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# OUR WAY OF BEING



A CENTENARY  
HISTORY



## Our Way of Being

We work with the certainty that if we want to last, we need to change. We have reinvented ourselves with the solidity of a company that was created more than 80 years ago. Longevity, entrepreneurship and innovation are embedded in our DNA.

We are both solid and flexible. We have the solidity of a mature, long-term company that operates internationally, delivering with excellence, ethics and integrity. We are flexible as we modernize and adapt to the changing needs of society, leverage technological developments to make better use of resources, evolve processes and positively impact people's lives.

We are also a company with high standards of corporate governance aligned with stringent compliance and regulatory requirements.

We operate internationally with the solidity of a mature, long-term company that works with ethics, integrity and excellence with the flexibility to adapt

We are a building materials, mining and solutions company that was founded in 1933 and operates internationally. We are present in 11 countries, on four continents, we are the sixth largest cement company in the world (excluding China) and the largest in Brazil, according to public reports.

We invest in the offering of innovative products and quality services. We are one of the most vertically integrated companies in the industry, with a diverse product portfolio consisting of cement, concrete, aggregates, mortar, grout, finishing materials, plasticizers, aglime and waste management (co-processing).

We operate in a business to business (B2B) model with strong presence in retail, industrial and infrastructure sectors, construction and agribusiness.

Our company is adaptable to change and is rapidly advancing in innovation projects, digital transformation, people diversity and product portfolio. We see with clarity the need to change — to last, to adapt and to modernize — while maintaining our unnegotiable values such as safety, ethics, respect for the environment and a commitment to doing things the right way while generating shared value.





**A HISTORY IN  
THE PURSUIT OF  
TECHNOLOGIES  
THAT PROMOTE  
SUSTAINABLE  
DEVELOPMENT**

# **OUR SUSTAINABILITY JOURNEY**



# Our Sustainability Journey

As leaders in the building materials industry in Brazil, and one of the most important companies in this sector at an international level, we seek to grow, innovate and increase the operational efficiency of our business, using sustainability as one of our strategic drivers.

We have a long history that attests to our constant pursuit of more advanced technologies to reduce emissions, improve energy efficiency, ensure the health, safety and well-being of our employees, reduce our environmental footprint and promote the social and environmental development of the communities where we operate.

We actively participate in global forums to promote sustainability in the cement industry. We are one of the founding members of the Global Cement and Concrete Association (GCCA), which since 2018 has brought together like-minded companies, industry associations, academia and other organizations in the production chain, to constantly advance the discussions on ESG (Environmental, Social and Governance) issues and to establish concrete as the most sustainable construction material.

Through the GCCA, we are committed to fulfilling the responsibilities included in its five key pillars that cover the spectrum of sustainability for the cement and concrete industry: CO<sub>2</sub> and climate protection, responsible use of fuels and raw materials, health and safety of employees, reducing local impact on land and communities, and managing water resources.

The GCCA was created to continue the work of the Cement Sustainability Initiative (CSI, an initiative

under the auspices of the World Business Council for the Sustainable Development – WBCSD), which we also helped to launch, in 1999, demonstrating our long-standing commitment to this issue. We committed to the action agenda and detailed timeline published by the CSI in 2002, when we became one of the first companies in the industry to take on sustainability challenges publicly. In addition to the GCCA, we are part of several other associations and partnerships that aim to promote sustainable development and the conscious use of natural resources.

All our efforts have enabled Votorantim Cimentos to improve its environmental footprint. From 1990 to 2019, we managed to reduce our **CO<sub>2</sub> emissions per ton of cementitious product by 23%.**

We reduced our CO<sub>2</sub> emissions per ton of cementitious product by 23% between 1990 and 2019







**OUR INDUSTRY IS  
REINVENTING ITSELF  
TO BENEFIT THE  
PLANET**

# **THE IMPACT OF THE INDUSTRY AND CLIMATE EMERGENCY**



Climate change is a focus of our business strategy that guides each step of our future toward a carbon-neutral concrete by 2050

## The Impact of the Industry and Climate Emergency

Scientists around the world agree that we are currently experiencing a climate emergency. The temperature of the planet has already increased more than 1°C in relation to the pre-industrial era and, at this pace, can potentially increase more than 4°C if we fail as a society to reinvent ourselves, transform our lifestyle and bring climate action to the center of political and business decisions.

As one of the leaders in the cement industry in the world, we understand our role and are actively pursuing several initiatives to align our emission reduction targets with the ambitions set in the Paris Agreement.

