



Activities Report 2021

instituto
VOTORANTIM
20 ANOS



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ATTENTION!

Throughout the content, Instituto Votorantim is also referred to as **Institute** or simply **iV**. Votorantim's investees will be referred to as **Invested Companies**.



1. Introduction

- 1.1 *Board Charter*
- 1.2 *Impact on 2021*
- 1.3 *Strategic drivers*

Driven by our purpose of pushing businesses to build a sustainable future, we are proud to publish the Activities Report 2021 of Instituto Votorantim.

1.1 Board Charter

The performance of Instituto Votorantim is guided by the desire of generating impact and value to the world. We fostered advances in structural changes by focusing on the social scope, and we have also made efforts to add positive impact in the environmental sphere.

2021 was still marked by our efforts in the pandemic response. We also dedicated efforts to our strategic planning by looking into the future, pursuing to understand the Institute strengths and the route we want to take.

With focus on implementing actions, providing advisory services, investing in impact and producing knowledge with our expertise, we defined essential drivers for our growth, in order to follow the most relevant subjects in accordance with the social-environmental context in which we are inserted.

The year 2021 also brought the resumption of activities that have been suspended in 2020, in addition to increased concern with the climate crisis. We moved forward in our role of social intelligence nucleus for Votorantim and its Invested Companies, by active participation in actions and strategies related to the environment, social and governance (ESG) issues.

Operating as a hub, the Institute provided connections between the Invested Companies and the network where its present, which has the participation of organizations, such as Beneficência Portuguesa de São Paulo (BP) and The Brazilian Development Bank (BNDES), among many other transformation agents dedicated to generating value for a sustainable future.

Results achieved in 2021 pave our path towards the future while being added to the lessons learned along the history of Instituto Votorantim, preparing us to celebrate our 20-year anniversary in 2022.



Ricardo Carvalho

President of the Deliberative Council at Instituto Votorantim

Building a Legacy

Big problems demand for solutions worked in the long term, collectively developed by multidisciplinary teams, with networking. Our legacy, resulting from this collective construction, breaks the paradigm that company-related institutes are aimed to welfarism.

As an applied social intelligence center, we work by developing social-environmental solutions, creating impact partnerships and generating knowledge. In 2021, we defined strategic drivers with the aim of guiding actions of the Institute until 2030.

We target a positive impact generation horizon, always focusing on structuring performance, which values the development of autonomy. That is, we do our work always looking to co-create, encourage and articulate with other agents of the society for the creation of conditions that sustain long-lasting initiatives.

We have high expectations for the future, and are aware that global challenges will require a systemic and diverse vision always in network. We will move forward by strengthening ourselves and creating a valuable legacy. Enjoy the reading, which represents an additional chapter of our history.

By considering this, in 2021, we maintained and strengthened projects aimed to pandemic response. In regard to the performance in the AGP Saúde program (Support for Public Administration aimed to health), we had 194 Brazilian municipalities attending it during the pandemic, and it is estimated that 2,400 lives may have been saved in accordance with the impact study carried out.

Last year, we enhanced the Municipal Vulnerability Index (IVM), which classifies all the Brazilian municipalities in terms of their degree of vulnerability to the pandemic's effects, which has been broke down in a new version that also enables measuring the efficacy of response actions to the pandemic's effects, the Covid Pandemic Response Efficacy Index (IEEP). We also established partnership with Beneficência Portuguesa in the offering of remote ICU service (TeleUTI), which enables significant sharing of information and knowledge, and that was

responsible for the decrease of lethality and worsening of Covid-19 cases at the hospitals attending the initiative.

2021 also marked the resumption of activities in the projects of our portfolio. A key highlight was the Education Valorization Program (PVE), which resumed its activities with the resumption of face-to-face classes. We celebrated the graduation of 91% of the municipalities that began their participation in the program in 2017.

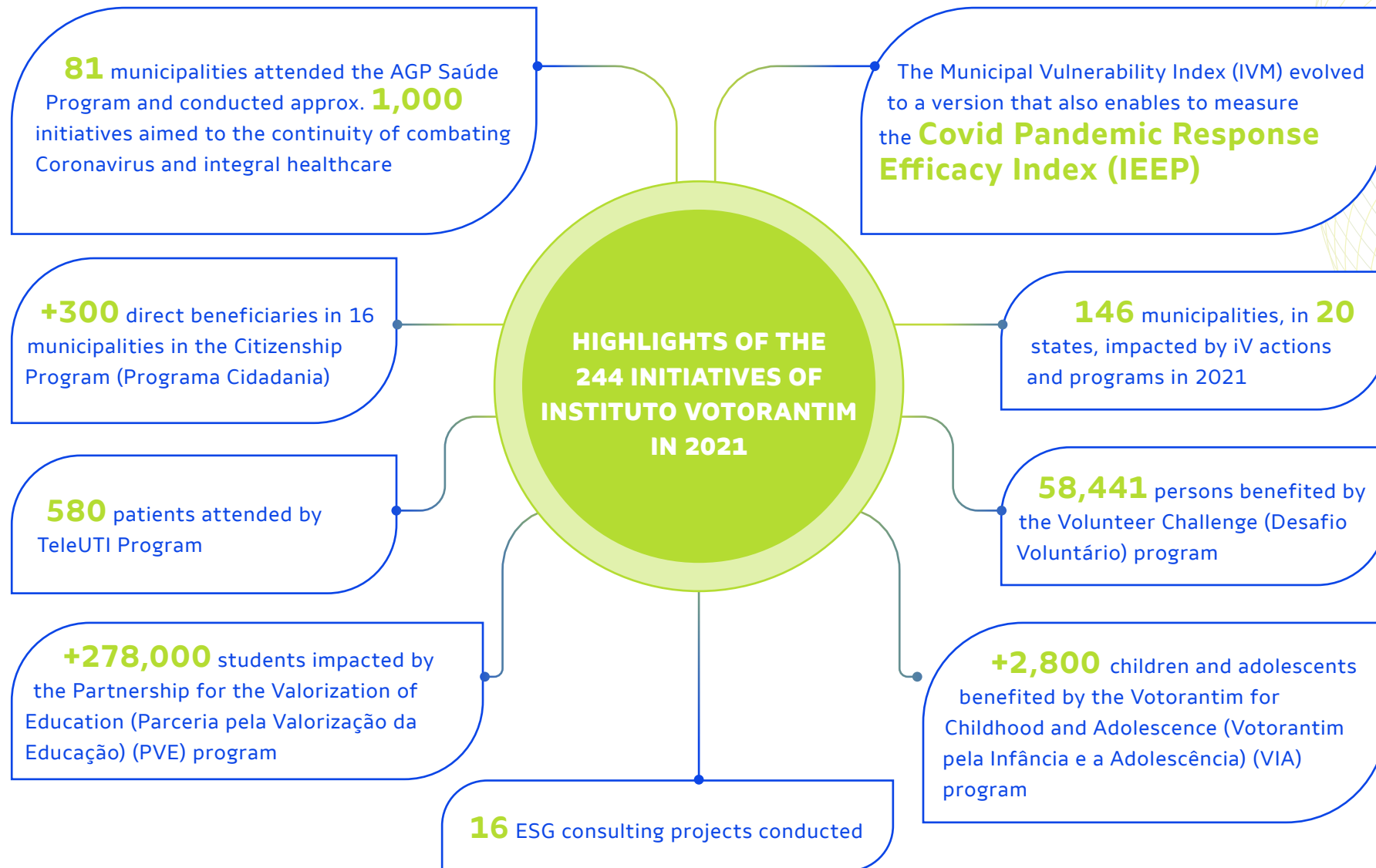
We invested in our capability of sharing our expertise in strategies that cover the environment, social and governance (ESG) axis, expanding the Institute's advisory services. Market and society are increasingly demanding that companies position themselves on social-environmental issues and the Institute promotes means to do that based on its belief that sustainable businesses are the ones generating value to the world.



Cloves Carvalho

CEO at Instituto Votorantim

1.2 Impact on 2021



BRL **122.5 MI**
in total social investments by Votorantim, of which **28 million** were invested in technologies developed by the Institute.



Find in the following chapters additional details of the initiatives and results of our actions in 2021.

1.3 Strategic Drivers

When preparing the 20 year anniversary celebration of the Institute in 2021, we prepared a new strategic planning with the purpose of rethinking and reaching a driver for the future development of the Institute: increase the impact and promote the organization's sustainability.

The process to establish our strategic drivers occurred in two stages: the initial one aimed to the context review and investigation of strategic dilemmas involving the organization, and the next one focused on answering questions, such as "what are our goals and **where** do we want to go?", "**how** are we going to perform?" and "**which** path will we take?". Shown in the diagram below are the methodologies used and the major breakthroughs of each stage:

Stage 1

I. Study of the current scenario and vision of the stakeholders: we reviewed all the iV actions over its history and defined the Institute positioning based on more than 40 interviews with the players involved with us;

II. Definition of strategic drivers: based on the scenario study, we established the guiding elements of the strategy in the short term, with focus on joint performance with the Invested Companies, expansion of the subject portfolio and meeting the demands of external partnerships.

Stage 2

III. Benchmark of strategic drivers: we carried out a review of the third-sector practices, searching for references in order to understand the context in which Instituto Votorantim is inserted;

PREMISES ADOPTED IN THE SECOND STAGE:

- 1.** Votorantim DNA shall be preserved;
- 2.** The Institute will always attend the Invested Companies in a synergistic way;
- 3.** The Institute shall keep focus on relevant subjects to the core of Invested Companies and for the society;
- 4.** The Institute will maintain its performance as a catalyst and intelligence center in relevant subjects for the group and the society, by articulating and/or developing solutions.

IV. Definition of purpose, skills, models and performance areas.

Purpose:

“Instituto Votorantim is an applied intelligence center, which develops socio-environmental solutions that generate value to the society.”

Competences:

Identify solutions for socio-environmental problems and opportunities of the invested companies and the society;

- I. Engage and manage partners in a capillary and comprehensive way;
- II. Provide support for the implementation of socio-environmental solutions, thus assuring results and impact.

Performance models:

- Solution implementation agent;
- Consulting;
- Impact investor;
- Intelligence center for production of knowledge related to the socio-environmental issues.

Performance areas:

The Institute has a broad set of performance subjects, with Education, Productive Inclusion, public Administration being the most relevant ones. In addition to aforementioned subjects, Low-Carbon Economy, Social Interest Housing, Sanitation, Professional Education, Defense of Rights, Citizenship, Sustainable Value Chains, among others, are also relevant issues. Thus, we will keep the purpose of **driving the companies**, by offering high-impact solutions, and prioritizing **excellence and value generation** to the society.



2. Continuity of the pandemic response

- 2.1 *Governance and action premises*
- 2.2 *Support to Public Administration (AGP)*
- 2.3 *Municipal Vulnerability Index (IVM)*
- 2.4 *TeleUTI Program*

In 2021, our performance was based on four pillars **pandemic response, our Programs and Projects, consulting and impact investment.**

In the next chapters, you will find a drill-down content on how we impacted those fronts.

2.1 Governance and action premises

Started in 2020, the Covid-19 pandemic required agile response of the Institute and the society as a whole, to recalculate and adapt routes. At Instituto Votorantim, we managed and restructured fronts to prepare impact solutions aimed to these crisis times, by reviewing the entire annual plan and articulating our governance to cover the mandatory questions.

To do that, we created specific committees capable of acting in a strategic way on our guidelines to respond to the crisis: Management Committee, Technical Committee and Company Committee. These committees were maintained in 2021, operating as follows:

- **Management Committee**, focused on directing the emergency investments in the pandemic fighting actions. This role was played by the Strategy Committee at the Institute;
- **Technical Committee**, which involved direct contact with health experts, such as scholars, physicians and managers. This contact enabled us to acquire directions for actions in progress, in addition to reviews of the pandemic context;
- **Company Committee**, which involved the areas in charge of the Covid-19 subject at the Invested Companies, aiming to exchange information and experiences, share good practices and align the Institute's actions.



