



2020

SUSTAINABILITY

REPORT





WE SUPPORT



2020 SUSTAINABILITY REPORT

apodi
CIMENTO

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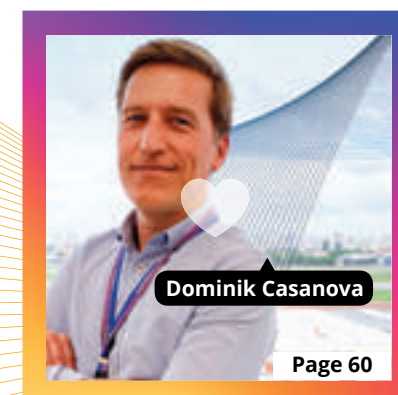
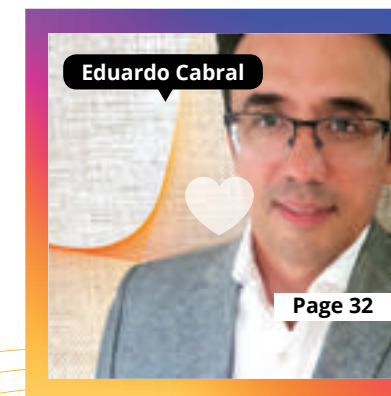
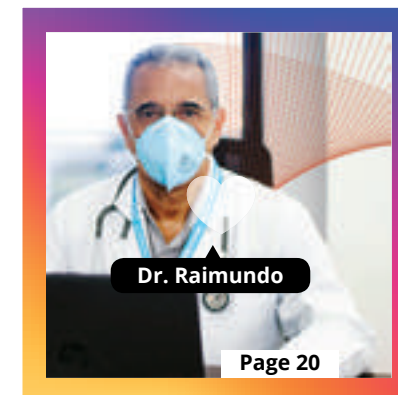
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LETTER FROM
THE BOARD
OF DIRECTORS

Walking together to do better

For Cimento Apodi, each year represents an accelerated stage of evolution and improvement. In 2020, we combined the energy we have with the Know-how we have acquired, and the goals of each day with planning for the future. Innovation, transparency, and results measurement are the axes on which we work tirelessly, replacing exhausted models from the beginning with a management connected with contemporary best practices. At each step, we count on the support of the Dias Branco family and Titan Group, shareholders who march with us in search of the best solutions in the market.

Amidst the perplexity caused by a global pandemic, resilience against obstacles served as a lever to close the year with a historical performance. After a period of stagnation full of unfavorable forecasts, Brazil saw the progressive resumption of the cement industry – the

production chains of civil construction started demanding products again. The movement was reinforced by federal decree No. 10.342/20, which redefined essential activities during the coronavirus pandemic - among them, civil construction and industries, without which the country would collapse.

**“AMIDST THE PERPLEXITY
CAUSED BY A GLOBAL
PANDEMIC, RESILIENCE
AGAINST OBSTACLES SERVED
AS A LEVER TO CLOSE THE
YEAR WITH A HISTORICAL
PERFORMANCE.”**



According to the Brazilian Association of Portland Cement (*Associação Brasileira de Cimento Portland*) - ABCP and the National Association of the Cement Industry (*Sindicato Nacional da Indústria de Cimento*) - SNIC, cement sales in the country totaled 4.7 million tons in December 2020, a 16.6% increase compared to the same month of 2019. The sector ended 2020 with a total of 60.8 million tons of cement sold, which means 10.9% more than in the previous year.

In addition to the fact that many Brazilians working remotely invest in home renovations, the emergency aid installments also encouraged small works. Instead of the expected downturn, the market recorded a strong recovery, especially between June and October. As we emerged from an uncertain scenario, we plunged into a reality that resulted in record

sales. In view of the unexpected pressure of demand, our teams quickly enabled the regular supply of products and we had the best year of recent times.

Cimento Apodi is strategically present in the North and Northeast. Our activity is essential for the economy and, in 2021, we will continue to work to transform the future. We're not alone. Social projects that transform people's lives are consistently developed by our teams in the communities neighboring the units as we will see in this Report, which thoroughly describes the advances and challenges of the past twelve months.