Like every industrial and human activity, our production process has impacts on the planet. Cement production, specifically, is an intensive process in terms of CO<sub>2</sub> emissions. Therefore, we are committed to continuing to develop solutions to reduce our emissions at all stages of the construction chain, aiming to deliver a carbon neutral concrete to society by the year 2050. For this to happen, we have developed a roadmap and continue to work in several partnerships, aiming to maintain dynamism and focus when addressing this issue. As an example, we work together with the industry, through the Global Association of Cement and Concrete (GCCA), investing in innovation and developing joint solutions to establish concrete as the material that will enable us to achieve a world that is carbon neutral and resilient to climate changes.

Climate change is at the core of our strategy and guides every step of our future investments and innovation efforts. We use an internal carbon price to assess the attractiveness of projects even in countries without CO<sub>2</sub> regulations. This action helps us to align new investments to the decarbonization path of our business.







# CONCRETE AS PART OF A MORE EGALITARIAN AND SUSTAINABLE PLANET



**CONCRETE:  
A PRODUCT FULLY  
ALIGNED WITH A  
MORE SUSTAINABLE  
SOCIETY**



# Concrete as Part of a More Egalitarian and Sustainable Planet

As the world continues to urbanize, many countries will face challenges in meeting the needs of their growing urban populations. This includes essential needs, such as clean water and sanitation, provision of basic services, such as education and health, and infrastructure in general, such as housing, transportation and power generation. A significant increase in established areas is expected, including for the provision of safe housing and urban infrastructure. At the same time, there is a growing need for buildings to be resilient to protect our cities and natural environment from a changing climate.

Concrete has shaped modern society and is vital to promote human development and meet the growing demand for housing and infrastructure across the planet. It is the second most consumed product in the world—a highly versatile building material, with infinite combinations and applications that allow architects and builders to use it in the most efficient and innovative ways possible.

Known for its excellent durability and resilience, concrete is considered a sustainable building material since it has qualities that make it resistant to fires, weather changes and floods. It provides excellent thermal insulation in buildings and rigidity in road construction, reducing energy use and increasing vehicle efficiency. Concrete also has unique qualities that enable other sectors, such as renewable energy, to develop at the speed necessary for us as a society to achieve the target for emissions reduction set by the Paris Agreement.

The second most consumed product in the world, concrete is durable and versatile, which enables infinite combinations in civil construction







## THE CHARACTERISTICS THAT MAKE CONCRETE A PRODUCT IN LINE WITH THE FUTURE NEEDS OF SOCIETY INCLUDE:

- 1. Recyclable:** it is 100% recyclable, which helps sustain a circular economy;
- 2. Durable:** concrete buildings can last 100 years or more and require little maintenance;
- 3. Healthy environments:** it does not emit volatile organic compounds (VOCs), which are a health hazard;
- 4. Recarbonation:** it absorbs part of the CO<sub>2</sub> emitted in its production when in contact with the air, an effect that can be maximized when recycled;
- 5. Lower vehicle emissions:** it enables the logistics network to consume less fuel when traveling on concrete roads, which leads to lower greenhouse gases emission;
- 6. Thermal insulation:** it isolates and holds heat and can be used to reduce energy consumption in buildings;

- 7. Insect-proof:** it cannot be damaged by insects, which reduces the risk of invisible damage;
- 8. Light reflective:** its bright surface reflects light and can reduce the number of streetlights by up to 25%;
- 9. Heat reflective:** its light surface reflects heat, reducing energy demand in areas of hot climate;
- 10. Sustainable infrastructure:** it is used in sustainability-related constructions, such as water and sewage treatment infrastructure and in renewable energy facilities (wind towers and hydroelectric dams);
- 11. Safe for storing water:** it is inert and therefore safe to store and supply drinking water;
- 12. Flood resistant:** does not swell or deform when wet, which provides resilience against flooding and water damage;
- 13. Water permeable:** concrete paving can be performed in a way to ensure water permeability, which helps natural drainage processes;
- 14. Versatile:** it has infinite combinations and applications;
- 15. Available and affordable:** produced locally, it is widely available and suitable for construction, at a cost that leverages life cycle;
- 16. Nonflammable:** it does not burn, providing fire-safe structures.

Concrete's sustainability characteristics demonstrate its alignment with the new demands of society

## GLOBAL EFFORT TO REDUCE CARBON EMISSIONS

We are aligned with the GCCA commitments, which align with the targets of the Paris Agreement and recognize the technological challenges that lie ahead.

