



SUSTAINABILITY REPORT CORNÉLIO BRENNAND GROUP 2020

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Introduction

We are pleased to present the first Sustainability Report from Cornélio Brennand Group. We list here a summary of our actions to ensure the continuity of the values and businesses built over more than a century by Cornélio Brennand Family. Started in 1917 by its founder Ricardo Lacerda de Almeida Brennand, today Cornélio Brennand Group counts on the participation of the family's fourth generation, guaranteeing a vision of the future and business longevity.

Sustainability, which has always had its pillars embedded in the essence of the Group, now takes on a more strategic view with movements that, in 2020, began to be worked on by a new structure that seeks the transversality of this agenda across all businesses and maintain the culture of generating shared value with all those with whom we interact.

We bring here the main highlights of this journey, which has evolved significantly, even in the face of a challenging global scenario. Historical information and consolidated data presented here seek to present a portrait of our journey until 2020 and which, from this cycle on, will be measured and reported in accordance with the Group's environmental, social and governance agenda.

Recognizing the importance of the United Nations (UN) Sustainable Development Goals (SDGs), we map in this report the main SDGs with which we can contribute, as a Group that develops various economic activities in our country. Thus, we seek an alignment with the 2030 Agenda that supports organizations to work in an increasingly strategic and targeted way in the ESG journey.

Let's make stories together that transform the future!

Enjoy reading and follow our evolution.



Ricardo Lacerda de Almeida Brennand, Group founder

Message from the Board of Directors

Anyone who studies the history of our Cornélio Brennand Group, since the foundation of Cerâmica São João, in 1917, at the beginning of the last century, will notice some signs of perpetuity. Cultivated by our founder Ricardo Lacerda de Almeida Brennand, and consolidated by his son Cornélio Coimbra de Almeida Brennand, they continue to this day in the company and in the current generations of the family. Signs that the same entrepreneurial spirit that encouraged the first generations to build what is now one of the oldest family groups in the country are still present, based on values that demonstrate that the sense of unity and respect in the family, and for all those with whom we interact, is responsible for the business success, today and in the future. Currently, the third and fourth generations of Cornélio Brennand Family are joining forces and combining their complementary visions to outline the direction for the development and expansion of the Group's business, always aligned with the values of Integrity, Excellence, Dynamism and Innovation.

Another striking feature is the fact that, long before the environmental, social and governance (ESG) agenda had a prominent position in the corporate world, we were already firmly operating in these three pillars. We have always kept in mind the importance of implementing a governance structure based on the best available practices, with the clarity that these guidelines, in addition to generating value, contribute substantially to ensuring the perpetuity of the business. We have clear rules on the various aspects of its operation – from a solid corporate governance system to a training and succession program for shareholders of the new generations of the family.

Another important component of our lifestyle is caring for people. In all the businesses in which we operate over these decades, the role of our employees has always been valued – perceived as the driving force that makes our plans come true. At the same time, we are aware of our social role and seek initiatives that can contribute to improving the lives of people around us. The challenge posed by the

Covid-19 pandemic, from the beginning of 2020, has made us intensify our social actions, in the sense not only of taking care of our employees and their respective families, but also of serving the most vulnerable populations in the regions where we operate. The moment calls for union, so that we can overcome these times of so many uncertainties.

Our sustainability agenda includes care for the environment as one of its main cornerstones. We already preserved the green areas around our properties, such as the Várzea region, in Recife – where our family's activities were concentrated – long before the topic was treated with adequate concern in the corporate environment. The presence of nature in the region where our headquarters are located, for over a hundred years, reinforces our commitment to the environment, which continues to be present in the Group's various activities.

Allied to these three pillars, there is yet another aspect that defines us: our vision for innovation, always looking for new technologies that make it possible to constantly raise the quality standards of our products and services. We want to continue creating solutions, leading transformations and constantly evolving. This desire to always seek better and more efficient ways is permanently engraved in our DNA, and can be found in the activities of our companies Atiaia Renováveis, Vivix Vidros Planos, Iron House Real Estate and Cimento Bravo.

It is on the solid foundations provided by our trajectory over more than a century that the basis for the continuity of our Group are based. And although we cannot say what changes the future will bring, we are confident that the ability to navigate challenging periods and to know how to take advantage of the opportunities that arise will continue to be part of our way of acting in the generations to come.

Board of Directors of Cornélio Brennand Group companies

Message from GCB Leadership

2020 was a very challenging year for everyone – and Cornélio Brennand Group could not be an exception. The spread of Covid-19 brought the need to follow stricter safety protocols, change the way we work and rethink previous plans. After all, no one could have expected such relevant changes to occur in such a short space of time. This period also showed how social and environmental issues impact the economic context, which made the strategic nature of sustainability for businesses more evident.

In this scenario, the year 2020 was remarkable in the advancement of a theme that is already part of our essence, sustainability. We consolidated and advanced our ESG strategic agenda, creating a specific structure within the People & Sustainability Department to lead this journey. This important step confirms our position of strengthening the culture of sustainability, making it possible to share this vision with all our stakeholders and contribute to the UN's global agenda of the Sustainable Development Goals (SDGs).

The advancement of the Group's business in 2020 represents several

achievements and in synergy with the numerous possibilities of reducing impacts and generating shared value. The growth we registered this year is based on caring for society and the planet; the incessant search for transparent and engaged governance; and the constant effort to create diverse, creative and inclusive environments.

The existence of well-defined attributions for the various instances that make up the Group's governance and directorships has allowed business support. This system works to ensure both the continuity and evolution of our companies and the interests of our stakeholders, in addition to maintaining the legacy of Cornélio Brennand Family.

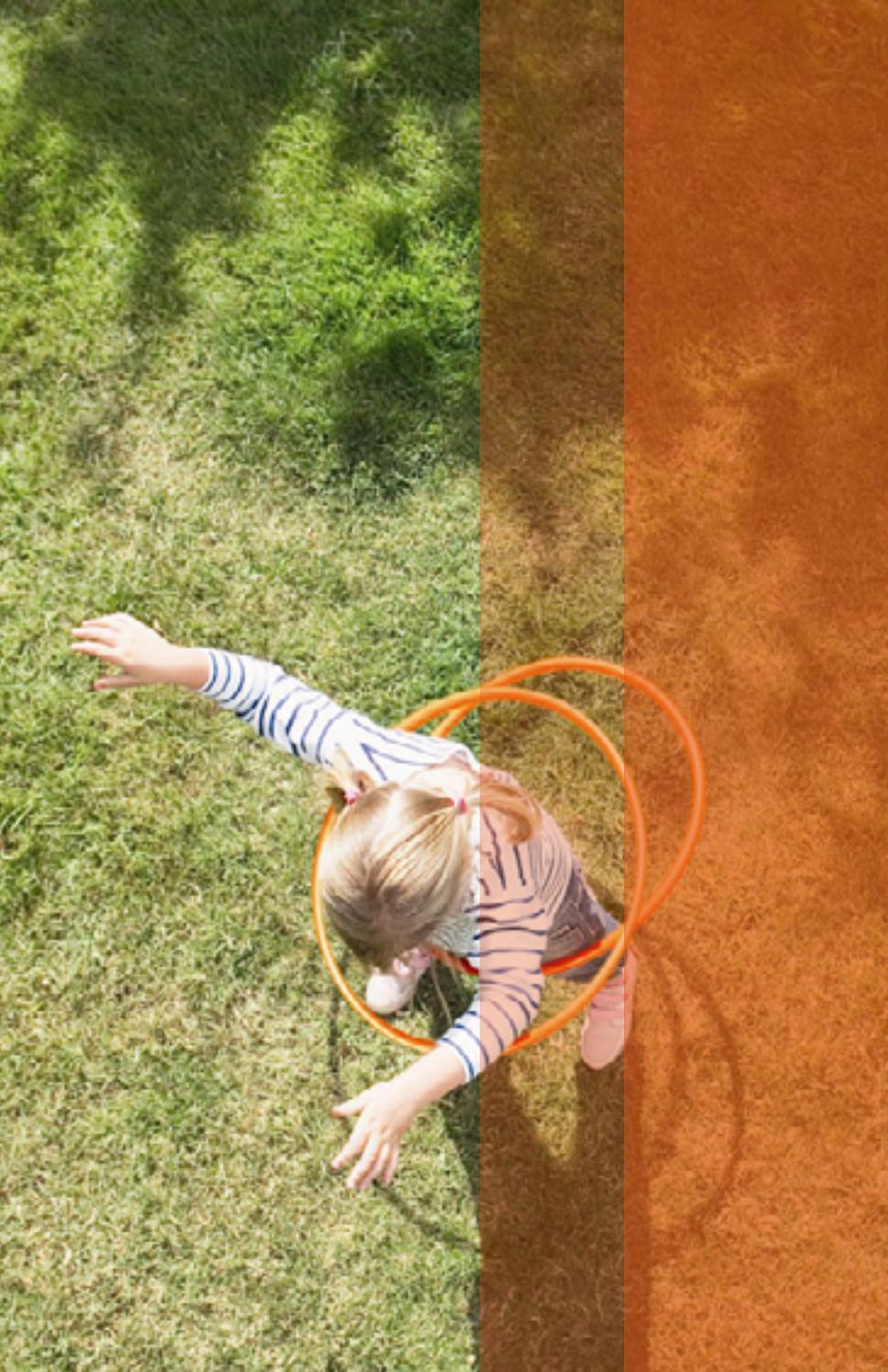
In the social field, the commitment of teams mobilized by the challenges of Covid-19 allowed us to intensify our support for employees and their families, seeking their physical, emotional and financial security in this difficult period. The technological challenges of that moment, which allowed remote work and other adjustments to operations, were already underway at the Group, and facilitated the adaptation period; thus,

we were able to direct our energies to various initiatives aimed at society in general – such as the Juntos pela Várzea project and the co-leadership in the Empresários por Pernambuco initiative.

Although the pandemic has imposed challenges never before experienced, we have advanced in the development of our Strategic Planning, a map that will allow us to have a more precise vision of what we want for the coming years – and how to act in order to grow in the chosen direction, supporting each business area. The sustainability agenda integration into the activities of Cornélio Brennand Group is a continuous process, in constant evolution, which will allow us to face the challenges of the future and take advantage of the opportunities that will come.

Léo Mendes de Farias
Corporate President

Catharina Machado G. Ferreira
People & Sustainability Director



Cornélio Brennand Group

A GROUP IN CONSTANT MOTION

“

Its principles say that the sense of unity and respect in the family is responsible for the success of the business, today and in the future.”

Ignácio de Loyola Brandão,

Book: “Grupo Cornélio Brennand: os primeiros 100 anos” [Cornélio Brennand Group: the first 100 years]

Founded in the Várzea neighborhood, in Recife (PE), on the banks of the Capibaribe River, the Group is one of the few in Brazil that has been under the control of a business family for more than a century. Its starting point was the foundation of Cerâmica São João by entrepreneur Ricardo Lacerda de Almeida Brennand – and this journey continues to expand.

Through decades in which the history of Brazil and the world brought important challenges and opportunities, Cornélio Brennand Group was able to survive crises and market changes thanks to its dynamism, integrity and vision of the future. Currently, the organization is composed of four companies, which demonstrate their ability to invest successfully in different fields of activities: Atiaia Renováveis, which operates in the segment of generation and commercialization of energy from renewable sources; Vivix, one of the most modern flat glass factories in the world; Iron House, a real estate development, investment and asset management company; and Cimento Bravo, a benchmark in the Brazilian cement industry.

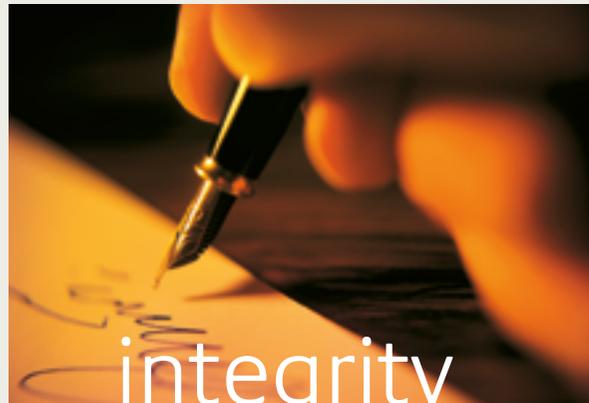
This diversity in the company's operations reveals one of its main characteristics: the ability to analyze possibilities, identify promising business opportunities and recognize risks in sectors that no longer offer positive prospects. In addition, the dynamism and entrepreneurial spirit, always present in the conduct of business, added to the seriousness and respect for agreements and people, and integrity in all its operations, have guided the Group's trajectory - making it a highlighted group in any segment in which it operates. This environment is what has allowed progress in our business and guided the future of Cornélio Brennand Group.

The four values of Cornélio Brennand Group



dynamism

We are restless by nature. With a disposition for change and connected to transformations, we are in permanent evolution.



integrity

Our name is synonymous with trust and respect for agreements. Our attitudes must always put people first.



excellence

We have to act up to who we are. Our high level of demand reflects the respect for what has been built and the commitment to what we still have to conquer.



innovation

We are committed to change and lead transformations. We want to create the new every day with boldness, simplicity and engagement.

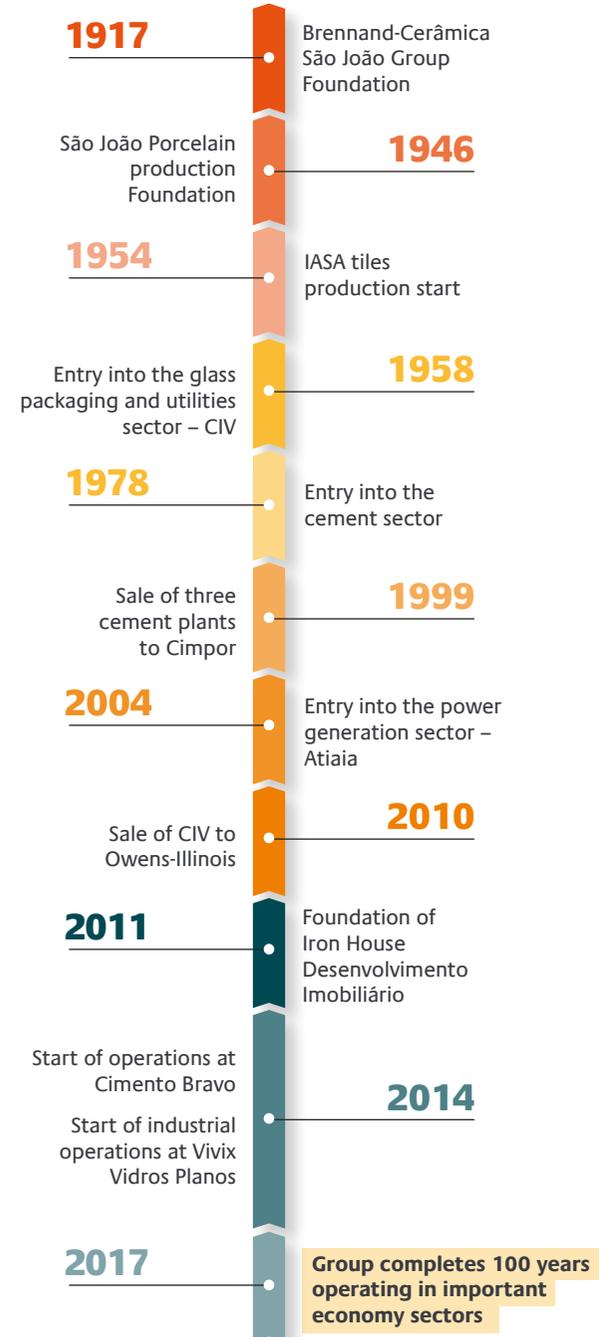


Entrepreneurial journey of Cornélio Brennand Group

Presence in the country

Cornélio Brennand Group kept its operations centered in the Northeast region for most of its existence. However, its constant search for new activities to undertake ended up expanding its range of action to other states. Currently, the Group maintains its headquarters in Recife (PE) and offices in São Paulo (SP) and Cuiabá (MT). In the energy generation through renewable sources segment, it has plants in the states of Mato Grosso, Mato Grosso do Sul and Pernambuco. In the flat glass sector, it is present in Goiana (PE), with a factory, and in Pedras de Fogo (PB), with a processing plant. The Group also owns real estate projects in Reserva do Paiva (PE), and in Camaçari (BA), in addition to a cement grinding unit in São Luís (MA).

