



2023

Annual report

instituto
VOTORANTIM



“Driving business forward for a fair and sustainable future”

Farmer associated with COOPRIMA, a cooperative supported by Votorantim Cimentos, Primavera (Pará state)

About this report

This *Annual Report* tells the story of the **Votorantim Institute** (iV) during 2023. It shares the challenges encountered and the achievements of various projects and programs across different territories. This publication reflects the strategic review and the new direction organized in four dimensions: **Equitable and Quality Education, Productive Inclusion, Sustainable Cities and Communities, and Responsible and Sustainable Business Practices.**

The new structure is elaborated through the sustainability practices carried out by Votorantim and its portfolio companies and implemented with the support of social technologies developed and managed by the Votorantim Institute.

The report mirrors a meticulous process of engaging with stakeholders, translated into insights and testimonies. Ultimately, this report presents fundamental reflections on Votorantim's responsibility to generate a **positive impact** in the locations in which it operates, resulting from the maturity of the governance structure of the portfolio companies and the institute in continuously seeking to propel businesses towards a just and sustainable future.

Happy reading and thank you.



Participants of the Positive Impact Annual Meeting promoted by the Votorantim Institute in 2023



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THE COURAGE TO ACT AND TRANSFORM THE FUTURE

Reality changes with the courage to act and not just because of the desire for change. The Votorantim Institute has been experiencing this challenge for more than two decades and knows that transformation only happens when intentionality becomes collaborative action. There is no other way to build a fairer and more sustainable future and we are the result of this mission to reverse challenges in social and environmental solutions. **We are the reality of the courageous choice made by Votorantim.**

Our evolution as an organization reflects Votorantim's DNA. The integrity and social and environmental expertise of the companies that make up the portfolio fuel the creation of our technologies and social methodologies. Votorantim's century-old integrity and the leadership of the five generations of the shareholder family leverage and shape our practice in results orientation, use of evidence and good management practices, measurement of impact, and generation and sharing of knowledge. The Institute and Votorantim join forces to practice sustainability.

But this joint path was built with a lot of resilience and willingness to change. Attentive to the changes in the world, Votorantim has adapted and aligned its social vocation with the new demands of the ESG agenda (Environmental, Social and Governance) and the UN Sustainable Development Goals (SDGs). The Votorantim Institute

accompanied and supported this trajectory and also renewed itself. It was born with the mission of professionalizing Votorantim's social management, became a project and program manager, and is, today, a **socio-environmental reference center** and a social action platform for the Votorantim portfolio.

All this legacy is the result of the maturity of impactful solutions that address complex problems, with structuring interventions and long-term results. Our way of doing things based on robust methodologies influences and qualifies the debate internally, in addition to generating knowledge for organizations and businesses. In 2023, we became a signatory to the UN's Global Compact and joined the International Philanthropy for Climate movement. Initiatives that legitimize our path and continue to be stimuli for our evolution.

Our next steps seek to further enhance our impact. With the approval of those in the territories and the trust of tested and approved models and technologies, we seek to scale our capacity to generate positive social and environmental impact with the Votorantim companies. We do not just aim for results and numbers, but **to expand our culture of respect and care for others and for the planet** at levels capable of changing behaviors and provoking action. Only this will make the difference between the desire for change and change itself.

RICARDO CARVALHO

Chairman of the Board
of the Votorantim Institute





SOCIAL TECHNOLOGIES BASED ON COMMITMENT AND TIME

There is no one-size-fits-all answer to the complex and broad scenario of global socio-environmental challenges, particularly in Brazil.

We have historical challenges that need cross-cutting solutions built with multiple actors in society. The social inequality and the violation of rights denounced daily in our cities demand, in addition to good projects and financing, a high degree of long-term commitment. Only with time, a systemic vision and deep and detailed insight into the territory, is it possible to build structured solutions for our reality.

The work of the Votorantim Institute is based on these principles. Through the work of Votorantim portfolio companies spread throughout the country, we are able to see and listen to local demands and propose structuring solutions. There are more than 100 municipalities in 16 states where Votorantim carries out its programs and projects with a focus on generating systemic impact and focusing our operations on four dimensions:

Equitable and Quality Education; Productive Inclusion; Cities and Sustainable Communities and Responsible and Sustainable Business Practices. The four axes were redefined in our strategic review carried out in 2023 and bring together consolidated and historical social technologies such as Votorantim for Childhood and Adolescence (VIA), the “It is the sum of these concrete

“It is the sum of these concrete results and measurables that allows the institute to scale impact in other territories with the companies of the Votorantim portfolio”

results and measurables that allows the Institute to scale impact in other territories with the companies of the Votorantim portfolio”.

Partnership for Education Enhancement (PVE), the ReDes Program and Public Management Support (AGP), combined with programs such as Citizenship and AGP Health. All of these are the result of years of improvement of social technologies based on indicators, and which, added to the competence of program management carried out by the Institute, guarantee a robust and accurate impact assessment. It is the sum of these concrete and measurable results that allows the Institute to scale its impact in other territories with the companies in the Votorantim portfolio. **This socio-environmental asset holds the ability to influence territories** and, most importantly, transform people’s quality of life for the better. That is why we exist and will continue to act guided by our values: courage, collaboration and integrity.

CLOVES CARVALHO

Chief Executive Officer
of the Votorantim Institute





BUILDING SUSTAINABLE BRIDGES TO DRIVE BUSINESS FORWARD

2023 was a year of consolidation of a series of fronts and initiatives that we started in the last few years. Among them, I would like to highlight the Votorantim Institute's greater alignment with the demands of companies of the portfolio and to Votorantim itself. In this journey of more than 20 years, **the Institute has always acted as a strong partner of the companies** and this greater alignment will allow the construction of bridges that will make relationships even more solid and connected with the transformation of the portfolio and Votorantim's entrepreneurial ambition.

We employ leading methodologies at the Institute and have high impact projects in the communities in which we operate, in addition to a commitment to causes relevant to our country, as we have had historically with education and, in 2023, we saw the growing need to address climate change. When evaluating the Institute's set of business initiatives and practices, **our genuine commitment to sustainability and social development is evident.**

The Votorantim Institute plays a crucial role in further amplifying the impact of these initiatives, providing expertise, resources and connections that can enhance the efforts of the portfolio companies. This consistency of

"To advance in this trajectory of positive impact, the connection between the Votorantim Institute, VSA and the portfolio companies is essential (...)"

acting in causes relevant to the portfolio is fundamental for the operations of each company and to Votorantim's entrepreneurial spirit.

In 2023, we also took a unique look at the social and environmental agendas in the construction of business partnerships. **Companies and investors are increasingly aware** of the need to delve deeper into this topic, not only as corporate responsibility, but also as an opportunity to create shared value and promote long-term business sustainability.

To advance this trajectory of positive impact, it is essential to connect the Votorantim Institute, VSA and the portfolio companies, seeking assertively and exponentially to face social and environmental challenges, as well as to seize all the opportunities that these timeless agendas provide us.

JOÃO SCHMIDT
Chief Executive Officer
of Votorantim S.A.



Strategic planning

1 WHAT DO WE DO IT FOR?

To drive business forward for a fair and sustainable future

2 WHAT DO WE DO?

WE OPERATE THROUGH FOUR AXES:



EQUITABLE AND
QUALITY EDUCATION



PRODUCTIVE
INCLUSION



SUSTAINABLE CITIES
AND COMMUNITIES



RESPONSIBLE AND SUSTAINABLE
BUSINESS PRACTICES

3 WHO DO WE DO IT?

For **Votorantim** portfolio companies ► society/the planet

4 HOW DO WE DO IT?

BY DEVELOPING:

SHAPEHIGH
IMPACT PROJECTS

BUSINESS
PARTNERSHIPS

EXPERTISE
CENTER

Results of 2023

R\$83 million*

invested in positive social impact by **Votorantim** and portfolio companies in **536 projects**

OF WHICH

R\$23,7 million

invested in **Votorantim Institute's** proprietary technologies

IN

136

projects
(proprietary technology Initiatives)

IN

62 municipalities
and
13 states

(initiatives of proprietary technologies)**

IMPACTING

4,543

people
(proprietary technology Initiatives)

*Values reported by the portfolio companies monitored by iV and which may vary due to executive decisions and governance of each portfolio company.