The goals that will lead us to decarbonize the sector are:

- **Reduce energy-related emissions**, maximizing the co-processing of waste from other industries or processes in substitution of fossil fuels;
- **Eliminate indirect energy emissions** through renewable electricity sources where available;
- **Reduce the emissions process through new technologies** and deployment of carbon capture at scale;
- **Reduce the clinker content in cement and concrete**, as well as use concrete more efficiently in the construction of buildings and infrastructure;
- **Reprocess and recycle demolition concrete**, making this chain more circular and enhancing the level of CO<sub>2</sub> uptake of concrete through recarbonation.



Our industry is united in meeting the goals of the Paris Agreement





**DIVIDED INTO  
SEVEN PILLARS,  
OUR COMMITMENTS  
ARE INTEGRATED  
WITH THE UNITED  
NATIONS' SDGS**

# OUR 2030 COMMITMENTS



# Our 2030 Commitments

Our vision for the future is built around our concept of “flexible solidity”. It captures the idea that we are a mature company that operates with excellence, safety, ethics and integrity and, at the same time, remains flexible to modernize and adapt to the needs of society to positively impact people’s lives.

We want to build lasting relationships, be the best choice for customers in our industry and help create a more egalitarian and sustainable world, working with others who share this vision. In everything we do, we strive to generate a positive and long-term impact.

Recognizing that sustainability is a journey, we are taking another step toward building an increasingly sustainable company and thereby creating long-term value for our stakeholders. **This important step is now encapsulated in the publication of our 2030 commitments.**

In addition to being aligned with our way of being, our sustainability journey and the worldwide industry sce-

Our commitments are aligned with our way of being and construction megatrends

nario and its future expectations as detailed in this document, our 2030 commitments also encompass our climate ambition for 2050. Their development considered an in-depth assessment of megatrends such as demographic changes; globalization and future markets; climate change challenges; and innovation and technology dynamics and their impact on the building materials industry. These commitments aim to align our entire operation with the current and future needs of society, thereby generating shared value and producing a positive impact on the value chain.

Our 2030 targets are divided into seven pillars:

1. Health, safety and well-being
2. Ethics and integrity
3. Innovation
4. Diversity
5. Environmental footprint
6. Circular economy
7. Communities and shared value

Check out our annual sustainability reports to follow our progress as we advance towards our targets, by accessing our [Integrated Report website](#).



## Global Vision

We are a signatory to the United Nations (UN) Global Compact, and our strategy is aligned with the Sustainable Development Goals (SDGs), a global agenda with 17 goals and 169 targets to be achieved by 2030.

The integration of the SDGs into our activities helps to ensure the future success of our business, which is focused on the long term and on building lasting relationships.



## We Operate with Integrity and Transparency

We believe that the path to excellence invariably involves ensuring high standards of compliance, ethics and transparency. That is why we make every effort to ensure that these premises are always part of the company's reality and everyday activities. This nonnegotiable commitment is all-encompassing and serves as a foundation for all others assumed by Votorantim Cimentos.



We are fully committed to legal and regulatory compliance and to ethical conduct in our operations. This is reflected across all company processes and is also supported by the behavior of our employees and business partners, which is always guided by the Votorantim Cimentos Code of Conduct.

As part of our business strategy, we believe how we achieve our objectives is as important as our results and ensuring the success of our stakeholder. We understand that a structured compliance system is fundamental to enable a healthy relationship between company and society and that having compliance linked to our daily and continuous journey is the only way to ensure business continuity and shared value generation.

To reinforce the importance of compliance principles in our culture, since 2013 we have maintained the Votorantim Cimentos Compliance Program. It is based on Votorantim Cimentos' Values, Management Beliefs and Code of Conduct, and establishes the Pillars, Functions and Instruments that form the structure and model for the company's proper performance. The program's initiatives are carried out by the business areas, with support and supervision from the Compliance area, which works closely with Legal, Risk Management, Internal Controls, People Management, Internal Audit and the Business Ethics Office. It is through this program that we signal the internal and external obligations to which Votorantim Cimentos holds itself accountable; clearly document compliance rules and guidelines for our employees; a continuous education process through communication campaigns and training of our employees; the monitoring of how effectively we comply with our obligations; and taking action to qualify and address any suspected violations.

We understand that misconduct, whether by action or

inaction, is harmful not only to Votorantim Cimentos, but to society as a whole. Therefore, to maintain an open dialogue with our stakeholders and constantly improve our compliance environment through rigorous standards of integrity, the company maintains an Ethics Line. This is a safe channel available to all stakeholders, both internal and external, through which they can ask for clarification about the Code of Conduct or make complaints about any alleged irregular conduct observed within our operations. Reports are confidential and can be made anonymously, and retaliation against whistleblowers is not tolerated. Any and all reports are investigated and addressed in accordance with the company's internal policies and applicable legislation.