2.2 Support to Public Administration (AGP)

The Support to Public Administration (AGP) program was born in 2012, as a result of a partnership between The Brazilian Development Bank (BNDES) and Instituto Votorantim. It has the purpose of extend the autonomy of the municipalities by qualification of the public administration, in addition to invest in strengthening the local agents attending the population and in the socio-economic development of their territories.

THE PROGRAM IS PERFORMED IN THREE FRONTS:

- ▶ **in management modernization,** with municipal financial balance projects, strategic management of funds, governmental planning, transparency and social participation.
- ▶ **in health,** developing management skills to promote support to the healthcare structure in the municipalities.
- ▶ **in territory ordering,** supporting the Municipalities in the promotion and induction of planned, integrated, balanced, sustainable and participative territory development, such as in the preparation of sectorial and management compliance plans (e.g. master plans, sanitation, certification and mobility plans).

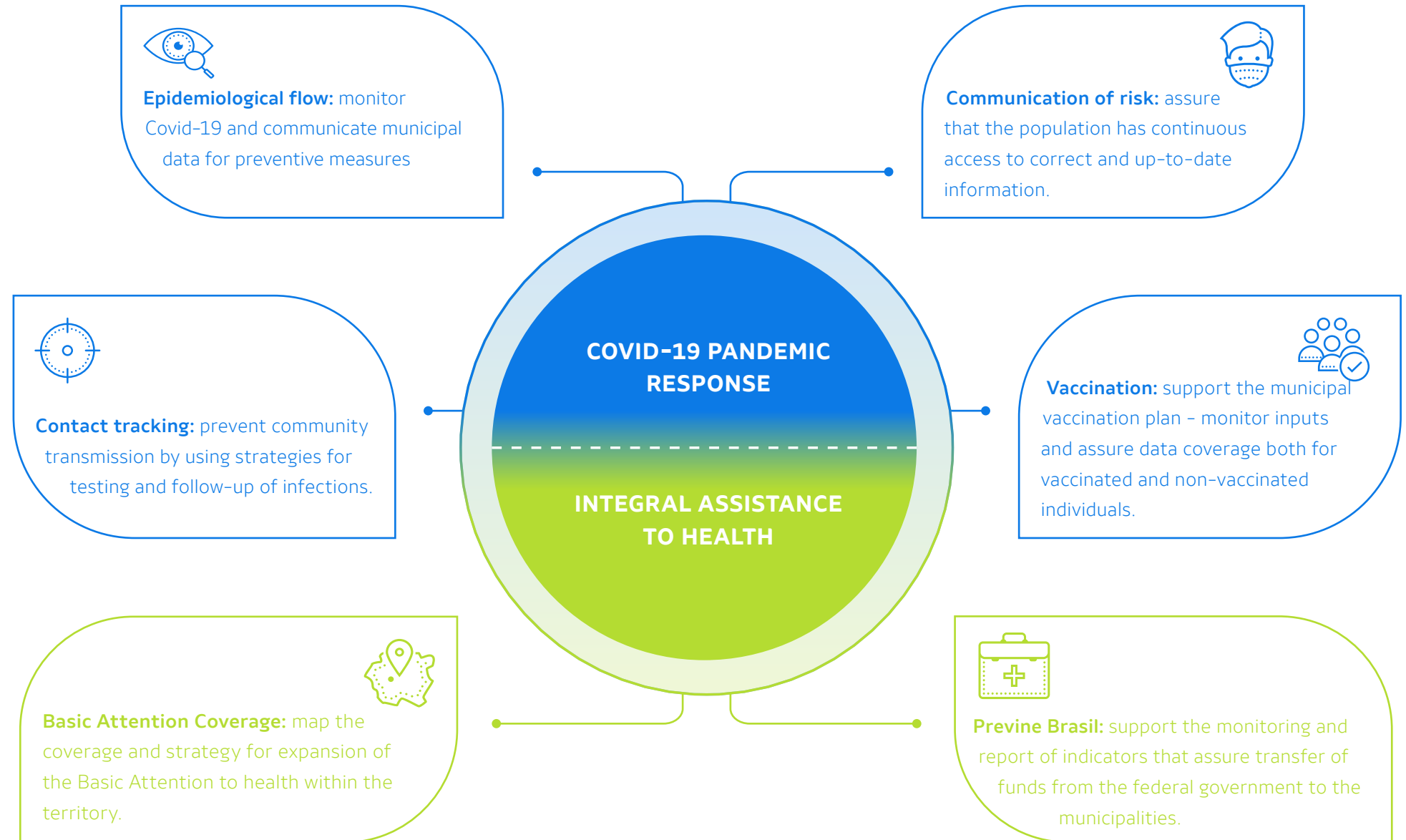


In 2021, AGP worked primarily in the Health front, with two specific targets: **integral assistance to health and continuity of the pandemic combat in the municipalities.** This work results from the joint action of the Institute, all the Invested Companies of Votorantim, the relevant partnership with BNDES, and partner companies, such as BRF, BioCerradinho and Yamana Gold. Over the year, the program provided support to 81 municipalities with up to 350 thousand inhabitants, distributed in 16 Brazilian states.

AGP HEALTH PERFORMANCE IN 2021

High figures of Covid-19 cases and deaths were still observed in 2021, making the program to maintain the proposal of allocating specific concepts and tools to manage the crisis.

AGP performed in the support to the municipal health administration to enhance the development of management skills and processes of 81 municipalities, generating approximately 1,000 initiatives in subject areas related to the fighting against the pandemic, and integral assistance to health. Six interdependent subjects were covered, which were selected specifically to each municipality. These subjects are related to the development of management skills, as explained next:

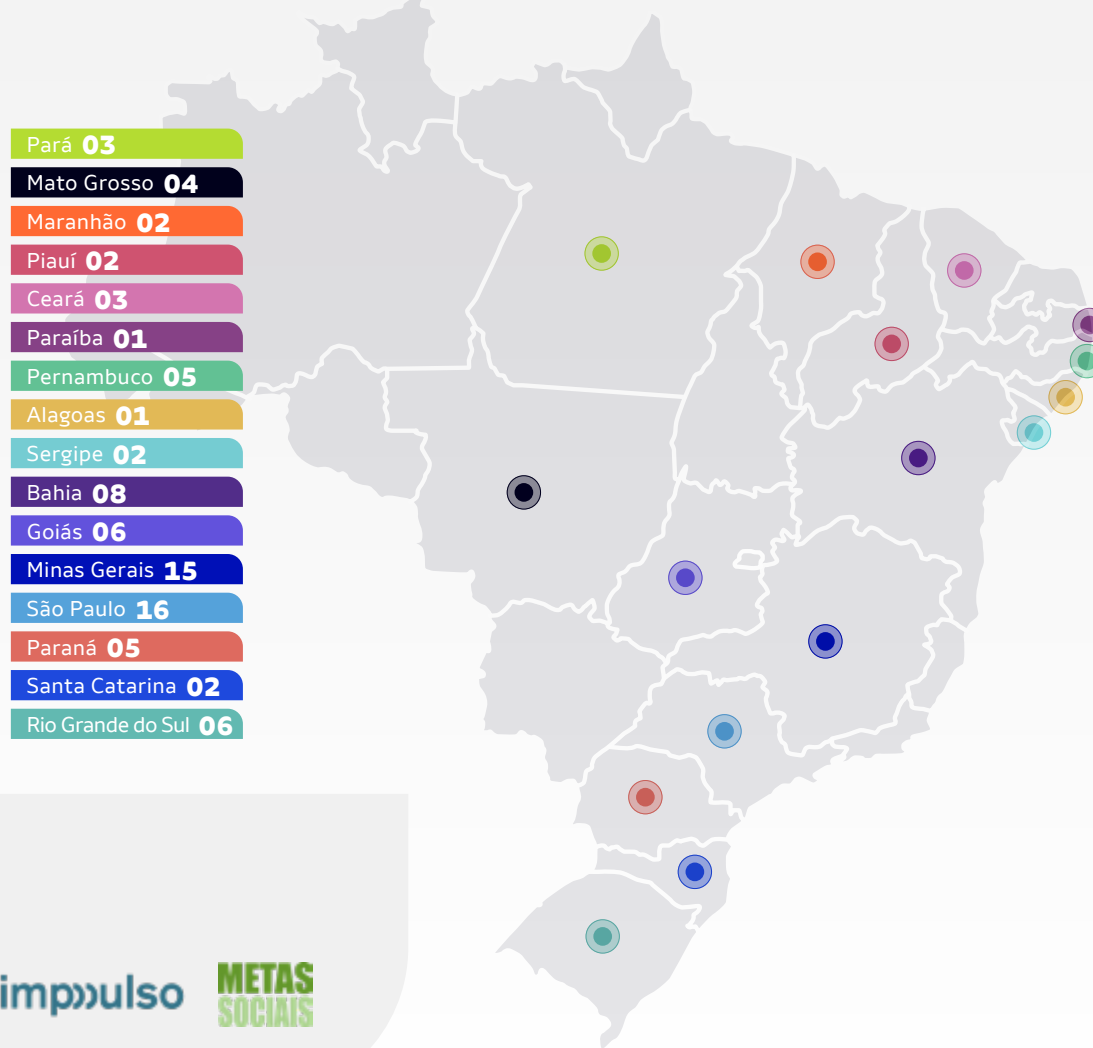


With the concern of mitigating the pandemic effects, assuring that the integral assistance to health is not put aside, also investing in the active search and supporting networks for basic attention, such as women's health, diabetes, expectant mothers, among others.

In the end, we observed that 94% of the municipalities attending the program in 2021 evolved in the skills agreed with in the onset of coaching, i.e. health management practices have been enhanced and included as an integral part of the municipal management strategy.

AGP Health Presence

Number of municipalities fighting Covid-19 by state



AGP Partners in 2021:



Institutional Partner



ELOGROUP

impulso



Technical Partners

2021 Highlights



81

MUNICIPALITIES PARTICIPATING



1,000

INITIATIVES PERFORMED

Major subjects worked:

- ▶ Previne Brasil;
- ▶ Vaccination;
- ▶ Epidemiological data flow and contact tracking;
- ▶ Communication focused on vaccination campaigns;
- ▶ Coverage of Primary Attention

Impact Evaluation

Since 2020, Instituto Votorantim performs impact evaluation of the AGP Saúde program, with the aim of measuring the efficacy of pandemic fighting actions promoted by the program. We count on the partnership of Metas Sociais, an external company specialized in impact evaluations, for this initiative.

The method used in the impact evaluation considers as control group the locations that not received support from AGP Saúde, while the ones attended by the initiative are considered as treatment group. The study isolates variables to evaluate the impact on similar municipalities, and the key indicator taken into account was the number of deaths accumulated by Covid-19 per 100 thousand inhabitants, from the onset of the pandemic until December 1st, 2021*. We also estimated the impacts of AGP actions on other sectors besides health, in short- and long-term scenarios. We continue evaluating the program impact as it evolves:

*Control variables tested: new deaths/100 thousand inhabitants (April/2020); number of deaths by Covid-19 within the micro region/ 100 thousand inhabitants (April/2020); state or Distrito Federal tested; urbanization rate; IVM local economy; IVM vulnerable population; domicile ratio in subnormal agglomerations; demographic density; workers ratio in the transformation industry; workers ratio in civil construction.

Impact evaluation 2020 + 2021

- ▶ Considering the total number of municipalities attending the program in 2020 and/or 2021, **the reduction of deaths is 25.8 per 100 thousand inhabitants;**
- ▶ Considering the municipalities that attended the program for two consecutive years, **the reduction is 96.9 deaths per 100 thousand inhabitants;**

It is estimated that

+ 2,400

Lives may have been saved in the municipalities attending the program (194 municipalities)

By simulating in a situation in which all the Brazilian municipalities received the program, it is estimated that

+ 56,000

Lives would have been saved between May 2020 and December 2021

“I believe that the Support to Public Administration Program provides us a lot of knowledge to understand better the challenges faced by each location, and more than that, it generates value in the territories where we operate, as the whole local population is benefited, with better management of funds and articulation of public policies, generating positive impacts and social transformation in the long term.”

