks.</li> <li>• Use of compacting dumpsters for proper handling of organic solid waste and specific containers for oil and paint handling.</li> </ul>
Industry (Small and Medium Enterprise)	
KLÜBER	Score 9.37
Highlights	<ul style="list-style-type: none"> <li>• German company with global ESG practices.</li> <li>• Holds multiple certifications: ISO 14001, ISO 45001, Halal and Kosher certifications, Sedex SMETA, and Ecovadis Gold Seal.</li> <li>• Diversity Committee and UN Women signatory.</li> <li>• Global R&amp;D Center in Germany and a portfolio of innovative sustainable products.</li> <li>• Supports social initiatives and has a community-integrated volunteer program.</li> <li>• Global supplier approval strategy based on ethical and sustainable criteria, with monitoring and audits of critical suppliers.</li> </ul>

Mining (Small and Medium Enterprise)	
ELIAS JORGE	Score: 8.41
Highlights	<ul style="list-style-type: none"><li>• Full compliance with environmental legislation.</li><li>• Installation of solar panels.</li><li>• Robust employee performance evaluation process.</li><li>• Training program and skills matrix.</li><li>• Employee climate survey conducted.</li><li>• Reforestation project in place.</li><li>• ISO 9001 certification.</li></ul>

Heavy Services (Large Enterprise)	
REITER	Score: 9.03
Highlights	<ul style="list-style-type: none"> <li>• Supplier serves major clients with high ESG performance requirements (e.g., Natura and L'Oréal);</li> <li>• ESG Board of Directors, Sustainability Report publication, and public commitments (e.g., goal to convert 100% of fleet to alternative energy by 2035);</li> <li>• Majority of the 1,800-vehicle fleet is being converted to biogas and electric, with development of an in-house biogas production plant;</li> <li>• Member of the Global Compact Brazil Network and supporter of the “Na Mão Certa” Program;</li> <li>• Certified ISO 9000, ISO 39001 (road safety management system), and SASSMAQ;</li> <li>• Code of Conduct and independent whistleblower channel.</li> </ul>

Engagement	
MUNKSJÖ CAIEIRAS	Score: 9.03
Highlights	<ul style="list-style-type: none"> <li>• Swedish company with global ESG practices.</li> <li>• Performance evaluation process expanded to operational areas, career paths established for each area, and Pulse GPTW survey (NPS of 80%).</li> <li>• “Elas em Foco” program focused on female development (mentoring for leadership positions).</li> <li>• Development of a Colorimetry Academy based on training gap analysis.</li> <li>• Well-structured Apprenticeship Program exceeding quota for People with Disabilities.</li> <li>• Global Code of Conduct and independent whistleblower channel.</li> </ul>

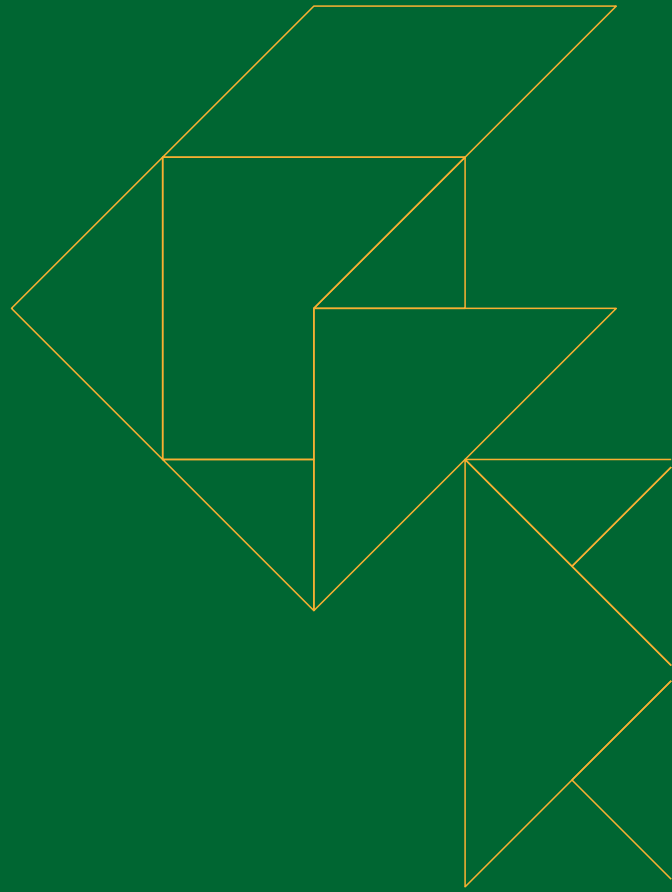


### 2025 PLANNING

In 2025, Dexco plans to advance the continuous improvement of the GFD Program. As in previous years, the self-assessment questionnaire will be reviewed and optimized to become more practical, potentially reducing its length without compromising the quality of the information collected.

The program's focus will remain on developing suppliers who scored below 7, with special attention to critical issues identified in the previous cycle. These critical topics, representing familiar challenges as well as priority dimensions for improvement—such as Sustainability Management—will also guide the themes of the Supply Academies in 2025.

With this plan, Dexco reaffirms its commitment to raising socio-environmental responsibility standards throughout its supply chain, promoting positive impact across all operations, and strengthening partnerships with suppliers to build a more sustainable future.



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