**Unique municipalities and states of the respective programs.

Broadening perspectives to maximize **impact**

In 2023, the institute reaffirmed its **commitment** to helping Votorantim companies become benchmarks in business through the integration of best sustainability practices. By analyzing the challenges of our society and therefore, the business environment in which we operate, we identified three insurmountable variables: **social inequalities, the climate emergency, and the trust crisis**. This context drove the institute to reflect and evolve towards new axes of action. Through our own social technologies, iV has revisited its planning to build four fronts of impact solutions.

These variables also influence each other transversally, requiring an approach that considers them in all developed interventions. To broaden the perspective on this context, the Institute joined the **United Nations (UN) Global Compact** in Brazil, following the movement of other Votorantim became a signatory of the **Philanthropy for Climate Movement (IPCCC)**, and achieved the status of observer organization of the Climate COP. In the wake of this movement, the focus of action was converted into the four dimensions that dialogue with each other and enhance the scale of the impact on the territory. **These four axes are arranged into:**



Equitable and quality education



Productive inclusion



Sustainable cities and communities



Responsible and sustainable business practices





Equitable and quality **education**

Student in a municipal school, a project supported by Citrosuco, Matão (São Paulo state)

1

The search for **equity in education** is the great challenge for the coming years



Positive Impact Education Event promoted by the PVE program in 2023

Contributing to quality public education means supporting municipalities in actions that improve learning indices, respecting the diversity among schools and students in the school administrative system.



One of the main challenges of public education is to ensure quality teaching that is accessible and scalable for different children and adolescents from various social and economic contexts across the entire national territory. In a continental-sized country like Brazil, this challenge is intense, **and at the same time, a cause and effect of the social inequality that affects the country.** According to the Basic Education Evaluation System (SAEB) in 2021, of every ten children in the 2nd year of elementary school, only four were literate. While 53.4% of white students showed adequate levels of learning in Portuguese, the rate fell to 38.5% among mixed-race students and 29.8% among black students.

For more than 15 years, the Votorantim Institute and companies from the Votorantim portfolio have been committed to improving the provision of quality public education. During this period, the **Education Enhancement Program (PVE)** has evolved and introduced responses as new challenges emerged, such as the impacts of climate events on more vulnerable populations. The social factor remains the focus of the program, and educational equity has become the guide for PVE actions.

In 2023, 43 Brazilian municipalities in Votorantim's businesses operations participated in the program, in a partnership between the Votorantim Institute, BNDES, companies and municipal education departments. The process of forming competencies in school management, learning management and social participation ensured that the participating cities strengthened their abilities to offer and

manage public education and ensure concrete results in the cities, as stated by Luciana Vitor Cury, assistant secretary of Education in Araçariguama (São Paulo state), one of the municipalities where PVE is present.

“The Votorantim Institute promotes greater technical capacity of the management teams. This promotion has an immediate impact on the results and impacts of our school performance actions. A tangible example can be seen in the greater participation in external evaluations that help us make decisions on the implementation of policies based on this new ability to manage results.”

Also in 2023, the Institute began a partnership with the 1Bi Foundation to adapt a social technology that, in the medium term, will offer teachers and school management greater conditions to monitor the learning routine of each student in the school, based on the digitalization of data, considering, among other aspects, their socio-emotional skills, their school attendance, learning progress and gaps in the classroom. The intention is to connect this resource to the mobilization effort provoked by the PVE, causing a true – and systemic – task force for quality education, which involves students, families and guardians, teachers and management in order to ensure more equity and quality. This is how the Votorantim Institute and its portfolio companies think about education: **learn from the experience of each municipality and include new approaches and themes to achieve a positive impact in schools and municipal education systems.**



CBA and the reduction of inequality through PVE

With the intention of boosting equity and quality of education in the territories in which it operates, Companhia Brasileira de Alumínio (CBA) supports the implementation of the PVE in several cities across the country. In 2023, the company continued to promote the program, with emphasis on two municipalities in its network, in **Barro Alto** (state of Goiás) and **Araçariguama** (state of São Paulo). The partnership with the cities' education departments consisted of several fronts of mobilization with managers and the school community, through numerous activities inside and outside elementary schools.

In Barro Alto, the working groups adopted the themes of inclusion and race. The absence of records of quilombola histories in the region was identified and based on pedagogical activities with students, family members, public managers and associations, social mobilization projects were created, such as the publication of the magazine *Quilombos*, which addressed the ancestry of the community's activities and allowed the appreciation of local identity, as well as an event and cultural evening promoted by PVE. In the municipality of the state of São Paulo, the school community of Araçariguama articulated the delivery of a letter from the students to city mayor requesting the

expansion of the school's cafeteria. These actions highlight the tangible impact of the program implemented with CBA in the municipalities. **They generate positive impact, accelerate learning and reduce educational inequalities** between schools and elementary school students.

The PVE encourages the strengthening of public policies, engaging municipal secretaries, school management and coordination, and technical teams. The project strengthens the school space as a place for continuing education and rescues the learning gap of the post-pandemic years, in addition to focusing on the improvement of the Basic Education Development Index (IDEB) of the municipality. It is with methodology and action that, together, CBA, iV and PVE strengthen education and work to reduce inequalities in the country.

These actions highlight the tangible impact of the program implemented with CBA in the municipalities. They generate positive impact, accelerate learning and reduce educational inequalities between schools and primary school students.



Partnership for the Education Enhancement advances in Brazil

In 2023, the Partnership for Education Enhancement (PVE) with the support of the National Bank for Economic and Social Development (BNDES) was present in 43 municipalities. It will be extended to 33 more municipalities prioritized by Votorantim companies, totaling 76 that will participate in the program in 2024. Cumulatively, by the end of 2023, PVE had benefited 150 municipalities and about 1.3 million students across the country.

The PVE primarily serves small and medium-sized municipalities of up to 100 thousand inhabitants, that have low Human Development Index (HDI) and lagging Basic Education Development Index (IDEB). They are also cities with high rates of school dropout and illiteracy.

In addition to the expansion of the program, for the first time, the PVE will operate in regions where Votorantim portfolio companies are not present, especially in the north of the country. It will bring more than 10 years of program learning to the region, with the hope that experiences such as those in Recôncavo Baiano in 2023 will inspire and help strengthen education in other units of the federation. Last year, encouraged and supported by the Votorantim Institute and Votorantim Cimentos to strengthen the agenda of equity in education, the secretariats of the municipalities of **Cachoeira, Camaçari, Governador Mangabeira, Maragogipe** and

São Félix held their Intermunicipal Meeting on Anti-Racist Education in Bahia, attended by more than 150 participants.

Among the topics discussed were anti-racist education and the importance of public policies to combat racism, in addition to sharing good practices implemented in the municipalities. Another legacy of PVE in the territory was the implementation of Law No. 10639, **which mandates the teaching of Afro-Brazilian history and culture**; and the construction of a specific action plan for rural, peripheral, quilombola, indigenous or those with higher levels of lagging. Experiences that, based on the expansion of the program, can be replicated in other cities, such as those selected by the BNDES call with the institute.



Intermunicipal meeting of public policies for anti-racist education, one of the initiatives of PVE, Cachoeira (Bahia state)



With a focus on childhood and adolescence, **Auren and iV** strengthen the protection network of Jaíba (Minas Gerais)

Jaíba is a municipality in the state of Minas Gerais with 38.4 thousand inhabitants and which, since 2023, has received investment from Auren Energia. The company is installing the “Jaíba sun” solar photovoltaic plant, with an initial capacity of 100.6 MWp and a total of 629.9 MWp when complete. From the earliest actions in the territory, the company prioritized combating one of the main social challenges of the region: **the vulnerability of the institutional network for the protection of children’s and adolescents’ rights**.

In conjunction with the Votorantim Institute, equipped with an in-depth diagnosis of the region, it was decided to implement the Votorantim Program for Childhood and Adolescence (VIA). The investment focus on the technical training of civil servants, managers, suppliers, and workers from the construction site of the plant, who, if well-coordinated and engaged in combating and preventing rights violations, form a powerful social protection network.

