

Welcome to your CDP Water Security Questionnaire 2022

W0. Introduction

W0.1

(W0.1) Give a general description of and introduction to your organization.

Dexco is a publicly traded company with 71 years of history that has the Value Proposition of offering Solutions for Better Living to customers and consumers. With our business divisions - Wood, Deca and Ceramic tile - we are working to produce and sell products for the furniture and finishing sectors in the civil construction industry. We are part of people's daily lives, working in the segments of wood panels, bathroom fixtures and metals, electric showers and ceramic tiles, through our brands recognized in their segments for their design and quality: Durafloor, Duratex, Deca, Hydra, Ceusa and Portinari. As a member of the Brazilian Association of Publicly-Held Companies (ABRASCA), Dexco maintains its commitment to the ABRASCA Code of Self-Regulation and Good Practices of Publicly-Held Companies, with best market practices and the principles of transparency, equity, accountability, and corporate responsibility.

Nowadays, Dexco has sixteen industrial units located in the South, Southeast and Northeast regions of Brazil and three additional wood panels units in Colombia.

Besides serving the Brazilian market, our products reach over 50 countries, with a special presence in South America, Central America, Africa and the USA. In addition to the factories, Dexco is responsible for more than 140 thousand hectares of planted forests and conservation areas in Brazil and Colombia.

Since 1995, we are certified by the Forest Stewardship Council® (FSC®) and we were the 1st Company in the entire southern hemisphere and the 5th in the world to obtain this certificate of responsible forest stewardship. Our chain of custody is also certified, ensuring the traceability of the wood used in our production process. In our forest areas in Brazil and Colombia, we produce eucalyptus seedlings in nurseries, planting them at our own farms and at leased farms and using the wood to supply the fiberboard and paneling factories. We also manufacture the resin used to bind the particles and fibers in MDP and MDF panels. Verticalization of operations and the proximity between planted areas and industrial units are some of our main competitive advantages, adding value to our business at lower costs.

In 2021, we created our Corporate Venture Capital (CVC) fund, DX Ventures, which has initial capital of R\$100 million for investments in startups and scale-ups. By the end of the year, we closed two investments through DX Ventures totaling R\$ 45 million: Urbem (specialized in the production of engineered wood from reforestation raw material. The products are structural elements of buildings, such as slabs, beams and pillars) and Noah Wood Building Design

(whose value proposition is to develop buildings using engineered wood as raw material, such as those produced by Urbem). The two initiatives are complementary in the construction value chain and are connected to our Sustainability Strategy. We want to be protagonists in the transformation of the civil construction sector and actively participate in the value chain of engineered wood, a renewable raw material that acts to remove carbon from the atmosphere, storing it throughout its useful life and makes perfect sense for our strategy.

In 2021 we witnessed the outcome of discussions on climate change in the Company, disclosing our new sustainability strategy with emission targets set according to the Science Based Targets Initiative (SBTi). We also started a project to improve the assessment of climate risks and their financial implications for the organization in the short, medium and long term. The analysis showed that Dexco's currently percentage of adherence to the TCFD is at 67%, with the following percentages for each category: Governance - 75%, Strategy - 60%, Risk Management - 58% and Goals and Metrics - 75%. We calculate our GHG emissions by following the guidelines of The Greenhouse Gas Protocol – the top international benchmark for corporate emission calculation – and its brazilian counterpart, the Brazilian GHG Protocol Program. Attentive to all opportunities to help fighting climate change, we continually seek to replace the use of fossil fuel with renewable alternatives and adopt new and less polluting equipment in our industrial processes. In 2021, over 54.0% of the energy we used came from renewable sources (including Scope 1 and Scope 2 energy), and outstanding were the panel operations with 86,9% of its matrix composed of renewable energy.

W0.2

(W0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date
Reporting year	January 1, 2021	December 31, 2021

W0.3

(W0.3) Select the countries/areas in which you operate.

- Brazil
- Colombia

W0.4

(W0.4) Select the currency used for all financial information disclosed throughout your response.

- BRL

W0.5

(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.

- Companies, entities or groups over which operational control is exercised

W0.6

(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?

No

W0.7

(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, an ISIN code	BRDXCOACNOR8

W1. Current state

W1.1

(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Vital	<p>Water is a natural resource needed in several stages of our industrial processes, besides being essential to ensure the development of our forested areas, which provide the raw material for the production of timber. Despite having that importance to our processes, we consider the availability of good quality freshwater as "important" to our direct use, and not "vital", because in many stages of our industrial activities we are able to use recycled water. The investments made in water reuse systems allow us to minimize our dependency on freshwater withdrawal, and that is an advantage considering future scenarios of water scarcity.</p> <p>On the other hand, considering the indirect use of a large number of our products (showers, faucets and bathroom fittings), the availability of good quality freshwater is vital, considering that the sanitation service does not have the technology neither de authorization to start supplying recycled or produced water for population to use. In a</p>

			future scenario of greater water scarcity, either the public systems will adapt or we will have to adapt our production, foccusing on products and solutions that do not demand the use of water.
Sufficient amounts of recycled, brackish and/or produced water available for use	Vital	Not very important	<p>In 2021, we reused 7,896,920.20 cubic meters of water. The ratio of recycled water to water withdrawl was 178%, which means that there was more water being recirculated than being extracted from the environment. Reuse water is widely used in our industrial units, from cleaning floors and flushing toilets to specific production processes that do not require the use of high quality water.</p> <p>On the other hand, considering the indirect use of a large number of our products (showers, faucets and bathroom fittings),the availability of good quality freshwater is vital, considering that the sanitation service does not have the technology neither de authorization to start supplying recycled or produced water for population to use.</p>

W1.2

(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

	% of sites/facilities/operations	Please explain
Water withdrawals – total volumes	100%	<p>Dexco monitors water withdrawal data from its Brazilian and Colombian operations. In 2021, Dexco captured a total of 4,445.05 megaliters (4,445,053.17 m³) of water, 96.5% of which to supply operations in Brazil.</p> <p>Water withdrawals are monitored monthly and the data is added to an online management platform.</p>
Water withdrawals – volumes by source	100%	<p>Dexco monitors water abstraction by data source from its operations in Brazil and Colombia. In operations in Brazil, the main source is groundwater (74% of the total consumed in 2021) and in operations in Colombia, surface water represents the largest consumption (89% in 2021).</p> <p>Water withdrawals are monitored monthly and the data is added to an online management platform.</p>

Water withdrawals quality	100%	<p>The productive and environmental areas of the units are responsible for the control of water quality parameters, in order to comply with local legislation regarding the respective treatment standards. The production units may conduct internal water analysis in their own laboratories, in addition to maintaining outsourced monitoring, according to local periodicity and requirements.</p> <p>Water withdrawals are monitored monthly and the data is added to an online management platform.</p>
Water discharges – total volumes	100%	<p>Dexco monitors water discharge data from Brazilian and Colombian operations. In 2021, Dexco disposed of a total of 867.61 megaliters (867.615,45 m³) of water (effluents), with 95% of its operations in Brazil.</p> <p>Water discharges are monitored monthly and the data is added to an online management platform.</p>
Water discharges – volumes by destination	100%	<p>Dexco measures and monitors water discharges by destination at all units in Brazil and Colombia. The monitored destination and its percentage share of water discharges in 2021 were: Brazil: public sewage collection systems – 51.7%; local waterways – 47.7%; and septic tanks – 0.63%. Colombia: local waterways – 100%.</p> <p>Water discharges are monitored monthly and the data is added to an online management platform.</p>
Water discharges – volumes by treatment method	100%	<p>Dexco measures and monitors water discharges by treatment method at all facilities. The treatment methods monitored (and their percentage share of water discharges) in 2021 were:</p> <p>Brazil: primary - 2.05%; secondary - 84.57%; tertiary - 9.88%; primary and secondary - 2.95%; without treatment (septic tank, irrigation field, authorized by law) - 0.07%.</p> <p>Colombia: primary and secondary - 29.6%; secondary - 70.4%.</p> <p>Water discharges are monitored monthly and the data is added to an online management platform.</p>

Water discharge quality – by standard effluent parameters	100%	<p>The effluents released by Dexco comply with the standards required by legislation. According to each type of disposal, there are specific parameters to be followed and met, in accordance with the rules and requirements of environmental agencies.</p> <p>Water discharges are monitored monthly and the data is added to an online management platform.</p>
Water discharge quality – temperature	100%	<p>The effluents released by Dexco comply with the standards required by legislation. According to each type of disposal, there are specific parameters to be followed and met, in accordance with the norms and requirements of environmental agencies. Temperature is also one of the standards monitored to avoid impacting, in particular, local waterways.</p> <p>Water discharges are monitored monthly and the data is added to an online management platform.</p>
Water consumption – total volume	100%	<p>Dexco monitors water consumption data at all units, both in Brazilian and Colombian operations. Total water consumption at Dexco was 3,577.43 megaliters (3,577,437.8 m³) in 2021, considering the difference between the total amount of water collected and that of water released into surface courses or public sanitation networks.</p> <p>Water consumption is monitored monthly and the data is added to an online management platform.</p>
Water recycled/reused	76-99	<p>95% of Dexco's operations determine the volume of water reused. The Metais São Paulo operation in 2021 did not measure this reuse process.</p> <p>Water reused is monitored monthly and the data is added to an online management platform.</p>
The provision of fully-functioning, safely managed WASH services to all workers	100%	<p>All Dexco facilities offer fully functional washing services for workers. Dexco periodically controls water quality, following Brazilian legislation and its Safety Program (Proteg).</p>

W1.2b

(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, and how do these volumes compare to the previous reporting year?