## Safety, Health and Well-being Are Fundamental Values

We respect life in all its forms, promoting a healthy and safe environment for our employees, contractors and stakeholders in all activities.



There is no excellence or competitive performance without making health, well-being and safety a fundamental value. Therefore, these are nonnegotiable values for us. To protect our most valuable asset—our people—we set ambitious goals to prevent injuries, eliminate fatalities and promote a safe and healthy work environment for our employees, contractors and other participants in our production chain.

We have a **Global Health and Safety Policy** and the **Life-saving Rules**; our ambition is to build an environment of ZERO harm to people. That is why we manage these issues globally and maintain local teams that monitor and reinforce these principles and provide specific training. In all regions where we operate, we focus on targeted and efficient behavior programs.

We have dedicated health and safety employees and hire external consultants to assist in risk assessments and specific or complex identification of work-related hazards.

We care for our people and focus on a long-term strategy. That is why we strive to increase efficiency, improve productivity and reduce turnover and absenteeism through the implementation of a culture of well-being. We seek to empower our employees to make positive decisions regarding their health. We have a dedicated health team focused on accident prevention and on promoting quality of life, with the purpose of implementing initiatives that make the company increasingly more human.

### 2030 TARGETS

KPI	Description	Target
<b>Lost-time injuries</b>	Lost-time injury frequency rate among direct and contracted employees.	Global lost-time injury rate lower than 0.40.
<b>Fatalities</b>	Number of fatalities among direct and contracted/subcontracted employees and third parties resulting from work accidents.	Achieve zero fatalities in our operations.
<b>Employee satisfaction and well-being</b>	Improve our employees' perception of how VC is concerned with creating a wellness culture in which everyone can make positive decisions about their health and well-being as a natural choice.	Achieve at least 85% favorability in climate surveys.





## Innovation – We Co-create Sustainable Solutions

We pave the future of civil construction through a simple, fast and sustainable approach. We propel the cement industry toward clean technologies and processes, increasingly aligned with the preservation of natural resources.



To meet the current and future needs of society, we are constantly seeking different innovation solutions for our services and products. We treat innovation as a cross-cutting theme and seek to establish relationships and solid partnerships within the innovation ecosystem — in an environment that connects our teams with startups, suppliers, universities, research centers, government agencies and investment funds.

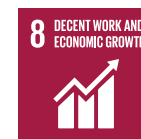
We are certain that this is the way to gain and maintain medium and long-term competitiveness and to ensure value generation for shareholders, employees and society.

Innovation is one of our main differentiating factors in the rapid and comprehensive advancement of our solutions, to ensure our permanence and to leave an innovative and sustainable legacy for society.

We understand innovation as a fundamental part in the process to increase the sustainability of our products; our ambition is to consistently grow our portfolio of sustainable solutions. This way, we fulfill our role in society in pursuit of a balanced and healthy environment for future generations.

### 2030 TARGETS

KPI	Description	Target
<b>Financial revenue through sustainable solutions</b>	Percentage of revenue from products and/or services that mitigate our environmental footprint or offer environmental benefits compared to traditional options.	30% of revenue from sustainable solutions.



## A Diverse and Inclusive Environment

We promote a diverse, inclusive and inspiring environment for our employees and stakeholders.



We understand that we have a fundamental role in promoting diversity and inclusion, as well as in fighting for equal opportunities. An environment that reflects these efforts only brings prosperity for companies, through the promotion of diverse and inspiring ideas, while helping to build a more inclusive and equity-based society.

To solidify our position, in 2019 we released our **Manifesto for Diversity**, through which we reiterate our commitment to a diversity agenda supported by four pillars:

1. Fighting discrimination;
2. Respect for people;
3. Leadership training;
4. Environment that offers everyone the opportunity to express themselves without fear.

We believe that what makes us equal is the certainty of knowing that we are each different and that respect for our uniqueness is what will enable us to become increasingly better.

### 2030 TARGETS

KPI	Description	Target
<b>Gender diversity in leadership positions</b>	Encourage gender diversity in leadership positions globally.	At least 25% of leadership positions occupied by women.
<b>Internal perceptions of diversity and inclusion</b>	Improve our employees' perception of how VC is becoming a more respectful, diverse and inclusive company.	Achieve at least 90% favorability with respect to diversity and inclusion in employee surveys.





## Reducing Our Environmental Footprint

We manage the impacts of our operations and work to make them increasingly sustainable, thereby reducing our pressure on the environment and natural resources.