Cristiane Holanda Moraes Paschoin,
Social Administration Manager
at Nexa.

2.3 Municipal Vulnerability Index (IVM)

In crisis times, knowing the magnitude and variables encompassed by the problem is crucial for a coherent delimitation of the measures to be taken. In regard to that, the first response of Instituto Votorantim to the pandemic was the creation of the Municipal Vulnerability Index (IVM), which enables classifying all the Brazilian municipalities in terms of their degree of vulnerability to the pandemic.

The classification is made by a score system, which ranges from zero to 100. The higher is IVM, the more vulnerable is the city in terms of Covid-19 impacts. To generate this score, an evaluation is conducted, based on several technical criteria, such as proportion of elderly people, Gross Domestic Product (GDP) per capita, number of hospital beds and Intensive Care Units (ICU), number of ventilators per 100 thousand

inhabitants. All of this data is public and proceed from entities, such as IBGE (Brazilian Institute of Geography and Statistics), SUS (Brazilian National Health System), CNES (National Registry of Healthcare Establishments) and ANSS (National Agency of Supplementary Health).

In 2021, the IVM indicator base was submitted to a review process, aimed to check which of this data had greater capability of reflecting the vulnerability of municipalities. Based on this review, we excluded and changed the indicators' weights, according to their relevance, and defined fourteen indicators distributed in six subject pillars: Vulnerable population, Local economy, Health system structure, Health system organization and Fiscal capability of the municipality administration.

Access on QR Code
the IVM website or
click here:



GOVE

RARO

METAS
SOCIAIS

Technical Partners

Covid Pandemic Response Efficacy Index (IEEP)

In 2021, IVM was complemented by a new tool, which enables measuring the current effectiveness of the municipalities in crisis response actions, the Covid Pandemic Response Efficacy System (IEEP). IEEP is founded on the number of deaths by Covid-19 in a municipality, analyzing the difference between the number that would be expected by considering the local conditions, and the number observed of cases occurred. If the number of deaths observed is lower than that expected for the municipality, thus we obtain positive effectiveness. Otherwise, effectiveness is negative.

The creation of IEEP provided greater power to IVM, aggregating to the tool the analytical view about the success of measures implemented by public administrators. IEEP opens the way to investigate which measures taken by the municipalities over the months have been more effective and consistent, in order to assure new advantage in the combat against the virus.

What did the figures show to us?

IVM and IEEP tools offer complementariness and synergy of the analytical view of the public administration, as the former one is used to identify municipalities most vulnerable to the pandemic, and the factors that make them more vulnerable, while the latter is capable of identifying the measures that make successful the less vulnerable ones.

The joint analysis made the Institute reaching significant findings:



Municipalities less vulnerable, under the economic perspective, tend to register proportionally more deaths by Covid-19. This correlation probably occurs because, in these cities, the population is more exposed to the virus due to the maintenance of work routines;



In a similar way, the higher is the demographic density, the higher is the relative number of deaths;



Being more vulnerable does not necessarily imply in a worst result, as the pandemic response measures assume relevant weight in the balance of deaths by Covid-19.



A greater availability of hospital beds evidenced a ratio with higher balance of deaths by Covid-19, which can be explained by the greater tolerance to higher levels of infection in these municipalities;



The higher is the proportion of elderly people or the population registered in the unique registry, the higher is the relative number of deaths;

Based on 2021 data:

The five capitals with the **lowest vulnerability** to the pandemic

- 1st Florianópolis (SC)
IVM: 29.96
- 2nd Porto Velho (RO)
IVM: 36.80
- 3rd Palmas (TO)
IVM: 36.99
- 4th Cuiabá (MT)
IVM: 38.22
- 5th São Luís (MA)
IVM: 38.68

And the three cities less vulnerable:

- 1st Gavião Peixoto (SP)
- 2nd Florianópolis (SC)
- 3rd Santa Rita do Trivelato (MT)

The five capitals with the **highest vulnerability** to the pandemic

- 1st Belém (PA)
IVM: 58.70
- 2nd Maceió (AL)
IVM: 53.33
- 3rd Rio de Janeiro (RJ)
IVM: 52.96
- 4th Fortaleza (CE)
IVM: 51.08
- 5th Natal (RN)
IVM: 49.39

And the three cities more vulnerable:

- 1st Barra do Piraí (RJ)
- 2nd Araruama (RJ)
- 3rd Cidreira (RS)

The five capitals **most effective** in the pandemic combat

- 1st Florianópolis (SC)
IEEP: 0.831
- 2nd São Paulo (SP)
IEEP: 0.786
- 3rd Palmas (TO)
IEEP: 0.749
- 4th Belo Horizonte (MG)
IEEP: 0.748
- 5th Curitiba (PR)
IEEP: 0.715

And the three cities with the highest efficacy (all of them below 5 thousand inhabitants):

- 1st Araguinha (MT)
- 2nd São João do Pau d'Alho (SP)
- 3rd Mariana Pimentel (RS)

The five capitals **less effective** in the pandemic combat

- 1st Cuiabá (MT)
IEEP: 0.568
- 2nd Manaus (AM)
IEEP: 0.574
- 3rd Porto Velho (RO)
IEEP: 0.575
- 4th João Pessoa (PB)
IEEP: 0.580
- 5th Rio de Janeiro (RJ)
IEEP: 0.595

And the three cities with the lowest efficacy:

- 1st Lagoa do Mato (MA)
- 2nd Marema (SC)
- 3rd Meridiano (SP)



Highlights in media

Instituto Votorantim was invited to present in public hearing of the temporary Covid-19 commission of the Federal Senate, the up-to-date Municipal Vulnerability Index (IVM). The purpose was enabling executive and parliamentary strategic vision for decision-making.

Access the complete video [here](#) or accessing the QR Code:



2.4 TeleUTI Program

In partnership with Beneficência Portuguesa (BP) and the Invested Companies of Votorantim, the Institute carried out in 2021 a remote medicine program, focused on ICU services. In this program, the specialized professionals at BP provide remote support to intensive care professionals and hospitals.

As a daily remote routine, clinical protocols and ICU management-related procedures were covered in coaching activities, offering the experience achieved at BP for successful results in Covid-19 cases. The program has been applied in 12 hospitals, encompassing municipalities where the Invested Companies are present.

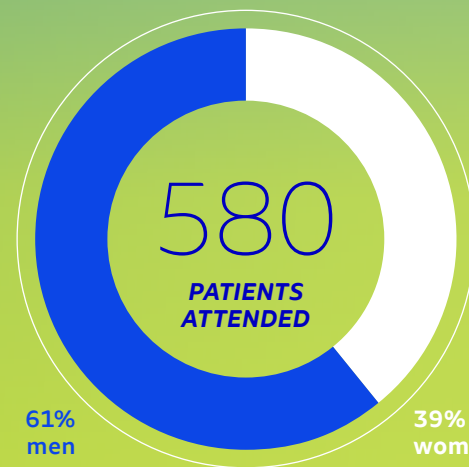


Institutional Partner

TeleUTI Highlights in 2021

Mortality reduction

The hospitals attending actively the initiative succeeded in reducing lethality and worsening of Covid-19 in patients admitted in ICUs, which reflects an improvement in ICU management and efficiency in healthcare, and the legacy of transfer of important knowledge to the medical teams in Brazil.




119 PROFESSIONALS INVOLVED



“The project assisted hospitals that opened, or that already had, intensive care units, to enable them to discuss cases in a speedy way with BP physicians, always based on more modern guidelines in healthcare, which contributed for the reduction of the hospitalization time and exchange of expertise between professionals of both sides, with the SUS population as the major benefited”

Rodrigo Olyntho De Almeida,
Medical Manager of Philanthropy at Beneficência Portuguesa



3. Programs & Projects

- 3.1 *ReDes*
- 3.2 *Citizenship Program*
- 3.3 *Votorantim for Childhood and Adolescence (VIA)*
- 3.4 *Volunteer Challenge*
- 3.5 *Partnership for the Valorization of Education (PVE)*
- 3.6 *Reforestation Projects*
- 3.7 *Semi-arid Water Lab*

In this chapter, we invite the readers to check the highlights of our programs and projects in 2021:

3.1 ReDes



ReDes is a program jointly conducted by Instituto Votorantim and The Brazilian Development Bank (BNDES). It has the aim of strengthening inclusive businesses led by associations and cooperatives in vulnerability situation, in order to reduce poverty and improve the quality of life at local communities.

PERFORMANCE MODELS:

1. Business development

Votorantim Institute and BNDES map associations and cooperatives in territories with potential for local development, by selecting in accordance with specific criteria, and build investment projects.

2. ReDes Incubation

The organizations selected and capable to test a business model in lower scale are incubated, receiving investments in technical assistance and seed capital for up to two years.

3. ReDes Businesses

The organizations selected build their business plans, receive investments in infrastructure, management and productive technical assistance for up to three years.

Over the 10+ years of experience in the interaction with production groups of the most diversified chains, the ReDes Program developed and improved its intervention methodology to recommend proper social solutions to the needs presented by the groups.

Thus, the maturity ruler is applied upon the business development and is a tool that evaluates the group cohesion and its capability to build a vision of future and manage the business. A socio-economic evaluation is also carried out, which indicates, among others, the potential for income generation by individual and the circulation of funds along the chain. The sustainability checklist is applied during the project support activities, which is a tool that enables to evaluate the critical points in business management, and the success factors that can be boosted in terms of the technical support provided.

By performing with leading roles, the 72 businesses supported in the program, all of them led by community-based associations and cooperatives, generated income of BRL 53 million until 2021. In addition, 70% of the businesses supported remain active in the post-pandemic scenario.