	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Total withdrawals	4,445.05	Higher	In 2021, Dexco captured a total of 4,445.05 megaliters (4,445,053.27 m ³) of water, with 4,285.52 megaliters to supply operations in Brazil and 159.53 megaliters in Colombia. In relation to the previous year, there was a total increase of 21% in water abstraction.
Total discharges	867.61	Higher	In 2021, Dexco disposed of a total of 867.61 megaliters (867,615.45 m ³) of water (effluents), with 816.81 megaliters from operations in Brazil and 50.8 megaliters from operations in Colombia. In relation to the previous year, there was a total increase of 16% in the discharge of effluents.
Total consumption	3,577.43	Higher	Dexco's total water consumption was 3,577.43 megaliters (3,577,437.8 m ³) in 2021, considering the difference between the total amount of water abstracted and that of water released into surface courses or public sanitation networks. Compared to the previous year, there was an increase of 22%.

W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress and provide the proportion.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Identification tool	Please explain
Row 1	Yes	1-10	About the same	WRI Aqueduct	Dexco carried out a study aimed at assessing the situation of the catchment basins where our industrial units are located, considering aspects related to

				<p>water, the economy, society and politics. The company deepened this study through an evaluation of the industrial departments to understand how local factors related to water – such as changes in the rainfall regime and competition for this resource, for instance – can impact industrial operations. We also made use of AQUEDUCT tool to understand the areas of greatest exposure to water risk. We intend to revisit this study until the end of 2023, including the last operations acquired.</p> <p>Although there is no systematic/frequent specific analysis regarding water-stressed areas where our units are located, studies conducted so far, besides the contextualization of the results in the current scenario, show that the unit Deca Metals located in São Paulo is the only plant at water shortages risk (based on assessment held in 2015). The study of water availability characterizes the situation of the river basin Penha Pinheiros by low water availability, increasing resident population and organic load, low sewage treatment rate, loss in water distribution, high dependence on imports of the resource to meet the water demand and the basin is in absolute shortage, due to its low water availability per capita and existing conflicts in the use of water resources. Besides the evaluation of the basin, local factors were also evaluated by the industrial team of the unit. The following factors were</p>
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					<p>considered: low water availability considering the loss of reservoirs volume and the reduction of rainfall in 2015 (actions were implemented to reduce the volume consumed in the unit); bad supply dependence (on the public system); bad environmental conditions due to decreased rainfall in the region since 2014 besides population growth that puts pressure on natural resources. The company already takes measures to mitigate the risks identified, like intensification of water reuse, a water acquisition plan by alternative suppliers and campaigns to increase awareness among employees.</p> <p>Specifically for our forestry operations, in 2019, in partnership with Embrapa (a Brazilian Agricultural Research Corporation), we carried out a study (based on RCP 8.5 model) to assess current and future climate vulnerabilities in the Zona da Mata region (Atlantic Forest), in regions that are important for our forest business. The edaphoclimatic study identified, evaluated and quantified temperatures, water balance, rainfall, water deficiency and temperature evolution in the regions studied, considering the period from 1980 to 2050, with projections and scenarios for the long term for the northeast region.</p> <p>The following climatic assessments of the regions of interest were carried out: *For periods of 30 years (1985 to 2015) and 10 years (2006 to</p>
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					<p>2015), aiming to verify possible recent changes in trends; *For future periods between 2021 to 2030 and 2031 to 2040, using the Hadgen2-ES global model of climate change, on a monthly scale. Through this assessment, possible vulnerabilities were mapped over the next four decades in order to anticipate scenarios for planning the operation. As a result, it was found that none of the objective areas of study presented risks in the scenarios evaluated for the specific characteristics of our planted forests.</p>
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W1.2h

(W1.2h) Provide total water withdrawal data by source.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water, including rainwater, water from wetlands, rivers, and lakes	Relevant	864.22	About the same	Consumption in Dexco's surface freshwater abstraction was 864.22 megaliters (864,226.24 m ³) in 2021. The company increased its abstraction by 9% compared to 2020, due to its historic year of production, which increased by 13 % compared to the previous year.
Brackish surface water/Seawater	Not relevant			Dexco does not use brackish surface water/seawater.
Groundwater – renewable	Not relevant			Dexco does not use groundwater from renewable sources (shallow wells).
Groundwater – non-renewable	Relevant	3,129.04	Higher	Consumption in groundwater abstraction at Dexco was

				3129.04 megaliters (3,129,042.92 m ³) in 2021. We had a 22% increase compared to 2020. Since the breakout of pandemic in 2020, we have been experiencing great consumer demand for house renovation products, which has significantly increased our production and consequently the demand for water.
Produced/Entrained water	Not relevant			Dexco does not use produced water.
Third party sources	Relevant	451.78	Much higher	Our consumption of water from third-party sources was 451.78 megaliters (451,784.11 m ³) in 2021. We had a 40% increase compared to 2020. Since the breakout of pandemic in 2020, we have been experiencing great consumer demand for house renovation products, which has significantly increased our production and consequently the demand for water. In addition, there was greater consumption in some forestry operations due to periods of lack of rain in some regions.

W1.2i

(W1.2i) Provide total water discharge data by destination.

	Relevance	Volume (megaliters/year)	Comparison with previous reporting year	Please explain
Fresh surface water	Relevant	440.09	Higher	In 2021, Dexco's surface freshwater discharges were 440.09 megalitres (440,094.5 m ³) in 2021. The company significantly increased its

				discharge by 16% compared to 2020, due to its historic year of production.
Brackish surface water/seawater	Not relevant			Dexco does not discharge water in brackish surface water/seawater.
Groundwater	Not relevant			Dexco does not discharge water in groundwater.
Third-party destinations	Relevant	427.52	Higher	In 2021, water discharges to third-party destinations increased at Dexco by 427.52megalitres (427.520,9 m ³) in 2021. The company significantly increased its discharge by 11% compared to 2020, due to its historic year of production.

W1.2j

(W1.2j) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

	Relevance of treatment level to discharge	Volume (megaliters/year)	Comparison of treated volume with previous reporting year	% of your sites/facilities/operations this volume applies to	Please explain
Tertiary treatment	Relevant	80.75	About the same	1-10	The tertiary treatment increased by 2% in comparison to 2020.
Secondary treatment	Relevant	690.8	About the same	1-10	The secondary treatment increased by 6,4% in comparison to 2020.

Primary treatment only	Relevant	20.53	Higher	11-20	The secondary treatment increased by 11% in comparison to 2020.
Discharge to the natural environment without treatment	Not relevant				Dexco does not discharge water without treatment to the natural environment .
Discharge to a third party without treatment	Relevant	0.62	Higher	11-20	The volume of discharge to third parties without treatment increased by 13% in 2021, compared to 2020. It is worth mentioning that, for this indicator, we consider septic tank and irrigation field, authorized by law.
Other	Not relevant				Dexco did not discharge water without treatment to

					any other type of collector in 2020.
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W1.3

(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	8,200,000,000	4,445	1,844,769.40382452	Anticipated forward withdrawal trend: 3,311,0569 cubic meters (3,311 megaliters)

W1.4

(W1.4) Do you engage with your value chain on water-related issues?

Yes, our suppliers

Yes, our customers or other value chain partners

W1.4a

(W1.4a) What proportion of suppliers do you request to report on their water use, risks and/or management information and what proportion of your procurement spend does this represent?

Row 1

% of suppliers by number

1-25

% of total procurement spend

51-75

Rationale for this coverage

Since 2013, we conduct the Dexco Supplier Management Program (GFD), a complete set of mechanisms to identify, select and monitor the social, environmental, economic and quality performance of suppliers that provide products and services essential for our operations. In the GFD dynamic, the critical and highly critical suppliers are asked to answer a self-assessment questionnaire. Participants are classified into these groups: Industry, Hard services, Utilities, Services and Mining, and the selection criteria are the volume of payments made to the supplier, the criticalness of their sector of operation to our business and their history of participation in the program. We don't yet have the framework to cover the entire supply chain, but suppliers participating in the GFD program account for the majority of the company's supplier spend each year.