Aerial view of Cornélio Brennand Group headquarters, in Várzea, Recife.



Governance



Staircase of the Iron House, owned by Cornélio Brennand Family

The governance model adopted by Cornélio Brennand Group aims to promote a culture of integrity, through strategic action, generating value and longevity for its businesses.

Through boards and advisory committees, GCB seeks to build an environment of trust, empathy and prosperity. Transparency and accountability are also fundamental aspects that govern the Group's performance in its relations with stakeholders.

The integration of environmental, social and economic aspects in the definition of business and operations is essential. For this reason, the Group's governance bodies are attentive to the ESG agenda, ensuring that it is permanently taken into account in the decision-making process in all businesses developed by the Group.

GCB's good Corporate Governance practices convert basic principles into objective recommendations, with the aim of preserving and optimizing the Group's value, facilitating its access to resources and contributing to the management quality and business longevity.

Planned trajectory

Over the years, the Group has built its governance structure always guided by the best market practices and has had the active participation of shareholders, executives and consultants.

The Group's governance structuring began in 2006, through Family Governance. The first body created was the Family Board, which aims to promote and safeguard family cohesion, fostering its values, principles and vision, for a lasting commitment to the business, and has a fundamental role in supporting the succession between the generations of Cornélio Brennand family. Two years later, the family's long-term vision, as well as its agreements, would be materialized in the Cornélio Brennand Family Articles of Incorporation.

Still in 2008 we had the first steps of our Corporate Governance with the professionalization of the Group companies. Shareholders left their executive positions and started to act only in governance bodies. In 2011 we had the signatures of the Shareholders' Agreements of the Group companies, which are still in force today, an extremely relevant document that guides the roles and relationships between shareholders and between them and the companies that make up the Group. This process was strengthened with the creation of the Board of Partners – an important step towards preserving the relationship between the Group's shareholders, maintaining the alignment and balance between the short and long term vision in harmony with the interests of all stakeholders.



Members of Cornélio Brennand Family participate in the Families in Business course: From Generation to Generation, from Harvard Business School, in preparation for structuring the Group's Governance. Photo 1 (above) in November 2006. Photo 2 (below) in March 2007



Another relevant movement, with regard to the Group's Corporate Governance, was the arrival of the first Independent Directors, in 2017, who bring great knowledge and experience accumulated throughout their professional lives. In this way, they contribute to increasingly strategic discussions within the scope of the Boards of Directors.

At the same time, corporate governance gained strength by starting the structuring of an **Integrity Program**, with the launch of the Code of Conduct and Ethics Channel, reinforcing the commitment to ethics and integrity in the business environment.

In family governance, an important milestone was the **Family Strategic Planning** – a moment in which the members of the third and fourth generations met to align their vision of the future on three important pillars: role and engagement of the fourth generation; structure of the corporate and family governance system and strategic guidelines for the business. The following year, investments in governance continued and the Shareholder Training Program (Proa) was launched, with the aim of promoting the engagement of new generations of the family, guiding continuous learning and supporting the structuring of the succession process for the Group's shareholders.



Family Strategic Planning with Prof. John Davis, founder of Cambridge Family Enterprise Group

This important step was followed by the creation of GCB Board, a body whose mission is to oversee the Group's businesses across the board and is responsible for monitoring GCB portfolio. In 2020, the first member of the fourth generation of Cornélio Brennand family was elected to a seat on the Board of Directors of Atiaia Renováveis – thus signaling the continuity and constant evolution of the corporate and family governance model adopted by the organization.

Due to solid governance and committed to best practices, Cornélio Brennand Group has several benefits, such as:

- greater operational efficiency
- excellent access to the financial market
- risk mitigation
- reduction of conflicts of interest and strategic alignment

In addition, GCB has a structured succession process, which provides clarity regarding the performance of future generations of Cornélio Brennand family.

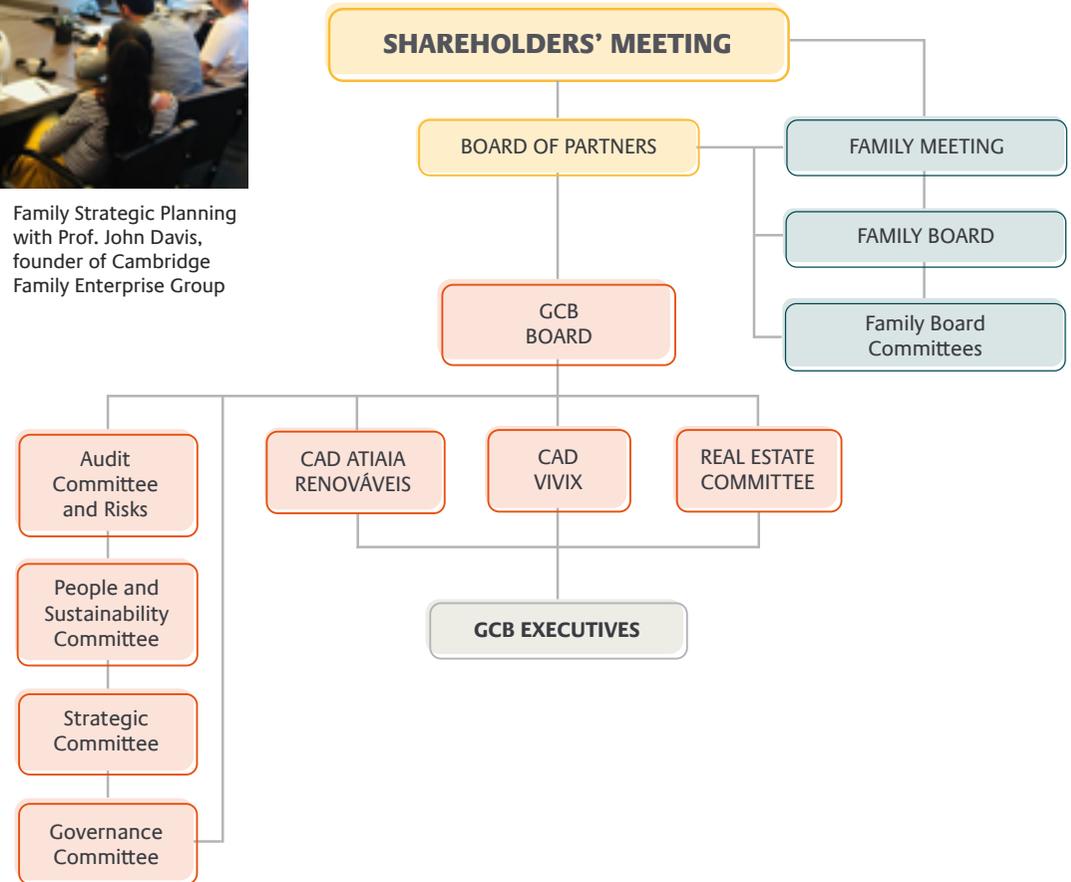
Our governance structure

Currently, GCB's corporate and family governance structure is based on three pillars:

Ownership – represented by the Board of Partners.

Family – represented by the Family Board.

Business – led by the Board of Directors and the Group's executives.



Family governance

Family Governance is led by the Family Assembly through the Family Board – formed by seven members, one representative from each family branch, whose purpose is to promote and safeguard the family values, principles and vision, ensuring the participation of all its branches, in addition to taking care of its legacy and supporting the succession process. Currently, the Board brings together representatives of the third and fourth generations of the family, who have two-year terms within the collegiate, and is advised by four thematic committees: Training; Family Integration; Legacy and Social Transformation. It is the latter committee that establishes the guidelines that will govern the family's private social investment activities.

In 2020, the fourth generation came to prominence, with the first member of such generation to hold an effective seat on a Board of Directors, and the first to lead the Family Board. These moves were accompanied by an exceptional performance by the fourth generation at the helm of the Social Transformation Committee. Through this committee, the [Juntos pela Várzea](#) program was developed ([read more about the initiative and other programs to assist vulnerable populations in the context of the new coronavirus crisis on page 24](#)), with various social actions to fight the Covid-19 pandemic for families and businesses in the Várzea neighborhood, where the Group was born in 1917 and has its headquarters located to this day.

Casa de Ferro [Iron House], owned by Cornélio Brennand Family, considered a Historic Heritage Site since July 1980



The Social Transformation Committee is responsible for defining guidelines, planning and carrying out actions in the area of private social investment and promoting a culture of social engagement and volunteering among the generations of Cornélio Brennand Family. The Committee is formed by members of three family generations (belonging to the third, fourth and fifth generations), and represents the future perspective on the subject, as well as the family's commitment to its legacy.

Corporate Governance

Backed by Shareholders Meeting, the corporate governance system adopted by Cornélio Brennand Group has the participation of members of the third and fourth generations of the Family and is composed of the following collegiate bodies:

BOARD OF PARTNERS (CDS)

Body in which debates on matters to be discussed and voted on at the Shareholders' Meeting take place. This forum brings together representatives of the seven family branches that make up Cornélio Brennand Group and aims to preserve the harmony of the interests of all interested parties, protecting and valuing the assets of GCB shareholders, maintaining a balance between the short and long term. Among the topics discussed by the CDS, we highlight: entry and exit of businesses, new investments in existing businesses or in new businesses, approval of financial statements, distribution of profits, election of directors, among others.

GCB BOARD

Body responsible for monitoring the Group's portfolio and monitoring the implementation of strategic guidelines for shareholders across the different businesses, aligning the interests and long-term vision of the Group and meeting the expectations of shareholders and other stakeholders.

BUSINESS BOARDS OF DIRECTORS

In addition to the Board of Directors of Atiaia Renováveis and the Board of Directors of Vivix, the structure also has the Iron House Real Estate Committee. These forums act in the business strategic direction, ensuring the quality of decisions, considering, in addition to the economic variables intrinsic to the business, social, environmental and governance issues as part of its risks and opportunities. The Boards are composed of Shareholders, Internal Directors and Independent Directors. GCB Board and the Business Administration Boards are advised by their Advisory Committees, whose role is to assist the directors on specific topics, in addition to ensuring a good flow of information for the decision-making process.

PEOPLE AND SUSTAINABILITY COMMITTEE

It works in the definition of human resources strategies, evaluation and compensation of key positions in the personnel structure, executive succession program, encouraging the application of best people management practices, among other topics.

AUDIT AND RISKS COMMITTEE

With the coordination of an independent expert, the forum's main duties are: to ensure that the Risk Policy of Cornélio Brennand Group is complied with; monitor the results of audit processes (internal and external); evaluate and supervise the accounting and financial results; supervise compliance with legal, statutory, regulatory and tax rules; and ensure that the Code of Conduct is complied with, supervising the occurrences registered in the Ethics Channel that are sent to the Conduct Committee. [Learn more.](#)

STRATEGIC COMMITTEE

Among the main attributions, we highlight: making investment recommendations; analyze new business opportunities; monitor the strategic planning cycles; and conduct portfolio and project-specific reviews.

GOVERNANCE COMMITTEE

Among the main attributions: to develop and implement the best practices of Governance in the Group and to propose improvement actions; examine, discuss and formulate recommendations regarding the remuneration practices of the Boards and their Committees; propose the competences that should integrate the profile of counselors and specialists; monitor the development of family members who work in governance bodies, suggest and periodically review GCB's corporate governance structure.

This committee is also responsible for advising the Boards of Directors on the ESG agenda, creating mechanisms to improve the integration of sustainability into the organization's strategy, contributing to decision-making taking into account the ESG dimensions and, in this way, contributing to a positive impact on society.

Risk Management

The maintenance of the business, as well as the internal trust and relationship with the organization's stakeholders, involves crucial risk analysis, which is exposed to the context of intense and rapid global transformations. Risk management, essential in all activities of Cornélio Brennand Group, aims to advise senior management in the performance of their duties related to the adoption of strategies, policies and measures aimed at disseminating the culture of internal controls and risk mitigation.

Through our Group Risk Policy, guidelines, roles and responsibilities are established with regard to risk management, guidelines for the business in the identification, analysis, treatment, monitoring and communication of risks and opportunities.

Based on the General Risk Analysis, which is carried out every two years, all corporate and business risks are mapped. Its management is carried out in accordance with the concepts and guidelines that follow the model of three lines of defense:

FIRST LINE

- Clear attribution of responsibility for risk monitoring by the executives and business units leaders;
- Periodic reporting of the risk scenario to senior management.

SECOND LINE

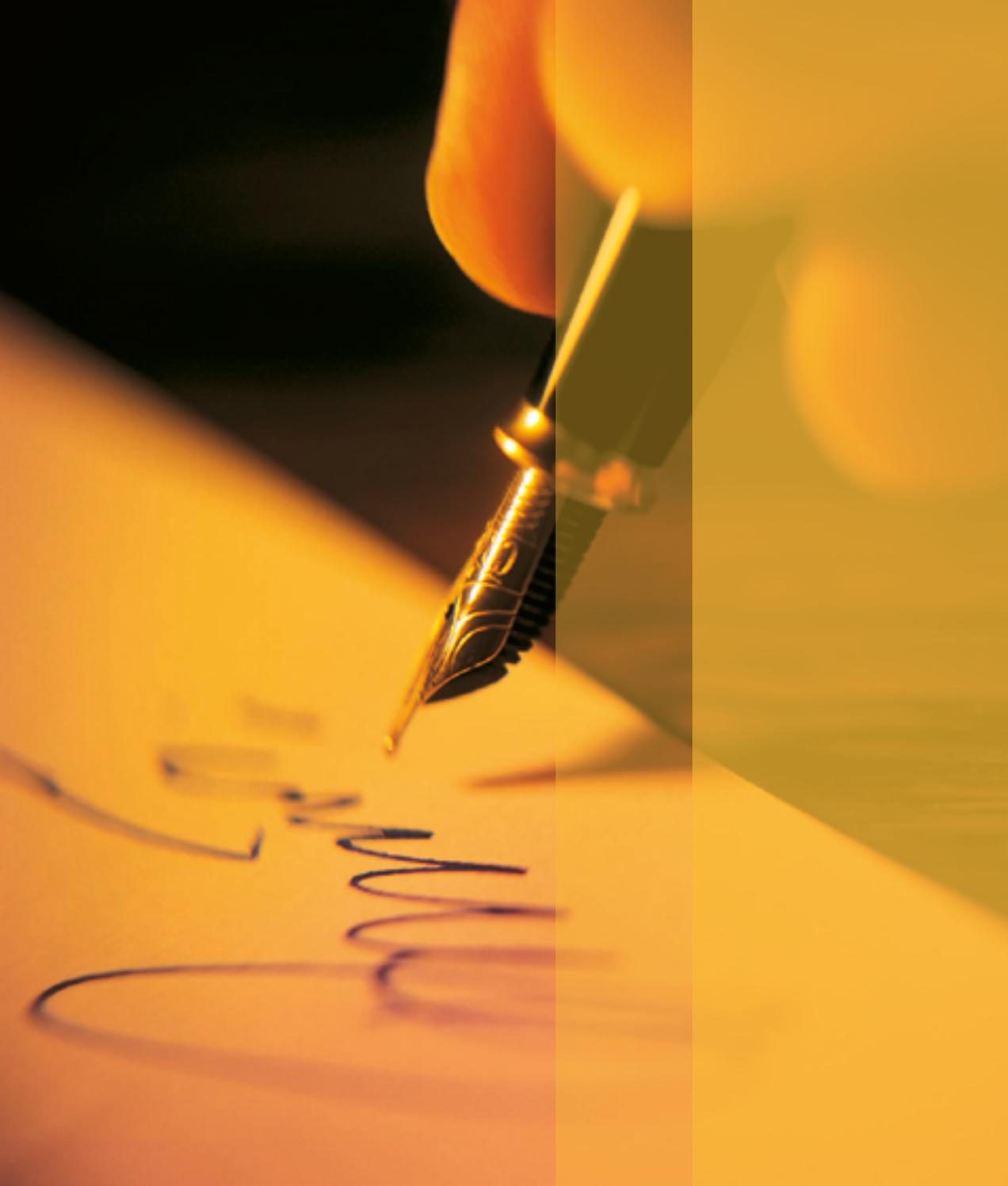
- Structured risk management model, with a common language and risk dictionary established for all businesses;
- Risk Policy with declared processes and limits of jurisdiction;
- Risks defined as priorities and their respective action plans are monitored by the Executive Board, the Audit and Risk Committee and the Board of Directors;
- Compliance mechanisms that consolidate the establishment of an ethical culture, through structured and clear policies and rules – such as the Codes of Conduct for employees and suppliers;
- Technology framework for risk monitoring, with continuous auditing tools integrated into the corporate ERP, through which it is possible to monitor risks on an ongoing basis, with periodic reporting to senior management.