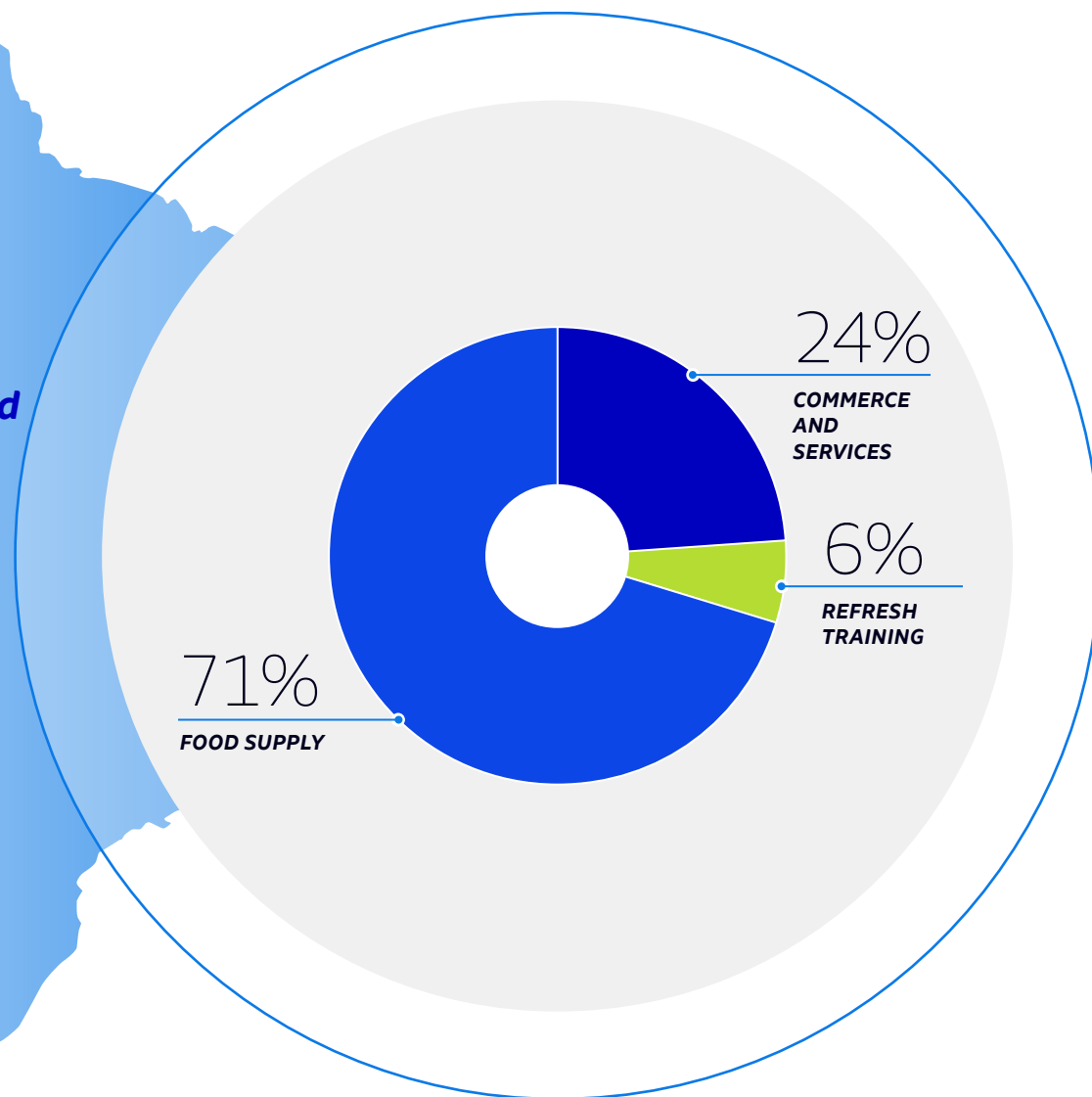
ReDes NUMBERS



From the start
36 municipalities attended
in 15 states + Distrito
Federal



In 2021
we performed in 6
municipalities in 5 states



2,500

Families benefited from
the program start

BRL **53 million**
of income generated,
BRL 2 million in 2021

- 72 projects supported:
- 68 of them being inclusive businesses;
 - 4 incubation.



Learn more about
ReDes [here](#) or
accessing the QR
Code



Institutional Partner



Technical Partners

3.2 Citizenship Program



Since 2018, Instituto Votorantim develops the Citizenship Program (Programa Cidadania) with the aim of generating knowledge, innovation and performance to strengthen the democratic culture between organizations and individuals, which by being aware of their rights and duties, may participate in the public roles at their locations.

In 2021, we consolidated the methodology to perform in the many national territories and fostered innovation in the ecosystem based on the Democratic Culture Challenge and Leadership Hub.

Context

Instituto Votorantim performs in partnership with invested companies to build socio-environmental solutions that generate value for the society.

Purpose

Drive businesses to build a sustainable future.

Objective in 2021

Deepen the knowledge about causes and connections of the social problem and explore synergies with the ecosystem organizations.

Highlights 2021

We implemented political education projects in 16 municipalities with Votorantim presence;

We worked with local politics subjects, citizenship practices and complex problems with collaborators at invested companies;

We identified Democratic Culture Challenges and selected 3 initiatives to perform in 2022;

We selected leading roles throughout Brazil to empower their performance in local questions during 2022.

Performance model

Innovation

Applied learning and development of methodologies capable of acting on the levers identified in the citizenship ecosystem in Brazil.

Network

Shared vision for change, which includes common understating of the problem and joint approach to solve it.

Knowledge

Generation of relevant studies and knowledge for the citizenship ecosystem in Brazil.

Program impact in Levels

Individual

- ▶ Expansion of the citizen awareness level;
- ▶ Strengthening of the belonging sense;
- ▶ Full knowledge of rights and duties, and operation of democracy.

Territories

- ▶ Strengthening of community life;
- ▶ Creation of additional participation channels;
- ▶ Increase of the sense of community and interpersonal and institutional confidence.

Ecosystem

- ▶ Strengthening of the democratic culture and the political participation spirit;
- ▶ Build autonomy legacy;
- ▶ Development of the territory and institutions.

Brazil

- ▶ Mindful citizens exercising their rights and duties;
- ▶ Strengthening of democracy;
- ▶ Increase of trust in the organizations;
- ▶ Social sustainability;
- ▶ Economic stability.



Technical Partners

General highlights of the performance in Citizenship Program in 2021

300

DIRECT BENEFICIARIES

16

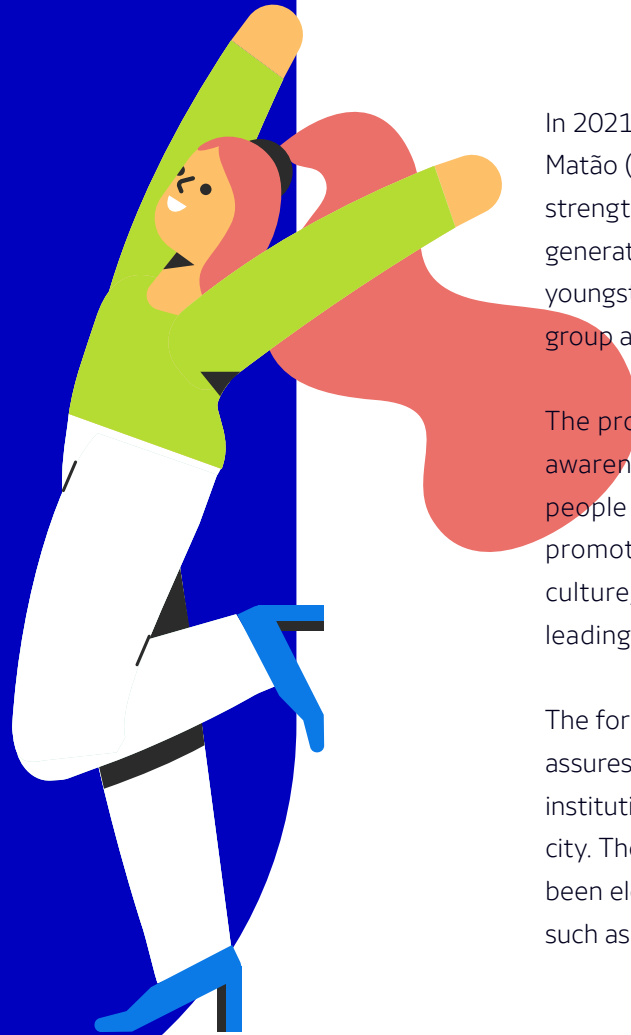
MUNICIPALITIES PARTICIPATING

295

NEW VOTER REGISTRATION CARDS ISSUED IN THE TERRITORIES

+40

ACTIONS FOR EXERCISING THE CITIZEN PARTICIPATION



Territory Performance Highlights In 2021 Young Parliament In Matão

In 2021, a highlight of our performance occurred in Matão (SP), with focus to promoting citizenship and strengthening the democratic culture for the new generation of citizens. By the formation of a group of youngsters, democratic values were worked with the group and the community as a form of local development.

The project had the purpose of expanding the citizen awareness, fostering the active participation of young people in the society, producing knowledge and promoting practices that interact with the democratic culture, offering tools to empower the youngster as a leading role in his (her) territory.

The formation of the Young Parliament in the city assures presence in the Town Council, and is a space of institutional participation for all the youngsters of the city. The 11 members represent a diverse group and have been elected in democratic way in institutions of Matão, such as schools, associations and organized groups.

"Today, we have 11 youngsters participating in public politics in Matão, elected in democratic way to the Young Parliament, with two of them representing collective mandates. It is a group super representative of social markers: race, gender, religion, sexual orientation, ethnic group, among others, and are engaged in the discussion of public policies for young people. In addition to strengthening the democratic culture, this movement provides them opportunities to act close to the Town Council, in a track of development of the political education. This is the major legacy of the project we have!"

Margareth da Silva,
Social Responsibility Expert at Citrosuco.

Democratic Culture Challenge

In the innovation front in 2021, we selected the “Democratic Culture Challenge” in the pursuit to fostering initiatives that act at least in one of the subjects below:

1. **Act with publics disengaged in the subject;**
2. **Be present in territories with lower incidence in the democracy-related subjects;**
3. **Promote integrated solutions by partnerships and joint action among the several players involved with the subject in favor of the democratic culture.**

In the public notice, three initiatives of different organizations have been selected to receive financial support up to BRL 100,000. In 2022, Instituto Votorantim will perform follow-up of the projects, activities and indicators, in addition to promote exchange of lessons learned among the member organizations.



INSTITUTO NORDESTE CIDADANIA

Initiative: Community Development: Democratic Culture Fostering Strategy.

Performance scope: CE (Fortaleza, Itapiúna, Meruoca, Milagres).



CENTRO DE DIREITOS HUMANOS E CIDADANIA DO IMIGRANTE

Initiative: Here I live, here I have a voice: political qualification for immigrants, refugees, Brazilians naturalized and Brazilians returnees.

Performance scope: São Paulo.



ESCOLA COMUM

Initiative: Short- and long-term courses of Escola Comum.

Performance scope: Peripheral zones in São Paulo.

Democratic Culture Challenge numbers

32

Organizations registered

We reached

9

several states of all the country regions

3

NGOs selected in three states

Get to know more about the Democratic Culture challenge [here](#) or accessing the QR Code:



Technical Partner

Leadership Hub

In 2021, we also count on the creation of the Leadership Hub, which has the aim of connecting social leading roles, creating an environment for exchanges, learning and citizen practice. The persons selected in the program are leaders that already act in social questions in their surrounding communities. In 2022, these leaders will attend a cycle to empower their knowledge and skills, to contribute in the continuity of the work already developed and extend the impact generated.

There are local issues that are elements for individual mobilization and motivation for collective participation, resulting in citizenship exercise.



Technical Partner

INDIVIDUAL



Cognitive approach
Training



Empowerment of the individual
Mentorships



Interactive approach
Themed virtual coffee Collective Mentoring



Application
Leaders' Initiative

COLLECTIVITY

Numbers of the
Leadership Hub

176

Leading roles registered

We reached

23

several states of all
the country regions

Get to know more
about the Leadership
Hub [here](#) or accessing
the QR Code:



3.3 Votorantim for Childhood and Adolescence (VIA)

VIA. votorantim pela
infância e adolescência

VIA has the purpose of promoting the rights of children and adolescents, thus improving their quality of life.

To do that, the program performs together with Municipal Councils for the Rights of Children and Adolescents, Social Protection Network and Rights Assurance System, in the cities where Votorantim operates. Its performance is supported by the Federal Constitution of 1988 and by the Statute of Children and Adolescents (ECA) of 1990, working to qualify the strategies for prevention and attendance of children and adolescents with rights violated, or in vulnerability situation.

Via Methodology

Support to strategies for combating the violation of rights of children and adolescents

- Incentive to destination and transfer of income tax funds (individuals and legal entities) to the Municipal Funds of Children and Adolescents (FUMCAD);
- Technical qualification of groups managing projects related to the subject;
- Technical qualification of Municipal Councils for the Rights of Children and Adolescents (CMDCA) in partnership with the Secretariat of Social Welfare or organizations of the civil society.

Strengthening the performance of the rights assurance system and the social protection network

- Engagement of the population in the protection and promotion of rights of children and adolescents;
- Development of specific strategies to mitigate the violation type critical in the municipality;
- Technical qualification of groups of the social protection network and the rights assurance system.

VIA Performance Fronts

VIA Protection Network

VIA Protection Network is one of the attention fronts of VIA, aimed to contribute for the **improvement of municipal strategies of prevention and care to children and adolescents**. To do that, we count on the planned and qualified work of institutions, services and programs that comprise the Social Protection Network (RPS and the Rights Assurance System (SGD), strengthening services, such as Secretariats of Assistance, Child Protection Councils, Municipal Council of Children and Adolescent Rights (CMDCA), Secretariats of Education, Health Policies and Secretariats of Health.