We believe that cement production should use clean technologies that minimize the utilization of natural resources and enable constant improvement to reduce emissions and energy consumption. We have a [Global Environmental Policy and Green Rules](#).

The company invests in research and development to create new technologies and improve existing ones, promoting eco-efficiency in its processes and products. In addition, we are committed to protecting water

resources and biodiversity through the management of protected areas and quarry rehabilitation plans.

We also recognize the role of our industry in the development of products that enable construction projects to be carbon neutral. In this sense, we are committed to optimizing our processes and developing technologies to deliver **carbon-neutral concrete by 2050**.

### 2030 TARGETS

KPI	Description	Target
<b>Net CO<sub>2</sub> emissions</b>	Net CO <sub>2</sub> emissions/ton of cementitious product.	Achieve 475 kg of net CO <sub>2</sub> emission per ton of cementitious product.
<b>Dust emissions per ton of clinker</b>	Emissions in g/t clinker.	Reduce the emission of dust per ton of product to 30g/t clinker.
<b>SOx emissions per ton of clinker</b>	Emissions in g/t clinker.	Reduce the emission of SOx per ton of product to 490g/t clinker.
<b>NOx emissions per ton of clinker</b>	Emissions in g/t clinker.	Reduce the emission of NOx per ton of product to 1,400g/t clinker.
<b>Renewable electricity</b>	Percentage of electricity we produce and consume from hydroelectric, solar or wind power plants or renewable energy purchased externally through a renewable power purchase agreement and/or RECs (Renewable Energy Certificate).	Achieve 45% renewable electricity.
<b>Water and biodiversity management plans</b>	Implement the scheduled activities of the current management plans.	Evolve in the implementation of our water and biodiversity management plans in sensitive areas.



## Promoting a More Circular Business Environment

We adopt a regenerative approach in the way we do business, seeking to eliminate waste, repurpose by-products from other industries and increase the use of renewable resources.

Our operations incorporate several circular practices, including the consumption of a significant volume of waste in our production processes. Through co-processing, we reuse the energy of industrial, urban and biomass waste, which would otherwise go to landfills, generating methane and posing the risk of contaminated soils and groundwater. Greenhouse gasses are further reduced as potential pollutants are eliminated in the intense heat of cement manufacturing process.

We also consume an expressive volume of by-products from other industries, such as slag from blast furnaces and flys ash from coal-fired power plants, which find a sustainable purpose in cement and concrete production.

### 2030 TARGETS

KPI	Description	Target
<b>Thermal substitution</b>	Heat consumption of alternative fuels (waste and biomass) divided by the total heat consumption.	Achieve 53% thermal substitution.
<b>Percentage of clinker in cement</b>	Ratio between the total clinker consumption and cement production.	Reduce the clinker/cement factor to 68%
<b>Percentage of recycled concrete returned</b>	Concrete returned to our concrete operations that is recovered as new concrete or aggregate.	70% of returned concrete recycled





## Generating Shared Valued in Our Communities

We are important parts of the communities where we operate and sell our products. We believe in the transformative power of our people and our products, and we are committed to generating shared value and improving people's lives.



Our operations reach a very large area, covering 11 countries on four continents, with more than 200 industrial units. More than numbers, this means that we are in direct contact with numerous communities with diverse knowledge, needs and cultures. In all regions where we operate, we maintain important partnerships with local communities, respecting the characteristics of each country and the specificities of each region.

With this in mind, we are always looking for opportunities to promote the combination of business success and the development of these communities, understanding the specific needs of each location. This is done through efforts aimed at shared value initiatives that leverage our expertise to help address social problems, while also delivering economic results. We build value together with communities by tailoring initiatives that leverage the

abundance of knowledge, talents and resources in each location.

In the range of issues on our radar, we pay special attention to finding solutions to address the quality of life of families in vulnerable conditions, in addition to working to increase the participation of local suppliers in our value chain, boosting local business and providing employment opportunities for residents of these locations.

Our efforts are strengthened by transparent channels for dialogue with these communities and by the active participation of our employees through, for example, volunteer initiatives around the world.

### 2030 TARGETS

KPI	Description	Target
<b>Operations with community engagement, impact assessment and/or development programs</b>	Percentage of operations with local community engagement, impact assessment and/or development programs.	90% of operations with community engagement, impact assessment and/or development programs.
<b>Employees engaged in volunteer initiatives</b>	Percentage of employees engaged in volunteer initiatives during the year.	20% of employees engaged in volunteer initiatives.
<b>Local supply</b>	Promotion of local purchases, following the specificities and regulations of each region where we operate.	60% of local Suppliers.



## CREDITS

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Votorantim Cimentos Image Bank

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