THIRD LINE

- Audit and Risk Committee, led by an independent and specialist member, and reporting to the Boards of Directors;
- Internal Audit performed by a specialized and independent company, supervised by the Audit and Risk Committee.

The entire risk management process is monitored by the Audit and Risk Committee, which reports directly to GCB Board of Directors. The Committee's mission is to supervise the operation of internal and external audit processes, mechanisms and controls related to risk management.

External audit, carried out by a renowned International company, conducts the review process of the financial statements, issuing opinions that provide security to shareholders and other stakeholders about the fairness of the Group's business units accounting information, and positioning itself on the organization's operations.



Integrity



An organization's ability to ensure that its values, guidelines and policies are understood and followed by everyone – from senior management to newly hired employees, including suppliers and subcontractors – is essential. The good corporate governance practices adopted by Cornélio Brennand Group, as well as its values of Dynamism, Excellence, Integrity and Innovation, are strengthened by its **Integrity Program**. The initiative promotes actions that reflect the interests and values of the organization, in addition to adopting compliance mechanisms that ensure compliance with its corporate governance standards, legal norms and standards of conduct established by management.

The **Conduct Committee** is responsible for the management and execution of the Integrity Program, responsible for ensuring the application of the guidelines of **Cornélio Brennand Group Code of Conduct guidelines**, acting in the dissemination and periodic review of the document and ensuring its applicability. This code, prepared with the participation of the company's employees and with the support of an external consultancy, focuses attention on the aspects considered essential by the organization: reflection of individual and collective responsibility; transparency; professionalism; and respect for ethics and legal rules. The document applies to the main audiences with whom we interact – such as employees, shareholders, suppliers, customers, etc.

When participating in the integration of joining the Group, employees attend training on the Code and receive a copy of the document, as well as a statement on the possible existence of a conflict of interest in their activities.

In 2020, 94% of GCB employees completed the Code of Conduct online training, totaling approximately 755 hours of training.

Specific to suppliers hired by the companies of Cornélio Brennand Group, the Code of Conduct for Suppliers is intended to disseminate knowledge about the conduct required in relations with Cornélio Brennand Group. In this way, it is ensured that the companies that act as suppliers will follow the same guidelines of integrity, transparency, ethics and professionalism applied internally by the Group.

100% of contracts with suppliers have an adherence clause to the Code of Conduct, in addition to an anti-corruption clause.

The Code is essential for the integrity of Cornélio Brennand Group, as it works as a vehicle for making its suppliers aware of the rules that need to be observed as a condition to relate to the Group, regarding various aspects - such as working conditions, confidentiality of information, anti-corruption principles and environmental management, among others. Thus, the Code makes it possible for everyone to be in line with the Group's expectations and requirements and provides that, in case of non-compliance, measures will be adopted - which, depending on the severity, may lead to the termination of the contract, without prejudice to the application of other penalties and indemnities.

Ethics Channel

Policies and codes are accompanied by support tools, such as the **Ethics Channel**, through which it receives reports of any suspected behavior that is in disagreement with its norms and values, with current legislation or with the provisions of its codes of conduct. In addition, the Ethics Channel can also be used to clarify doubts or present suggestions that contribute to the improvement of the internal controls of Cornélio Brennand Group and its work environments.

In 2020, 100% of the complaints on the channel were investigated and dealt with, and the measures applicable to each case were adopted.

The reports are forwarded to the Group Conduct Committee, which will conduct the respective investigation and, in cases where the reports are valid, will assess the measures to be adopted. The Conduct Committee reports its activities to the Audit and Risk Committee, made up of two Board Members, a fourth-generation shareholder and an external expert, which reinforces the Group's level of commitment to the integrity and seriousness practiced in the company.

Reports, suggestions and doubts can be registered via telephone, website or the Safe Contact application. Our agents are available 24 hours a day, seven days a week, 365 days a year. Calls are always free, from anywhere in the country. It is not necessary to identify yourself, anonymity is guaranteed.



TELEPHONE:
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APP:
Contato Seguro



People



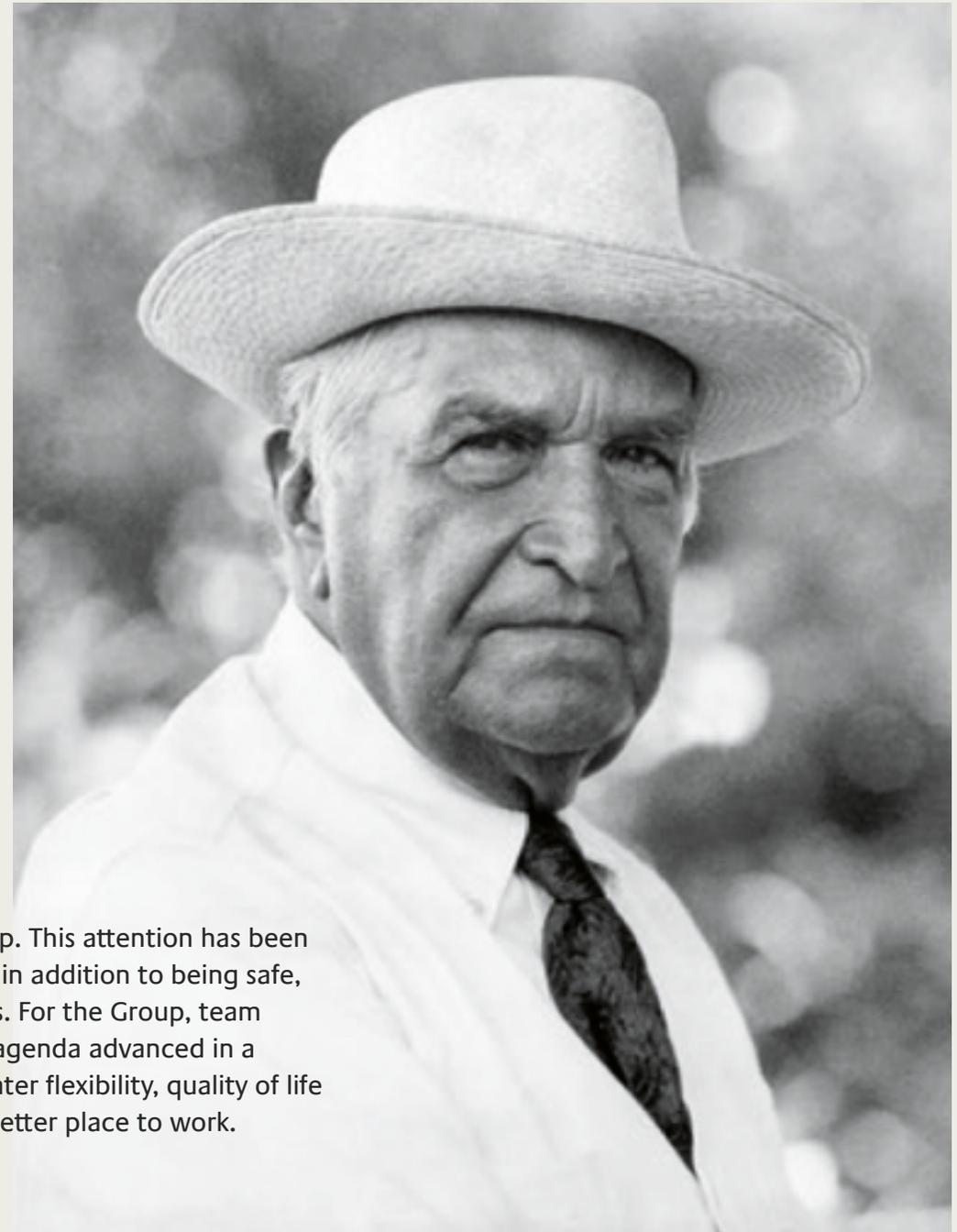
GCB Employees at headquarters

“

It is necessary to work hard, always, all the time, to create wealth, give people jobs, provide education, health and training. It is our social duty in this country-continent.”

Ricardo Lacerda de Almeida Brennand
Group Founder

Caring for people has always been a priority for Cornélio Brennand Group. This attention has been reinvented over the years, always seeking to build an environment that, in addition to being safe, is healthy, collaborative and favorable to the development of employees. For the Group, team management is a key factor for sustainable development. In 2020, this agenda advanced in a challenging way due to the Covid-19 pandemic, but it also brought greater flexibility, quality of life and satisfaction to employees, contributing to the creation of an even better place to work.

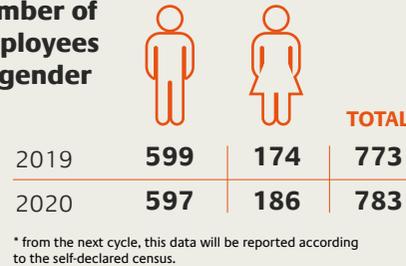


Our people

Number of employees by functional category

POSITION CATEGORY	2019	2020
Intern	12	24
Assistant	265	254
Analyst / Specialist	150	163
Technical	202	198
Supervisor / Coordinator	60	59
Manager	67	69
Officer	17	16
Total	773	783

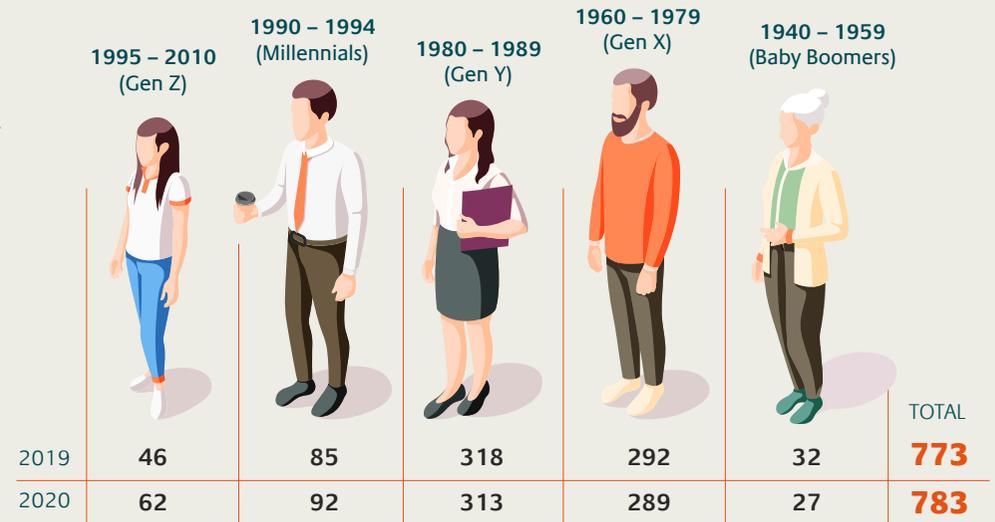
Number of employees by gender



Number of PWD employees

PWD	2019	2020
NO	755	766
YES	18	17
Total	773	783

Number of employees by age group/generation



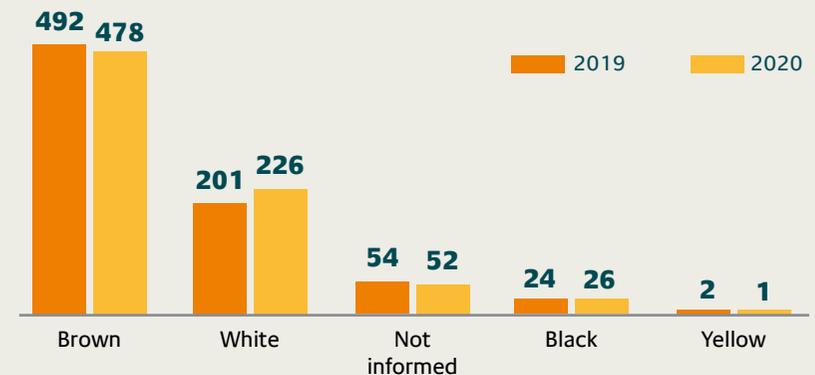
Number of employees by education

ESCOLARIDADE	2019	2020
Postgraduate studies	71	85
Complete Higher Education	194	198
Incomplete Higher Education	66	76
Complete High School	330	318
Incomplete High School	19	16
Complete Elementary School	22	21
Incomplete Elementary School	66	64
Illiterate	5	5
Total	773	783

Turnover GCB*



Number of employees by ethnicity



*Considers all the Group companies
** $\frac{Hired + dismissed}{2} / \text{total employees}$

As a way of evaluating the workplace mood and well-being of our employees, quick and frequent surveys are used that translate results on the experience of our teams, so we are able to adopt constant improvements, with greater speed:

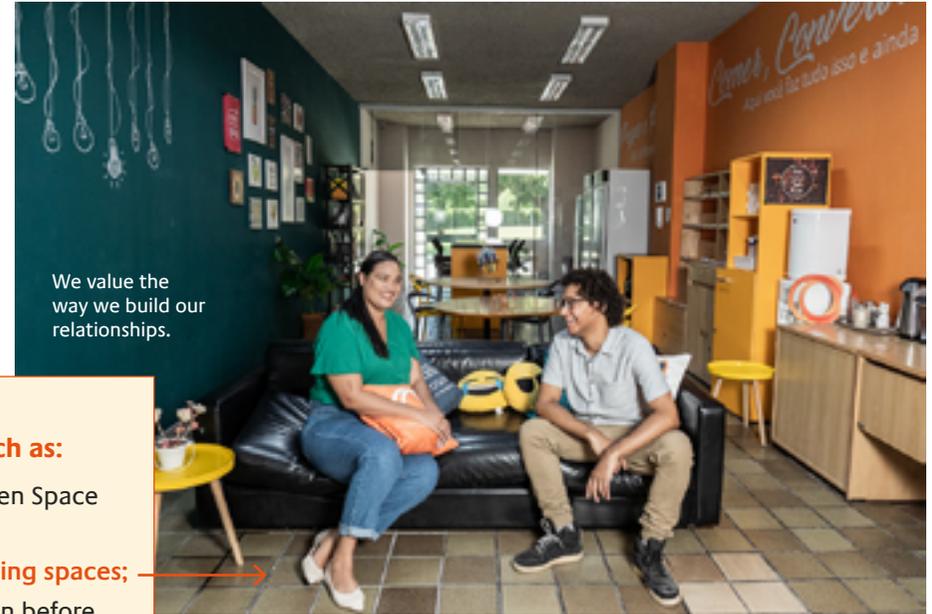
Pulses

Implemented in 2020, Pulses model survey is a tool for active and frequent listening for the collective construction of a good organizational mood. It is a portrait of the employee's present moment, it quickly offers subsidies for decision-making and solution of possible problems. Sent to all employees, or to a portion of them (depending on the topic evaluated in that edition), the survey is carried out several times a year, by an outsourced company, and addresses different issues according to the moment, on mood, activities, emotional health and leadership, among others.

Organizational Climate Survey

Applied annually for the last seven years, this survey has been fundamental for people management. It provides

inputs for implementing business changes. Through it, it is possible to listen to employees and understand the opportunities for improvement, establish the path to be traced and strengthen trust within the Group. Since 2019, the Great Place to Work (GPTW) has supported the survey, which is sent to all our employees, and has an engagement rate of over 80%.