**Adauto Farias Júnior,
Chairman of the Board of
Directors of Cimento Apodi.**

LETTER FROM THE CEO

Investing in innovation, building the future

In year 2020, not only companies, but the entire society had to invent a new way of living, working, drawing up plans and meeting goals. With about 700 direct and indirect employees, Cimento Apodi was one of the first companies in Ceará to establish remote work and comply with all protocols against a virus that took the world by surprise.

To keep operations active, we took care of people. We have set up a Crisis Committee and adopted all appropriate protocols and sanitary measures to continue to act safely. We established a methodical way to seek information, detecting best practices, consulting specialists, investing in the physical and mental health care of the teams. There were no obstacles to the swift implementation of remote working, a modality that at the Head Office covered nearly 100% of employees.

If at first the greatest concern was job protection, in the second phase the focus was on meeting the demand for products, although

working differently from the manner we were accustomed to. The proof that management, training and compliance policies were well targeted is that we not only managed to keep up with peak consumption but also controlled costs and added value to the business.

**“I AM PROUD TO SAY THAT
THE WORK DONE EXCEEDED
ALL EXPECTATIONS. WE ENDED
THE YEAR BY ACHIEVING
THE INITIAL FINANCIAL
GOAL. OUR STRENGTH
WAS THE RESILIENCE AND
DETERMINATION OF THE TEAMS
IN THIS PERIOD IN WHICH WE
LIVE A ‘NEW NORMAL’.”**



I am proud to say that the work done has exceeded all expectations. We ended the year by achieving the initial financial goal. Our strength was the resilience and determination of the teams in this period in which we live a “new normal”.

The company’s commitment to sustainability and the circular economy strengthened in 2020. So much so that we continue studying carnauba residues, as reducing carbon emissions by using biomass is our commitment to the planet. This, combined with the economic development of communities where our impact is stronger, ends up being the focus of our projects. Water is another concern for which we seek innovative actions, fighting all possible impacts. In terms of innovation, further to the projects with the University and other institutions, we are already using artificial intelligence in the milling process and are expanding it to clinkerization. We matured in corporate governance, following an action

plan to mitigate any risks both from the overall business and in our Sustainability Matrix.

Cimento Apodi is a member of the United Nations Global Compact and within its sphere of influence promotes the Sustainable Development Goals - SDGs. We have a qualified team and a work environment that prioritizes continuous development and the fostering of talent. By valuing people’s potential, they are able to grow, and we grow with them.

The surprises of the pandemic and their effects on the world economy have not ended, but 2020 has shown us that agility, adaptability and respect for safety standards are an indispensable part of the solution. In 2021, we will continue with accumulated experience and the courage to innovate. This is how we build the future every day.

**Emmanuel Mitsou,
CEO of Cimento Apodi.**



Jéssica Cumial,
Laboratory
Technician

ABOUT THIS REPORT

We invite the reader to go through this document with the certainty that the steps described herein are part of a conscious and careful work for the common good. The next few pages depict how we act, amaze and grow. All this by taking care of people and respecting natural resources. To earn credibility and recognition today, we rely on international approval criteria and methodologies.

Therefore, this report comprises the company's history, the highlights in 2020, the relationship with stakeholders and investments in technology, innovation and continuous process improvement. We also address environmental, people, health and safety management. And, again, we present our Materiality Matrix, linked to the Sustainable Development Goals - SDGs proposed by the United Nations-UN Global Compact.

The Materiality Matrix first appeared in the 2019 Sustainability Report. Its construction process was based on the principles of the International Integrated Reporting Council-IIRC; the Titan Group's methodology for materiality and key stakeholders; the Sustainability Accounting Standards Board-SASB standards;

recommendations and criteria of the Global Reporting Initiative-GRI and principles of the AA1000 Standard.