In 2021, the total number of suppliers was 6,777. From that total, 286 were invited to answer the questionnaire and 208 actively participated in the Program, representing 58% of the procurement spend in Brazil. The questionnaire includes sustainability linked themes, including water management. The suppliers have to answer questions related to water consumption, consumption reduction targets, effluent disposal and incidence of significant spills.

Impact of the engagement and measures of success

In 2021, the total number of suppliers was 6,777. From that total, 286 were invited to answer the questionnaire and 208 actively participated in the Program, representing 58% of the procurement spend in Brazil. In 2021, the percentage of suppliers that obtained an evaluation grade equal to or above 8.0 in the GFD increased from 25% to 26.4%. A supplier who scored below 5 received an action plan to be reassessed in 2022. It is worth noting that 5.8% of suppliers had a score below 6.0 (corresponding to 13 participants) and received recommendations that must be followed up in the next editions of the program. This group is part of Dexco's challenge to support suppliers in improving their performance.

Regarding water use, the concern with water consumption stands out, with 74% of suppliers saying that they monitor and manage water consumption. Despite this, 47% of suppliers do not have goals to reduce consumption, showing that a greater commitment to reducing the use of water resources is still necessary.

Analyzing the results obtained from GFD Program in the last years, we decided to start a program called Suppliers Academy, which will consist in a series of mini-courses aimed to improve suppliers performance in socio-environmental them. The mini-courses started in the first semester of 2022, and the first theme covered was environmental management and implementation of environmental KPIs.

Comment

W1.4b

(W1.4b) Provide details of any other water-related supplier engagement activity.

Type of engagement

Incentivizing for improved water management and stewardship

Details of engagement

Demonstrable progress against water-related targets is incentivized in your supplier relationship management

Water management and stewardship action is integrated into your supplier evaluation

Water management and stewardship is featured in supplier awards scheme

% of suppliers by number

1-25

% of total procurement spend

51-75

Rationale for the coverage of your engagement

Since 2013, we conduct the Dexco Supplier Management Program (GFD), a complete set of mechanisms to identify, select and monitor the social, environmental, economic and quality performance of suppliers that provide products and services essential for our operations. In the GFD dynamic, the critical and highly critical suppliers are asked to answer a self-assessment questionnaire. Participants are classified into these groups: Industry, Hard services, Utilities, Services and Mining, and the selection criteria are the volume of payments made to the supplier, the criticalness of their sector of operation to our business and their history of participation in the program. We don't yet have the framework to cover the entire supply chain, but suppliers participating in the GFD program account for the majority of the company's supplier spend each year. In 2021, the total number of suppliers was 6,777. From that total, 286 were invited to answer the questionnaire and 208 actively participated in the Program, representing 58% of the procurement spend in Brazil. The questionnaire includes sustainability linked themes, including water management. The suppliers have to answer questions related to water consumption, consumption reduction targets, effluent disposal and incidence of significant spills.

Impact of the engagement and measures of success

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Regarding water use, the concern with water consumption stands out, with 74% of suppliers saying that they monitor and manage water consumption. Despite this, 47% of suppliers do not have goals to reduce consumption, showing that a greater commitment to reducing the use of water resources is still necessary.

Every year, we recognize outstanding suppliers in the GFD assessment and monitoring cycle. Outstanding practices are identified during technical visits made to company facilities (30 in 2021) and awards are aimed at valuing advancement in incorporating sustainability practices into business, in addition to inspiring other companies to adopt similar measures. One of the companies awarded in 2021 was a small/medium mining company which has a closed water circuit, where treatment is carried out by decanting and returning the water to the production process. A large company in the transport sector was also featured in the award for its effluent treatment and rainwater harvesting.

Comment

W1.4c

(W1.4c) What is your organization's rationale and strategy for prioritizing engagements with customers or other partners in its value chain?

We started to work to redesign our Sustainability Strategy in 2020 and the process was completed in 2021. Our intention during this process was to gather together the ESG aspects of our sector to be able to act as agents of transformation in relation to construction and renovation processes and thus support sustainable growth with a commitment to keeping a positive carbon balance. In the meanwhile, we want to increasingly promote health and wellbeing, not only for our customers, but for everyone who engages with us and are part of our Company. Therefore, we extend the concept of Solutions for Better Living to all our stakeholders. In each of these dimensions, we work on the wellbeing, care and impact pillars. After all, wellbeing connects with health. A house in poor, unhealthy conditions has negative impact on the family living in that space, for example. We want to bring wellbeing to everyone with whom we interact, our employees included. Positive impact is what we seek to have in the world, especially through the way we position ourselves in the construction sector: we want to be alongside companies that promote sustainable development, capture more carbon than we emit and help promote new ways of thinking construction and renovation. Last but not least, care must be the basis our relationship with people – inside and outside Dexco – and the environment. We make breakthroughs in research to develop solutions promoting health and safety to consumers and engage our employees in sustainable practices. We intend to expand our activities in this regard by also engaging influencers in civil construction, renovation, and decoration.

W2. Business impacts

W2.1

(W2.1) Has your organization experienced any detrimental water-related impacts?

Yes

W2.1a

(W2.1a) Describe the water-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Country/Area & River basin

Brazil

Other, please specify

Penha-Pinheiros

Type of impact driver & Primary impact driver

Acute physical

Drought

Primary impact

Impact on company assets

Description of impact

In February 2020, there was a flood in São Paulo, in the region where our Metals unit is located. Fortunately, the flood did not pose a major risk to our employees, but it did cause great damage to the plant's machinery and our product inventory.

Primary response

Increase insurance coverage

Total financial impact

5,000,000

Description of response

In response to the incident, our insurance policy was activated. The financial impact here considered corresponds to the insurance coverage for damage to machinery and inventory. In addition, the factory's internal and external protection measures were reinforced, in order to allow for a longer response time and a lower incidence of damage to Dexco's assets in the event of occurrences like this.

W2.2

(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

Yes, fines

W2.2a

(W2.2a) Provide the total number and financial value of all water-related fines.

Row 1

Total number of fines

2

Total value of fines

2,204,184.81

% of total facilities/operations associated

5

Number of fines compared to previous reporting year

Much higher

Comment

According to notices released to the market, in October 2021 our industrial unit, located in Queimados (RJ), was assessed by the State's Environmental Institute (INEA), linked to the Secretary of State for the Environment and Sustainability (SEAS). In the following month, the Prosecutor's Office of the State of Rio de Janeiro (MPRJ) filed a Class

Action against Dexco based on irregularities alleged by INEA in its assessments, requesting the suspension of the production activities at said unit. Dexco promptly took all required immediate action.

We presented a defense in a timely manner and the court reconsidered and cancelled the injunction, allowing the unit to return to its activities. The court also accepted the suspension of the Class Action for the negotiation of an agreement between the parties. We have reinforced our efforts focused on environmental compliance and reaffirm our commitment to complying with applicable guidelines and adopting the best industrial practices.

W2.2b

(W2.2b) Provide details for all significant fines, enforcement orders and/or other penalties for water-related regulatory violations in the reporting year, and your plans for resolving them.

Type of penalty

Fine

Financial impact

115,152.72

Country/Area & River basin

Brazil

Other, please specify

Guandu basin

Type of incident

Other non-compliance with permits, standards, or regulations

Description of penalty, incident, regulatory violation, significance, and resolution

Assessment Notice: Our industrial unit, located in Queimados (RJ) was assessed by the State's Environmental Institute (INEA) for non-conformity with some of the requirements of such unit's operating permit. We have timely presented our technical defense on November 3rd, 2021 and await the Institute's administrative decision.

Type of penalty

Fine

Financial impact

2,089,032.09

Country/Area & River basin

Brazil

Other, please specify

Guandu basin

Type of incident

Other non-compliance with permits, standards, or regulations

Description of penalty, incident, regulatory violation, significance, and resolution

Environmental fine due to a discharge of effluents in nonconformity with sampling standards and discharge of industrial reuse water in a rainwater drainage network. We have timely presented our technical defense on November 3rd, 2021 and await the Institute's administrative decision.

W3. Procedures

W3.3

(W3.3) Does your organization undertake a water-related risk assessment?

Yes, water-related risks are assessed

W3.3a

(W3.3a) Select the options that best describe your procedures for identifying and assessing water-related risks.

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Water risks are assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

1 to 3 years

Type of tools and methods used

Enterprise risk management
International methodologies and standards

Tools and methods used

COSO Enterprise Risk Management Framework

Enterprise Risk Management
ISO 31000 Risk Management Standard
Environmental Impact Assessment
ISO 14001 Environmental Management Standard

Contextual issues considered

Water availability at a basin/catchment level
Water quality at a basin/catchment level
Stakeholder conflicts concerning water resources at a basin/catchment level
Implications of water on your key commodities/raw materials
Water regulatory frameworks
Status of ecosystems and habitats
Access to fully-functioning, safely managed WASH services for all employees

Stakeholders considered

Customers
Employees
Investors
Local communities
Regulators
Suppliers
Water utilities at a local level

Comment

W3.3b

(W3.3b) Describe your organization's process for identifying, assessing, and responding to water-related risks within your direct operations and other stages of your value chain.