The training included technical visits and hybrid training totaling 65 hours, that contributed to the organization of management in the municipality. VIA mapped the main violations and guided the handling of the situations as stipulated by regulations and the Child and Adolescent Statute (ECA). In 2023, the process for registering, responding to, and properly addressing reports and

incidents of violations was established, highlighted by the creation of the Committee for Children and Adolescents who are victims or witnesses of violence. The presence and deeper knowledge of the territory provided by the implementation of VIA allowed for a greater understanding of other intersections of the context of childhood and adolescence.

One of them was the identification of the low number of enrollments of elementary school students due to a lack of places. Through VIA, in conjunction with PVE, Auren supported the Education Department in organizing the necessary procedures for the municipality to learn about financial resources from the federal government designated for Municipal Education, and in doing so, plan the increase in the number of available places for students in the system. **“Auren is committed to the socioeconomic development of the territories in which it is present. This is long-term and involves looking at and acting on the structural social challenges of each region in which we are present. In Jaíba, VIA provided this perspective”**, notes Raquel Cambaúva Leite, manager of Planning and Social Development at Auren.



PVE in numbers



Tamanduá Municipal School, project supported by Citrosuco, Matão (São Paulo state)

43 municipalities

*Includes PVE and PVE graduates

12 states

156,129 students

673 schools

1,245 managers

16,864 hours
of training



VIA in numbers

13 participating
municipalities

5
states

9 CMDCCAs* supported
(*Municipal Council for the Rights
of Children and Adolescents)

R\$ 924,899

shaperaised by Solidarity VIA
(campaign promoted by portfolio
companies among their employees
to allocate e income tax resources to
municipal councils for the protection of rights)

553 training hours

Promoting **equity** as an impact of the PVE program

Equity is a principle of social justice that presupposes respect for differences as a condition for achieving equality*. It is the right to have these differences identified, recognized and valued.

Conversely, the absence of equity leads to inequity, that is, the lack of fair and equal access for people to have their needs met and have distributive or redistributive equality in the quality of attention for these needs and access to opportunities built by society. Therefore, social equity means, in this context of public policies, **a balance in the distribution of benefits and access to opportunities built by society.**

In the field of education, much can be recognized as measures of equity in search of equality. More years of schooling are associated with better working conditions, better living conditions, better social positions, yes: equity has all this external impact, but it is necessary to reinforce that, above all, **equity promotes historical reparation and social justice.**

In Brazil, access to education has historically been a privilege of the richest over the poorest, of boys over girls (a situation that has been overcome as per recent statistical data) and of whites over blacks.

Access to elementary education is now widespread, but inequities persist, such as the difference in access between rural and urban areas, the relationship between the family's socioeconomic status and access to conditions for the child's attendance

More years of schooling are associated with better working conditions, better living conditions, better social positions

in school (including food, school supplies, transportation, uniforms, among others). The educational difference between parents and children, the living conditions of the child's place of residence, and their family responsibilities. In early childhood, these indicators of inequality are also repeated. Beyond educational indicators, a number of other questions can be raised here regarding the effective implementation of the comprehensive protection advocated by the Child and Adolescent Statute (ECA).

Impact Assessment

In 2023, iV's 6th edition of the PVE social impact assessment was carried out. This edition sought answers to several questions, among which, the following predominate: (i) Average social impact: municipalities that participated in PVE, for at least two

16.39%

is the rate of increase in the IDEB index among the municipalities that participated in the PVE

consecutive years, had a better evolution in educational indicators than those that did not participate. (ii) Dosage effect: municipalities that participated in PVE for a longer time had better results.

- **Updates:** a more robust analysis regarding the evolution of educational equity in the final and initial years of elementary school. Equity indicators were created that not only look at how far the best and worst average performances among schools are, but also include an equity indicator by race/color through a ratio of the average proficiency of students who declare themselves black, mixed-race, and indigenous (PPI) and whites and Asians (non-PPI) and a gender equity indicator, using the ratio between the average proficiency of girls and boys;
- **Regarding the correlation study PVE Competence Matrix Analysis:** It investigated the relationship between the variation in the competencies of the municipalities participating in PVE and the variation of the IDEB and the proficiencies of elementary education between 2017 and 2021, thus testing the relationship between the variation in the competence indicators of the PVE matrix and in the impact indicators of the program. In other words, we have as the basis of the methodology, the belief that working with management competencies and mobilization impacts on improving student learning, and this study can show that it was indeed a correct

choice, and the maturity levels of the matrix are adequate to accelerate this impact.

- By employing the most recommended methodology for identifying social impact, it was possible to verify the positive impact of the program in most of the evaluated indicators, especially in elementary school.

In summary, we can say that:

Elementary School:

- **General IDEB:** Municipalities that have participated in PVE advanced in IDEB by 16.39% above the Brazilian average – this corresponds to achieving the objectives set nine months ahead of the municipalities that did not participate in the program (increase in IDEB of 0.079 points. The IDEB grew on average 0.10 points per year between 2007 and 2021. The impact of PVE of 0.079 means an increase of approximately nine months, or **0.77 in the year**).

- **Proficiency in mathematics:** for specific performance in mathematics, municipalities that participated in the PVE advanced 21.09% above the Brazil average – this corresponds to achieving the objectives set 12 months ahead of the municipalities that did not participate in the program (proficiency in mathematics grew on average 42 points per year between 2007 and 2021. The PVE impact of **1.444** represents an increase of approximately 12 months, that is, **1.01 years**).

• **Proficiency in portuguese:** Although the result is lower, the program still has an impact on this indicator of 11.41% above the Brazil average – this corresponds to achieving the objectives for portuguese four months ahead of the municipalities that did not participate in the program (proficiency in portuguese grew by an average of 2.06 points per year between 2007 and 2021. The impact of PVE of **1.067** points represents an increase of approximately four months, or **0.35** years).

• **Pass rate:** Municipalities that participated in the program had pass rates of **24.9%** higher than the Brazilian average (0.690 percentage points).

• **Infrastructure:** While there is no type of funding for the municipalities, the program recorded impacts on the improvement of school infrastructure, and PVE municipalities are **32.1%** above the Brazilian average.

• **Teacher qualification:** The same applies in this matter – despite not being a direct audience of PVE actions, there was an improvement of **36%** above the Brazil average in this area.

The PVE program is able to contribute to promoting the reduction of the difference between schools with higher and lower IDEB within the same network by 128.3% above the Brazilian average. Especially in portuguese, this variation increases to 137.5%.

Another interesting point is that the greatest impacts on IDEB promoted by PVE were in the North, Northeast and Midwest regions and in small municipalities (usually those that have the greatest difficulties in management). Meanwhile, in the promotion of equity, administrative units with higher IDEBs were the ones that advanced the most, especially in the South and Southeast.

Regarding the study of the correlation between educational results and the PVE competence matrix: there is strong evidence of a positive relationship between the general indicator of the municipality and the axes of **Educational Management** and **Mobilization** with IDEB and proficiency in Portuguese in the early years.

The competencies with the highest correlations are:

• **Educational Management:**

Monitoring learning, partnerships and social mobilization, articulation between school actions and network policies, continuing education and resource management.

• **Mobilization:**

Attitude and disposition to act, and also vitality and network coverage which showed a correlation with proficiency in mathematics.



Productive **inclusion**

Beneficiary of the ReDes
Program in a family
farming project

It's time to expand the operation to **include** more people



Management action for açai cultivation at COOPRIMA, a cooperative supported by Votorantim Cimentos, Primavera (Pará state)

The year strengthened the guidelines for Productive Inclusion and expanded new possibilities for the development of projects through strategic partnerships with the sector.



Since the founding of the Votorantim Institute, **productive inclusion has been a fundamental area** of action in confronting long cycles of social exclusion in Brazil. In recent decades, there has been an emergence of integrated solutions between people in situations of social and economic vulnerability with income generation and decent work, and Productive Inclusion has become an important vector of positive impact and reduction of inequalities in the country.

In 2022, the IBGE Census recorded 67.8 million people living in poverty and 12.7 million in extreme poverty. Compared to 2021, these contingents decreased by 10.2 million and 6.5 million people, respectively. **The indices change, but structural inequalities still need solutions** for this part of the population.