VIA Solidária Campaign

The campaign complements the performance of VIA program, encouraging and supporting destination up to 6% of the due income tax of the employees at Votorantim invested companies to Municipal Funds of Children and Adolescent Rights.

VIA CMDCA

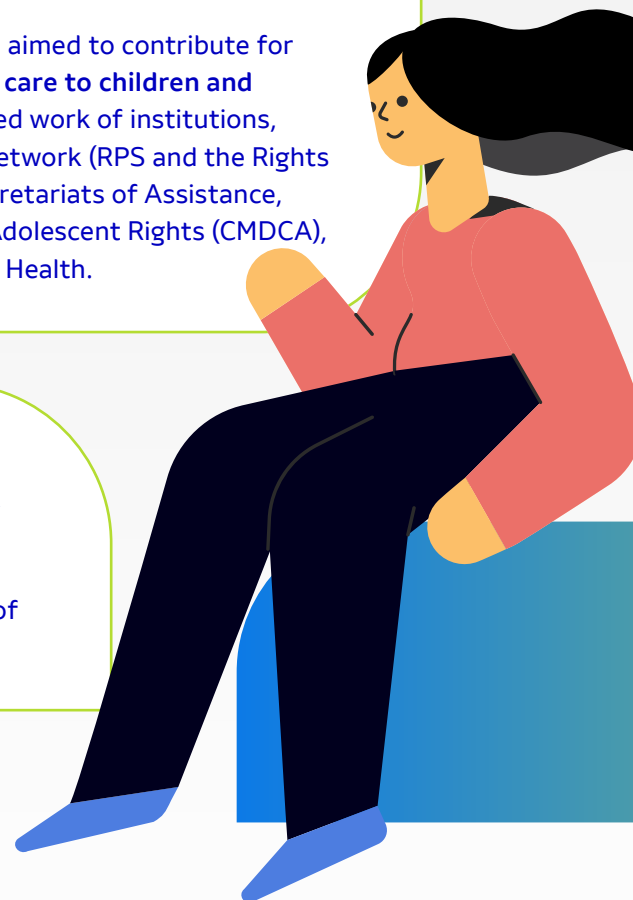
Within the VIA Protection Network, we offer formations that aim to **strengthen the work of the Municipal Council of Children and Adolescent Rights (CMDCA) in the municipalities**. As this body is responsible for managing public policies aimed to attend children and adolescents, we provide support to CMDCA to enable it to improve continuously its management instruments and expand its funding.

Works context

The program also applies to the works context, to mitigate risks and violence against children and adolescents, involving workers, suppliers and other players during the work period.



Technical Partners



VIA Highlights in 2021

STRENGTHENING CMDCA

14

CMDCAs supported
(increase of 6 municipalities in 2021 only)

VIA PROTECTION NETWORK

4

Municipalities supported

Chavantes (SP)
Curral Novo (PI)
Niquelândia (GO)
Santa Filomena (PE)

VIA SOLIDÁRIA CAMPAIGN

2021

 5th EDITION

BRL +870,000
collected

+2,800

children and adolescents benefited

768

Individual donators

10

Companies + Instituto Votorantim
attended the campaign

2020

 4th EDITION

BRL +620,000
collected

+2,000

children and adolescents benefited

368

Individual donators

8

Companies + Instituto Votorantim
attended the campaign

VIA SOLIDÁRIA EVOLUTION

3.4 Volunteer Challenge

The Volunteer Challenge proposes solidary competition, which encourages collaborators and third parties at Votorantim to perform volunteer works. It has the purpose of encouraging, qualifying the volunteer and promoting engagement by gamification in the subject. In the program, which completed its 7th edition in 2021, the own participants select the non-profit organizations or public schools to receive support.

The Challenge subjects have the aim of connecting knowledge, technical capability and causes of the companies, to meet the local needs of the community where they are present.

Relying on the participation of collaborators of the companies enables us reaching scale in the initiative, thus promoting local positive impact for the communities. In addition, we provide support to campaigns and acknowledge the best initiatives in terms of impact and adhesion.

Volunteers in charge of the highlighted actions in 2021 were acknowledged and could indicate a welfare organization or public school to receive incentive.

Volunteer Challenge Highlights in 2021

58,441
people benefited

1,266
volunteer collaborators at
invested companies

99
donation Campaigns

97
participant units from several
invested companies

VOLUNTEER CHALLENGE SUBJECTS 2021

COMMUNITIES MORE RESILIENT

Challenge: Emergency actions, which provided support or assistance to individuals or communities to make them resistant to impacts of COVID-19.

61
ACTIONS

DEVELOPMENT PROTAGONISTS

Challenge: Actions in which the volunteer used any individual skill or technical capability to support social organizations, individuals and communities

26
ACTIONS

THE COMPANY CAUSE

Challenge: Integration actions of the socio-environmental strategy of each company, with the aim of bringing volunteer actions to the business' DNA.

132
ACTIONS

219 ACTIONS PERFORMED

Get to know more on
Volunteer Challenge [here](#)
or accessing the QR Code:



Technical Partner

OUTSTANDING ACTIONS

Workshop on legal management, waste, administrative issues and other subjects to women in Porto Maria, Rosana (SP).

"We started the works with the Grupo de Mulheres Assentadas (Settled Women Group) of Porto Maria during the pandemic, which brought a context of fragility to all the people. It was not different with this group of women, but they considered the actions proposed by the project as an incentive to move forward."

Within the context of Volunteer Challenge, all the activities and workshops were defined in partnership with the women, aiming to meet the demands of the group. Workshops aimed to correct disposal of waste, safety, firefighting, communication and management were conducted. The result was very positive, as in the end they considered to be better prepared to perform as an Association."

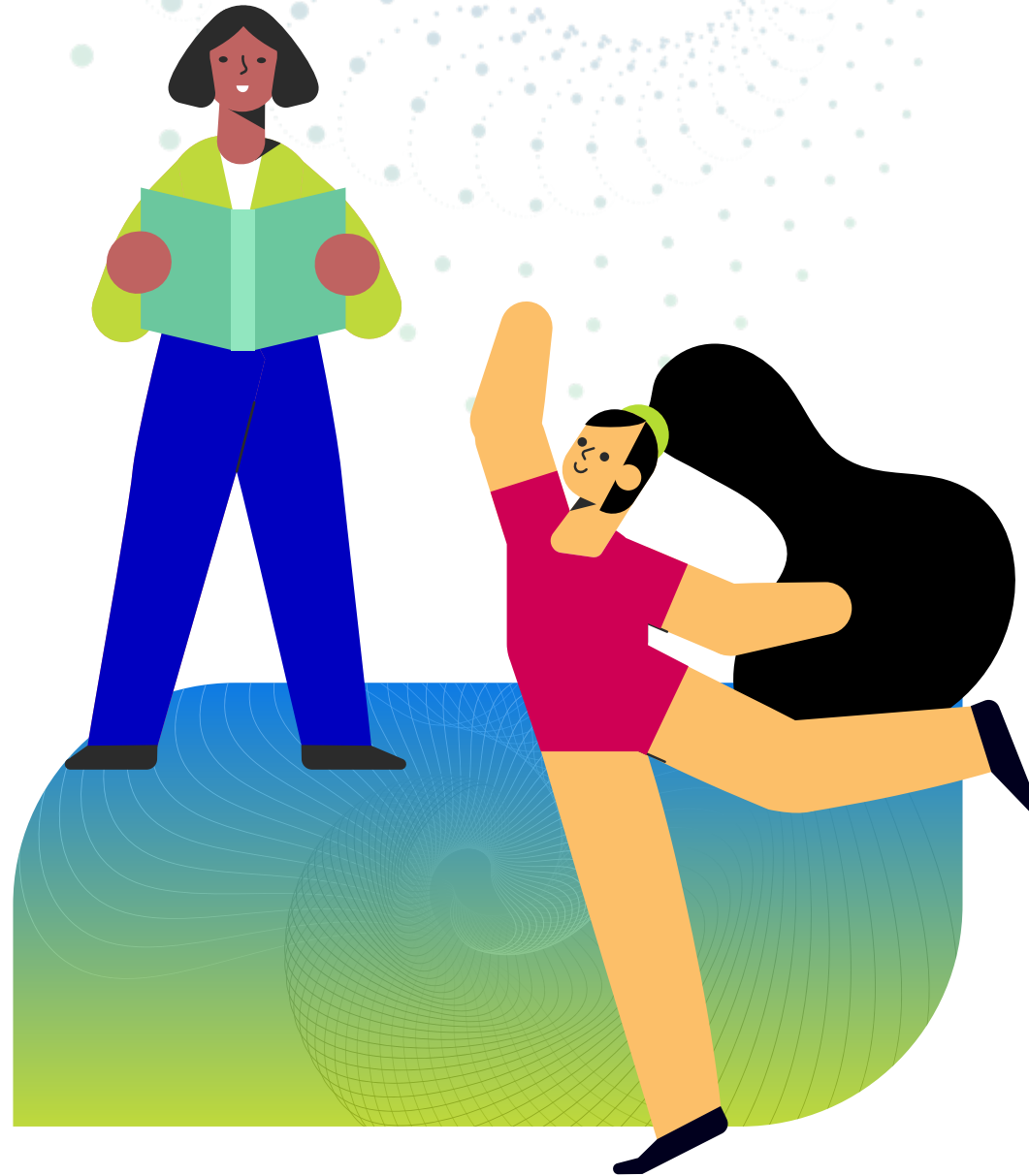
Karina Ferreira Dos Santos,
Sustainability Analyst at CESP – UHE Porto Primavera.



Construction, production and distribution of gel alcohol dispenser

“The Gel Alcohol Dispenser action resulted from the work of a very engaged team. The idea come about because we count on very talented volunteers to make handicrafts. Due to the pandemic, we decided to help the community school, and thus we donated the dispensers.”

Isabela Lacerda,
Human and Organizational
Development assistant at CBA
Sorocaba branch (SP).



Online qualification in civil construction for women

“The ‘Mulheres na Construção Civil (Women in Civil Construction)’ project has been created with the aim of providing qualifications in an online environment to women anywhere in Brazil, whether they are professionals in this area or want to enter in this segment. We covered construction subjects, from design to finish, and the classes were conducted by women skilled in the subject. In the end of the modules, we achieved attendance of more than 1,000 women, making this project really successful. Seeing that it all started as an idea, which came true and impacted so many people, makes our heart brim over with joy.”

Mayara Santana,
Business Management Analyst at Votorantim Cimentos.

3.5 Partnership for the Valorization of Education (PVE)

PARCERIA PELA
VALORIZAÇÃO DA EDUCAÇÃO



Created and implemented by Instituto Votorantim since 2008, PVE has the purpose of qualifying and advising the technical teams of Secretariats of Education (GEDU) and School Managers (School Principals and Pedagogical Coordinators) in management skills, and mobilizing leaders and local players to enable to jointly improve the performance pursuing a quality public education. The program already reached 142 municipalities in all the Brazilian regions.

The PVE methodology includes identification of the education challenges of the municipalities,

The PVE Skill Matrix is a systematic approach that facilitates the understanding of the several players, expands the awareness of the work focus and monitoring.

creation of action plans and implementation of actions in favor of education, in addition to support the mobilization of the society to follow and demand quality public services.

In 2021, we reached an important milestone for the program, which was the completion of the qualification cycle with municipalities that had been developing their skills in the program since 2017. This cycle involved five years of actions for management and formation of a skill matrix, which qualified these locations for a new phase of PVE.



Social Mobilization

- Knowledge on education;
- Attitude and willingness to act;
- Structure of a local social network in favor of education;
- Vitality of the local network for education;
- Coverage of the local network for education.