The organization's environmental risks and also risks related to water are reviewed every year. Water risks are assessed according to their impact and vulnerability. The risks are identified according to the possibility of impact on operations, financial losses, conformities and impacts on the company's image. For each of our units, the risks are identified at the operational and managerial levels. After the identification and evaluation of impact and vulnerability, the risks are complemented and evaluated by Dexco's Legal Area. Following the validation, local and Corporate risks are analyzed by top leadership (business directors). The risks are analysed according to each business and the representativite to Dexco. Mitigation plans are monthly verified by Audit Area through a management system (named TeamMate). Every six months, the risks are presented to the Audit and Risk Management Committee, which monitors, managers and reports the results of the evaluations to the Board of Directors.

W4. Risks and opportunities

W4.1

(W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes, only within our direct operations

W4.1a

(W4.1a) How does your organization define substantive financial or strategic impact on your business?

To assess the company's general risks, including the analysis of socio-environmental risks, an evaluation is carried out according to their impact and vulnerability. The impact consists of the assessment of risks according to qualitative and quantitative criteria, with weighted variables, taking into account financial impact, scope of operations, damage to the image, operational and legal. These variables are properly weighted. According to the impact, risks are classified as critical, high, medium and low. For the vulnerability, it is evaluated how much the company is exposed or unprotected to risk events, considering the frequency of recurrence of the event, the internal controls adopted and the response time to regularize or treat the risk. Weights are also assigned. As for vulnerability, risks are also classified as critical, high, medium and low. There are monitoring for all risks assessed by Dexco. After analysing the impact and vulnerability, the resulting risks as critical and high are always classified as considerable risks. For the two classification "critical" and "high", the socio-environmental risks are considered substantive financial or strategic risks. Critical risks are considered to be above 3% of shareholders' equity (which may cause impacts greater than R\$ 172,000,000.00). High risks are considered to be less than or equal to 3% and above 2% of shareholders' equity (that is, between R\$ 115,000,000.00 and R\$ 172,000,000.00).

As a result, mitigation plans are established and risk managers are designated for continual monitoring, with a check by the Audit area and Sustainability Area. The Risk Commission is responsible for providing accountability every six months to the Audit and Risk Management Committee which advises our Board of Directors.

The Risk Commission is responsible for providing accountability every semestre for action plans executed to the Audit and Risk Management Committee which advises our Board of Directors. The last cycle occurred in 2018, and only low or medium risks related to water scarcity were identified.

Dexco understands that water risks can be: multi-dimensional, local, depend on weather patterns, and require a collective response. To acknowledge the risks that may affect the Company's business, we have deepened our studies with the development of projects like Water Availability, Water Footprint, Economic Sensitivity Analyses and The Flow Tower. These studies have helped the Company to understand how its activities and products are related with water scarcity, pollution and other related impacts. Environmental risks such as those related to water, are also assessed by the Audit and Risk Management Committee, as well as being addressed by the Sustainability Committee. The studies conducted so far and the contextualization of the results in the current scenario show that the unit Deca Metals in São Paulo is the only plant at water shortages risk. Our study of water availability characterizes the

situation of the river basin Penha Pinheiros by low water availability, increasing resident population and organic load, low sewage treatment rate, loss in water distribution, high dependence on imports of the resource to meet the water demand. Also, the basin is in absolute shortage according to Falkenmark indicator, due to its low water availability per capita and the already existing conflict in the use of water resources. Besides the evaluation of the basin, local factors were also evaluated by the industrial team of the unit. Factors considered include bad water availability considering the loss of reservoirs volume and the reduction of rainfall in 2015 (actions have been implemented to reduce the volume consumed in the unit); very bad capture dependence because the unit depended on public supply; very bad environmental condition due to decreased rainfall in the region since 2014 and also population growth that puts pressure on natural resources. The company already takes measures to mitigate the risks identified, like intensification of water reuse, a water acquisition plan by alternative suppliers and campaigns to increase awareness among employees. In 2021, there was no case of water shortage in the unit.

W4.1b

(W4.1b) What is the total number of facilities exposed to water risks with the potential to have a substantive financial or strategic impact on your business, and what proportion of your company-wide facilities does this represent?

	Total number of facilities exposed to water risk	% company-wide facilities this represents	Comment
Row 1	1	1-25	<p>River basin: Penha-Pinheiros</p> <p>A study was carried out in 2015 involving the Evaluation of the Sustainability Index of Hydrographic Basins to assess the hydrological resources of the basins where our industrial units are located, using the most recent data made available by international organisms, hydrographic basin committees and government bodies. There has been a review of the main water stress indicators and a Sustainability Index Basin in the river basins (WSI) where Dexco operates has been applied. The Penha Pinheiros Basin, where the Metals unit is located, was classified as median sustainability (for WSI), and according to the Falkenmark indicator, the basin is characterized by absolute water scarcity, resulting in the concept of water risk high for the unit. Within evaluation of local factors and hydro conditions the unit was classified as high risk. The company already takes measures to mitigate the risks, like intensification of water reuse, a water acquisition plan by alternative suppliers and campaigns to increase awareness among employees. In 2021, there was no case of water shortage in the unit.</p> <p>The same unit, due to population density and local urbanization, is exposed to flooding risks, as well as several</p>

			points in the city of São Paulo. In 2020, we suffered from a flood that affected several parts of the city and some of our operations were affected. However, the reestablishment of operations occurred quickly, suffering only a few material losses. In 2021 there were no incidents.
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W4.1c

(W4.1c) By river basin, what is the number and proportion of facilities exposed to water risks that could have a substantive financial or strategic impact on your business, and what is the potential business impact associated with those facilities?

Country/Area & River basin

Brazil
 Other, please specify
 Penha-Pinheiros

Number of facilities exposed to water risk

1

% company-wide facilities this represents

1-25

% company’s total global revenue that could be affected

1-10

Comment

The Penha Pinheiros Basin, where the Deca Metals unit is located (in São Paulo), was classified as median sustainability (for WSI), and according to the Falkenmark indicator, which is part of WSI, the basin is characterized by absolute water scarcity, resulting in the concept of water risk high for the unit and classified as high risk within an evaluation of local factors and hydro conditions. The proportion of financial value that could be affected at the Penha Pinheiros basin would be the Metals São Paulo unit, affecting less than 10% of the global revenue of the company. The company has made a contingency plan for the unit listed in addition to actions to reduce water consumption. Full description basins comprised in this risk assessment: Pardo River Basin; Baixo Itapetininga River Basin; Bauru River Basin; Jundiaí River Basin; Penha-Pinheiros River Basin; Uberaba River Basin; Sinos River Basin; Taquari-Antas River Basin; Paraíba do Sul River Basin; Gramame River Basin; GL2 River Basin.

W4.2

(W4.2) Provide details of identified risks in your direct operations with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Country/Area & River basin

Brazil

Other, please specify

All basins where Dexco has surface and underground withdrawals and surface discharges: Pardo, Baixo Itapetininga, Bauru, Jundiaí, Penha-Pinheiros, Uberaba, Sinos, Taquari-Antas River, Paraíba do Sul, Gramame, GL2.

Type of risk & Primary risk driver

Regulatory

Higher water prices

Primary potential impact

Increased operating costs

Company-specific description

The charge for the use of water resources in Brazil is an instrument of the National Policy of Water Resources established by Law number. 9.433/97, the "water law". This charge is not a tax, but rather a fee for the use of a public good whose price is fixed from a pact between water users, civil society and the government under the Watershed Committees - CBHs, to whom the Brazilian legislation establishes the competence of proposing mechanisms of collection of values for direct withdrawal, consume, and surface water discharges. The state of São Paulo, where we have operational units, is one of those that already adopts collection mechanisms.

The possibility of other states start adopting collection mechanisms for the use of water resources is a risk for the Company because we operate in 8 different states and that could result in an increase of operational costs. In 2021, 96% of water was withdrawn in Brazil (73% groundwater, 17% surface water and 10% water from public water supply). 48% of discharges took place in surface waters.

In the case of the use of water and the discharge of effluents in public supply/collection systems, the charge for the treatment and distribution is made by the responsible utility company. For Dexco, there is already a charge for these services.