To respond to this situation and contribute to the challenge, iV builds and invests in social technologies and methodologies that seek to include specific people and groups, such as entrepreneurs from the most diverse profiles, associations and cooperatives; collectives and people located in rural and urban areas, among other groups. With this, it forms a network capable of providing concrete solutions to the problem of precarious work and poverty.

Two programs stand out in this effort. The ReDes program for **Sustainable Development (ReDes)** and **Empreende!** Over the years, ReDes, which has a partnership with BNDES and Votorantim's portfolio companies, has accompanied more than **70 projects** aimed at cooperatives and associations made up of people in vulnerable situations and has already impacted more than **2,500 families**, generating work and income.

On another front, Empreende! Acts on the formalization of businesses, training of business owners and income generation. In 2023, the program supported **55 entrepreneurs in 70 hours of training**. Data from the Federal Government's Business Map indicates that, in the 1st quarter of 2023, about 12.2 million people were registered as MEI (individual micro business owners). However, most small businesses do not survive. According to SEBRAE, in 2020, 29% of MEIs and 21.6% of MEs (small companies) closed after five years of activity. There is a lack of support, financing and training mechanisms, and iV is working alongside businesses to respond to these challenges.



Beneficiary of the ReDes Program, supported by Auren, Curral Novo (Piauí state)

2,500 families have been impacted by the ReDes program aimed at job and income creation



In 2023, the two programs **received around R\$2 million** in investment from Votorantim portfolio companies. The participation of companies is fundamental and goes beyond financial contributions, facilitating the development of stages, dialogue with the community and, above all, enabling the achievement of planned social outcome and impact objectives.

The presence in the territories where the companies operate is a differentiator for the impact generated by ReDes and Empreendel. Now, the institute is beginning to broaden its perspective and also think about Productive Inclusion in a systemic way. To this end, in 2023, it engaged in an alliance with partners whose objective is also Productive Inclusion, with the aim of expanding its operations. Through **AIPÊ – Alliance for Productive Inclusion** – with the National Bank for Economic and Social Development (BNDES), the Arymax Foundation, the Tide Setúbal Foundation, the HEINEKEN Institute, the Humanize Institute and Santander, it launched two public calls that were also sponsored by Ambev and B3 Social, focused on inclusive rural businesses and peripheral urban entrepreneurship.

With this, the institute seeks to expand the reach of its impact to other states and regions of the country where it has not yet operated. This move reinforces the commitment made by Votorantim’s portfolio companies to the **UN’s 2030 Agenda and brings iV closer to the SDG 1,**



which aims to halve the proportion of men, women and children living in monetary and non-monetary poverty.



Women participate in an activity supported by the ReDes program in the municipality of Cachoeira (Bahia state)



Founding member of the Associação Mulheres Fortes, supported by Auren, Serra do Inácio (Piauí state)

The presence in the territories where the companies operate and alliances with the inclusion ecosystem contribute to the expansion of impact.



Territories receive income generation projects and ensure **improved quality of life**

The ReDes program was created to address a challenge present in several Brazilian municipalities: **the existence of a large portion of the population on the margins of economic production**, with precarious income conditions or directly dependent on funding initiatives. It was based on this complexity and with the aim of contributing to the improvement of this scenario, that the Votorantim Institute created ReDes, a program carried out in partnership, from the beginning, with BNDES and the companies in the Votorantim portfolio, reflecting the institute's experience in the creation of high impact social technologies.

One of the success stories of ReDes in 2023 comes from the **municipalities of Cachoeira and Maragogipe, in Recôncavo Baiano (Bahia state), where the Pedra do Cavalo hydroelectric plant managed by Votorantim Cimentos is located**. In line with the Engaja program which facilitates dialogue and direct relationships with local residents, understanding the needs, culture and demands of the participating groups and municipalities, Votorantim Cimentos and iV offer, through ReDes, infrastructure and technical assistance to groups of traditional populations for the cultivation of shellfish, cassava and other products of the local culture. The project, Galinheiros do Tabuleiros, for example,



Activity of the ReDes program in Maragogipe (Bahia state)

Through ReDes, Votorantim Cimentos and iV offer infrastructure and technical assistance to traditional population groups

is run by families who raise chickens in their own backyards. With the support of the ReDes program, these families learn about proper animal management, management of breeding spaces, and marketing strategies.



Impact Assessment

All efforts by ReDes have contributed to improving the quality of life of the people benefited, with income generation and improved working conditions, also aiming to provide greater access to public health and education services.

In a recent impact assessment carried out with the BNDES, based on data from the single registry/welfare grant (Ministry of Citizenship) and data from program beneficiaries, compared to other people with similar profiles in the municipalities in which the program was carried out, we sought to verify the impacts on the benefited population, as well as characteristics of the supported public.

The evaluation showed that ReDes beneficiaries tend to be part of more vulnerable groups (fishermen, quilombos, land reform settlers, waste pickers), live in rural areas, have more structured families (married with children) and present traits of greater relative social vulnerability in indicators related to household quality (less access to water, sewage and garbage collection services). Observing this type of data reaffirms that the program is capable of approaching the target audience of the initiative.

In terms of quality of life and income, the following results were observed in the population participating in the ReDes program (treatment group) compared to a similar group in its observable characteristics (control group).

- **Gross income growth over the last 12 months**
58.4%
- **Increase in labor income**
39.2%
- **Increase in participation of the Economically Active Population (EAP)**
64.9% a 103.6%
- **Greater access to work in the last week of the period observed**
de 52.3% a 101%
- **Reduction of medication expenses**
de 15.3% a 18%

The data and information evidenced in this impact assessment reinforce the program's potential to truly contribute to the reduction of social vulnerability and the economic status of the groups and individuals supported by the initiative.

The impact assessment report can be accessed at this link:
https://web.bndes.gov.br/bib/jspui/bitstream/1408/20100/1/PR_RAE%20ReDes.pdf



CBA creates network to strengthen women business owners

Local development and diversity are priority agendas of Votorantim and the institute's portfolio companies. In 2023, the Votorantim Institute and CBA acted on these two essential dimensions to carry out the Empreende Mulher program – the first project aimed exclusively at women in the municipality of Alumínio (São Paulo state).

The project has created a conducive space for women who already run their own small business. In addition to providing content on administrative skills, management skills and supporting the autonomy of entrepreneurs, Empreende Mulher introduced issues that connect these women in a network through on collective experiences. The project also encourages reflection and addresses issues of gender inequality and the recognition of women as entrepreneurs.

Approximately 30 participants of the program received content on entrepreneurship and business. They also **gathered in collective workshops to exchange experiences** and apply the concepts, in addition to participating in mentoring and individual follow-up that allowed for personal awakening. **“I found the program's process to be very complete and didactic. Being part of a group of women was fundamental because it is very important for us**



Meeting of the Empreende! project, supported by CBA, Alumínio (São Paulo state)

to be with those who have the same struggles. After the project, I had more energy, saw further into the future, and I started to trust myself more. It was truly an awakening,” says Giselle dos Reis Bispo Moreira, participant in the program carried out in 2023.

At the end of the process, the business owners and businesses that stood out the most received seed capital for the development of their ventures. The Empreende Mulher program remains active and will continue with the support of CBA throughout 2024.



Uniting to promote more productive inclusion

Brazil accumulates problems that hinder its full social and economic development. Among them are food insecurity, environmental degradation, and a lack of decent work opportunities. **In a coordinated action between public authorities, companies and civil society, AIPÊ was born,** an alliance to create opportunities and reduce inequality through income generation.

Launched in 2022, the Alliance for Productive Inclusion (AIPÊ) is the result of the union of institutions recognized for their actions in reducing inequality and promoting productive inclusion: **BNDES, Arymax Foundation, Tide Setúbal Foundation, Humanize Institute, HEINEKEN Institute, Votorantim Institute and Santander** are the pioneering organizations that joined forces to carry out the program.

AIPÊ works with a focus on individuals and groups in a situation of greater economic and social vulnerability, organized in different ways (associations, cooperatives, individual entrepreneurs, job seekers). Its support is provided through projects selected in specific public calls, with objectives and results planned according to the theme and model of the call.