We value the way we build our relationships.

Through the results, it was possible to implement a series of improvements, such as:

- building renovation, seeking to build an Open Space environment;
- **creation of pantry and other more cozy living spaces;**
- implementation of a home office policy even before the pandemic outbreak;
- flexible hours for employees to choose, to start work between 6 am and 10 am and finish it between 4 pm and 8 pm;
- and creation of Sexta+, which offers long weekends throughout the year, allowing employees on an administrative basis to end their working hours at 1 pm on Fridays.



It's our people who put energy and hands on to deliver results.



Engagement of 80% of employees in the mood survey in 2021

In addition to these practices, a series of qualifications and training are offered to employees, allowing them to have greater personal and professional development, providing better performance in their activities and in the conduct of their careers. It is in the development of its employees that GCB makes a commitment to the future, to maintaining its culture and to the business sustainability, because only a team that is constantly focused on learning is able to make a company remain solid for over a hundred years and continue to innovate in the face of rapid market changes.

GCB also reinforces its leading role, as it offers a range of initiatives focused on acquiring knowledge, providing its employees with the opportunity to learn, grow and stand out throughout their careers. Some of the development programs and practices are:



LIDERE: GCB's leadership development program. In 2020, with the pandemic, the program was completely reformulated and carried out online, **with 136 leaders, 24 meetings and 44 hours of training.**

SEMANA DO SABER [KNOWLEDGE WEEK]: Event that offers participants several activities to awaken personal prominence in the search for aggregating paths for the professional evolution of each one involved. In the 2020 edition, the opening live counted with Glenda Kozlowski, sports reporter and presenter, who talked about choices, frustrations and the importance of having emotional independence.



CAPACITA: a distance learning platform, available to employees since 2017, with the aim of offering employees the opportunity for development, wherever they are. **In 2020, we had 114 certificates issued and 638 hours of development focused on human competencies.**

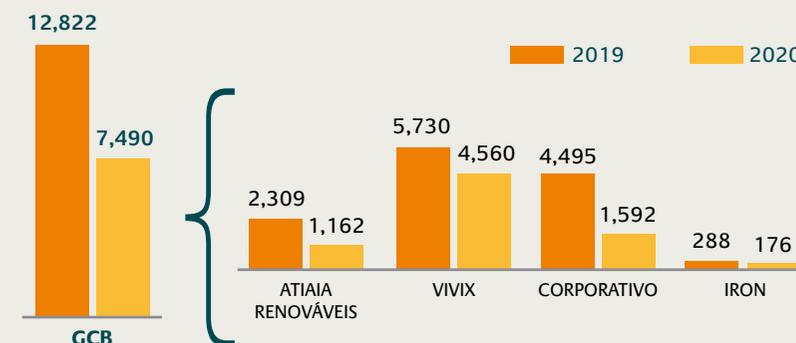
Avaliação de Competências – AvC [Competency Assessment]: It is one of GCB most comprehensive practices and impacts several dimensions that go beyond development. This action guides the professional paths of employees, encouraging them to improve their performance and results.

Meritocracy Program: Seeks to bring financial recognition and appreciation to outstanding employees. The assessment takes place through a metric – based on four key elements with specific weights.

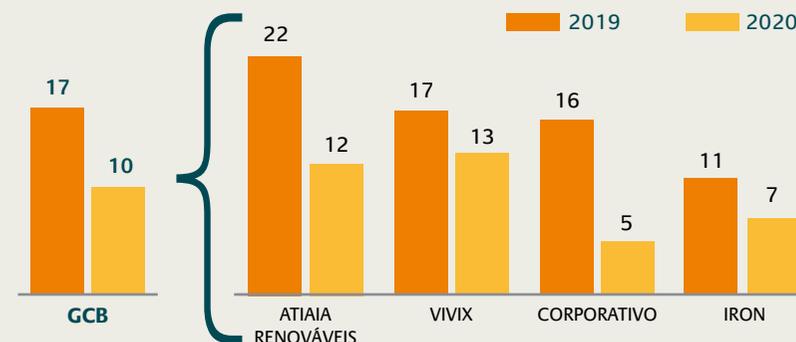
Training

GCB does not stop investing in Human Development, and in addition to all the initiatives mentioned above as the Collective Development Plan, it has a focus on specific, normative and technical training in the various areas, considering the Individual Development Plan (PDI), which is based on the challenges of each area and points identified in the Competency Assessment.

TRAINING HOURS



AVERAGE TRAINING HOURS FOR EMPLOYEES

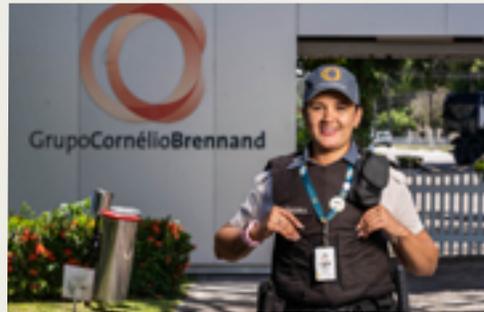


**The drop in total training hours in 2020 is due to the suspension of normative training in 2020, due to Covid-19. They represent, on average, 50-60% of our training hours and are mandatorily presentational, but had a suspensive effect by the Ministry of Labor and Social Security.

Diversity and inclusion

Cornélio Brennand Group is clear about the importance of diversity in any work environment – by promoting equal opportunities for all, without any discrimination, but also by strengthening its own corporate culture.

Important steps have been taken to further mature the topic, so that this agenda gains strength. The concern with adopting full and effective inclusion criteria shows how the Group sees the need to have teams that reflect society more comprehensively. In addition, it is important to note that a more diverse workforce is able to incorporate different points of view, stimulate creativity and innovation, and establish a greater bond between employees and the company. Such benefits, in addition to help increasing the degree of representation of all groups in society, are also reflected in the organization’s results.



Promoting diversity is leading transformation

Throughout 2020, Cornélio Brennand Group was able to make significant progress in implementing its diversity and inclusion agenda, identifying practices that could be replicated, establishing some steps and initiating actions in this regard. To this end, a working group was created to manage this journey. At first, market practices that could be reproduced were mapped, and a data collection process was initiated. In this way, it was possible to develop a management model that involves five objectives:

- 1 Creation of an environment of respect and promotion of inclusion and diversity through employee awareness and training;
- 2 Encouraging inclusive practices through recruitment and selection aimed at specific audiences;
- 3 Expansion of diversity in the workforce and increase in the percentage of women and black people in leadership positions;
- 4 Establishment of a specific policy on inclusion and diversity;
- 5 Definition of an institutional positioning.

This is a permanent journey, which seeks to further enhance what we have already practiced. **In 2020, we have already registered 25% of women in leadership, and 23% of female representation in all teams.** In the same year, 65.9% of the Group’s workforce was composed of black or brown people – a predominance that is reflected in the different hierarchical levels of the organization, from apprentices to managers. At the executive level, the participation of whites and blacks or browns is the same: 43%. Another segment that has been increasing its participation in Cornélio Brennand Group is that of people with disabilities (PwD) – that is, those with physical, visual, hearing disabilities or cases of people undergoing rehabilitation. In 2020, this group represented 2% of the total GCB workforce, and is expected to increase with dedicated efforts to include new employees from this group.

The Group’s efforts in this regard have been noticed by employees – as demonstrated by the GPTW survey. Most attributes involving integrity, respect, social responsibility, quality, purpose and pride receive high scores.

And this feeling that people are respected in the work environment is reinforced by the adoption of a specific program for diversity and inclusion – **Somos**. In the program, we chose four priority affinity groups to work on: gender; ethnic-racial; LGBTQIA+; PwDs



Advancements in 2021

The diversity agenda at Cornélio Brennand Group took important steps in 2021. According to the organizational climate survey carried out by GPTW, the Group’s score regarding respect and diversity within the organization, on a scale from zero to one hundred, was **97 points**. In the same year, with the support of an external consultancy, the Diversity & Inclusion Census by self-declaration was carried out, which serves as a current portrait and a starting point for the work of the coming years. The data was processed confidentially by the consultancy, in order to avoid any exposure of our employees.

The second step of this work was literacy, with which employees have moments of exchange (webinars, workshops and affinity groups) to learn more about the topic. The construction of an action plan is in progress, and more details on the project will be shared in the next report.

Social Initiatives

This genuine concern for people has always mobilized GCB to carry out a series of projects and initiatives that generate positive impacts on society.

The companies that make up the Group have their own actions, related to their market and reality. However, the spread of the new coronavirus Sars-CoV-2 pandemic, at the beginning of 2020, made the Group turn to programs that contribute to supporting its employees, giving them security both from a physical and emotional health point of view, as well as from a financial point of view.

In addition, initiatives aimed at supporting the community were put in place - such as procedures to help micro and small businesses through this difficult period, in addition to the donation of food and cleaning and hygiene products to families in situations of high social vulnerability.

Employees: physical and emotional safety

The spread of Covid-19 around the world in early 2020 brought an unprecedented challenge for companies, governments and people in general. Health security protocols had to be implemented quickly to contain the spread of the pandemic, and social distancing measures had a profound impact on working conditions in the most different sectors of activity – and Cornélio Brennand Group was no different. Concerned about the safety of its teams, and looking for ways to maintain the continuity of its operations, the Group established a series of measures. They included:

- **Creation of the Covid-19 Crisis Committee, with weekly meetings;**
- **Remote work regime for 100% of the administrative teams;**
- **Home office assistance for employees working remotely;**
- **Formation of teams to implement measures to fight the pandemic;**
- **Carrying out mass testing of Covid-19, both among the Group's employees and outsourced workers who were operating;**
- **Application of the Crisis Management Pulses survey – an initiative that seeks to quickly and objectively assess the employee's experience, who can give an opinion on management of activities, work environment, health, emotional status and leadership, among other topics;**
- **Adoption of emergency measures, such as double payment of meal vouchers/food tickets.**
- **Specific protocol to take care of our employees and their families who have tested positive for Covid-19,**

with medical care at home, and laboratory collection for serological testing at home, and daily monitoring of symptoms in all residents of the same house.

In addition to the emergency procedures adopted by the Group to ensure the business sustainability, other important measures were taken – such as the commitment not to lay off our employees. This was possible through the reduction of working hours; suspension of employment contracts and payment in installments of the Severance Indemnity Fund (FGTS), without compromising the net income of our employees that was maintained by the Group.

During the health crisis management process, two aspects were essential. One of them was technology, which enabled teams to work from home (read more in Innovation and Digital Transformation) and have access to content focused on well-being - including sessions with psychologists and therapists, programs extended to employees' families, and activity tips for families who had their children at home, among others.

Another key aspect was communication: Cornélio Brennand Group launched several campaigns and initiatives that made it possible to keep employees updated on the subject. Since the beginning of March 2020, when the World Health Organization (WHO) declared a pandemic state, the Group already had internal channels of communication with its employees, both from the Group and the controlled companies, through which they became shared information about health care and how to prevent the pandemic from growing.

Support to society

The Group pays special attention to its surroundings and the people who live there, seeking to promote the region's socio-economic prosperity. Through company initiatives, and with the support of partners, the Group develops programs that, in addition to offering assistance to the community in times of emergency, contribute to the development and training of small local entrepreneurs. In 2020, the Juntos pela Várzea and Empresários por Pernambuco programs brought together actions and donations that made a difference in the fight against the pandemic and its consequences.

0.6%

of the total revenue reverted to donations during the pandemic

Juntos pela Várzea

One of the main initiatives of Cornélio Brennand Group during the pandemic is the **Juntos pela Várzea** program – developed with the purpose of minimizing the economic and social impacts on families and businesses in the Várzea neighborhood, in Recife, where the Group was created and maintains until this day its administrative headquarters. It includes both emergency actions and regular actions to support companies, offering scholarships to young people and classes for the well-being of the region's residents.

Started in April 2020, the program serves **18 communities** in the neighborhood, having delivered more than **10,000 market baskets and cleaning kits**, **1,100 gas vouchers** and **750 water tanks** – complemented by weekly supply through tank trucks in regions most affected by water scarcity, totaling **1.1 million liters of water** donated.

In 2020, in response to the conditions caused by the Covid-19 pandemic, a match funding campaign was carried out with the Group's employees. For every real donated, GCB donated two more. With this, in a single month, it was possible to benefit from the donation of market baskets, 500 more families, in addition to the monthly donations already made.



Group employees are also engaged in initiatives to change the reality of the Várzea communities.



More than 1,100 families are impacted monthly by the Juntos Pela Várzea program.



More than 10,000 market baskets were delivered throughout 2020.

JUNTOS PELA VÁRZEA NUMBERS IN 2020





Support for Entrepreneurs in Várzea

In addition to its role in emergency actions, in 2020, Juntos pela Várzea also acted to support micro and small entrepreneurs in the neighborhood, in a scenario marked by the economic slowdown brought about by the pandemic. In this way, the Group offered several initiatives:

DIGITAL MENTORSHIP PROGRAM

During the pandemic and its lockdown situation, many businesses found themselves in the need to quickly adapt their sales to digital. Therefore, in order to develop in Várzea entrepreneurs the skills necessary to make social networks more strategic and with greater sales potential, we created the Digital Mentorship Program. In partnership with a specialized consultancy, free, online and personalized mentorships were offered **to three groups of ten entrepreneurs (30 participants in all). Each one received 15 hours of content, plus one hour of individual mentoring.**

VISITS AND DIAGNOSTICS

With the objective of accelerating the socioeconomic recovery of the community and resuming employment and income generation, Cornélio Brennard Group invited Sebrae/PE to hold a series of events and mentorships for entrepreneurs in the Várzea neighborhood. As a starting point for this partnership and to collect inputs on the projects management level, visits were made to **178 projects in the neighborhood, with a diagnosis being carried out in the following areas: Strategic Planning, Financial Management, Marketing/Sales Management, Digital Strategies.**



MEI WEEK

Following the actions in partnership with Pernambuco Micro and Small Business Support Service [Serviço de Apoio às Micro e Pequenas Empresas] (Sebrae-PE) and seeking to support micro-entrepreneurs in the Várzea neighborhood, in November 2020 we held the MEI Formalization Week. She had a lecture on Formalization, Obligations and Benefits of the individual micro-entrepreneur (MEI) (53 registered) and three days of face-to-face assistance to entrepreneurs in the neighborhood. They had access to formalization, regularization services (installments, write-off, non-compliance, declarations and issuance of slips) and general guidelines on the MEI.

For 2021, the action fronts for the continuity of the program are distributed in three fields:

- Entrepreneurship: female entrepreneurship, aimed at micro and small entrepreneurs in the neighborhood, through Empretec;
- Education: partnership with Alicerce Educação; and
- Emotional health: through the Respiração, Água e Som (RAS) Program



Empresários por Pernambuco

Além do **Juntos pela Várzea**, que voltou sua atuação à população do entorno de sua sede, o Grupo Cornélio Brennand também agiu no interesse da população do estado de Pernambuco – e liderou a campanha **Empresários por Pernambuco**, ao lado de três outros grupos empresariais de origem pernambucana: Viana e Moura Construções, Grupo Moura e Ferreira Costa. O programa se voltou ao atendimento emergencial de famílias em situação de alta vulnerabilidade, residentes da Zona da Mata ao sertão de Pernambuco.

A iniciativa foi realizada em duas etapas ao longo de 2020. A primeira contou com a doação de **50 mil cestas básicas** dos quatro grupos que lideraram a iniciativa, e a seguinte foi a ampliação do programa, com a participação de outras empresas. Dessa forma, foi possível dobrar o impacto da campanha, que arrecadou um total de **R\$ 6,5 milhões**, convertidos em **102.535 cestas básicas** distribuídas a 24 municípios.

A ação contou com a coordenação da ONG Novo Jeito, um movimento social que estimula a solidariedade entre as pessoas; com a colaboração do exército brasileiro, que fez a logística de entrega das cestas para as famílias; e com a participação da ONG Amigos do Sertão, que viabilizou entregas em vários municípios do interior do estado.

Todo o projeto foi acompanhado por uma auditoria externa, a fim de conferir segurança e confiabilidade ao processo de doação de recursos, aquisição e distribuição de cestas básicas.