Timeframe

4-6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure - minimum (currency)

191,535.05

Potential financial impact figure - maximum (currency)

309,311.32

Explanation of financial impact

Estimate: based on the water prices practiced in 2021 for PCJ basin (São Paulo) and extrapolated to Brazil. Calculation: weighted average of water volumes withdrawn from surface and groundwater sources at Dexco in 2021, in addition to surface discharges and consumptive use, in relation to the prices for each category currently practiced. Same reasoning used for max and min impact. 4.3%/year inflation for a six-year horizon:

Vol (m³) X current/future price (R\$) of surface water for Dexco Brasil in 2021:(722,915.87 m³ x 0.0127 R\$/m³) and (722,915.87 m³ x 0.0157 R\$/m³)

Vol (m³) X current/future price (R\$) of groundwater for Dexco Brasil in 2021:(3,117,728.92 m³ x 0.0127 R\$/m³) and (3,117,728.92 m³ x 0.0157 R\$/m³)

Vol (m³) X current/future price (R\$) of consumptive use for Dexco Brasil in 2021:(3,577,437.82 m³ x 0.0255 R\$/m³) and (3,577,437.82 m³ x 0.0315 R\$/m³)

Vol (m³) X current/future price (R\$) of surface discharges for Dexco Brasil in 2021:(389,292.54 m³ x 0.1274 R\$/m³) and (389,292.54 m³ x 0.1573 R\$/m³)

Primary response to risk

Establish site-specific targets

Description of response

Dexco already withdrawals most of its water (90% in 2021, in Brazil) from underground and surface sources, which are the cheapest among the options available. Even so, the risk of increased prices has always been considered by the company in its strategic decisions, and was intensified in 2014, when the country underwent one of its most critical droughts. We have been engaged in eco-efficiency actions to reduce water consumption, adapt the productive lines to increase reuse and invest in research and development to reduce the use of water in forestry operations ever since. At a strategic and operational level, our Sustainability Strategy includes a target for reduction of relative water withdrawal at all of the facilities. Considering each of the businesses baseline, by 2025 it is expected a reduction of relative water collection by: 20% for Panels, 33% for Ceramic Tiles, 7% for Bathroom fixtures and 10% for Hydra. In addition, we actively participate in discussing groups and representative associations engaged with policy makers to discuss matters related to environmental relevant issues, through sector representations. Participating in meetings of Municipal Councils and Working Groups of the Brazilian Tree Industry (IBA) are examples.

Cost of response

96,000

Explanation of cost of response

The cost considered here (R\$ 96,000.00) was the amount spent in Taquari panels plant in order to implement a closed recirculation water system. By doing so, the unit was able to reduce its need of collecting water and increased its reuso rates. Of the total investment, 60% were related to materials and equipment and 40% related to services. Dexco is constantly looking for alternatives that can turn its productive systems into more sustainable ones, and that includes the initiatives aimed at reducing water

consumption. This reduction also has an financial impact, considering that our units may be subjected to fees applied to the use of water.

W4.2c

(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?

	Primary reason	Please explain
Row 1	Other, please specify No risks identified	The main mechanism adopted to assess risks in its value chain is through our Supplier Management Program (GFD). This program uses metrics for the monitoring of suppliers through the use of questionnaires (considering issues such as water source, consumption level, effluent disposal and significant spills), scheduled visits and document control, taking into consideration general legal, social and environmental questions. In 2021, 286 suppliers were selected and invited to participate in the program. Of that total, 208 responded to the self-assessment questionnaire, representing 58% of our supplier spending. We also promote activities such as workshops to assist the suppliers to improve their adherence to issues of relevance to GFD. In 2021, the program started being implemented in Colombia, reinforcing our commitment to the development and engagement of our supply chain. In addition to this corporate assessment, critical suppliers at local level (such as waste receivers and mining companies) go through evaluations, on-site visits, and environmental licenses control as part of the Environmental Management System. No water-related hazard situations were identified in 2021 at the local level.

W4.3

(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes, we have identified opportunities, and some/all are being realized

W4.3a

(W4.3a) Provide details of opportunities currently being realized that could have a substantive financial or strategic impact on your business.

Type of opportunity

Markets

Primary water-related opportunity

Expansion into new markets

Company-specific description & strategy to realize opportunity

A service provided by Dexco is the "ProWater" Program (PróÁgua), through which, on the demand of customers (residential, commercial or industrial), actions and application of water-saving products and devices in buildings are planned, from the simplest to the most complex, to rationalize and qualify the use of this natural resource. Specialized professionals develop diagnoses and suggest measures to be taken in order to monitor and minimize consumption, avoid waste - including maintenance plans - and/or promote the reuse of water. Since 2013, we have developed more than 600 projects with the "Pro-Água" program, . The last 127 projects executed represented R\$ 514,816.24 . in net sales of solutions.

Estimated timeframe for realization

4 to 6 years

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

514,816.24

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

Current potencial financial impact - R\$ 514,816.24 - was the net revenue collected with the last 127 ProWater projects.

Type of opportunity

Efficiency

Primary water-related opportunity

Improved water efficiency in operations

Company-specific description & strategy to realize opportunity

Water is a natural resource needed in several stages of our industrial processes, besides being essential to ensure the development of our forested areas, which provide the raw material for the production of timber. In many stages of our industrial activities we are able to use recycled water. The investments made in water reuse systems allow us to minimize our dependency on freshwater withdrawal, and that is an advantage considering future scenarios of water scarcity. In 2017, the water reuse system implemented at the Taquari (Rio Grande do Sul) panel unit in December 2016, started operating at full capacity. With this, 100% of the effluents generated at this Wood

Division unit began to be reused after treatment, also aiming at the reduction in volume collected from the river that supplies the industrial plant and eliminating disposal of effluents.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

251,878.63

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The reuse system caused a reduction on the cost of effluent analysis performed by outsourced laboratories, which represented around R\$ 33,965.3 in 2017, R\$ 50,558.45 in 2018, R\$ 53,086.37 in 2019, R\$55,740.68 in 2020 and R\$58,527.82 in 2021, resulting in a saving of R\$251,878.63 since the reuse system was implemented.

Type of opportunity

Products and services

Primary water-related opportunity

Other, please specify

Improved customer satisfaction

Company-specific description & strategy to realize opportunity

Most of our products (showers, faucets, bathroom fixtures) depend on water for consumer use. Considering the trend of scarcity and water crisis, issues that are increasingly present nowadays, it is important that we seek solutions so that the use of our products does not imply a high consumption or waste of water resources. With the awareness about natural resources use, water-saving products have gained a larger share in Brazilian market. That awareness has become even more poignant among end users and architects, especially after a serious water crisis affecting Brazil in 2014. In this sense, Deca Metals Division has developed the Deca Comfort line. This technology is present in all the brand's faucets, bathroom single-handle and basin mixers. Deca comfort products bring more comfort to consumers while also helping to save water resources. This innovation, which has no impact on the design of tap and mixers, guarantees a standard flow, regardless of whether a building has low or high

pressure plumbing system. This results in a smooth and constant jet of water, that does not cause unpleasant splashing when washing hands, for instance. This system has been patented. The development and improvement of the Deca Comfort line is one of the initiatives in line with the Sustainability Strategy.

Estimated timeframe for realization

Current - up to 1 year

Magnitude of potential financial impact

Low-medium

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

24,864,973

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact

The amount of R\$24,864,973.00 represents the revenue of products from the Deca Comfort line in 2021. With this type of product, wich represented 42% of sales by Metals Division in 2021. There is the opportunity to meet the emerging requests of this most demanding publics, strengthening the brand.

W5. Facility-level water accounting

W5.1

(W5.1) For each facility referenced in W4.1c, provide coordinates, water accounting data, and a comparison with the previous reporting year.

Facility reference number

Facility 1

Facility name (optional)

Metals - São Paulo

Country/Area & River basin

Brazil

Other, please specify

Penha-Pinheiros

Latitude

-23.517204

Longitude

-46.687702

Located in area with water stress

Yes

Total water withdrawals at this facility (megaliters/year)

60.1

Comparison of total withdrawals with previous reporting year

About the same

Withdrawals from fresh surface water, including rainwater, water from wetlands, rivers and lakes

0

Withdrawals from brackish surface water/seawater

0

Withdrawals from groundwater - renewable

0

Withdrawals from groundwater - non-renewable

0

Withdrawals from produced/entrained water

0

Withdrawals from third party sources

60.1

Total water discharges at this facility (megaliters/year)

60.1

Comparison of total discharges with previous reporting year

About the same

Discharges to fresh surface water

0

Discharges to brackish surface water/seawater

0

Discharges to groundwater

0

Discharges to third party destinations

60.1

Total water consumption at this facility (megaliters/year)

0

Comparison of total consumption with previous reporting year

About the same

Please explain

Although the volume of water is monitored during collection and use in the factory's internal processes, we do not have a meter at the effluent exit to the collection network. In this way, the water discharge volume is considered the same as the withdrawal volume.

W5.1a

(W5.1a) For the facilities referenced in W5.1, what proportion of water accounting data has been third party verified?

Water withdrawals – total volumes

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol
All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

Water withdrawals – volume by source

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol
All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

Water withdrawals – quality by standard water quality parameters

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol
All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

Water discharges – total volumes

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol

All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

Water discharges – volume by destination

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol

All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

Water discharges – volume by final treatment level

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol

All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

Water discharges – quality by standard water quality parameters

% verified

76-100

Verification standard used

ISO 14001:2015

The verification is in our Environmental Certification.