Support To Management

EDUCATIONAL MANAGEMENT AND SCHOOL MANAGEMENT

- Management processes;
- Records and Documentation;
- Follow-up of Learning;
- Formation of collaborative team;
- Partnerships and social mobilization;
- Articulation of school actions and network policies;
- Continuing formation;
- Resource management.

 **14**
YEARS OF
IMPLEMENTATION

 **142**
MUNICIPALITIES
BENEFITED

PVE highlights in 2021

Graduation of Municipalities

In 2021, **91%** of the municipalities attending the qualification cycle of PVE completed their graduation with the respective skills **at consolidated/robust**.

This achievement enabled institutionalization of practices that assure the improvement of quality in education. The municipalities that completed the first cycle became capable of starting a new qualification stage of PVE, PVE Graduados.

+1,400
SCHOOLS ATTENDED

278,000+
STUDENTS IMPACTED

15
BRAZILIAN STATES

+500
TECHNICIANS OF THE MUNICIPAL SECRETARIATS OF EDUCATION

100,000
PERSONS MOBILIZED

68
MUNICIPALITIES

2,500+
DIRECTORS AND SCHOOL COORDINATORS



Technical Partners

“The Partnership for Valorization of Education Program has been contributing for continuing formation of managers, Pedagogical Coordinators and Technical Teams at the Municipal Secretariat of Education in the Municipality of Governador Mangabeira, for approx. 6 years in a row. Counting on the skills prioritized by the teams, several abilities have been developed to contribute in the teaching and learning process. Another important front has been the Social Mobilization, which brought together people from several segments of the municipality with the purpose of mobilizing educative actions, taking the Education subject to all the places in the municipality. The partnership with PVE has been contributing to strengthen our actions, evidencing the importance of valuing education in all its aspects. Be present, makes the difference!”

Ribamar Rodrigues Ferreira,
Secretary of Education of Governador Mangabeira (BA).

“PVE is in the Municipality since its first edition, in 2008, I think. And during this entire time, it has been very important to the Secretariat and the Municipal Schools, as it provided us new knowledges, skills and technologies. But more importantly, it took us from our comfort zone, and made us think and move forward more confident in search for the education improvement with quality and equity.”

Cléria Melo,
Secretary of Education of Três Marias (MG).

“PVE is in the municipality since 2009 and has been providing great contribution for continuing formation of school managers and the technical team of SME, very specifically in the development of skills, aligning the management processes in network, and consequently it has been very important for the improvement of the teaching-learning process, which is evidenced in the results achieved in IDEB.”

Wesley Campos,
Secretary of Education of Niquelândia (GO).

Among the PVE actions, we may highlight:

- ▶ Technical empowerment and appropriation of the secretaries of education;
- ▶ Support to planning and execution of actions for resuming, improving and recovering learning in face-to-face or hybrid mode;
- ▶ Qualification of the technical team, managers and teachers in the subjects of learning recovery, active search, use of technologies for hybrid teaching and mandatory BNCC components over the year;
- ▶ Support to planning and execution of welcoming actions for technical teams;
- ▶ Mobilization of communities, families, students and schools for resumption of the face-to-face or hybrid routine.

PVE impact evaluation

In 2021, two evaluations were conducted involving the PVE municipalities, namely:

Impact evaluation

Conducted since 2014, in 2021, the Institute carried out this evaluation again, according to the updated data of the Basic Education Development Index (IDEB), which is an indicator created by the federal government to measure the quality of education in public schools.

The study performs comparison, in relation to growth in IDEB, between the municipalities participating and the ones not participating (all of them with similar characteristics) in PVE. Another analysis made is whether or not the growth in IDEB raises when attending the program for more than two years. That is, the greater is the permanence time in the program, what is the growth level? Thus, we are able to evaluate what is the ideal time of permanence in the program to make the growth persistent.

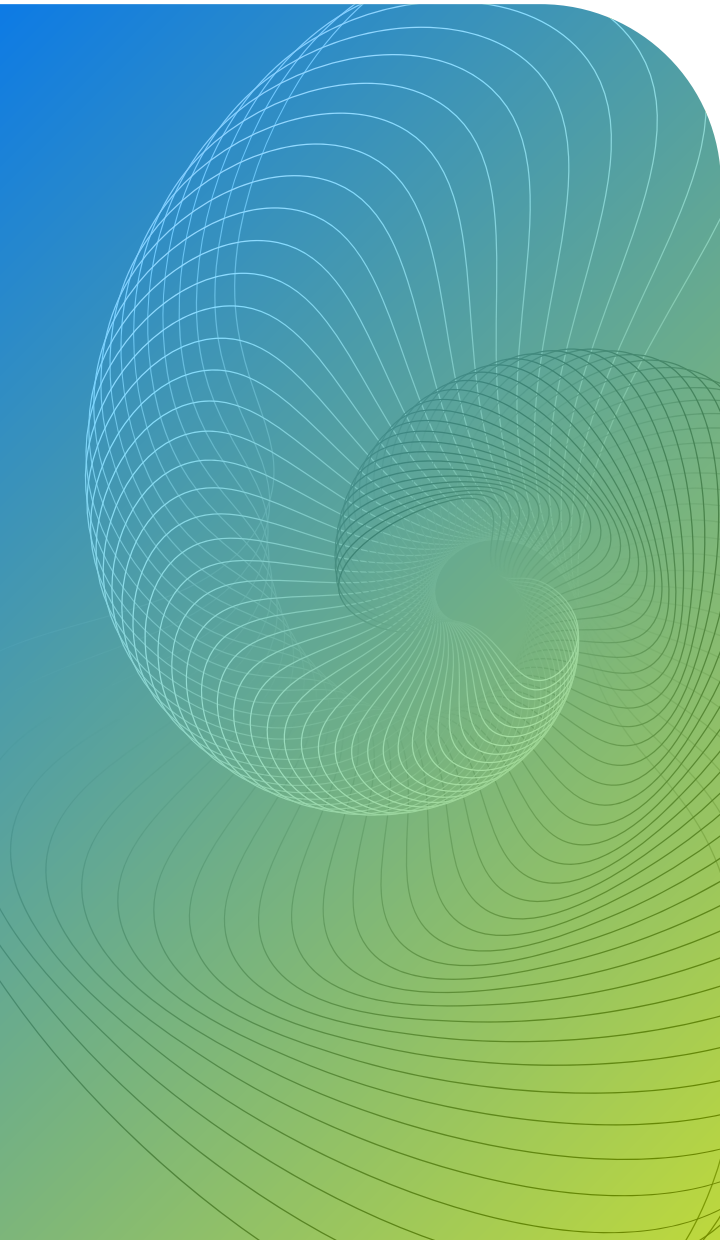
Skill Matrix Evaluation

By its turn, this evaluation has the aim of correlating the results in the Basic Education Development Index (IDEB) vs. proficiency, for the skills covered in the program.

We chose municipalities with the same characteristics, which attended the program and presented evolution in terms of their development of skills and analyzed whether they affected the IDEB indicators, i.e. whether the indicator evolved.

The result evidenced that the municipalities grew in terms of IDEB in general. Then, we evaluated whether the municipalities that completed the 5-year cycle in 2021 still presented growth in terms of IDEB after graduation in the program. **Our results evidenced that the results methodology of IDEB had positive effect.**

Thus, the evaluations performed evidenced that the program was, and still is, successful in terms of several education quality indicators, especially in the first years of the fundamental education. These results provide evidences of the existence of positive relation between the program development and the enhancement in the education management quality.



“PVE is considered as an activity since 2015. It assisted me to envision new horizons for the interventions required in school spaces, in order to enable us to reach our major goal: education of the students. At schools, the program strongly contributes for formation of teachers, principals/coordinators, especially in the organization of documents, attention on learning and deal with those composing the school spaces, professionals, students and guardians. 2021 was a year of much learning, and the actions promoted by the partnership contributed to improve the perception and decision-making on the pedagogical duties, both in closed school times and (especially) in the return to face-to-face classes. In general, I felt myself supported by the coordinator Eliane and the counselor Claudia Costin.”

Ermes José dos Reis,

Teacher, Secretary of Education of Aripuanã (MT).

“When informed on the project, we envisioned numerous possibilities for our network. We started in 2018, with professionals really dedicated to achieve the best from the proposals. And that was crucial, as the practices proposed by PVE brought a vision that it is possible to converge successful practices of the public service with management practices, also successful, which added very rich experiences to our network, both in terms of management and practices, and management and social development as well. The systematic approach of the processes provided much confidence and improvement of vision in our network. Indeed, the partnership has been extremely valuable to us.”

André Francesco,

Municipal Secretary of Education of Limeira since 2017. The Municipality of Limeira was one of the first cities awarded in the annual event for acknowledgment of good practices in 2021.





National Common Curricular Basis Project (BNCC) Financial Education

In 2021, together with Banco Votorantim, the Institute also developed a financial education project within the PVE actions with the purpose of raising awareness, qualifying and mobilizing the Secretariats of Education and the Schools attending the project to include the financial education subject in their syllabuses and pedagogical practices, in compliance with the National Common Curricular Basis (BNCC).

Qualification processes were conducted for Municipal Education Secretaries and Technicians at the Secretaries in a few municipalities, together with the development of implementation strategies based on cases consolidated in Brazil, by collective and individual coaching.

Professional Education Itinerary In The New High School

The project was born from the partnership among several institutions, including Secretariat of Education of the State of Pernambuco, Itaú Educação e Trabalho, Instituto Votorantim, Votorantim Energia (Auren Energia as from 2022) and the Superintendency of Itaú Educação e Trabalho.

Connected with the challenge to implement the new high school education and before the opportunity of professional formation and insertion of young people in chains related to the activities of the Invested Companies of Votorantim, the pilot project started in the municipality of Araripina, in the arid region of Pernambuco.

The purpose was implementing technical courses related to the renewable energy production chain, benefiting High School students of the state public education network, considering the specificities and possibilities of the local context, and involving the qualification of the school syllabus. In 2021, we started the courses in a first class of students.

3.6 Reforesting Projects

By considering the climate crisis faced by the world today, the United Nations (UN) launched in 2021 the so called UN Decade on Ecosystem Restoration, with the aim of inspiring governments, private businesses, civil society and other institutions to collaborate, develop and catalyze initiatives for forest restoration worldwide.

By pursuing to extend the commitment with the response to climate changes, our reforestation projects have the purpose of recovering ecosystems, as they contribute for the formation of

Permanent Protection and Legal Reserve Areas in rural properties.

The delineation of these projects is differentiated by empowering the socio-environmental axis in the territories where they are present, performing both in social and environment questions in a complementary way.

You can check below additional information on the Re flora project, in partnership with CBA, and the structure of the Forest-Agricultural System (SAF), in partnership with Votorantim Cimentos.



Reflora CBA Project

The Reflora CBA Project is a partnership of Instituto Votorantim, Companhia Brasileira de Alumínio (CBA) and Reservas Votorantim.

The project has the purpose of reforesting degraded areas in Legal Reserves (LR) or Permanent Protection Areas (PPA). Fifteen (15) small and medium farmers of the Zona da Mata region in the state of Minas Gerais and other two (2) in Niquelândia were selected to attend the project in 2021. The idea is recovering ecosystems and incrementing the Brazilian biodiversity, assisting the owners to regularize their territories based on the Forest Code. The lands chosen are within a radius of 100 kilometers from the CBA operation sites, encompassing the Cerrado and Atlantic Forest biomes. In this first phase, approximately 24 hectares will be restored.

Reflora Project will provide seedlings of native species of the region, plant them and offer

technical assistance to the owners selected. The differential is in their attention on the local development by supporting small land owners that desire regularize the lands, together with purchase of inputs, such as seeds and seedlings, from the local community, thus supporting the local commerce. Additionally, the initiative has provision to support planting. Therefore, a self-sustainable project is created from reforesting and preservation of the areas that were previously deforested, together with the offering of regularization of the status of small local farmers and fostering their financial wealth.