The initiative may also include strategies that address territories, diverse population groups and specific themes in urban or rural areas. The definition of the specific profiles of the audiences that can be supported is made according to the public calls.

Traditional communities, women, youth, family farmers, and land reform settlers are, for example, population profiles that can be supported.

In 2023, two public calls were held on the themes of Urban Peripheral Entrepreneurship, aimed at non-profit organizations in the peripheral metropolitan regions of Brazilian capitals, and also sponsored by Ambev and B3 Social, and the call for Inclusive Rural Business, aimed at initiatives by low-income producers in the North and Northeast regions. **A total of 18 initiatives were selected in all regions of the country.**

For each call, **R\$4 million of non-reimbursable resources** were allocated, comprising 8 rural projects and 10 urban projects, in 16 states. In addition to the financial contribution, the initiative offers support for achieving the goals stipulated by the approved organizations, through training meetings, mentoring on strategic topics, strengthening of management aspects and measurement of indicators. In these first two calls, **AIPÊ has added more than 2,000 direct beneficiaries.**

With its strategy, the Alliance seeks to amplify the results generated by the selected organizations so that income and job opportunities are expanded in the territories. **iv** is the manager of the partnership and one of the founders, and together with the other six institutions, hopes that the Alliance will bring new possibilities of action with the ecosystem and generate systemic positive impact.



ReDes in numbers

3 municipalities

2 states

R\$ 207,298
(income generated)

4 supported projects

114 beneficiaries



Associates of the Strong Women Association, a project supported by Auren, Serra do Inácio (Piauí state)



Empreende! in numbers



Meeting of the Empreende! project, supported by CBA, Alumínio (SP)

2 municipalities

1 state

55 beneficiaries
(business owners)

70 hours
of training

Supporting people to generate opportunities and enhance territories

ReDes, Empreende! and Aipê promote social inclusion and income generation through long-term cooperation

Entire communities have been impacted by cooperatives and associations supported by the projects of the ReDes program during its trajectory. Numbers and results indicate that **70% of the businesses** that participated in the program remained operational, even with the challenges imposed by the pandemic.

According to an impact assessment carried out by BNDES – a partner of the ReDes program – there was an increase in the participation of the economically active population (EAP) from **64.9% to 103.9%**. This result was recognized by the United Nations Development Program (UNDP), proving that its methodology is capable of generating positive impact through productive inclusion.

It is important to emphasize that impacts like these do not only occur due to the good execution of the programs jointly carried out by iV, Votorantim companies and partners. The outcome is also present in the strengthening of the businesses supported by the program. The continuity of the businesses becomes an essential condition for transforming reality and, therefore, business success is the very measure of the effectiveness of the methodologies implemented by the Votorantim Institute.

The success of ventures is the measure of effectiveness and impact of the methodologies implemented by the institute

In practice, this means that they continue generating income for families and boost the economy of the municipalities. **This is a joint construction** that lays the foundations for businesses to develop and remain in the future, in the territories and coming from the people themselves.

Productive inclusion programs strengthen and develop the value chain of Votorantim portfolio companies as they encourage economic diversity of communities and municipalities. **These are important achievements that lead to poverty reduction and the improvement of the quality of life**, positively impacting the companies that support the projects and the territory.



Sustainable cities and communities

SAF Vitrine Project carried out with COOPRIMA, a cooperative supported by Votorantim Cimentos, Primavera (PA)

The climate emergency and challenge of making cities more **inclusive and sustainable**



Aerial view of the Serra do Inácio region (Piauí state)

In 2023, iV launched the “Climate action” initiative with the objective of encouraging actions to combat climate change based on experience with municipal public management in the most diverse areas.



How to make a city resilient?

The Votorantim Institute starts from this premise to formulate its strategic planning and consolidate the “Sustainable cities and communities” axis of action.

The issue gains depth when the topic involves the climate crisis and the capacity of public management in Brazilian municipalities. It is also a fact that the most vulnerable populations are the most affected by the lack of adequate living conditions, as shown by the [Municipal Climate Vulnerability Index](#) (IVCM) organized by the Votorantim Institute. It is not feasible to design modern and smart cities when the supply of basic resources, such as access to health, is still lacking.

The right to the city must be guaranteed for everyone and a city can only be inclusive and sustainable if it can promote and implement public policies from participative management, with planning and decisions built collectively and with citizen participations. Democracy is an asset for more resilient cities.

In pursuit of transforming territories, the iV supported itself on three axes of impact within the dimension of Sustainable Cities and Communities: **health, climate and participative management**.

The health axis, specifically the qualification of professionals who work in public health management, considers the municipalities’ responsibilities within the public health service (SUS). The Public Management Support (AGP) Health program

works to qualify the provision of services and proved essential during the Covid-19 pandemic. Today, it supports primary health care. In 2023, **12 municipalities in 6 states** received the program’s support.

The climate axis refers to climate change resulting especially from global warming. This is undoubtedly the next great challenge for all cities worldwide and the institute has added the experience with territorial planning of the social technologies already implemented to create the **Climate Action**.

The Municipal Climate Vulnerability Index can be accessed at this link: <https://institutovotorantim.org.br/ivcm/>



The initiative was launched in 2023 and, in 2024, the AGP Climate program will be implemented in municipalities in which Votorantim companies are present. It aims to systematize and use knowledge about social and natural systems to create indices, offer mentorship and increase the municipality's adaptive capacity.

Both **AGP Health** and **Climate Action** have the ultimate impact ambition of preserving lives. In addition, the **citizenship axis** relates to the encouragement of citizen participation and the full exercise of citizenship. The Citizenship Program originates from this demand and focuses on the youth, essentially with regard to participation in democratic instances at local level, contributing with suggestions for improving the municipality and exercising social control for societal advancement.

The challenges are numerous and complex, but they are part of the reality in which iV and the Votorantim companies operate. For example, AGP has proven to be a social technology with execution maturity capable of impacting the lives of thousands of people, helping to make cities more resilient.



Climate Action Launch in the topic "Transparency: challenges and connections for the implementation of climate adaptation" at COP28 in Dubai, United Arab Emirates

"Climate Action" launched at COP28

In 2023, during the official COP28 program in Dubai, the Votorantim Institute, CBA and the Itaúsa Institute launched the Climate Action Initiative. This movement included three fronts of action: the **Climate Vulnerability Index (IVCM)**, the **Climate Crisis Preparedness Checklist** and the **Support program Public Management (AGP Climate)**.

[See more on page 38](#)



Hand in hand with municipalities for better **health services**

Within the scope of the Sustainable Development Goals, there is a goal exclusively dedicated to health (**SDG 3**), which aims to “Ensure healthy lives and promote well-being for all at all ages”. In other words, this goal means helping people live longer and in better health conditions. This objective is achieved in Brazil through the Unified Health System (SUS). SUS is universal and is present today



in all **5,570 municipalities** in the country, with **80%** of Brazilians depending on it exclusively.

Within SUS, Primary Health Care (PHC) is the main entry point for citizens, functioning as a filter capable of organizing the flow of services in the networks, from the simplest to the most complex. It is all carried out through the prevention, diagnosis, treatment and rehabilitation work of the Basic Health Units (UBS) and health centers. According to the Ministry of Health, if PHC were planned, executed and evaluated efficiently and effectively throughout Brazil, 85% of the health problems recorded would be solved and have reduced hospitalizations and preventable deaths.

The Votorantim Institute’s Public Management Support Program aims to support Brazilian municipalities in these challenges. In the midst of the Covid-19 pandemic in 2020, the AGP Health Front was inaugurated and, as of 2022, this same



Nurse in a hospital unit during the AGP Health program, supported by Aures, Araripina (Pernambuco state)

front took on a broader scope, given the strategic role of Primary Health Care for the Present and future of Cities.

Based on the application of a checklist, weekly remote mentoring is carried out and tools are developed to improve management processes and practices, which culminates in the improvement of management skills linked to PHC.

In recurrent impact assessments, it was possible to verify that the implementation of the methodology resulted in an estimated reduction of **44% in preventable deaths** in the municipalities that participated in the program for two years or more, when compared to other municipalities of the same characteristics.