Water consumption – total volume

% verified

76-100

Verification standard used

KPMG International Methodology and GRI Protocol
 All the data of this unit and for all the company is verified by KPMG Financial Risk & Actuarial Services Ltda during the verification works for the Integrated Report 2020.

W6. Governance

W6.1

(W6.1) Does your organization have a water policy?

Yes, we have a documented water policy that is publicly available

W6.1a

(W6.1a) Select the options that best describe the scope and content of your water policy.

	Scope	Content	Please explain
Row 1	Company-wide	Description of business impact on water Description of water-related performance standards for direct operations Company water targets and goals Commitment to align with public policy initiatives, such as the SDGs Commitments beyond regulatory compliance Commitment to stakeholder awareness and education	Our Company seeks to achieve the sustainability of its business by acting in the responsible management of the environmental aspects which are inherent to the nature and scale of each one of its units. Through our Environmental Policy, we reiterate our commitment as an environmentally responsible company and strive to be a benchmark in our chosen markets. In the Environmental Policy we commit to using natural resources, raw materials and other inputs necessary for the production processes in a rational and sustainable way. Water plays a great role among these natural resources. Developing and offering products which permit the rational use of raw materials is also a commitment from our Policy, and, as an example, there is the Deca Comfort technology, present in all the brand's faucets, bathroom single-handle and basin mixers, that needs less water than the usual lines in the market. Both our Policy and the Forest Management Plan express our commitment to protecting the biodiversity, headwater springs and water courses as well as conserving cultivated soil, which are measures inherent to the management of forest plantations with a view to the maintenance and/or improvement in eco-systemic services and environmental values. Our Sustainability Strategy, linked to the SDGs, is the document where our water related targets can be found. Three of the targets are directly linked to the SDG number 6 "Ensure access to water and sanitation for all". Besides the targets related to the reduction of relative water withdrawal at all the facilities, the strategy also includes a

			target related to increasing suppliers performance in environmental management matters, This target is linked to the GFD Program. 📎 1, 2, 3, 4
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- 📎 ¹Environmental Policy.pdf
- 📎 ²dexco_sustainability_strategy.pdf
- 📎 ³Forest Management Plan 2022.pdf
- 📎 ⁴_GFD Results Report 2021.pdf

W6.2

(W6.2) Is there board level oversight of water-related issues within your organization?

Yes

W6.2a

(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.

Position of individual	Please explain
Board-level committee	<p>Dexco’s governance structure is composed of the Board of Directors, which establishes the strategic direction of the business, and the Executive Board. The Board of Directors is supported by six Committees that assess and address the most relevant aspects of Dexco’s administration. One of them is the Sustainability Committee.</p> <p>Dexco has a Sustainability Committee with Executives appointed by the Board. This Committee has in its structure an independent member of the Board of Directors as president, as approved in the Company Bylaws.</p> <p>The members and participants of the Sustainability Committee are:</p> <ul style="list-style-type: none"> President, who is also a member of the Board of Directors; Specialist Consultant; An independent member; Members of the Board of Directors, including its Chairman; Chief Executive Officer; ESG Manager. <p>Among the agendas, those referring to water are addressed and proposed by the chairman of the Committee, who is responsible for the negotiations and deliberations, also reporting to the Board of Directors. As an example, our water consumption reduction target established in the Sustainability Strategy, disclosed in 2021, was firstly discussed by the Committee and, after being considered challenging enough by the president of the Board, it was approved.</p> <p>Our CEO, alongside the business directors, evaluates the environmental performance of company's business, also checking water indicators. These environmental</p>

	indicators are monitored monthly by the units and published quarterly and annually by the Company.
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W6.2b

(W6.2b) Provide further details on the board’s oversight of water-related issues.

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing major capital expenditures Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Setting performance objectives	The Sustainability Committee plays an active role in the definition of the strategic positioning of sustainability in the business units, in the definition of priority themes, including the issue of climate change; in the adjustment of the organizational structure of the area; in the definition of performance measurements; and in the incorporation of sustainability in a transverse manner across the Company's various business areas. Dexco has an ESG executive management, which encompasses the Sustainability and Social Responsibility areas and reports to People and ESG Directorate. This Management is responsible for the development of the integrated strategic plan and for the evaluation of opportunities for improvement at the Company, based on the analysis of external scenarios, materiality and market indicators. The Sustainability Strategy was revised in 2021 to further clarify the social and environmental development goals of our business to all stakeholders and provide guidelines for management of risks as well as identify opportunities to create value from an environmental, social and economic standpoint. The Sustainability committee, alongside the president and sustainability management accompany and discuss material themes of our strategy, which include water and climate change issues.

W6.2d

(W6.2d) Does your organization have at least one board member with competence on water-related issues?

Board member(s) have competence	Criteria used to assess competence of board member(s) on water-related issues
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on water-related issues		
Row 1	Yes	The chairman of our Sustainability Committee is also a member of the Board of Directors, and we consider that he has the necessary skills to deliberate on water-related issues. This Board member participates in all Committee meetings, in which, in addition to decision-making, also take place discussions and presentations of topics relevant to sustainability (including water-related issues) and their connections to Dexco's strategic planning . In addition, he is assisted by a sustainability specialist, also member of the Committee. This specialist currently works as Principal at the Finance for Biodiversity Initiative and has also worked with Impact and ESG Consulting for investment firms, taking into account themes such as climate change, and as facilitator for Brazil Coalition Climate, Forests and Agriculture, articulating and facilitating actions to promote a new model of economic development based on the low carbon economy, responding to the challenges of climate change.

W6.3

(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)

Chief Executive Officer (CEO)

Responsibility

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

Our Sustainability Committee is appointed by the Board of Directors in our organizational structure. The CEO also takes part of this Committee, being responsible for adressing the theme for Executive Directors and operational units. The CEO participates in the Risk Committee as well, on demand.

Name of the position(s) and/or committee(s)

Sustainability committee

Responsibility

Assessing water-related risks and opportunities

Managing water-related risks and opportunities

Frequency of reporting to the board on water-related issues

Quarterly

Please explain

The Sustainability Committee plays an active role in the definition of the strategic positioning of sustainability to be covered by the Sustainability Strategy. The Committee is appointed by the Board of Directors in our organizational structure.

W6.4

(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?

	Provide incentives for management of water-related issues	Comment
Row 1	Yes	We provide incentives for management water-related issue based on the targets established in our Sustainability Strategy.

W6.4a

(W6.4a) What incentives are provided to C-suite employees or board members for the management of water-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive	Performance indicator	Please explain
Monetary reward	Chief Executive Officer (CEO)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - supply chain	The CEO has one of his variable compensation targets linked to the implementation, monitoring and evolution of the targets mentioned in the Sustainability Strategy, which includes the reduction of relative water withdrawal at all the facilities. Considering each of the businesses baseline, by 2025 it is expected a reduction of relative water collection by: 20% for Panels, 33% for Ceramic Tiles, 7% for Bathroom fixtures and 10% for Hydra. One other target aims to prevent the use of 900 million m3 of water with our eco-efficient products by 2025. The strategy also includes targets related to increasing suppliers performance in environmental management matters, which include water management themes, To measure this performance, we have the GFD Program, a management program focused on critical and very critical suppliers. The

			target is to reach 8 as the average performance score of evaluation for these suppliers.
Non-monetary reward	Corporate executive team Chief Executive Officer (CEO) Chief Operating Officer (COO) Chief Sustainability Officer (CSO)	Reduction of water withdrawals Reduction in consumption volumes Improvements in efficiency - direct operations Improvements in efficiency - supply chain	The launch of the new Sustainability Strategy is connected with a greater change that we made in 2021, related to the new brand positioning and to the beginning of another expansion cycle. In this context, poignant discussions arose on the roles and responsibilities of public and private agents and the climate agenda became the center of the debates. Aware of this, we sought to build a resilient and sustainable positioning that guides our operation in view of the risks and opportunities associated with Dexco's business divisions but that also responds to the needs of the global sustainable development agenda. The proper and sustainable management of water resources is a fundamental part of our Sustainability Strategy, and this notion is passed on to workers at all functional levels of the company, from the operational to the CEO and Board of Directors. The Sustainability Strategy proposes goals directly linked to the reduction in water consumption and an extensive work has been carried out to spread culture and awareness at all levels of the Company so that we can achieve them.

W6.5

(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?

Yes, trade associations

W6.5a

(W6.5a) What processes do you have in place to ensure that all of your direct and indirect activities seeking to influence policy are consistent with your water policy/water commitments?

The Sustainability Strategy has pillars and relevant themes upon which we have established the social and environmental performance targets to be achieved until 2025.

The Sustainability Strategy includes the reduction of relative water withdrawal at all the facilities. Considering each of the businesses baseline, by 2025 it is expected a reduction of relative water collection by: 20% for Panels, 33% for Ceramic Tiles, 7% for Bathroom fixtures and 10% for Hydra. One other target aims to prevent the use of 900 million m3 of water with our eco-efficient products by 2025. The strategy also includes targets related to increasing suppliers performance in environmental management matters, which include water

management themes, To measure this performance, we have the GFD Program, a management program focused on critical and very critical suppliers. The target is to reach 8 as the average performance score of evaluation for these suppliers.