Resultados do movimento Empresários por Pernambuco

ANÁLISE GERENCIAL

R\$ 6,5 mi

Arrecadados convertidos em Cestas Básicas

277

Doadores, entre Pessoas Físicas e Jurídicas

102.535

Cestas Básicas doadas para famílias em situação de vulnerabilidade

24

Municípios no estado de Pernambuco atendidos



Legenda da foto

INSTITUTO OFICINA CERÂMICA FRANCISCO BRENNAND

Support for art, culture and education

“My part is done, and it was done with my artistic, non-transferable soul. Now, it’s up to the new generations.”

Francisco de Paula Coimbra de Almeida Brennand



Aerial view of Oficina Francisco Brennand.

Son of Ricardo Lacerda de Almeida Brennand, who founded the Group in 1917, plastic artist Francisco de Paula Coimbra de Almeida Brennand (1927-2019) became notorious as a ceramist, sculptor and painter. In 2017, he was awarded the Medal of Merit Guararapes - Grã Cruz, the highest honor in the State of Pernambuco.

Since 1971, Francisco Brennand has been carrying out experiments using the oven on his father’s property to produce his ceramic pieces. The former Cerâmica São João, in Bairro da Várzea, in Recife, has been transformed over almost half a century into Brennand’s studio and a point of high artistic interest, open to public visitation.

In September 2019, Instituto Oficina Cerâmica Francisco Brennand (Oficina Brennand) a non-profit cultural entity, was inaugurated, with the objective of preserving the artist’s legacy, while acting as a promoter and diffuser of contemporary artistic and cultural practices. The artist, who donated a collection of around 3,000 works, in addition to the Workshop’s installations, played an active role in the creation of the Institute.

Cornélio Brennand Group was the first official sponsor for the workshop’s qualification actions, which also have audits prepared by PwC Brasil.

In 2020, the Institute has already promoted its first initiatives:

Plataforma Crítica: A program of debates and a seminar around the work of Francisco Brennand, guided by three main axes: Nature, Territory and Cosmologies. These axes, originating from the poetics of Francisco Brennand, unfold as conceptual lines of action of the Institute and were guidelines for live conversations, podcasts and critical essays that lasted until the first half of 2021.

Essay “Francisco Brennand Last Performance”: Based on a set of photographic records of Brennand’s work, the essay addresses themes of birth and death in the artist’s work.

The content generated by Plataforma Crítica – Oficina Brennand has already been accessed by more than 1,600 people on Youtube and Spotify. And they are still available in digital format for free on the [official channels of the Workshop](#).

With these programs, the Institute reinforces its purpose of preserving and leading the great work of Francisco Brennand to future generations, and allowing the innovative spirit that guided all his work to inspire the discovery of new futures, in addition to fostering partnerships for various activities in the areas of culture, education, tourism, technology and innovation.



In 2019, the Workshop became a non-profit institute in order to expand access and preserve its public character.



Forest of São João da Várzea, Recife (PE)

Environment



“

As an open-minded man, my father had, as I've already said, an exacerbated notion of continuity, preserving historical assets and, above all, the forests. Protection to the green, to the waters. He affirmed with conviction that the tree is a symbol of life, communication between the subterranean shadows of the roots and the light of the sun.”

Cornélio Coimbra de Almeida Brennand

Among the pillars of the ESG agenda, it can be said that respect for the environment has been present in the history of Cornélio Brennand Group since its foundation in 1917, and remains alive – maintained by the different generations of the family. If in the past this attention was constant, but not always the object of defined processes or policies, in recent years the Group has been strengthening its environmental management, in order to offer a more robust contribution in this regard.

The company also contributes to the preservation of the environment around its headquarters, in the Várzea neighborhood, in Recife, where Cornélio Brennand Group has been located since 1917. Having developed several businesses in that area, Cornélio Brennand Group is inserted in a territory that was previously occupied by immense fields of sugarcane, at the time when Usina São João was the main enterprise of the family. With the end of the activity, and the preservationist vision of the family members, the soil was covered with vegetation and today stands out for the extensive areas of vegetation that form an expressive green set for the city of Recife. Two municipal conservation units (UCNs) stand out: the Areas of Relevant Ecological Interest (ARIE) Mata da Várzea, in Santos Cosme and Damião Mill; and Matas do Curado, in São João Mill. To this set of natural assets, there is the presence of the Capibaribe River, which cuts through these two large green masses, in an extension of approximately seven kilometers, as a landmark of the local landscape.

Mata da Várzea

Historically, Mata da Várzea has been preserved by Cornélio Brennand Group, and the challenge is to seek creative solutions for its sustainable use. In this sense, the approval of the Management Plan for UCN Mata da Várzea was of great importance. The Plan was prepared by the City Hall of Recife, through a participatory process with civil society and the collaboration and participation of Cornélio Brennand Group. It aims to guide the conservation actions of natural resources and cultural heritage of the Conservation Unit, as well as guide possible uses and occupations of the territory, so that they occur in a balanced way.

The characteristic of the Area of Relevant Ecological Interest (Arie) of UCN Mata da Várzea is present in the 537 hectares of forest cover, in its different strata, which correspond to 71.5% of the total territory of the UCN. It has a rich diversity of species of flora and fauna, historical and cultural elements of extreme value, such as the Brennand Ceramic Workshop, and as it is an aquifer recharge area, it directly participates in the regulation of the city's hydrological cycle. Mata da Várzea provides relevant ecosystem services for its territory and adjacent areas; these services are related to temperature reduction, soil protection against erosion, reduction of



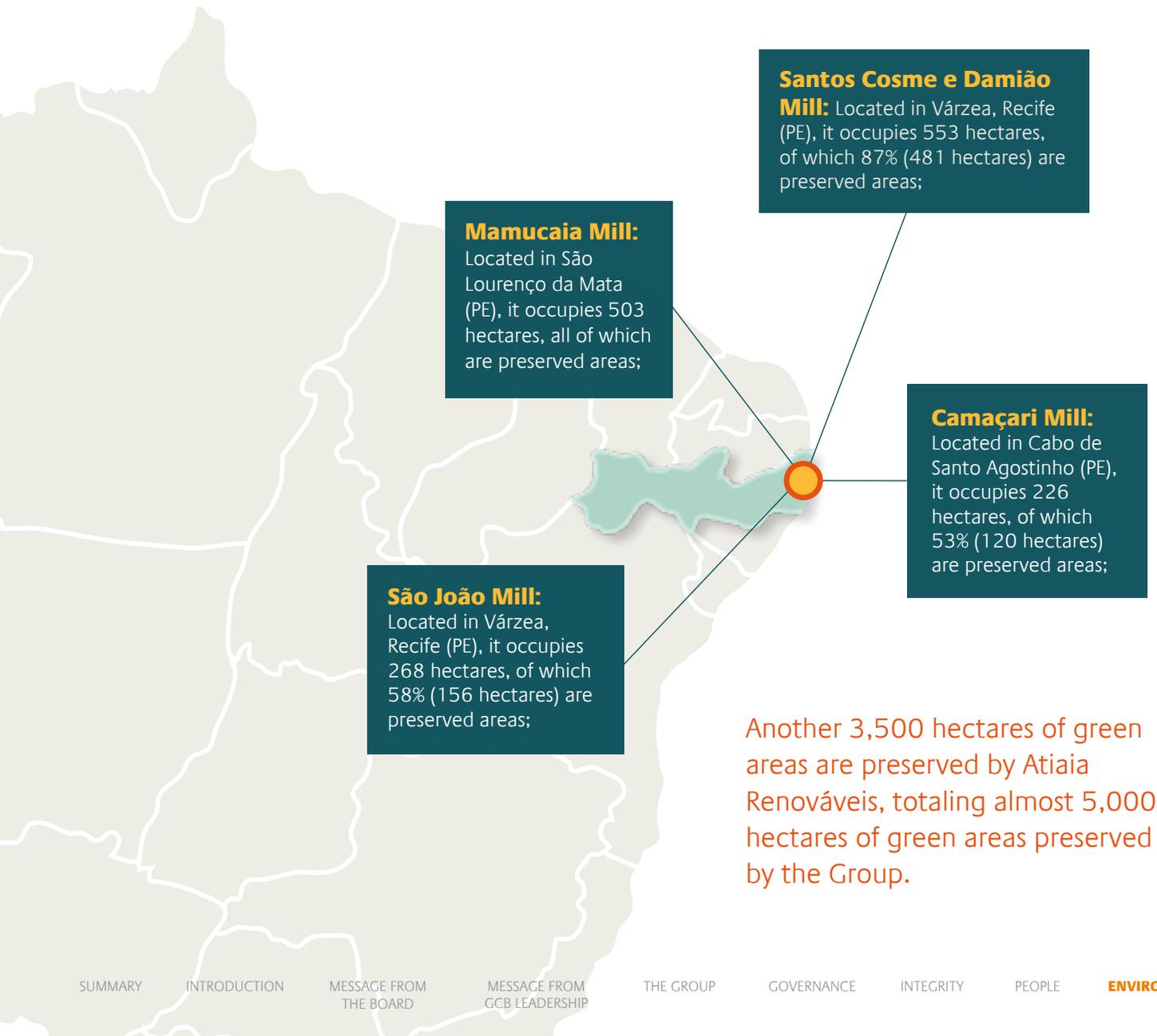
View of the Capibaribe River along its axis, Recife (PE)

rainwater surface runoff, protection of watercourse banks (preventing silting) and, consequently, maintaining the natural hydrological cycle, preventing floods of greater proportions in the surrounding neighborhoods.

The Management Plan defined thematic axes that will guide the elaboration of specific projects and activities, which must be developed and managed by the UCN Management Board. From a future perspective, it is expected that Mata da Várzea can offer a range of activities that promote people's proximity to nature and create a sense of collective belonging, in order to perpetuate its conservation.

Preserved Green Areas

In addition to Mata da Várzea, the Group has other green conservation areas in Pernambuco:



GCB Sustentável Program

This view of respect for the environment goes beyond the preservation of green areas; it is present in the various practices, actions and projects that permeate the activities of the Group and its businesses through the logic of sustainable development. An initiative that supports this banner, in the sense of promoting and disseminating the culture of ecological sustainability in Cornélio Brennand Group, is the GCB Sustentável Program, which aims to reduce environmental impact on several fronts, adding competitiveness and value to the business. The working group was formed by a multidisciplinary team, representing the different areas and businesses of GCB.

Actions carried out by the program GCB Sustentável in 2020:

- Creation of the program's brand and identity;
- GCB chat about sustainability
- Cooking oil recycling campaign
- Partnership with Owens Illinois for hollow glass recycling
- Survey of waste generation by business
- Solid Waste Management Plan (PGRS) of the central office with the support of an external consultancy
- Replacement of disposable cups in the cafeterias at GCB headquarters and at the Vivix factory*
- Replacement of paper towels with hand dryers in Várzea*

*suspended due to the pandemic



GCB Employees at headquarters



Innovation & Digital Transformation



“

Throughout the entire history of the Brennands’, quality has always been the determining factor in everything they produced (...) One of Brennands’ principles (or laws) of entrepreneurship was born there: looking for businesses that need sophisticated technology, because this is an unstoppable tool to beat the competition.”

Ignácio de Loyola Brandão,

Cornélio Brennand Group: The First Hundred Years (2016)

The constant concern to seek technological innovation in its business has been part of Cornélio Brennand Group nature, since its foundation. The initiative that marked the emergence of the Group was the creation of Cerâmica São João, in 1917, by Ricardo Lacerda de Almeida Brennand – who already saw technology as the most efficient way to bring the productive capacity of Pernambuco at the beginning of the 20th century closer to that observed in the states in the Southeast and South regions. Today, with innovation as one of its main values, the Group reaffirms its commitment to not only adapt to changes, but also to lead this process of transformation.



Design Thinking Training – Employees are encouraged to create something new every day.

Cultural Change

We believe that the factors that made the Group reach its hundred years of existence will not necessarily be the ones that will take it to its next centenary. For this reason, in addition to investing in new technologies and solutions, the process of cultural change is considered a fundamental step to keep people and environments dynamic, capable of responding quickly to everyday challenges, in the present and in the future.

To accelerate cultural change, the company invests in its employees through training in new technologies, design thinking and agile methods. There are also incentives for the formation of working groups, where business innovations can be discussed and suggested. These groups have been playing an important role in the dissemination of the culture of innovation in several areas. Some of the initiatives are as follows:



Employees during GCB annual convention, in February 2020, before the start of the pandemic in Brazil.

Avengers: A movement that started at the Shared Services Center (CSC) and incorporated employees from other areas, with the aim of solving day-to-day problems with available technology;

CSC+: Group of employees who form a cell to work with robotic processes (RPA) in the area;

Justice League: Team formed by employees of the legal department that seeks to solve daily problems in a creative way.

Another initiative aimed at stimulating new ideas is Bate-Papo GCB – a knowledge-sharing program, created from the suggestion of an employee through the innovation program - Revoluva. In 2020, several agendas were promoted, covering topics such as data science, the General Law for the Protection of Personal Data (LGPD), the future of the work environment, among others.

The relationship with innovation ecosystems allows the Group to meet more than 80 companies each year in the technology, energy, education and real estate sectors, among others. This partnership with different organizations – which bring the Group closer to startups and who carry out matches to solve problems – resulted in pitches in which startups presented their proposals, allowing solutions to be identified from them. Of these 80 participants, 14 were hired for proof of concept (experimentation) or use in our operation (Corporate + Business). Open innovation is an excellent channel to keep the company updated on new technologies, solutions, markets and business, management and work models, in addition to being an opportunity to put them into practice.



The methodologies used to capture this whirlwind of ideas happen through induced challenges and idea programs, with which it is possible to encourage creativity and experimentation. Revoluva appeared in 2018 and is today one of the main vehicles for cultural transformation in the Group; its name invites employees to be protagonists of innovation and building the future.

In 2019, for the five proposed challenges, 87 ideas were received. In 2020, before the spread of the Covid-19 pandemic, one of them was put into practice, an annual convention called RADAR, as a suggestion from an employee for the challenge “Transparent and efficient communication”, and for the first time Cornélio Brennand

Group gathered the employees of all its businesses. The initiative aimed to integrate the teams, share the strategic direction, present the results achieved in the previous year and outline future challenges.

After the beginning of the pandemic, the challenge was aimed at supporting solutions that could minimize the impacts caused by the Covid-19 crisis. With this, **GCB sponsored the Open Innovation Challenge Nova Economia**. The Challenge OIL/AD Diper (Economic Development Agency of Pernambuco) Nova Economia aimed to engage the innovation community to find technological solutions capable of fighting the economic impacts caused by the Covid-19 pandemic on Pernambuco companies. In addition to sponsoring the project, four Group employees participated in the selection process to assess the companies that won the challenge.



Participantes do GCB na seleção

Nome	Função
Adrilana Almeida	Marketing e vendas
Victor Rosdinelle	Finanças e contratos
Weylla Borba	Formação de pessoas
LUIZ JACÁ	Logística e Negócios

Ganhadoras

Logos of winning companies: RECRUTAJA, Polifrete, S3ND, Prepi, AJUDE, and ConOrbita.

Digitization and Digital Transformation

Cornélio Brennand Group began its transformation process with the intensification of training in the use of new technologies, accompanied by initiatives of digitization and robotization of processes. In addition, it launched pilot projects for mapping and reviewing processes in different business areas of the Group.

Among the highlights of 2020, we list the first hackathon cycle, aimed at demystifying the practice of process robotization; and the creation of CSC+, a specific nucleus for the development of the Digital Workforce in the Shared Services Center, which has already delivered eight automated processes and mapped another 14 for development. We also highlight the start of the integrated business management system upgrade to S/4HANA, developed by SAP.

These initiatives reinforce the strategy of putting into practice the democratization and decentralization of technology in the IT area. The globalized scenario of the current market requires organizational changes, and digital transformation has led to a true cultural revolution, changing habits and processes within companies.