The medium- and long-term expectations is that such reforested areas become suppliers of environment services, such as climate regulation, increase of water flow in springs and increase of the local biodiversity and carbon sink.

Know more about the Reflora Project accessing the QR Code or [click here](#):



ECCON
SOLUÇÕES AMBIENTAIS

reservas
VOTORANTIM

Partners

Project proposal

Problems and Needs

- ▶ Regulatory and market pressures.
- ▶ New technologies and movement for decarbonization of countries incite market competition.
- ▶ Development of neutral carbon products.
- ▶ Search for compensation via credit generation.

Solutions Offered

- ▶ iV and Reserves act as project developers focused on the formation of Legal Reserves and APPs of rural properties.
- ▶ Creation of social models that bring technology, seedlings and inputs in reforestation activities, always focusing on fostering local commerce.
- ▶ Invested companies act as end buyers, acquiring credits to compensate their emissions of greenhouse effect gases.

“Reflora is an inspiring project, generating socio-environmental value with mutual benefits between small rural producers, the surrounding environment and CBA. This project was conceived in partnership between CBA, Votorantim Reserves and Instituto Votorantim, and is directly connected to our ESG 2030 strategy, as when it comes to sustainability, it is necessary to go beyond, and this is what we will do, by means of valuable partnerships.”

Leandro Faria,
Sustainability Manager at CBA.

Expected benefits:



PRESERVE AREAS WITH INCOME GENERATION TO COMMUNITIES



CARBON SINK



LAND REFORESTING



INCOME GENERATION



TAX COLLECTION

SAF Project

SAF project results from a partnership between Instituto Votorantim and Votorantim Cimentos (VC). The purpose is recovering degraded areas, providing income and job generation.

The project is carrying out in Primavera (PA), in a property owned by Votorantim Cimentos, with estimated area of 250-300 hectares, which was already acquired degraded, and that is an integral part of the Amazon biome. The proposal is to work with a project that brings positive environment and social impacts. Therefore, the reforestation project will meet the agroforestry system. Among the native plant species used in the forest restoration, this model enables to use the ones capable of generating non-timber products, such as açai palm.

In this scenario, the açai palm market has added value capable to generate income and jobs in the region. In addition, Votorantim Cimentos uses the açai kernel as alternative fuel in the cement production, thus reducing carbon emissions released in the production process.

In 2021, the project modeling and feasibility study were conducted and approved, and the preliminary version of the business plan is now entering in the executive detailing phase, which will analyze the technical and economic viability of the project (soil quality evaluation, survey of seedlings to be used, etc.).



Partner



Learn more about the Semi-Arid Water Lab accessing the QR Code or [click here](#):



3.7 Semi-Arid Water Lab

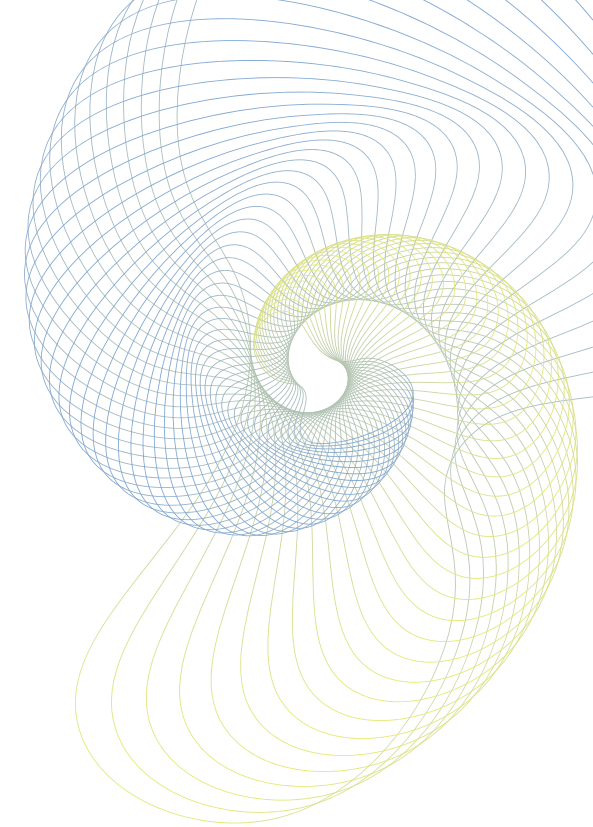


In 2021, Instituto Votorantim worked together with Votorantim Energia (now Auren Energia as from 2022), to launch a program for acceleration of initiatives to mitigate the problem of water scarcity in the Serra do Inácio region, semi-arid zone of the states of Piauí and Pernambuco. The purpose was mapping and testing solutions that could contribute for improving the quality of life of the local residents, assuring access to water, health and food availability all year round.



The program was divided into three phases, carried out in February to November, 2021:

- 1. Acceleration:** this phase occurred 100% online and selected 20 initiatives providing solutions that could contribute to solve the water scarcity problem in the Serra do Inácio (PI) region;
- 2. Demoday:** once completed the acceleration process, four of these 20 initiatives were selected to receive the seed capital, with direct investment of 230 thousand reais to prototype and test the solutions within the territory. They were: GeoGO (Brasília, DF), SDW (Salvador, BA), Versati (Campinas, SP) and Instituto Nacional do Semiárido –INSA (Campina Grande, PB);
- 3. Bootcamp:** in this final phase, three initiatives selected implemented their projects in the region. This testing phase counts on the support of Instituto Votorantim, Auren and a network of local mentors, and benefited 56 families since November 2021.



Partner



4. Consulting and impacting investments

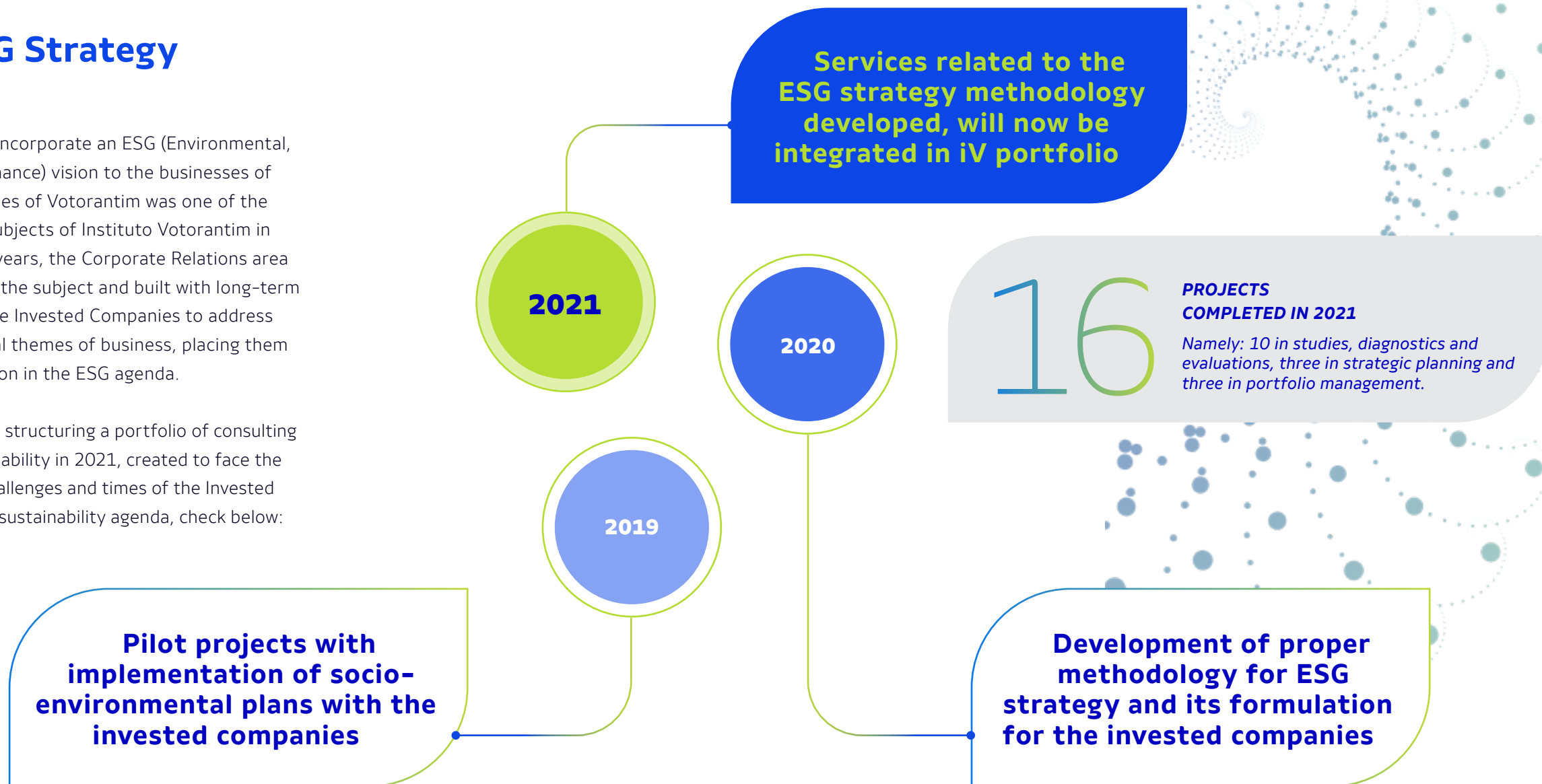
4.1 *ESG Strategy*

4.2 *iV Ventures*

4.1 ESG Strategy

The challenge to incorporate an ESG (Environmental, Social and Governance) vision to the businesses of Invested Companies of Votorantim was one of the priority agenda subjects of Instituto Votorantim in 2021. In the last years, the Corporate Relations area has specialized in the subject and built with long-term strategies with the Invested Companies to address the major material themes of business, placing them in a leading position in the ESG agenda.

This growth led to structuring a portfolio of consulting services in sustainability in 2021, created to face the many different challenges and times of the Invested Companies in the sustainability agenda, check below:



1. Studies, diagnostics and evaluations

Territorial or thematic diagnostic:

- Socio-economic characterization: identify performance challenges and opportunities for the operation/company in a given location, by socio-economic context study for the region.
- Thematic diagnostic: identify performance challenges and opportunities of the businesses based on a context study of some ESG subjects.

Materiality: evaluate and identify the perspective of stakeholders to define material subjects of the business, aiming to influence the external communication of the company.

Impact studies: they involve the identification of impacts from activities/undertakings, measure and value such impacts and recommend mitigating or compensating measures.

2. ESG Strategic Plan (combination of the products presented herein)

Strategic plans:

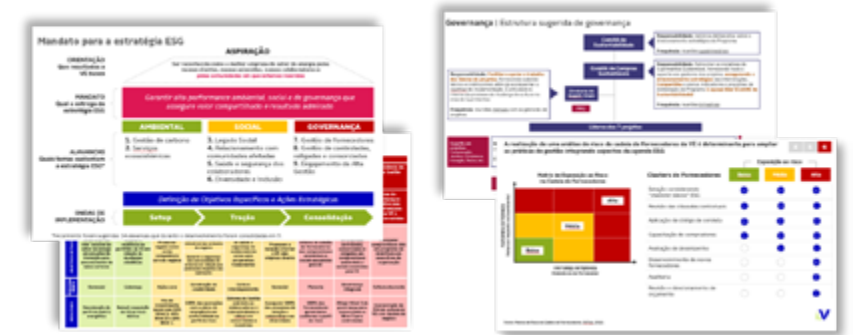
- ESG Strategies: formulation of ESG strategy of the business with long-term vision, agreed with the C-level of the company.
- Sustainable Supplies Program: breakdown of ESG challenges to the supply chain of the company, expanding the business strategy coverage.

Trend studies: identify and evaluate the impacts of relevant trends to the business scenario, in order to establish an impact level 'thermometer', which enables reflecting on the prioritization of responses in this scenario.

Assessment (internal): perform diagnostic that enables identifying gaps and good practices in ESG agenda.