To ensure the accomplishment of the targets, a periodic assessment is carried out by the Executive Committee and Sustainability Committee. These targets are also considered in the annual performance evaluation of the Company's leadership.

W6.6

(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?

Yes (you may attach the report - this is optional)

W7. Business strategy

W7.1

(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	<p>We started the work to review our Sustainability Strategy in 2020, a process completed in 2021. Our intention during this process was to gather the ESG aspects of our sector so we could be able to act as agents of transformation. In the meanwhile, we want to increasingly promote health and wellbeing, not only for our customers, but for everyone who engages with us and are part of our Company. Therefore, we extend the concept of Solutions for Better Living to all our stakeholders. As we have redesigned our framework, we have not left our previous Sustainability Strategy behind. Some of the targets set in 2016 have already been achieved, others are strongly incorporated into the operation, and those remaining no longer make sense amid the new scenario in which we are living.</p> <p>In this new Strategy (with targets for 2025 and 2030), one of our areas of focus is to offer sustainable solutions in the use of water contributing to conscious consumption along the value chain, reducing water footprints at the product use phase.</p> <p>Some product lines of the Deca Hydra Division stand out because, in addition to ensuring wellbeing and</p>

			<p>comfort, they provide water and energy savings while being used and thus generate less carbon emissions. We categorize these lines as “eco-efficient”. We intend to increase our revenue with these specific product lines and monitor the reduction of our “footprint”, that is, water and energy consumption levels, as well as carbon emissions.</p>
Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	<p>The strategy to achieve our objectives by 2025 is based on process improvements, including reduction of relative water consumption and increased reuse in industrial units. In forest activities, these actions also involve research and development to improve the resistance of tree species (especially eucalyptus) to extreme conditions.</p> <p>Each target is assigned to a sponsor responsible for the development of action plans that aim to achieve the milestone determined for each year. The follow-up on the progress of the actions linked to the targets occurs through our Management System, which is based on a continuous improvement tool, the PDCA (Plan, Do, Check, Act) Cycle.</p>
Financial planning	Yes, water-related issues are integrated	5-10	<p>Each target is assigned to a sponsor responsible for the development of action plans that aim to achieve the milestone determined for each year. The follow-up on the progress of the actions linked to the targets occurs through our Management System, which is based on a continuous improvement tool, the PDCA (Plan, Do, Check, Act) Cycle.</p> <p>Within our commitment of ensuring a sustainable growth and keeping a positive carbon balance. one of our KPIs is related to efficient use of inputs and raw materials, water being one of these inputs. Also, the other commitment of promoting health and wellbeing in environments has one of the KPIs linked to water, energy and carbon footprints at the product use phase. Regarding water management, the targets aim to reduce the relative water withdrawal in all of our businesses.</p>

W7.2

(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

Row 1

Water-related CAPEX (+/- % change)

0.1

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

3,245.7

Water-related OPEX (+/- % change)

1.43

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

18

Please explain

The high anticipated forward trend for CAPEX from 2021 to 2022 is due to the the construction of a effluent treatment plant in Itapetininga, which is schedule to start in 2022.

W7.3

(W7.3) Does your organization use scenario analysis to inform its business strategy?

	Use of scenario analysis	Comment
Row 1	Yes	In 2021, we improved the assessment of physical and transitional climate risks and opportunities and their financial implications for the organization in the short, medium and long term. The assessment was led by the Sustainability and Risk Management areas. We also developed a methodology to analyze economic sensitivity of environmental aspects, focused on five themes (water, energy, emissions, effluents and waste). The project includes an internal diagnostic of the operations and business strategies in the medium and long term; analysis of the value chain; scenarios evaluation (considering three potential scenarios whose aspect will impact the company’s operations and performance, in a more or less severe way.), and others. The project also brought an external view of risks and opportunities related to these five environmental aspects, and by using an economic model to analyze their impacts, helped to strengthen integration between the financial and sustainability departments.

W7.3a

(W7.3a) Provide details of the scenario analysis, what water-related outcomes were identified, and how they have influenced your organization’s business strategy.

Type of scenario	Parameters, assumptions, analytical choices	Description of possible water-related outcomes	Influence on business strategy
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	analysis used			
Row 1	Water-related Climate-related	<p>In 2021, we improved the assessment of physical and transitional climate risks and opportunities and their financial implications for the organization in the short, medium and long term. The assessment was led by the Sustainability and Risk Management areas. The first step was promoting a workshop focused on the Task Force on Climate Related Financial Disclosures (TCFD), a global initiative that establishes recommendations for the disclosure and analysis of risks and opportunities related to climate issues. The participants of the workshop were the business leaderships and the main focal points in each of the business divisions. The second stage involved interviews with the managers of the business units, which allowed us to map our practices and to analyse how adherent they are in relation to the recommendations of the TCFD.</p> <p>For the survey of transition risks and opportunities, the study considered the advance of the transition to a low carbon economy as a global response to the threat of climate change. The effort is aimed at keeping global warming at a maximum of 1.5° C above pre-industrial</p>	<p>During the Climate Risk study carried out in 2021, a tool was developed to model the calculation of the Company's financial impact in the face of risks and opportunities related to climate change. It is assumed that the increase in temperatures and extreme weather events may negatively impact the Company's activities. The objective is to adjust the Company's market price definition in light of weather variables, identifying in advance the events that can create or destroy value. Regarding extreme weather events, we came to the conclusion that our forestry operations can be negatively impacted by the increase of occurrence of such events. In our study of climate risks and opportunities, we identified through the ThinkHazard tool! (GFDRR), that four Dexco forestry units are located in areas at high risk for extreme temperatures and droughts. They are: Uberaba, Agudos, Lençóis Paulista,</p>	<p>The study reinforced the importance of our genetic improvement program, aimed at the selection of eucalyptus species that are well adapted to different climatic conditions and present higher quality standards (such as density and resistance to pests and diseases). This genetic improvement program generates forests more adapted to climate change, including to drought scenarios, while also increasing productivity and resistance to pests and diseases. In 2021, Dexco spent R\$1,650,000.00 in the genetic improvement program.</p> <p>The study has already influenced strategic planning, since we started to review our company's risk scorecard and plan actions alongside the operational units in order to minimize the impacts related to the risks raised.</p>

	<p>levels, according to the IPCC report. The objective of the study was to identify the Company's exposure to the four categories of risks related to the transition to a low carbon economy (Regulatory and legal, technological, market and reputation) defined by the TCFD. Based on desk research in public sources, proxies were developed to estimate the magnitude of the financial impact, the probability of occurrence and the materialization horizon (Short term 1 to 3 years; Medium term 4 to 14 years; and Long term 15 years or more) of each identified risk. For the evaluation of physical risks (acute and chronic), the climate experiments HadGEM and MIROC with ETA regional model were the main sources of information used, with the average time horizon (2040/2070) and number of rounds of future simulations (RCPs 4.5 and 8.5). Simulations of climate scenarios were carried out for each city where there are Dexco units, pointing out the specific risks that can interfere in the company's operations and chain.</p>	<p>Maceió. The study entitled "Impact of climate change on eucalyptus productivity in two regions of Brazil" demonstrates the vulnerability of forest systems to climate variation, especially to increased temperature and decreased precipitation. In this way, we have modeled the impact over the Company since it is expected that the probability of a drop in productivity will increase, increasing as the effects of climate change intensify. The risk of flooding at our Metals plant in São Paulo was also identified as a point of attention, as it puts machinery at risk and can increase our operating costs.</p>	
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W7.4

(W7.4) Does your company use an internal price on water?

Row 1

Does your company use an internal price on water?

No, but we are currently exploring water valuation practices

Please explain

In 2021, we started a life cycle analysis project, with the Ceramic Tiles division as a pilot. The process of measuring the water and carbon footprint of our products is a fundamental step for us to advance in the pricing criteria. Studies developed in 2014 and 2015, such as the pilot project to value ecosystem services and analysis of economic sensitivity to environmental aspects, also contribute to increasing our understanding of the possible financial impacts of this theme on our business. These analyses are continually being expanded, as new information and research is developed internally or in conjunction with organizations working on this theme, such as the GVCes (Fundação Getulio Vargas Center for Sustainability Studies) Companies for the Climate.

W7.5

(W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	In 2017, we introduced the Deca Comfort technology, that brings more comfort to consumers while also helps to save water resources (up to 60% water savings in relation to products without this technology).	Deca Metals Division has developed the Deca Comfort line. This technology is present in all the brand’s faucets, bathroom single-handle and basin mixers. Deca comfort products bring more comfort to consumers while also helping to save water resources. This innovation, which has no impact on the design of tap and mixers, guarantees a standard flow, regardless of whether a buiding has low or high pressure plumbing system. This results in a smooth and costant jet of water, that does not cause unpleasant splashing when washing hands, for instance. This system has been patented. The development and improvement of the Deca Comfort line is one of the initiatives in line with the Sustainability Strategy.