Preventable deaths are lives saved because of some intervention carried out by the performance of health systems. In a simulation in which all Brazilian municipalities with up to 300,000 inhabitants had received AGP Saúde for the same period, it is estimated that **about 175,000 lives could have been spared**.

These values were obtained from the program's impact assessment carried out by the Votorantim Institute, which addresses the "excess death" indicator. This refers to the number of deaths registered in the country above what was expected for that year, considering the pattern observed in previous years.

Among the highlights in recent years are the cities of **Igarassu (Pernambuco state)** and **Juquitiba (São Paulo state)**, where the program's actions are implemented in partnership with Companhia Brasileira de Alumínio (CBA). In September 2022, there were 230 thousand duplicate registrations in Igarassu, which were reduced to just two duplicate registrations in March 2023.

The registration is that of a person in the SUS system, serving as identification that an individual is linked and being monitored at the Health Unit. Juquitiba went through a process of record computerization in the PHC, speeding up the process and making it more traceable and easier for data management. This contributed to a great advance in the indicators of childhood vaccination coverage, hypertension and diabetes considered in the federal financing model of APS.

AGP Health in numbers

2023

11 municipalities

6 states

989 AGP Health mentoring hours

226 people participating in training, meet-ups, workshops and mentoring



A program implemented by **Nexa** becomes a catalyst for sustainable tourism in cities

Operating in tourism planning can be the vector of sustainable development, an income generator and the driver of social impact. Carried out in partnership with Nexa, the **AGP Turismo** program has contributed to the tourism sector in the municipalities of Três Marias and São Gonçalo do Abaeté, both in the interior of Minas Gerais state.

At the launch of the program in 2018, a survey of data was carried out on the economic activity of river fishing in the region of the São Francisco river. The Tourism Data and Research Monitoring Panel and the Mapping of the fishing chain in São Gonçalo do Abaeté were highlighted. It was from the results obtained, that, in 2019, the institute outlined the objectives and strategic lines for the development of important fronts such as governance, sustainability, community performance and market development.

AGP Turismo **provided technical assistance to the municipal team** with the goal of improving the region's tourism infrastructure. It also supported the creation, registration and promotion of new travel destination brands. Some of the actions were structural and enduring for the results of AGP Turismo in São Gonçalo do Abaeté, such as the delivery of a descriptive memorial for the requalification of the São Francisco riverfront and the creation of new tourism experiences involving gastronomy, trails and waterfall visits. Another legacy of the program was the creation of the São Gonçalo do Abaeté Tourism Master Plan, as attested by Roberto Carlos Rodrigues, secretary

of Economic Development, Sports, Tourism and Culture of the municipality of Três Marias. **"The program was fundamental in implementing tourism policies, with significant impacts on development in the municipality. The new tourism plan enabled regional integration between the municipalities of Três Marias and São Gonçalo do Abaeté, through which we achieved a financial increase from the ICMS tax"**. In 2023, among other outcomes, the integrated plan between the two cities mobilized 10 schools in the Tourism at School program and included 25 business owners with the Integrated Tourism Seal.

The Institute and Nexa initiated the program in Três Marias in 2021, and implemented actions across different axes, aimed also at stimulating the dissemination of the benefits of tourist activity and fostering the emergence of future actors and entrepreneurs involved in its production chain. Furthermore, the realization of the program also motivated the implementation of a project to support entrepreneurs in Três Marias, focusing on activities related to tourism and income generation for the population, **thereby diversifying the city's economic matrix**.

With Nexa's investment and iV's methodology, a tourism network was established in the territory that includes the city hall, entrepreneurs and business owners, contributing to the advancement of the region's sustainable development and enhancing the environmental assets of the territory.



Partnership between **CBA and Votorantim institutes and Itaúsa** innovates in the creation of a climate programsobre clima

The last decade has been marked by record heat, highlighting the devastating impacts of climate change. Storms, droughts, and floods have become more frequent and deadly, especially in vulnerable regions. In this concerning scenario, how can cities be prepared to minimize human, environmental, and economic losses?

In response to this challenge, in 2023, the Votorantim Institute, in partnership with the Brazilian Aluminum Company (CBA) and the Itaúsa Institute, launched the **Climate Action Initiative**. This initiative aims to strengthen the institutional and planning capabilities of municipalities to increase their climate resilience and is divided into three fronts: the Climate Vulnerability Index (IVCM), the Climate Crisis Preparedness Checklist, and the Public Management Support program (AGP Climate).

The IVCM is a synthetic index that calculates the degree of vulnerability of the population of a given municipality based on public data, considering six risk factors: (1) floods/ overflowing/ waterlogging/flash floods, (2) landslides, (3) droughts, (4) fires, (5) reduction/ impairment of sectors of agriculture and livestock, and (6) increase in health problems linked to climate.

From this calculation, it is possible to identify the locations most vulnerable to the effects of climate change. Learn more at <https://institutovotorantim.org.br/ivcm/>.

Besides the index, the initiative offers, publicly and free of charge, a Climate Crisis Preparedness Checklist intended to support municipal administrations in visualizing action routes to prepare cities in the dimensions of disaster risk management, climate change adaptation, and resilience.

In the third front, the Votorantim Institute utilized its experience of more than ten years in the development and implementation of Public Management Support (AGP) programs to develop a training and mentoring methodology for public managers to strengthen the necessary skills to confront the climate crisis. In 2024, the Institute and Votorantim companies will implement, still in pilot phase, the AGP Climate program in municipalities of Votorantim territories.

This action is part of how the IV operates, cross-sectionally and methodically, across all dimensions. The initiative emphasizes that solutions to address climate change lose meaning without careful consideration of the territory, the people, and the groups that are and will primarily be affected.



Expanding Participation to Strengthen Democratic Culture

In July 2023, the Youth Parliament (PJ) of Matão (São Paulo state), a democratic space for youth participation, was awarded second place in the connect category of the SDG Action Awards—an event organized by the UN in Rome—that recognizes initiatives linked to Sustainable Development Goals (SDGs). The team was created through the Citizenship Program carried out in the São Paulo municipality by Citrusuco and the Votorantim Institute. It was the first time since the inaugural edition in 2018 that Brazilians had reached the final stages. In 2023, more than five thousand projects from 190 countries were evaluated.



Team at the presentation of the UN Prize for the Youth Parliament project in Rome, Italy.

“This project was essential for youth protagonism in the city. More and more people understand that we are the present and have a lot to say and do. It’s wonderful to see the change that the project has made in the life of each parliamentarian. We see more recognition and empowerment. We have seized our place to speak!”

15-year-old Gabrieli Lima, a high school student and participant in the Young Parliament project in Matão (SP).”

Transforming cities through interventions allied with municipal administrations

AGP Health, Climate Action and Citizenship are cross-sectoral impact solutions capable of making municipalities resilient

The social programs implemented by the iV and the companies in the portfolio have structurally contributed to changing realities and improving people's lives. Votorantim has always acted to strengthen public management and believes that only with municipalities capable of implementing policies effectively and transparently, can we achieve fairer and more sustainable cities for a good business environment.

AGP Saúde, for example, uses the SUS (Unified Health System) as a connecting link through which the program can provide tools capable of supporting the management of primary health care and, consequently, help save lives. It is through this cooperative management between the public health system and social technology of the Votorantim Institute that process enhancement occurs. This allows for increased maturity in management, based on the evolution of competencies that strengthen the system responsible for primary health care.

This learning from AGP Saúde was fundamental for the creation of AGP Climate and the Municipal Climate Vulnerability Index, an exclusive tool to support decisions on climate change. The expected synthesis result of this initiative is the same as the institute envisions for all the initiatives in its portfolio: **to contribute to the**

Votorantim believes that only with municipalities capable of implementing public policies effectively and transparently, can we achieve fairer and more sustainable cities.

improvement of the living conditions of people living in Brazilian municipalities.

But it is not only the public administrations that are strengthened by the health and climate axis programs. Civic participation also evolves. In interventions like the Citizenship Program, **civil society is encouraged to participate in management and to present solutions**, in the full exercise of citizenship. By working horizontally with municipalities and the community, the institute and the companies in the Votorantim portfolio position themselves as part of the challenges and solutions, generating a positive impact today and a legacy for the future.