Benchmarking: review practices and positions of other companies in order to understand contexts, establish comparisons and generate inspirations on miscellaneous subjects.

Long-term and annual Socio-Environmental Planning: define a consistent socio-environmental performance plan, which considers medium- and long-term vision, in compliance with the strategic plan of the company.

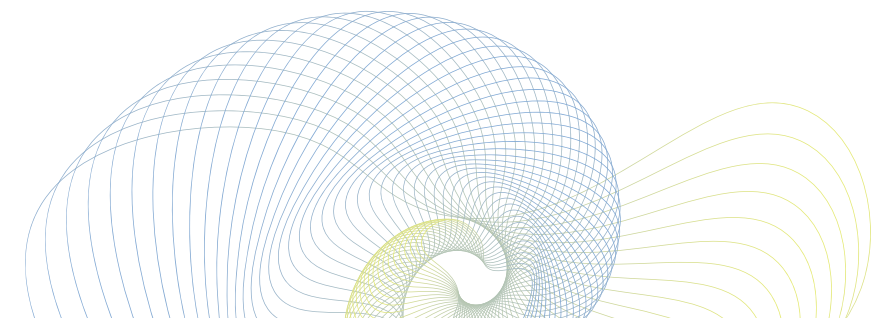


3. Portfolio management

Project selection: identify, select and qualify projects aligned with the medium-term plan and the business strategy of the company.

Technical review of projects: assures that the company project portfolio is technically consistent and that the objectives will be delivered in compliance with the investment strategy of the company.

Project portfolio monitoring: assure the management by result process of the portfolio of projects defined by the company, aiming at the socio-environmental impact planned by the company.



Consulting Projects: highlights in 2021



Votorantim Energia (Auren Energia as from 2022) Assessment ESG of Consortiums

The ESG strategy at Votorantim Energia, now Auren, has been defined in 2019 and established as one of the strategic objectives to assure minimum level of adhesion of controlled, consortium and affiliated companies with the environmental and social commitments assumed by the company.

In 2021, Instituto Votorantim was contracted by Votorantim Energia to perform an ESG diagnosis and develop a strategic work plan for seven consortium operations, in favor of the strategic directions of the company. To address this challenge, Instituto Votorantim developed an assessment tool for its hydropower

sector, based on reference publications and interviews with experts. The assessment had the purpose of evaluating the performance of power plants related to 12 material subjects for sustainability in more than 130 indicators.

The assessment was applied from the review of documents, social-environmental history and governances, plus interviews with leading roles to understand the strategic questions for the businesses and identify their priority challenge in terms of ESG. We used as reference the average maturity of the group of consortiums analyzed, as well as the existing good practices of each subject. Upon the project completion, each consortium received its complete diagnostic, including recommendations of subjects to be prioritized and specific action plans.

“The ESG subject is a pillar at Auren, and advancing in the management of this subject in our assets and interests is included in the company priorities. Instituto Votorantim had a major role in our evolution in ESG in the Auren consortiums and interests. It provided knowledge and methodology in the conduction of works, which enabled us to look to the subject in a more structured way, assisting in the identification of priorities and construction of a guided direction plan, which will permit that each power plant evolves its maturity level in each of the vertical governance elements, and in social and environmental aspects.”

Marcio Cepeda,
Manager of FP&A, Costs & Capex,
Consortiums and Interests at Auren.

Consulting Projects: highlights in 2021



Companhia Brasileira de Alumínio (CBA) - Sustainable Supplies (Year 2)

The Sustainable Supplies Program has been built by iV at CBA in 2020, based on an iV methodology already applied in two other invested companies (Votorantim Cimentos and Auren). The program purpose is mobilizing and dialoguing with the ESG agenda in the supply chain of the companies, extending the company commitments to the agreement with their suppliers. Thus, the company now incorporates, in a cross and organic way, environmental, social and governance aspects in the routine of areas involved.

2021 marked the start of the program implementation phase, which is comprised by seven projects to address the transformation at tactic level, and will be applied over five years. The key milestones of the

implementation phase involved the adoption of a Sustainable Supplies Policy, which deepens the detailing of the commitment assumed by the company in this front, the start of ESG Homologation with suppliers and a cultural transformation inside the company. Also, there are other fronts with development already started, such as sustainable request and strategic partnerships.

By thinking in the long term, CBA looks for impacting positively its suppliers, engaging them to adopt proper ESG agenda.

Strategic Plan of AACD

In partnership with the Family Council, iV developed the Strategic Plan of the Associação de Assistência à Criança Deficiente (AACD), social organization that provides neuro-orthopedic treatment to more than 700 thousand persons a year, via private care, in greater volume, to patients of the Brazilian National Health System (SUS).

“With the support from Instituto Votorantim, the Governance and us, the executive managers at AACD, we were able to reevaluate our strategic position evaluating the health environment and its demands, rediscuss the importance of acting with focus on the neuro-orthopedics specialty and which paths we shall track, as well as the challenges to be surpassed to reach the financial-operational independence to increase the number of care services provided and widen the technical knowledge by partnerships with other entities in Brazil to attend a greater number of physically-handicapped persons.”

Valdesir Galvan,
CEO at AACD.

Learn more
accessing the
QR Code or
[click here:](#)



4.2 iV Ventures

i.V VENTURES

iV Ventures is an original initiative that counts on the engagement of all the Invested Companies. **BRL 20 million funding has been achieved to compose a Venture Philanthropy**, fund focused on three subjects with the aim of structuring the new investment strategy of Instituto Votorantim.

iV Ventures assumes the commitment of fostering opportunities for structured impact investment, creating bridges between businesses, the impact ecosystem and companies of the Votorantim Group. The major purpose of the front is to provide funds to entrepreneurs in the initial phase, to make viable the next round of investments.

“iV Ventures represents an important incentive to innovation in order to address structural problems in Brazil: expand the access to water and sanitation, encourage a low-carbon economy and offer quality social habitation. Therefore, it has the aim of handling the challenges that accompany us for decades, in a new and disruptive way, in order to transform the reality of thousands of people and leverage the social innovation ecosystem in the country.”

Lucila Ribeiro Cestariolo,
General Manager of Institutional Relations at Nexa.

Investment Strategy

The selective process of startups evaluates three main criteria: relevance of the business impact hypothesis, potential of the business model and team composition. Businesses to be prioritized count with a team 100% dedicated to a project aligned with the impact view of iV Ventures, and that has high growth potential.

Each one of the startups selected receives a seed capital between BRL 250 thousand and BRL 1.5 million, strategically applied to create a bridge to the next funding. In addition to the financial aid, startups also pass by a structured process, supported by iV Ventures, which by its turn is based on the Institute's expertise in impact generation.

In this process, its hypothesis of impact and the evaluation, measurement and monitoring strategies are developed while the new company connects with the Votorantim Group and approaches to the strategic players of the impact investment and venture capital ecosystem. At end of the process, the business and its founding team are more prepared and attractive for arrival of new investors.

iV VENTURES

Three impact theses focusing on strategic sectors



Water & sanitation

Focal challenge:

Water availability in Brazil will not be sufficient to meet the increasing demand.

Priority solutions:

- Treatment of industrial effluents
- Use efficiency
- Biotechnologies for water treatment
- Reuse / Recycling
- Solid waste management



Low-carbon economy

Focal challenge:

It is necessary to mitigate GHG emissions, adapt the ecosystems to climate changes and assure the inclusion of the population in vulnerability situation.

Priority solutions:

- Financial solutions in the carbon market
- Forests
- Alternative methods for carbon capture and storage
- Bioenergy
- Distributed generation
- Energy efficiency - Residential / Commercial
- Energy efficiency - Industry
- Mobility
- Logistics
- Sustainable constructions with environmental focus
- Monitoring of natural disasters
- Corporate sustainability platform



Social Interest Habitation

Focal challenge:

Lack of planning in urban occupation and social inequality - there are persons without access to proper and regular dwelling, and neither access to public services.

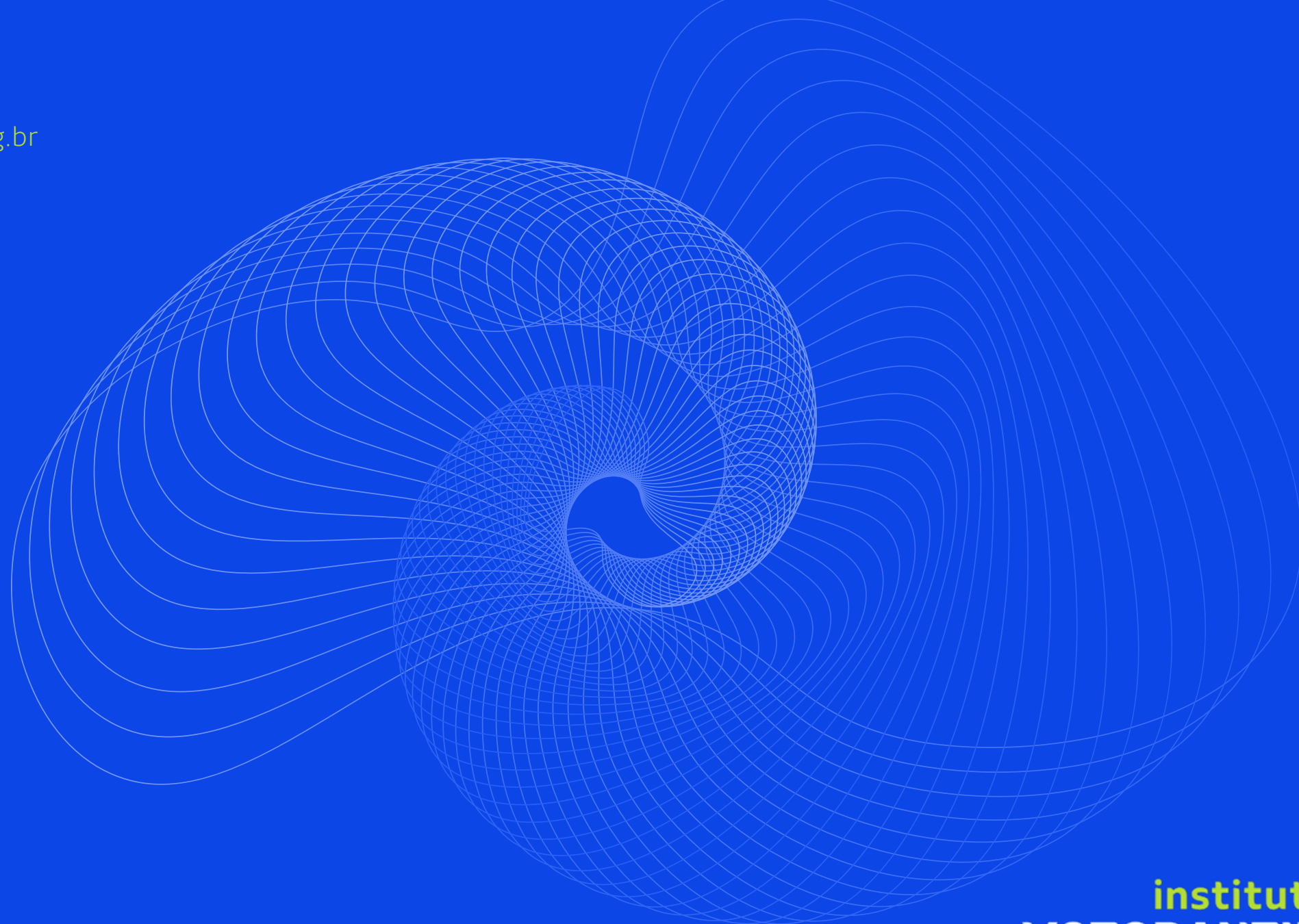
Priority solutions:

- Land regularization
- Financial solutions for habitation
- Sustainable constructions with social focus



These subjects have been defined due to their convergence with the Invested Companies and their ESG strategies. In addition, these are sectors that have scarcity of seed capital available for the startups.

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