W8. Targets

W8.1

(W8.1) Describe your approach to setting and monitoring water-related targets and/or goals.

	Levels for targets and/or goals	Monitoring at corporate level	Approach to setting and monitoring targets and/or goals
Row 1	<p>Business level specific targets and/or goals</p> <p>Site/facility specific targets and/or goals</p> <p>Brand/product specific targets and/or goals</p> <p>Country level targets and/or goals</p>	<p>Targets are monitored at the corporate level</p> <p>Goals are monitored at the corporate level</p>	<p>We started to redesign our Sustainability Strategy in 2020, motivated by the global changes towards a greener economy, a more diverse and inclusive society, bringing the environmental, social and governance aspects closer to act as agents of change in the construction and renovation market.</p> <p>Within our commitment of ensuring a sustainable growth and keeping a positive carbon balance. one of our KPIs is related to efficient use of inputs and raw materials, water being one of these inputs. Also, the other commitment of promoting health and wellbeing in environments has one of the KPIs linked to water, energy and carbon footprints at the product use phase. Regarding water management, the targets aim to reduce the relative water withdrawal in all of our businesses.</p> <p>Dexco encompasses a multitude of businesses, each with its own features and procedural challenges. The intention is to continuously monitor and improve production processes to optimize the use of natural resources and materials at all Divisions of the Company. Indicators related to the consumption of water are applied to the 3 Business Divisions and monitored annually.</p> <p>The goals monitored are related to the improvement of processes and preventive maintenance, aimed to the efficient use of inputs and raw materials, in line with circularity concepts and backed by robust Environmental Management Systems (EMS), and constant employees' engagement to prevent the waste of natural resources and provide suggestions for ongoing improvement of processes. Another goal worth mentioning is related to suppliers performance at our Suppliers Management Program (GFD). To reach a higher average score in the performance index indicates that our suppliers are also committed to increase their environmental performance, including matters of water consumption and</p>

			<p>discharge.</p> <p>We understand that our governance is key for our achieving the results we are committed to. To this end, we have a structure comprising different committees, we manage risks and develop initiatives such as the E&S Program related to the onboarding of newly acquired businesses. We make ongoing improvements to our indicator management – in 2020, for example, we acquired a new management system for corporate sustainability indicators. These are measures that ensure target monitoring and achievement.</p>
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W8.1a

(W8.1a) Provide details of your water targets that are monitored at the corporate level, and the progress made.

Target reference number

Target 1

Category of target

Water withdrawals

Level

Business

Primary motivation

Reduced environmental impact

Description of target

To reduce the relative water withdrawal at Panels (Brazil) by 20%

Quantitative metric

% reduction per unit of production

Baseline year

2019

Start year

2021

Target year

2025

% of target achieved

1.2

Please explain

We had a 1.2% reduction from the baseline year. The target for 2021 fell short by 4%. Water consumption in Uberaba (State of Minas Gerais) was impacted by the low levels of rainfall and the need to wet the roads to prevent the suspension of particulate matter in the surrounding areas to minimize possible social impacts.

Target reference number

Target 2

Category of target

Water withdrawals

Level

Business

Primary motivation

Reduced environmental impact

Description of target

To reduce the relative water withdrawal at Ceramic Tiles by 33%.

Quantitative metric

% reduction per unit of production

Baseline year

2020

Start year

2021

Target year

2025

% of target achieved

13

Please explain

We had a 13% reduction from the baseline year. The target for 2021 fell short by 18%. Water consumption increased at the Ceramic Tiles 1 unit due to the installation of an air emission abatement system with increased use of water in the process. At the Ceramic Tiles 2 unit, the startup of a production line was accelerated, and the ceramic tile processing (grinding and polishing) was improved. At the Ceramic Tiles 4 unit, the individual measuring system for artesian wells was improved, thus increasing the assertiveness in consumption.

Target reference number

Target 3

Category of target

Water withdrawals

Level

Business

Primary motivation

Reduced environmental impact

Description of target

To reduce the relative water withdrawal at the Bathroom Fixtures division by 7%

Quantitative metric

% reduction per unit of production

Baseline year

2017

Start year

2021

Target year

2025

% of target achieved

0

Please explain

We had a 7% increase in relation to the baseline year. The target for 2021 fell short by 10%. Water withdrawal increased due to the growth in the number of employees and application of some production processes.

Target reference number

Target 4

Category of target

Water withdrawals

Level

Business

Primary motivation

Reduced environmental impact

Description of target

To reduce the relative water consumption at Hydra by 10%.

Quantitative metric

% reduction per unit of production

Baseline year

2020

Start year

2021

Target year

2025

% of target achieved

7

Please explain

We had a 7% reduction from the baseline year. The target for 2021 was exceeded by 5%. The water recirculation systems in the shower testing lines were renewed.

Target reference number

Target 5

Category of target

Water withdrawals

Level

Business

Primary motivation

Reduced environmental impact

Description of target

To reduce the relative water consumption at the Bathroom Fittings division by 10%.

Quantitative metric

% reduction per unit of production

Baseline year

2019

Start year

2021

Target year

2025

% of target achieved

10

Please explain

A 10% reduction from the base year. The target for 2021 was exceeded by 9%. The highlights were the raising of awareness of employees, the search for higher efficiency

in consumption management for production processes and the improvement in the water infrastructure with saving products.

W8.1b

(W8.1b) Provide details of your water goal(s) that are monitored at the corporate level and the progress made.

Goal

Engagement with suppliers to help them improve water stewardship

Level

Company-wide

Motivation

Corporate social responsibility

Description of goal

The strategy includes a target related to increasing suppliers performance in environmental management matters, which itakes into account water management themes, To measure this performance, we have the GFD Program, a management program focussed on critical and very critical suppliers. The target is to reach 8 as the average performance score of evaluation for these suppliers.

Baseline year

2020

Start year

2021

End year

2025

Progress

The overall average index of the participating suppliers of Dexco Supplier Management program o GFD was 7.41, exceeding the score in the previous year. The share of participating companies with a score equal or higher than 8 was 26%, and the number of participating companies increased by 8% (when compared to 2020).

W9. Verification

W9.1

(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?

Yes

W9.1a

(W9.1a) Which data points within your CDP disclosure have been verified, and which standards were used?

Disclosure module	Data verified	Verification standard	Please explain
W8 Targets	Water withdrawal/reuse/recycling and targets achievement status	Other, please specify KPMG International Methodology and GRI Protocol	Water withdrawal/reuse/recycling is informed on Duratex’s Integrated Report, as well as targets status, and a third party is hired for the Report’s verification, reinforcing transparency and credibility of the information.

W10. Sign off

W-FI

(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

We are not a Company with a single product and having Duratex as a corporate and product brand at the same time created difficulties in associating our other businesses with the corporate brand. In 2012, when we reviewed and renewed the Duratex brand, this issue was already very latent. After we diversified our operation even further with the entry into the ceramic tiles segment, this need became stronger. Finally, in 2021, the timing was right for the change, orchestrated within a comprehensive strategic shift in the Company. Therefore, Duratex, at the corporate level, becomes Dexco, and the Duratex name is established in our MDF and MDP panel brand. This launch closes a virtuous cycle, setting up the beginning of the next cycle for which we prepared so as to seek a new wave of expansion and modernization. We wanted to record this emblematic moment as a corporate identity that is more open to growth and to the acquisitions that may happen. In this context, Dexco represents flexibility and ability to absorb new brands and new lines, in line with the future we want.

Now, we are also dedicating ourselves to understand exactly the value proposition of each commercial brand to create a mother brand that made sense when associating the other brands. This new look is directly connected with the Company’s Sustainability Strategy. We strengthened even further our attributes with our Living Environments signature. It brings some responsibility to our ESG positioning because it has a broad view, in which the care is extended to the environments and also takes into consideration the social ecosystem, including housing and the community.

Establishing solutions that encompass better living means going beyond the delivery of a product that is consumption efficient. It is also encompassing the concept of efficiency in the entire value chain. Promoting this synergy and making the consumer realize a difference in this work, along each stage of the chain, will be our challenge from now on.

W10.1

(W10.1) Provide details for the person that has signed off (approved) your CDP water response.

	Job title	Corresponding job category
Row 1	Chief Executive Officer of Dexco	Chief Executive Officer (CEO)

W10.2

(W10.2) Please indicate whether your organization agrees for CDP to transfer your publicly disclosed data on your impact and risk response strategies to the CEO Water Mandate’s Water Action Hub [applies only to W2.1a (response to impacts), W4.2 and W4.2a (response to risks)].

Yes

Submit your response

In which language are you submitting your response?

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options		Public

Please confirm below