Understanding this context, GCB hired a specialized consultancy to support the Group's digital transformation process. The consultancy went through four phases that ranged from the corporate and business vision to the creation of a project roadmap for a horizon of six months to 24 months. Discussions on the project started in 2020, with implementation starting in 2021.

The digital transformation process has opened up a series of opportunities to increase productivity and access new markets; but, on the other hand, it has also created new challenges – such as those related to agile deliveries, cybersecurity and data management.

LGPD and Cybersecurity

An important initiative carried out by Cornélio Brennand Group in 2020 was the implementation of the first phase of adapting the organization to the requirements of the General Personal Data Protection Regulation or General Law for the Protection of Personal Data (LGPD, Brazilian Law 13.708/2018), which regulates the processing of personal sensitive data by companies. At the same time, the Group also used the existing information security training platform to make employees aware not only of the correct use of data, but also to reduce the risk that it could be used by unauthorized persons or companies.

The awareness program also includes actions aimed at specific aspects of the topic, such as online behavior, information classification, physical environment security, access control, digital security, mobile devices and remote work. And it was developed from the need to show the importance of protecting personal and corporate data from possible threats, as well as creating a cybersecurity culture in the company. Through training, competitions and gamification strategies, we bring knowledge and good safety practices to employees in a playful way. The Program consists of optional training (61 contents), phishing simulations (24) and mandatory annual security refresher.

In 2020, the Awareness program had the participation of 509 employees, 78% engagement, and an average of 348 hours in safety training through implementation.

In addition, the Group has been investing in increasing the maturity of its security capabilities by implementing an Information Security Master Plan for its corporate and industrial environments, as well as improving its Security Operations Center (SOC).

This movement seeks changes in attitudes and awareness, at all levels, through the creation of a new, more collaborative and safe environment.

Value generation through businesses

- 38 ATIAIA RENOVÁVEIS
- 46 IRON HOUSE
- 53 VIVIX
- 61 CIMENTO BRAVO

“

My dad taught us never to think only in terms of how much you're going to earn by starting a business. The fundamental thing is to dedicate yourself to what you created, full of conviction, with determination and stamina. Working day and night, month by month, year by year, to achieve what you envisioned and planned. When you realize it, success comes, and resources come in. It's the way businesses repay your dedication.”

Cornélio Coimbra de Almeida Brennand





SHP Garganta da Jararaca (MT)



Aerial view of Paiva Reserve (PE)



Vivix Factory (PE)



Aerial view of Cimento Bravo (MA)

2020 was crucial for the organization of an ESG agenda that combined a consolidated vision of the Group with a strategic perspective. The subject, which was already part of the agenda of discussions by senior management, gained greater strength with the establishment of a new area in management and with governance guidelines that ensured its transversality and its execution in all the Group’s businesses. This was a year of diagnoses and planning to understand how each business, with its particularities, could maximize its positive impact within this transversal agenda, ensuring that our desire for growth is aligned with a sustainable development agenda.

Responsible management includes the care and guarantee of the financial health of the business and the distribution of added value to its various stakeholders, such as employees, customers and suppliers, in addition to the government and society, through the generation of taxes, employment and income.

Even with the challenges of the pandemic, 2020 showed positive results compared to the previous year, **with a 16.2% growth in net revenue from 2019 to 2020 and a 5.5% growth in EBITDA from 2019 to 2020**, ensuring the maintenance of the impacts positive results of the Group in this scenario.

Due to the nature of its activity and the fact that it operates in different segments, each company in the Group contributes differently to advancing this positive agenda – whether through its processes or its products. However, care for people, the environment, structured governance and the understanding that innovation is closely linked to sustainability is present across all companies of Cornélio Brennard Group.

In this journey, innovation is a means and an end, which allows the Group to ensure the expansion of its business and contribute to society towards sustainable development.

Find out more about our businesses and the main highlights of sustainable practices and projects of the companies that make up Cornélio Brennard Group below.

Consolidated GCB (Atiaia, Vivix, Iron House, Cimar and other companies)	Absolute value 2019	Absolute value 2020	Variation (%) 2020/2019
Debt Ratio (Net Debt/Ebitda)	3.77	3.26	- 0.51
Remuneration and Benefits	128,031	129,874	1.4%
Generated taxes	126,693	138,728	9.5%
Payments to suppliers - Absolute value	589,915	541,979	-8.1%
Payments to suppliers - Quantity	3,395	3,345	-1.5%

* values in thousands of reais



One of the beauties of the ESG agenda, for me, is its breadth, its ability to reach and interweave diverse and relevant topics, such as employee safety and environmental responsibility - both cover the operation of the business and, at the same time, our caring perspective. The list of subjects is as long as the challenges involved. ESG managed to give companies, consumers and society the relevance of diversity, interdependence, the power to make a difference in a balanced way. Atiaia Renováveis works under the guideline of sustainable transformation and applies good ESG practices in a genuine and continuous way, guided by the principles of renewable energy and value relationship with its stakeholders.”

Ricardo Cyrino
Atiaia Renováveis CEO



Aerial view of SHP Buriti (MS)

Governance

Atiaia Renováveis has an exclusive Board of Directors for the energy business, made up of eight members (four family shareholder directors, one non-family shareholder director, an internal director and two independent directors). In addition to the participation of two more shareholders of the fourth generation of Cornélio Brennand Family, through the Shareholder Training Program (Proa), as an opportunity for development and thus contributing to the continuity and longevity of the Group.

Since its creation, the Board of Atiaia Renováveis has counted on the presence of women in its composition of members, attentive to cultivating an environment of equality and respect and in line with the diversity agenda of Cornélio Brennand Group. The business also has the Group's entire corporate governance structure and system ([read more in the Governance chapter](#)).

Continuous monitoring of our technicians to obtain better results



Transparency and dialogue

In addition to a robust governance structure, Atiaia Renováveis also seeks to make the work environment more transparent, diverse and inclusive for its employees. This atmosphere is reinforced by the regular chats with the president, in the initiative called **Se Liga!**. It is a moment of exchange between business employees, in which, in addition to being updated on the company's news and the sector in which it operates, business strategies, health care and safety, everyone can present opinions and suggestions for continuous improvement of the business and work environment.

The ability to accurately examine scenarios and market trends, as well as to enter new lines of business, if the move makes sense from a strategic point of view, has always been present at Cornélio Brennand Group. The ambition to invest in energy emerged from the combination of the sector's high strategic relevance and attractiveness, combined with the Group's desire to contribute to the country's development in a sustainable manner.

The first investments began in 2004 as an opportunity to contribute to energy security and generate clean energy for society. The operation of the first two Small Hydroelectric Power Plants (SHPs), in 2006, Garganta da Jararaca and Canoa Quebrada, already corresponded to the supply of a city of 200 thousand inhabitants. Since then, the expansion of the activity has continued to accelerate, putting into operation another six SHPs, which today make up Atiaia Energia, which has recently been renamed Atiaia Renováveis.

Purpose and vision of the future

Atiaia Renováveis' purpose is to play an active role in the sustainable transformation of its customers' businesses and the life of the communities around its operations. The experience in developing, building and operating plants, as well as the expertise in commercializing renewable energy, gives credibility to a company that believes in the clean energy journey since its foundation. In the recent review of its strategic planning, the company reaffirmed its commitment to generating energy from renewable sources, diversifying its energy generation parks to wind and solar sources. With operations in new sources and the approach of Atiaia Renováveis to the free energy market, the goal is to quintuple its installed power and reach 1 GW by 2030.

The focus on sustainability combined with the ability to develop solutions that meet the needs of its customers, through the structuring of individualized and flexible proposals, contributes to the establishment of a long-term relationship based on four attributes:

FLEXIBILITY

Focus on the customer and seek the best solutions for their needs, combining knowledge and advanced technologies;

READINESS

Be prepared to act with agility and assertiveness, possessing the ability to anticipate

TRANSPARENCY

Cultivate honest and lasting relationships. We work to be a credible reference in the sector.

TRANSFORMATION

Be an agent of change for clean energy, promoting positive transformations and acting as a facilitator of connection with the future.

We combine efficiency and innovation with the well-being of our employees



Small Hydroelectric Power Plants (SHPs)

Currently, Atiaia Renováveis controls eight small hydroelectric plants (SHPs), which are projects with low environmental impact. Installed in regions close to consumption locations, and integrated into the region's electrical system, SHPs are a source of clean energy, providing more stability and security in energy supply.

Each SHP has the capacity to supply a city of approximately 100 thousand inhabitants (with the exception of Pedra Furada, the smallest of the eight SHPs). Thus, the total energy generated by Atiaia Renováveis serves approximately 700 thousand people in the states of Mato Grosso, Mato Grosso do Sul and Pernambuco. **Together, the eight SHPs in operation plus one under construction have an installed capacity of 220 MW, with annual generation of 1.231 million MWh/year.**

Wind and solar energy

In addition to the operational and under development SHPs projects, Atiaia Renováveis has developed wind and solar photovoltaic energy projects, in line with its strategic planning.

It currently has two projects under development for photovoltaic solar energy generation in Pernambuco and Rio Grande do Norte, totaling 632MW of installed capacity, and two projects under development for wind generation in Rio Grande do Norte, totaling 273MW.

In one of the wind farms located in Rio Grande do Norte, the feasibility of installing solar panels is being considered, making this a hybrid park, which combines the generation of wind and solar energy, in order to better take advantage of the complementarity of the two sources of renewable energy. In a solar park in Pernambuco, the self-production model is in advanced development and enhances gains for customers.

OUR NUMBERS

220MW IN INSTALLED CAPACITY



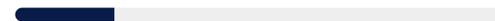
1.1 GW IN SHPs, WIND AND SOLAR PROJECTS



PLANTS IN OPERATION

Know the details of our Small Hydroelectric Power Plants in operation.

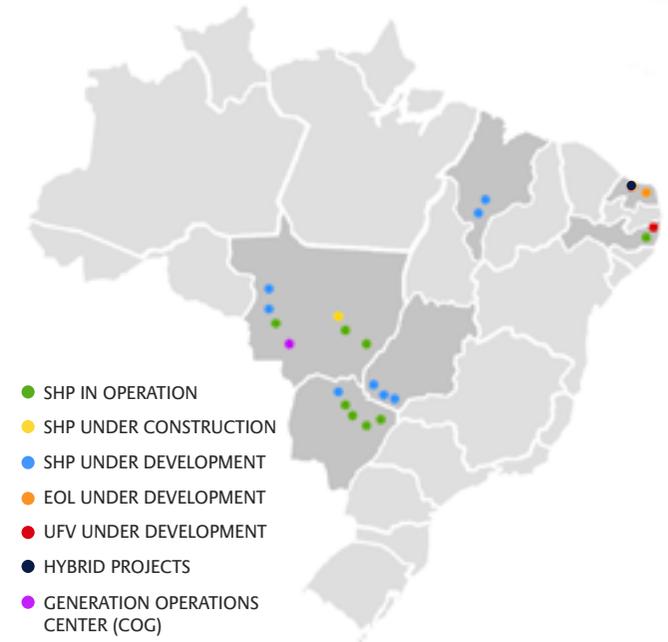
196.7 MW INSTALLED POWER



1,231,000 MWh/YEAR - ANNUAL GENERATION



PROJECTS IN OPERATION AND UNDER DEVELOPMENT





Social and environmental sustainability

Socio-environmental policy

Atiaia Renováveis guides its performance by social and environmental responsibility. This commitment is formalized by its socio-environmental policy, whose premises are as follows:

- Ensuring compliance with the requirements of the socio-environmental legislation applicable to the activity and socio-environmental commitments voluntarily assumed;
- Recognizing the Environmental and Social Management System as strategic for organizational performance;
- Adopting technically proven and economically viable social and environmental protection measures, in order to minimize or eliminate the negative impacts of activities, and to continually improve their socio-environmental performance;
- Encouraging employees, through programs and training, to develop environmental awareness for the correct practice of their activities;
- Establishing greater integration with society, seeking to expand ecological awareness related to education and the environment; and
- Monitoring and evaluating the impacts, risks and emergencies related to the company's activities, in order to guarantee the safety of the community.

Socio-environmental projects

Each of the SHPs has a Basic Environmental Program, through which various nature protection projects are created – such as continuous reforestation for replacement of native vegetation. 1.5 million seedlings were planted in all the plants, in areas degraded by economic activities prior to their installation on site. Additionally, specific programs were created to ensure the preservation of the local archaeological heritage.

In all, the company's actions related to socio-environmental issues include more than twenty work fronts, focused on topics such as environmental education, environmental recovery and reforestation, health, worker safety and miscellaneous monitoring, among others.

Get to know some of the recognition and prominence practices at Atiaia Renováveis:

Fish ladder: Pioneer in the Midwest in adopting the Fish Transposition System (STP) in SHPs, which allows the migration of schools at the time of spawning.

Ichthyofauna study: The inventory of fish species in the Culueu River is one of the most complete carried out in a Brazilian river. More than 250 species were catalogued, among which 20 were unknown.

Ancestral memory of the indigenous: Received the Rodrigo Melo Franco de Andrade Award granted by the National Historical and Artistic Heritage Institute (Iphan) in 2008, which recognizes outstanding actions for the preservation and promotion of Brazilian cultural heritage.

Protection of archaeological sites: A program by Porto das Pedras SHP in a rock shelter called Alto Sucuriú identified an archaeological site that came to be considered one of the oldest in Brazil. The site was isolated and protected, has protected native forest, and the area is considered a permanent preservation area for the SHP.

Renewable energy certificate: Renewable Energy Certification granted by the Brazilian Wind Energy Association (ABEEólica) and the Brazilian Clean Energy Association (Abragel).



I-REC
STANDARD

I-REC Certificate (International Renewable Energy Certificate): Porto das Pedras SHP renewed its Renewable Energy Certificate, this time by the I-REC (global system for tracking energy environmental attributes), and became the first SHP - and only one so far - in Brazil to obtain this sustainable seal. In order to receive this certification, an enterprise must meet at least 5 of the 17 UN Sustainable Development Goals (SDGs), and the SHP has met 11 of them.

ESG in practice

ENVIRONMENTAL



*Audited

ESG in practice

SOCIAL

Construction of a 70 km bridge over the Sucuriú river, donated to the municipality of Chapadão do Sul (MS)



Protection of archaeological sites



Environmental Education Actions in schools in municipalities where we have SHPs.



Renovation and expansion of the municipal hospital in Lucas do Rio Verde (MT)

Paving services in the village of São José do Couto (MT)



Generation of 100 direct jobs and 3,600 indirect jobs in the SHP regions

Actions aimed at the health and well-being of communities surrounding the SHPs, including awareness campaigns for breast cancer (Pink October), violence (Dial 100) and alcoholism



Investments for the renovation of the Bom Futuro municipal airport, in Lucas do Rio Verde (MT)

Accumulated investments of over BRL 5 million for the indigenous communities of Xingu and Xavante in Mato Grosso.

- Social and environmental programs and actions: Management of the PBA-CI-Xingu; Social Communication; support for territorial and environmental monitoring; infrastructure and training in environmental recovery with the use of agroforestry systems; support for dietary practices; health and environmental education; strengthening of indigenous organizations and cultural valorization, among others.
- Donation to the Development Fund for the maintenance of projects already implemented

Our employees as volunteers through the Pantanal



SOS Pantanal

Between 2000 and 2018, Brazilian Institute of Geography and Statistics (IBGE) estimated the devastated area in the Pantanal to be 2,100 km², which was the most preserved biome in the country. By 2020, researchers estimate the loss of at least 23,000 km² consumed by fire. In the same year, in view of the fires suffered by the Pantanal, Cornélio Brennand Group, through Fundação Ecotrópica, an NGO for action and protection of the Pantanal biome, donated 600 kg of food from market baskets, 2,600 kg of horticultural products and 2.88 thousand liters of water for the populations affected by the fires in the Pantanal region.

Donated inputs were shared and taken to serve more than 130 Pantanal islands, covering several points in the Pantanal of Mato Grosso (MT) and also reaching the beginning of the Pantanal of Mato Grosso do Sul (MS). Atiaia Renováveis team traveled about 170 kilometers into the swamp, carrying out refueling at strategic feeding points positioned by biologists involved in the rescue and observation of the fauna.