Responsible and sustainable **business practices**

Auren Wind Farm in Serra
do Inácio (Piauí state)

4



The mission is to support companies with reflections that help them face the **challenges of our time**



Beneficiary of the "Mulheres Fortes" project, a ReDes program in Serra do Inácio (Piauí state)

The Institute's legacy of more than two decades contributes to Votorantim's trajectory of continuing to improve the sustainability management of the group's companies.



The future of our planet and all forms of life depends on actions taken today. **Companies, governments, and society are key players in the urgent changes needed to enable a fair and sustainable future.** When focusing on the responsibility of corporations in this challenge, it becomes evident that they are a fundamental part of the solution if they include in their business plans, commitments and practices that mitigate or address the effects of the climate crisis and the reduction of social inequalities.

Aware and committed to acting in this context, Votorantim, through the Votorantim Institute and its portfolio companies, works to transform the territories where it is present. The institute, as a platform for Votorantim's commitment, prioritizes strengthening responsible and sustainable business practices. In this axis, it is dedicated **to generating knowledge and helping companies to formulate strategies and programs** that strengthen business aspects to make them more sustainable.

Votorantim's culture is built with great respect and care for others, be they shareholders, employees, or another stakeholder. Every operation must know how to dialogue correctly with its neighbors. The Engaja program, for example, is a decisive business practice in this regard. **It is based on respect and transparent dialogue with people in the territories where the Votorantim portfolio companies operate.**

Engaja takes care of the relationship between parties and gives substance to the demands of the communities, explaining and

Votorantim's culture is built with great respect and care for others, be they shareholders, employees, or another stakeholder.

listening to priority stakeholders about the implications and impacts of the company in the territory. It is a program that symbolizes how a company can be responsible and sustainable in practice, as it gives legitimacy to the company's actions. It is a program that crosses other dimensions of the institute and is implemented as a tool in the ESG journey of the portfolio companies.





Dialogue as a Tool for Mobilization in Territories

One of the fundamental elements for any company that aspires to the success of its operations in a given territory is the development of a space for constructive dialogue among its stakeholders. The way the company manages stakeholder engagement defines its performance in the area. Developing engagement and dialogue strategies therefore increases transparency and assists in managing socio-environmental risks, maturing the company's reputation in the communities.

Proactive development of relationships with the community in which it is embedded raises the level of trust in the company. It was in pursuit of this trust that the Engaja Program was created by the Votorantim Institute. **An initiative aimed at creating a space for structured dialogue** with priority stakeholders.

To establish such relationships, one of the main strategies of Engaja is to first identify who the stakeholders are and map their main interests. After designing the relationship plan with guidelines and a methodology for mediation, stakeholders are mobilized to initiate dialogue processes. It is from these processes that the company builds a space for constructive dialogue to listen to the community and its priority demands.

Along this journey, one of the most challenging cases occurred in the territory of Pedra do Cavalo, a region that includes the municipalities of Cachoeira, São Félix, and Maragogipe, in the state of Bahia. In partnership with Votorantim Cimentos (VC), **it implemented the program to stimulate dialogue and understanding between the company and the local quilombola community.** In 2017, the first year of the program in the territory, Engaja mobilized a dialogue circle with a great diversity of interlocutors, such as community leaders, citizens, and other civil society participants. It was from this context that the program understood which priority stakeholders they should be dialoguing with, and the deeper the actions were taken over the years, the more effective the meetings became. The topics varied from operational issues, such as questions about the operation of the dam and the opening of the gates, to the development of socio-environmental projects in the territory.

As a result of this process, the Engaja Program became the pillar of support for projects implemented by the portfolio companies. It was cross-sectoral in the territories and supported the foundation of Votorantim Cimentos' social investment decisions. It also became the link between local leadership and the projects developed by the institute.



BV Bank implements the “S” of ESG with social inclusion

BV Bank is part of a generation of companies aligned with major global sustainability agendas. The financial institution has dedicated ‘accelerating social inclusion’ as one of the pillars of its ESG strategy and materializes this commitment by supporting projects in education, sports, culture, protection of the rights of children and adolescents, and empowerment of black women, among others.

Under joint management between iV and BV, the social project portfolio encompasses more than **30 initiatives** which are premised on fostering diversity and education. Two prominent fronts in 2023 which strongly illustrate the institution’s commitment, are the cultural call exclusive to projects by, for, and with black women and the Sports Platform.

Culture

One of the projects selected in the context of the call was the exhibition “Female Strength of Samba”, chosen in the category of “Memory and Strengthening,” led by Nilcemar Nogueira and held at the Samba Museum, located in the Mangueira community in Rio de Janeiro. The initiative aimed to narrate and perpetuate the importance of women in the construction of samba, “Carioca samba was born, grew up, and lives strongly influenced by female characters who were wise, militant, and

providers, represented by ‘auntie snack makers’, laundresses, composers, midwives, singers, and women who work in the preservation and celebration of our ancestral historical memory.” The exhibition impacted **5,000 people directly**, with 18 guided visits for schools, and visits from public universities and discussion circles.

Another project also supported in the context of the cultural call in the category of “**Creation and realization by black women**” was the theatrical performance *The Confession of Leontina*, based on the text by Lygia Fagundes Telles, which addresses the invisibility, submission, and domestic violence that affects segments of black women,” as well as addressing relevant themes, the play was performed in territories classified as low on the Municipal Human Development Index. There were 8 performances in 8 different municipalities, with a total audience of 1,600 people.

“Feminine Force of Samba” Exhibition, held at the Samba Museum in Rio de Janeiro





Sport

The Sports Platform celebrated its fifth anniversary in 2023 and includes a total of nine projects led by athletes and former athletes, aimed at social and educational development through the practice of sports. This year, **2,680 children and young** people benefited from the projects, which provided **12,000 hours of sports lessons and 548 non-sporting services** (psychologists, nutritionists, physiotherapists, etc.).

The bank supports the development of management skills and the implementation of the programmatic plan for the nine social organizations at different stages of maturity. The **Ítalo Ferreira Institute**, founded by the world and Olympic surfing champion, is one of the institutions supported by BV since the beginning of the project. **“When we started to put ideas on paper and look for companies that could join us in this project, Banco BV came into our lives. They have been with us since the beginning of the institute, through the construction phase, the first year of activities, and now, into our second year. I can only thank them for their trust in our purpose”**, says the surfer and founder of the institute which, in 2023, completed a year of activity in its own premises, offering surf lessons, English, tutoring, and psychosocial support for children from Baía Formosa, in Rio Grande do Norte, the athlete’s hometown. **“When I dreamed of building and conceiving the Institute, I knew I would need the support of many people. My story in Baía Formosa and in sports enabled me to create a social project that would help children who, like I once was, need a better future with more opportunities,”** observes Ítalo.



Teenagers participate in the project of the Ítalo Ferreira Institute supported by BV



Facade of the Ítalo Ferreira Institute, supported by BV

2,680

Children and young people

have benefited from the sports projects during the five years of the platform



Volunteer Network with the Courage to Transform

When the leadership of a corporation supports the execution of social projects in the territory where it operates, the positive effect on the community and municipal institutions quickly becomes apparent. The more the company encourages participation from various areas, the more this movement benefits the surrounding area, also strengthening the culture of volunteering among employees and communities.

Every year, employees of the Votorantim portfolio companies are encouraged to participate in **'healthy competition'** among operational units. The Volunteer Challenge campaign motivates volunteers to form teams to earn points as they carry out actions and make progress. During the campaign stages, each team chooses where to direct their efforts that will strengthen local demands, according to the needs mapped jointly with the beneficiary public, whether for revitalizing schools or public spaces, supporting social organizations through mentorships, or raising awareness among children and adolescents on essential topics such as sustainability, diversity, and local participation.

In 2023, **2,468** employees dedicated time, work, and talent to the campaign under the motto **'Courage to Transform'**.

Participation and effort resulted in more than **400** volunteer actions developed in **181** institutions, impacting **49,477** people.

In its ninth edition, the Volunteer Challenge campaign has already benefited more than **570,000** people and has seen approximately **51,900** volunteer participations from employees across all Votorantim companies. Each action taken symbolizes a step toward a more just and sustainable future.