Innovation

GCB's innovation area works together with Atiaia Renováveis for the development of the strategic planning carried out with support of specialized consulting, which started in 2020.

At Atiaia Renováveis, one of the focuses is operation digitalization, through the D+ project, which aims to automate a set of operation activities and processes. With it, it will be possible to increase the productivity of the Operation and Maintenance teams, improve asset management by applying best maintenance engineering practices, among other benefits.

Also in 2020, we carried out three experiments with aiming at improving management in the sustainability area, maintenance of dams and control of macrophytes (aquatic plants that grow in reservoirs) in a sustainable way which,

despite not going through, have brought great learning to the organization.

In 2021, Atiaia Renováveis started an Innovation Strategy Development Project. Through GCB's Innovation area, with the support of a consultancy, the project's main objective is to disseminate the innovation culture within the business and define the innovation ambition, with a well-structured action plan and a management model that will integrate Atiaia Renováveis' innovation efforts into its Strategic Planning. The initial stage of the project included a diagnosis of innovation maturity, based on individual interviews with company leaders, external experts, advisors and a chat with business employees on "Innovation and Engagement Culture".



Casa de Ferro [Iron House], Historical Heritage since July 1980



Iron House

GRUPO CORNÉLIO BRENNAND



ESG agenda practices are key pillars for all sectors of the economy. In order to meet the needs and urgencies of the environment and society, a revolution in business models and in everyday life is indeed necessary. At Iron House, we seek to define our actions based on sustainable premises and respect for the environment, with an attentive eye to contribute to this transformation that the world asks of us. We understand that a real estate development project needs to be born sustainable, and that's why we bring it as a challenge for our sector to implement ESG practices from the project's very creation. This way, we will have a more holistic approach that adds long-term value to all stakeholders."

Leticia Simonetti
Iron House CEO



Casa de Ferro
[Iron House]

In 2011, Cornélio Brennand Group created Iron House Real Estate to structure its activities in the development, investment and management of real estate assets. The very choice of the name Iron House reveals the maintenance of the Group's legacy; it is a reference to Casa de Ferro, designed in Belgium and brought to Recife (PE) in 1892. Surrounded by a garden designed by landscape architect Roberto Burle Marx, the building has been considered a historical heritage since 1980.

The company's interest in investing in the real estate market was aroused by the availability of areas remaining from the Group's industrial activities in Pernambuco and Bahia, in the areas of the Várzea neighborhood, in Recife (PE), in Praia do Paiva, in Cabo de Sto Agostinho - PE and in the municipality of Camaçari (BA). Praia do Paiva became the first planned neighborhood in the metropolitan region of Recife – Reserva do Paiva, and similarly, the Group's lands, previously used by Ceramus, in Camaçari (BA), gave way to the first planned neighborhood of that city – Reserva Camassarys.



Reserva do Paiva Coconut Farm (PE)

In the Portfolio Strategic Planning of Cornélio Brennand Group, updated in 2020, it was defined as a guideline for Iron House that its new projects will focus on using the potential of its own land bank.

Governance

In the corporate governance structure of Cornélio Brennand Group, Iron House has a Real Estate Committee, responsible for defining the guidelines for operations and investments in the real estate area. The forum is comprised by five members (four family shareholders and one internal director), in addition to the participation of two shareholders of Cornélio Brennand Family fourth generation, as an opportunity for development and thus contributing to the Group continuity and longevity. The collegiate also counts on the support and whole structure and system of the Group's corporate governance ([read more in the Governance chapter](#)).

Reserva do Paiva



Aerial view of Paiva Reserve (PE)



Neighborhood maintenance by AGRP

Action by Amiguinhos do Paiva - Beach cleaning



An example of this long-term view is Reserva do Paiva, a destination surrounded by forest, river and warm waters, beautified by coral reefs, with a total area of 526 hectares, 8.5 km of beaches, 126 hectares of green areas and 200 hectares of preserved Atlantic Forest.

The neighborhood adopted measures to preserve the environment at all stages of construction. To neutralize CO₂ releases from road works and common areas, planting of thousands of tree seedlings was planned. And it always seeks a balance between the constructions of its projects and the environment in which they are inserted, with more horizontal shapes, low density and wide distances between them, served by a main road with bike path and sidewalks. The neighborhood values green areas with architectural projects that favor cross ventilation, the use of natural lighting, rational use of water and energy.

General Association of the Reserva do Paiva (AGRP)

The neighborhood is coordinated by the General Association of the Reserva do Paiva [Associação Geral da Reserva do Paiva] (AGRP), a governance structure that aims to protect the common interests of the public and the private. It was created to promote the organization of Reserva do Paiva and the integration between the enterprise and neighboring communities.

It is through AGRP that the site seeks to become a benchmark for social innovation, meeting the new ISO 26000 Corporate Social Responsibility benchmarks, which include a commitment to the socio-economic development of the territory. Existing social programs contribute to sustainable local development in Reserva do Paiva and surrounding areas, seeking shared management, improving living conditions, occupation and income of communities in the territory.

OUR PLANNED NEIGHBORHOODS

An important differential of Iron House is that its performance, with a broad look at the development of territories, seeks to create smart urban spaces based on masterplans that value respect for the identity and improvement of the economic, cultural and environmental assets of the areas where it is located.

LEARN MORE: www.cuidamosdopaiva.com.br

Social Innovation

Citizenship Reserve Program [Programa Reserva da Cidadania] was created at the beginning of the neighborhood's development with the objective of promoting actions for the community and having qualified leaders and thus guaranteeing the continuity of local development and social and cultural responsibility. To define, manage and execute Program activities, the Institute of Advisory Services for Human Development [Instituto de Assessoria para o Desenvolvimento Humano] (IADH) was chosen, which remained in the leadership of the Program until its conclusion in 2017.

The program had the following structuring results:

Creating community governance:

35 leaderships empowered

Income and business generation programs:

more than 180 families benefited

Creation of the Citizenship Reserve space:

community equipment, self-managed by leaderships.

Social and Environmental Projects and Actions

AGRP also has a permanent agenda of socio-environmental projects that involve the community and residents of the neighborhood:



Management, maintenance, cleaning, landscaping, surveillance and conservation of areas of interest and common use;



Planning of Paiva waterfront, conservation of the beach strip, mangroves, ecological reserves and environmental preservation areas environmental quality. In addition to the registration of commerce along the waterfront;



Composting Programs and Composting System to treat the organic waste generated by the projects in the neighborhood.



Wild animal rescue - About **200 animals rescued in 2019 and 2020;**



Selective Collection: Facilitation of the recycling process and destination of materials for noble recycling purposes in socio-environmental projects. In **2019, 20 tons were destined for recycling** and in **2020** the volume more than doubled, to **45 tons** destined for recycling.

Amiguinhos do Paiva: Educational project for children



2018/2019: **29 mapped nests**
2019/2020: **37 mapped nests**
2020/2021: **22 mapped nests**

AGRP promotes a guided visit to the turtle nests of Reserva do Paiva, with a lecture on the spawning cycle of sea turtles, a recreational activity for children, such as the planting of seedlings, and, finally, the on-site visit to the nest, where the socio-environmental actions developed by AGRP are exposed. The mapping of the nests, carried out by the association, follows from spawning (December to April) until hatching.

Another action carried out by Amiguinhos do Paiva is the joint effort to clean the shore, with lectures about garbage in the oceans, the decomposition time of waste that is discarded on the shore, to awaken in children the importance of preserving the environment. After the lectures, children go to the beach to collect waste.

Reserva do Paiva Projects

In 2020, important Iron House projects were developed in Reserva do Paiva (PE):

Quintas da Praia Residential Condominium

In the same region, Iron House launched in November 2020 the Quintas da Praia condominium – a project with a sophisticated infrastructure by the sea. The development consists of 211 lots of 425 to 678 m² each. Some of the main sustainability attributes of this project are:

- 

Rainwater harvesting for reuse in the condominium
- 

Smart irrigation system
- 

Paving with interlocking blocks and floors that are refractory to heat absorption
- 

Electricity savings with LED lamps in all roads and common areas
- 

Structures made of wood from planted forests with controlled management, certified by the FSC
- 

Electric car sockets in the common areas of the condominium
- 

Total green area of the condominium 20,501m²
- 

Planting of over 700 trees



Quintas da Praia Project

SANDBANK RECOVERY

The vegetation in the enterprise will be fully compensated. Six hectares of an area currently degraded in Suape Port Industrial Complex will be regenerated. In all, more than 2,000 seedlings of native species will be replanted, which will form part of an extensive monitoring and maintenance program for 36 months.

PLANTING

Promotion of a program to plant native seedlings in Parque do Paiva together with Associação Geral da Reserva do Paiva (AGRP).



Acqua Marine Project

Acqua Marine

The Acqua Marine project is the first in Pernambuco to receive the Excellence in Design for Greater Efficiency (Edge) seal, a certification system for eco-efficient buildings created by the World Bank's International Finance Corporation (IFC). To obtain certification, the eight-story building expects to save 23% in energy, 31% in water and 62% in energy embodied in materials. Energy and water efficiency measures will save 24% in utility costs for homeowners. In addition to the 21% carbon emission reductions that will be realized each year going forward.

Despite the interruptions caused by the Covid-19 pandemic, Iron House maintained an active rhythm and by the end of 2020 the project was 85% complete.

Find out more about Quintas da Praia:
<https://quintasdapraia.com.br/>



Aerial view of the planned neighborhood Reserva Camassarys, anchored by Boulevard Shopping

Reserva Camassarys

CAMAÇARI (BA)

With innovative mobility solutions and a qualified offer of commerce, leisure and housing, Reserva Camassarys is a fully planned destination within an area of 528 thousand m², located between the main access roads to the city and three kilometers from the center of Camaçari, municipality with the largest industrial Gross Domestic Product (GDP) in the Northeast, and the second GDP in Bahia.

The development was responsible for building the first shopping center in the city, Boulevard Shopping Camaçari, anchor of Reserva Camassarys. The neighborhood also has Atacadão and Assaí Atacadista, already in operation, and will receive other commercial and business developments, hotels, schools, medical centers, residential condominiums and leisure space.

The neighborhood hosts the Pitágoras Camaçari Unit, which started its activities in 2019. The college is located inside Shopping Boulevard Camaçari, providing its approximately 350 students with more security and comfort, in addition to easy access. Pitágoras Camaçari ranks among the most important colleges in Bahia by focusing on promoting education in the area of Engineering, with five different graduation options, in order to train qualified professionals to work in the region - which is one of the most important petrochemical centers in the country.

Le Ville Residential Condominium

In 2020, the condominium of lots built inside the Camassarys Reserve included the construction of a seedling nursery, bringing improvements to the process of compensating the vegetation suppressed in the construction. In revegetation, only seedlings of native species produced by the Rescue of Flora in the project area were used during the vegetation suppression activity. More than a thousand seedlings of 15 native species were planted in order to guarantee their perpetuation, in addition to contributing to the reduction of the cost of acquiring new seedlings for replanting. Considering the spacing adopted in the ditching and the number of seedlings used, in a total of 1,102 units, the size of the revegetation area was 50% greater than that required in the environmental condition, of one hectare, reaching more than 1.5 hectare.



Le Ville's Nursery

Boulevard Shopping Camaçari



Boulevard Shopping Camaçari (BA)

Opened in 2015, Boulevard Shopping Camaçari is the first shopping center in the region. With a gross leasable area (GLA) of 20,000 m², five anchors and three megastores, 120 satellite stores and 900 parking spaces, it brings renowned brands to the city, such as Lojas Americanas, Renner, Riachuelo, SmartFit, C&A and Le Biscuit, in addition to Cinemark, the first movie theater complex in the region, with 5 movie theaters with 3D projection.

The enterprise is also synonymous to technology and sustainability. Through Building Information Modeling (BIM) – a project development process that allows the use and sharing of information among all those involved – several benefits were generated, such as: reduction of rework and waste of materials and labor. The result was an optimized construction and, consequently, a more sustainable design. The style brings modernity and comfort, using glass panels to take advantage of external lighting, maintaining the concept of contact with nature.

2020, a challenging year for malls

Boulevard Shopping Camaçari had its face-to-face operations suspended for 4 months at the beginning of the pandemic, resuming activities in July 2020. The flow of customers was gradually resumed, respecting all the safety standards the moment required. During this period, stores continued their sales through the Mall's Instagram and using new shopping channels such as delivery and pick-up.

In addition, during the period in which it was closed, Boulevard Shopping did not fail to carry out actions in favor of the community. In partnership with the Ação das Cores project, the enterprise carried out two actions to collect food, using a drive-thru, benefiting 150 needy families in the city.

Reinforcing a sign of optimism for the economic recovery, the mall can celebrate the arrival of new operations in 2020.

Another reason for celebration for Boulevard Shopping was receiving the Empreender Camaçari Award, for being among the most remembered brands in the city for the third consecutive year.

Innovation

In 2020, the Breaking the Walls program was launched at Iron House, which aims to present the business with technological solutions from the real estate world. In this year of launch, 11 startups participated in the initiative, with presentations aimed at all employees.



vivix

VIDROS PLANOS

“

At Vivix, we work for integrated growth, seeking to support different links in our chain, generating opportunities and strengthening business. We understand that this is the true essence of an ESG agenda that promotes sustainable development and generates shared value for all our stakeholders, reaffirming our commitment to the environment and care for society. With respect, ethics and proximity to employees and the market, we seek initiatives that promote greater connection with our purpose of ‘Doing it differently, doing it better’, thus contributing to the evolution of the sector in which we operate. And together we transform and create the new. We are more than 350 employees, each with their own experiences and choices. This is what makes us more and more plural and what makes us go further.”

Henrique Lisboa

Vivix Vidros Planos CEO

Fachada Vivix
(Créditos: Digital Vídeo)



Robot at Vivix
Factory (Credits:
Digital Video)

Cornélio Brennand Group's interest in the glass sector dates back to 1958, with the former Companhia Industrial de Vidros (CIV), which operated in the segment of glass packaging and utilities. After its sale to Owens-Illinois in 2010, the Group sought to remain active in the glass sector, this time in the flat glass segment.

Due to the economic crisis in 2008, investments by traditional flat glass manufacturers in Brazil were suspended, opening an opportunity for a new player to enter the national market. Imports in Brazil represented, in the years 2011 to 2013, the equivalent of the production of two industrial units per year. This fact, associated with market growth projections, indicated that it would be necessary to build a new factory with the capacity to produce 600 tons per day every two years in the following decade in Brazil. (Source: Booz Allen / Monitor). In addition, the continuous lack of products in this period and the trend of growth in per capita consumption stimulated Cornélio Brennand Group to invest in the float segment, a technical term for flat glass. This is how Vivix Vidros Planos was born.

Vivix is one of the most modern flat glass factories in the world. It was inaugurated in 2014, in the municipality of Goiana (PE), about 60 kilometers from Recife (PE), being the first flat glass factory with 100% national capital. With a production capacity of 900 tons per day, Vivix's main customers are the civil construction and furniture industries and produces colorless, colored, laminated, painted, sun protection and flat glass and mirrors.

The enterprise is the result of an investment of over BRL1 billion and which, in addition to the manufacturing unit, has its own raw material processing plant, located 12 kilometers away from the factory, in the municipality of Pedras de Fogo (PB).

Vivix Performa, sun protection glass, blocks four times more heat input than ordinary glass. It contributes to the reduction of electrical energy consumption and allows natural light to enter the environment - blocks UV rays by up to 99.6%. It is produced with the strictest quality criteria and in accordance with the ABNT BR 16023:2011 Standard, which applies to coated glass for solar control.

Governance

Vivix has an exclusive Board of Directors for the glass business, made up of seven members (four family shareholders, one internal director and two independent directors), in addition to the participation of two more shareholders of the fourth generation of Cornélio Brennand Family, through the Shareholder Training Program (Proa), as an opportunity for development and thus contributing to the continuity and longevity of the Group.

Since its creation, the Vivix Board has had a female presence in its composition of members, attentive to cultivating an environment of equality and respect and in line with our diversity agenda of Cornélio Brennand Group. Currently, Vivix Board has the participation of two female Board Members, as evidence that the company values the diversity of perspectives as an important factor for its growth and a benefit to the corporate world and society.

The collegiate also has the entire structure and corporate governance system of the Group ([read more in the Governance chapter](#)).

Transparency and dialogue

In addition to a robust corporate governance structure that promotes an agenda of transparency and accountability, Vivix encourages integration and dialogue between business and Group leaders, including the president and directors, essential for the company's positive performance.

One of these moments is called Gestão Transparente [Transparent Management], which includes the presentation of the business strategic indicators results, bringing the numbers obtained in each area and the relationship of the indicators with the goals outlined in the annual planning. The action plans executed

(or in progress) are shared, allowing the proposed experiences to become general knowledge. In addition to providing a broader view of the company, these meetings increase the synergy between its different areas and open space for everyone to contribute with opinions and suggestions.

In July 2020, a new integration and transparency practice was launched: Na Vitrine! The objective is to put employees in direct contact with the company's president and provide an opportunity to share information and encourage the exchange of ideas. Since the first edition, held remotely due to the Covid-19 pandemic, the meeting has brought together more than 100 Vivix employees from different areas and locations.

Another initiative is the Vivix Pode Entrar program, which opens the factory's doors to employees from all the Group's businesses and their families. The initiative was suspended in 2020, due to the Covid-19 pandemic, but over the last three years it has allowed the participation of 114 families, totaling 406 people from the most diverse backgrounds and educations. Another similar program is the Vivix Factory Visit, aimed at the company's customers. These are programs that allow you to learn about the entire glass manufacturing process, its quality control and storage and the factory facilities, promoting an environment of receptivity and integration with whom we interact.



Vivix Employees (Credits: Mova Filmes)

Strong purpose and growing results

With the purpose of “Doing it differently, doing it better”, Vivix works for integrated growth, so that it is good for everyone today and tomorrow. The company permanently seeks new attitudes aimed at positive changes in the market where it operates. The business’s mission is: “To serve the flat glass market, focusing on relationships and differentiated services, in a profitable, ethical and sustainable way, exceeding the expectations of our customers, employees, shareholders, community and suppliers”. This is a path of sustainable development that generates shared value for all stakeholders.

The positioning adopted by the company in the market – “Create the New” – has led the company to growing results over the years. In June 2020, Vivix broke sales records since its opening: 24,500 tons of flat glass. In the same month, the mark of 22,321 tons produced was reached, one of the best results ever recorded.

Vivix Factory Autoclave
(Credits: Felipe Feca)

Sustainable Technology and Eco-efficiency

The rational use of available natural resources, the economy and conscious use of energy, adoption of cleaner energy matrices and with lower greenhouse gas emissions, are some of the discussions on sustainable development that occupy the current agenda of world politics and economics. Vivix shares this concern with an environmental agenda that seeks to minimize its impacts on all its processes and operations, optimizing the use and circularity of resources, products and waste, and adopting modern sustainability practices available in the glass sector, a product with a special attribute for being 100% recyclable.

In the production of glass, Vivix uses an unprecedented technology in Brazil - Low Energy Melter™ (L.E.M.™) - which allows for greater energy efficiency and reduction of greenhouse gas emissions, compared to the world average of the glass industries plans.

Waste management programs, selective collection, recycling of broken glass, and the optimization of natural lighting and ventilation, contribute to making the process more eco-efficient.

Waste Management Program

The Reciclevix Program manages waste, through its inventory, mapping, segregation, collection and proper disposal, and seeks to reduce waste generation and increase the percentage of recycling - which can be seen in the 2019 and 2020 results.

WASTE MANAGEMENT AND RECYCLING (IN TONS)	2019	2020
Generated waste	740	463
Recycled waste	550	367
Recycling percentage	74%	79%

*Includes: cardboard, plastic, scrap metal, cans, big bag, plastic tube, lubricating oil

** The reduction in waste generation in 2020 was due to the decrease in glass production, due to the Covid-19 pandemic.



Vivix employee monitoring a reforested area – Goiana (PE)

Broken glass recycling program

Vivix's permanent practice is to recycle broken glass from its production and capture external shards, that is, those purchased from the company's customers that could be disposed of in landfills. In addition to helping to reduce the use of natural resources, the use of broken glass also contributes to reducing the consumption of natural gas necessary for production.

	2019	2020
Shard used in glass production (tons)	81,234	76,393
Scrap recycling – external capture (tons)	9,152	8,920
Raw material savings through the use of shards (tons)	95,044	89,380
Savings in natural gas by using shards (m³)	3,400,000	3,200,000

The volume of broken glass (shards) used in production in 2019 and 2020 represents, respectively, 28% and 31% of the total glass produced each year. Of these percentages, 11% and 12%, respectively in 2019 and 2020, were external shards. And the natural gas savings generated by the use of shards in production was 7.91% in 2019 and 7.47% in 2020.

Reuse of water, palladium and silver

Another important practice in the production process is the reuse of water, palladium and silver existing in the solutions applied in the mirror manufacturing process. Applying the circular economy concept, at the end of 2019, investments were made to improve the palladium filtration system and water treatment, optimizing the recovery process of recovered silver by approximately 20%, in addition to developing a method for palladium recovery and beneficiation, which was not the case before. With this, we reduce the consumption of raw materials, and contribute to a sustainable economy by reducing the disposal of these effluents to the environment.

RETURN	2019	2020
Palladium Chloride (kg)	-	8.46
Silver Nitrate (kg)	665.00	818.31

Energy Consumption

Vivix seeks energy efficiency both in the stages of the glass production process and in the general lighting of the factory, with the use of high-efficiency lamps.

And attentive to advancing this agenda, Vivix seeks an intense transformation in its energy consumption, which will come into effect as of 2022, bringing positive impacts to its energy performance for the environment.

ENERGY CONSUMPTION (in MWh)	2019	2020
Factory*	56,704	52,984
Charity plant**	2,601	2,309

*Conventional energy **Energy encouraged

Measurement and control of greenhouse gases

In addition to seeking energy efficiency improvements in our processes and in the offer of products that contribute to this agenda (Vivix Performa), Vivix is attentive to the mood change agenda and is committed to reducing greenhouse gas release from its production process.

Therefore, it controls and periodically measures NOx (nitrogen oxides), SOx (sulfur oxides) and particulate matter emissions, always complying with Brazilian legal limits and observing international practices, which are more restrictive. And managing to keep SOx emissions (sulfur oxides) within European limits, according to conversions and internal calculations.



Vivix Employee
(Credits: Mova Filmes)

ESG in practice

SOCIAL

QUALIFICATION OF THE GLASS CHAIN

A Vivix mantém um programa permanente de treinamentos para as equipes dos clientes e vidraceiros, promovendo o desenvolvimento e a capacitação da cadeia vidreira. Desde o início do programa, mais de 10 mil pessoas já foram treinadas por meio dos cursos oferecidos. Outra forma adotada pela Vivix para promover a capacitação, são vídeos publicados no seu canal de YouTube, atingido um número amplo de visualizações.

2019 5,874 people trained

2020 4,082 people trained

COVID-19 ACTIONS

Support for the glass chain:

Aware of the challenges that the pandemic has brought to glaziers, Vivix launched in 2020 a series of videos aimed at professionals in the glass segment. Called *Brilhando nas Redes Sociais*, the series includes tutorials demonstrating how glaziers can benefit through the use of the digital market, as well as videos focused on health and safety, involving care against Covid-19.

Another action to support glaziers during this period was *Vivix por Você*, with the distribution of 1,500 market baskets, reinforcing Vivix's commitment to always be with the sector.

Community support:

Action promoted by Vivix in 2020, in partnership with the city hall of the municipality of Goiana (PE) and the NGO Novo Jeito, for the distribution of 2,400 market baskets to professionals in the segments most affected by the need for social isolation during the pandemic. There was also the donation of 1,000 kits for workers at free fairs in Goiana, containing hand sanitizer gel, face shield and masks for individual protection and prevention against Covid-19.



3,900
donated market baskets
2,400
for community
1,500
for glaziers
(2020)



1,000
protection material kits
Kits containing hand sanitizer gel, face shield and masks for workers at street markets in Goiania (2020)



Vivix's social actions in 2020 in the municipality of Goiana (PE)

ESG in practice

ENVIRONMENTAL

Reforestation and monthly monitoring of permanent preservation areas (APPs); **2 ha reforested and more than 1,500 native seedlings planted.**

Monitoring and preservation of three springs, located in the deposits of Caaporã (PB) and Pedras de Fogo (PB), as well as the preservation of the natural cavity (cave), located inside the deposit of Caaporã (PB).

Monitoring of fauna and flora in the APP next to the deposit of the processing plant; **more than 60 species monitored**



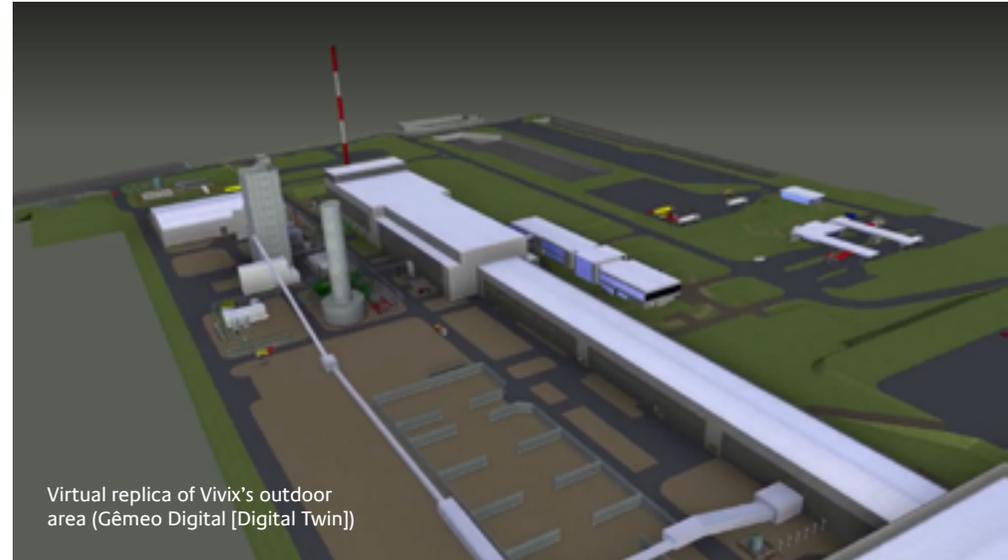
Replanting of native seedlings in the reforestation area – Caaporã (PB)



Sampling method of the avifauna from Monitoring the Wild Fauna of - Pedras de Fogo (PB)

Innovation

In line with the Group's efforts towards innovation, Vivix has worked to generate competitive advantage through a culture of innovation and the adoption of new technologies in its production processes, in supporting the glass chain and in approaching the market. Committed to this agenda, Vivix has been working on topics such as: digital customer journey, collaboration with the chain, industrial transformation, new products and disintermediation.



Virtual replica of Vivix's outdoor area (Gêmeo Digital [Digital Twin])

At the end of 2020, Vivix started the project **Agência Vivix**, which enables the training and digital inclusion of our customers, promoting more competitiveness and an increase in product sales.

Another relevant project focusing on industrial facilities that undergo several changes throughout their useful life and, often, undocumented, is the innovation project called **Gêmeo Digital [Digital Twin]**. It is a virtual and intelligent replica of the Vivix factory in Goiana (PE), which integrates all the technical documentation and asset management systems, providing analysis, experimentation, maintenance and safe operation in the virtual environment, without risk of affecting the business operations.





“

Our sector plays an important role in the economy. It is present in our daily lives and is essential to meet the growing demand for infrastructure and, thus, promote quality of life and the development of society. We have an immense challenge on this journey and we know our responsibility as a reference in the regional cement market. That's why we are a company that thinks and acts in a sustainable way. Our path includes practices such as producing with economy of natural resources and operating with releases 3 times below Brazilian standards, with state-of-the-art technology and quality raw materials. In addition to our careful look at the communities where we operate. We will continue together, working to build stories of brave people, strong people, building works of a lifetime.”

Romulo Avellar
Chief Executive Officer

From the union of two strong names in the Brazilian industry, the holding Cimento Portland Participações (CPP) would emerge in 2012, which would launch its brand, Cimento Bravo, on the market. A joint venture formed by Cornélio Brennand Group in partnership with Queiroz Galvão Group.

In 2014, Cimentos do Maranhão (Cimar) was built, a cement grinding unit in São Luís (MA) with the capacity to produce 500 thousand tons per year. The facility serves states in the North and Northeast regions and already occupies a leading position in the capital São Luís.

Another project defined by the joint venture is the integrated factory in Paripiranga (BA), where one of the limestone deposits belonging to Cornélio Brennand Group is located. The idea is that the unit, called Cimentos da Bahia, can produce 2 million tons of Portland cement per year, capacity to absorb 50% of the state's demand, which consumed 3.8 million tons in 2020, according to data from the Cement Industry National Union (SNIC). As Bahia records a production of 1.2 million tons of cement per year, Cimento Bravo unit would meet practically all the surplus demand in the state.



Compliance

Following norms and rules formulated in accordance with Cimento Bravo's values is essential for the company's daily activities and a fundamental factor for growing on solid foundations. Seeking the perfect functioning of the organization, a compliance program was created to ensure transparency, compliance, integrity and ethics, which strengthen the organizational culture, leverage business and strengthen relationships with our employees, partners and customers.

Compliance with the set of internal and external procedures proposed by the compliance program leads Cimar to highly effective positive results. The program is supported by the Code of Conduct and the Whistleblowing Channel available and disclosed to employees, customers, suppliers and other related parties.



Sustainability

Respect for the environment, which is so important in Cornélio Brennand Group's operations, is also present in Cimento Bravo's daily life. The company does not use water directly in its production, and uses the ash from aluminum and thermoelectric industries in Maranhão - a reuse that prevents these residues from being stored in the yards of the generating sources, eliminating environmental liabilities and contributing to a more sustainable operation.

In addition, the company has two ecological hoppers in Porto do Itaqui: these are equipment used in the clinker (granular material - main component in the manufacture of cement) unloading operations to supply São Luís unit. Equipment composed of filters and exhaust points which reduce particulate emissions.

Using these hoppers, clinker unloading has become a reference for a clean, safe and efficient operation. Prior to the start of operations at the ecological hoppers, the company provided appropriate training for professionals who are part of the Association of Autonomous Port Workers, as well as the team responsible for the port operation.

Currently, Cimento Bravo operates its plant in São Luís with average releases of 15 mg/Nm³, three times lower than that established by Brazilian standards, through the use of modern technologies and quality raw materials. These releases are well below those required by legislation: currently, Annex III of resolution 499 of the National Board for the Environment (Conama) establishes the emission of particulate matter at a maximum 50 mg/Nm³.

Community support

The company has also had an important social cause in Maranhão, mainly aimed at serving the population affected by the Covid-19 pandemic. Some of the initiatives undertaken in 2020 include:



Carrying out Covid-19 test and H1N1 vaccination on employees (both self and outsourced) and family members.



Presence in 11 solidarity lives, with the donation of 94 tons of cement for the construction of hospitals.



Maintenance of mechanical hospital respirators, in partnership with the National Industry Service (Senai) of Maranhão and the Federation of Industries of the State of Maranhão (Fiema).



Donation of over 11 thousand market baskets; 1,200 kits containing hand sanitizer gel, masks and safety information to fight Covid-19; and donation of 100 hand sanitizer gel totems to Bravos' main customers and POSs.



Cimento Bravo also promoted other actions in the health field - such as the partnership with Antonio Brunno Institute, which offers support to people with cancer, and initiatives aligned with Pink October campaigns, for breast cancer prevention, and Blue November, aimed at raising awareness of prostate cancer.

This is how Cimento Bravo reaffirms its purpose and contributions to society and sustainable development.

Cimento Bravo. For works of a lifetime.

Juntos fazendo histórias
que *transformam* o futuro.

Together making stories that transform the future.

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