Meeting of youth social workers

2,468
employees

participated in solidarity
actions of the Volunteer
Challenge in 2023



Votorantim Cimentos Implements a Sustainable Supply Program

Votorantim Cimentos (VC), aligned with the best global ESG practices, understands that its value chain is crucial for delivering financially, socially, and environmentally significant results.

Since 2019, when VC began incorporating sustainability criteria into its supply process, the company has accumulated learning experiences and, aware of the speed at which the business context is changing, decided to update its Supply Program with support from the institute. Aspects that previously were not on the company's list of opportunities are now rated in international ratings to which the company is subjected.

Following a diagnosis conducted by the Institute and VC Supply teams, a series of recommendations were determined, aimed at **enhancing its performance based on the best market practices**.

These recommendations were based on ISO 20400, an international standard that guides sustainable purchasing and aims to promote purchasing practices that contribute to mitigating or, ultimately, minimizing negative impacts, and in return, ensuring social, environmental, and economic benefits.



Volunteer Challenge in Numbers

9th year of the Volunteer Challenge Campaign. Motto: **Courage to transform**



Revitalization action of the “Quintal do Brincar” school in Três Marias (Minas Gerais state)

413 actions carried out

2,468
participating
employee volunteers

109 units of
11 Votorantim
companies participated

86,520 hours of
volunteer work

181 institutions benefited

Approx. **49,477**
people benefited

59,018 items donated

Present and future

Reflections and
learning experiences
to construct a
Sustainable tomorrow

By **ANA BONIMANI,**

Program Management Manager



HIGH IMPACT: A TOOL TO ENHANCE THE VIEW ON SOCIAL INVESTMENT

There is often confusion between the concepts of outcome evaluation and impact evaluation. At first glance, both deal with expectations about a project, but they are different approaches, and understanding what distinguishes them is important so that actors involved in social investment, project management, and sustainability can have strategies that are consistent with their goals and specific audiences.

An impact evaluation aims to verify the social changes we seek to generate in the beneficiary audience in the long term, observing groups with the same characteristics and considering the many variables that affect them throughout their trajectories. On the other hand, an outcome evaluation relates to the concrete achievements of the intervention, i.e., those that we can directly observe during the intervention.

In its over 20 years, the Votorantim Institute adopts the observation of results and impact of its programs to ensure deliveries based on measurable indicators and evidence. Both outcome and impact evaluations should essentially seek to improve the intervention, adhere

to the proposed objectives, and the cost-effectiveness of the undertaken solution. For Votorantim's portfolio companies, this is an intrinsic condition for the implementation of any project or program. A way to perpetuate Votorantim's own DNA, which carries the social approach tied to methodological efficacy in what the company does.

Shapeln this sense, the institute has always been dedicated to developing social technologies that are born with a defined ambition and intervention logic. In other words, defining what the ambition for outcome and intended impact should be, is the starting point and the guide to driving the strategies proposed in achieving the defined objectives.

HOW TO BUILD A HIGH-IMPACT SOLUTION

From the perspective of the iV, social technology can be considered high impact based on four criteria.

*The first is the presence of the **theory of change**, a planning architecture, a structure that defines what the ultimate goal to be achieved is and what steps must be taken to reach that goal. This involves the desired impacts, which in turn, should generate results, activities, and processes necessary to ensure a social transformation and an intended impact of a specific territory or group, for example.*

High impact investing

The second criterion is to analyze the **scale**. Similar to public policy, it is necessary to test a social technology in various contexts and verify the breadth and scope of this mechanism to understand in which contexts it applies best and observe all possible variables within this process.

The third point is to observe **maturity**, that is, the length of time that an intervention or program has been running. Social technologies are shaped, built, and refined over time, breadth, and application in various scenarios. If the impact is a social transformation that we are going to generate from a medium and long-term ambition, we need to test, refine, and reformulate the solution so that the transformation can take place and adapt to current realities. Although the result should also be observed considering these variables, the delivery occurs objectively, as we committed ourselves to, because the solution was created for this purpose.

Finally, we analyze the criterion for **measuring the effectiveness of the strategy**, its endurance, and sustainability. These four criteria also help us establish a long-term vision so that new technologies can emerge.

The evaluation manages to measure the time window in which the impact and/or the result was observed. However, complications may arise, and new evaluations need to be anticipated

throughout the intervention and in the case of impact, even after its completion. Therefore, high impact requires monitoring, like maintenance, through which we observe or can improve and refine the proposal. It is a process of continuous improvement. For this reason, the evaluation is done not only to measure the impact but also to build knowledge about the methodology and the effectiveness of the process.

If we choose to make one-off investments without planning, execution time, or space for the solution to grow, even if there is merit in what is being employed, it will be difficult to achieve the desired impact. We might observe some results, but confirming transformation in the community, the territory, or with the participants, will have limitations.

However, if we use the criteria and practice to generate knowledge about the solution, about the beneficiary groups, and about the territory, the tool can also be a powerful instrument for generating information to influence other investors, programs, and even public policies and new initiatives. In the role of the Institute, for us, the culture of evaluation is fundamental and is part of the core, the conception of our social technologies, and our way of acting.

By **NATALIA OLIVEIRA,**Innovation & Knowledge
Management Coordinator

CLIMATE JUSTICE: A CONCEPT FOR A FAIR AND SUSTAINABLE TOMORROW

Climate change has already established itself as the greatest threat of the 21st century. Extreme heatwaves, prolonged droughts, devastating floods, and other extreme weather events are already a reality in various parts of the planet, directly affecting the lives of millions of people. In a world with increasing rates of inequality, we repeatedly observe that the most vulnerable sectors of our society are the most affected by economic, political, and social crises — and the climate crisis will be no different.

The impacts of climate change are not distributed equitably. Poor communities, indigenous peoples, riverine communities, and other politically marginalized groups are the most affected, as they generally reside in areas more susceptible to extreme weather events and have fewer resources to adapt and recover from disasters. Additionally, the transition to a low-carbon economy requires investments across various sectors, which puts less competitive economies at a disadvantage.

Climate justice is the concept that recognizes this problem and the action that seeks to remedy these socioeconomic disparities that amplify the impacts of climate change. To ensure a fair and sustainable future, it is essential that actions to combat climate change are fair and inclusive, prioritizing the needs of the most vulnerable communities and groups. Adaptation and mitigation

measures should be directed to protect the groups most impacted by climate change, ensuring access to resources, information, and appropriate technologies.

Moreover, climate justice is intrinsically linked to social justice. It is crucial to combat inequalities that amplify the impacts of climate change, such as poverty, lack of access to education and healthcare, and racial and gender discrimination. To do this, we must ensure that the transition to a low-carbon economy is a pathway to building more inclusive economic relationships.

Investments that need to be made in renewable energy, sustainable agriculture, reforestation, and climate adaptation can create millions of new jobs worldwide, especially in developing countries. It is imperative to ensure that these new jobs offer safe and healthy working conditions, fair wages, social protection, and professional development opportunities. Creating decent work in environmentally responsible supply chains contributes to poverty reduction, promotion of equality, and sustainable economic growth in a virtuous cycle for people and the planet.

The pursuit of climate justice is a global challenge that links the resolution of the biggest global challenges of our generation. It requires the engagement of all sectors of society. Governments, businesses, civil society organizations, and citizens must join efforts to build a fairer, more resilient, and sustainable future for all; but it is crucial that we adopt concrete and ambitious measures now. The window of opportunity is closing, and every action taken today will make a difference in building a future for the next generations.

Partnerships

Institutional Partners



Associations



Observer organization

In its 28th session, The Conference of the Parties (COP) granted the Votorantim Institute the seal of observer organization in the process of the United Nations Framework Convention on Climate Change (UNFCCC).

Signatory



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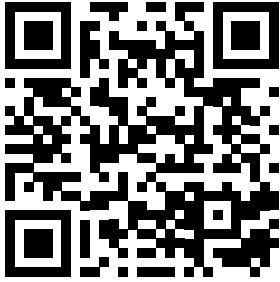
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Farmer associated with COOPRIMA, a cooperative supported by Votorantim Cimentos, Primavera (PA)

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