The Titan Group had previously established a solid approach to structure environmental, social and value creation performance indicators. These indicators covered the Group's adherence to the ten principles of the UN Global Compact; sectoral commitments of the Global Cement and Concrete Association (GCCA); the structure of the United Nations Conference on Trade and Development-UNCTAD, specifically the topics in line with the 2030 Sustainable Development Goals - SDGs.

**OTHER INFORMATION IN
THE CHAPTER ON SCHEDULES
OR ON OUR WEBSITE:
WWW.CIMENTOAPODI.COM.BR**

**CONTACT US VIA EMAIL:
[SUSTENTABILIDADE@
CIMENTOAPODI.COM.BR](mailto:SUSTENTABILIDADE@CIMENTOAPODI.COM.BR)**

2020 PERFORMANCE

Year 2020 was challenging, however, the success of our result lays in the commitment of our employees, who stood firm against a scenario of uncertainties, with willingness to believe that it was possible to bring the results beyond what was expected during the pandemic.

Christiandson Leão,
Infrastructure Analyst

Approximately
700 direct
and indirect
employees

21.8
million in
investments

24,297
hours of training

R\$250.2
million of
expenses with
suppliers, of
which 35%
are spent with
local suppliers

24.21%
of clean and
renewable energy
(percentage
referring to the
use of clean
energy [waste
heat recovery]
at the plant in
Quixeré)

100%
reuse of treated
liquid effluent

70,825
people benefited
from actions to
combat Covid

R\$149.1
million in taxes and
other payments to
the government

1.5
million tons of
cement production

100%
of the ash from
Energias do Brasil -
EDP and ENEVA S.A.
used in the cement
manufacturing
process

Pecém Unit

Our Company



Our history

In Tupi, language spoken by one of the most numerous indigenous peoples to Brazil, before colonization, Apodi means “firmness.” And it is with firmness that we build our history. With only nine years of operation, we are a young company, but already qualified in the search for innovation, quality and result.

Companhia Industrial de Cimento Apodi, founded in 2008, is a closely-held corporation that began operations in February 2011, with the inauguration of the cement milling unit in Pecém Port complex (CE). Two years later, our second plant started operating in Quixeré (CE), in the Vale do Jaguaribe region, where it plays an important socio-economic role.

Year 2013 marked the opening of our Distribution Center in Piauí, followed by

the Maranhão Distribution Center in 2014. Since 2016, we also have Centers in Ceará, Amazonas, Pernambuco, Rio Grande do Norte and Pará. With intelligent and effective logistics, we can reach the customer through a scattered distribution, which uses road, rail and waterway modes.

Between 2011 and 2016, the Company’s shareholding composition underwent several changes until it reached its current configuration. Since mid-2016, we are a multinational joint venture, composed of the equity interest of the Dias Branco family and the Titan Group, a traditional producer of cement and construction materials based in Greece. Together, each holds a 50% stake. With the Head Office located in Fortaleza (CE), today we have a presence in the North and Northeast regions of Brazil, as indicated on the map.

2019 was an important year for the repositioning of the brand, with the launch of the “Statement of Apodi’s Purpose”, which aligns corporate identity and business direction to our Purpose and new business strategies. In 2020, we continued our trajectory of success, which had a modest beginning and rose up with everyone’s work.

Currently, we have four Concrete Centers, two concrete technology laboratories and nine Distribution Centers. Quixeré industrial park occupies an area of 3,000 hectares and, along with the cement milling unit located in Pecém Industrial and Port Complex, has the capacity to produce more than two million tons of cement per year.

Provide products of the highest quality and in compliance with the legislation of the sector, combining technology, research, and current methods of operation. This has always been the goal of Apodi, whose mix of cement, concretes and mortars meet different needs of civil construction.

Our products go through several industrial quality control phases. For this purpose, we have modern and well-equipped laboratories for testing each production. In addition to the fixed laboratories, we have a mobile laboratory to serve our customers within the works. The solution brings convenience, reliability and time savings. This is how Apodi conquers the market: nurturing respect and engagement of those who contact us.

Plants

- Pecém (CE)
- Quixeré (CE)

Distribution centers

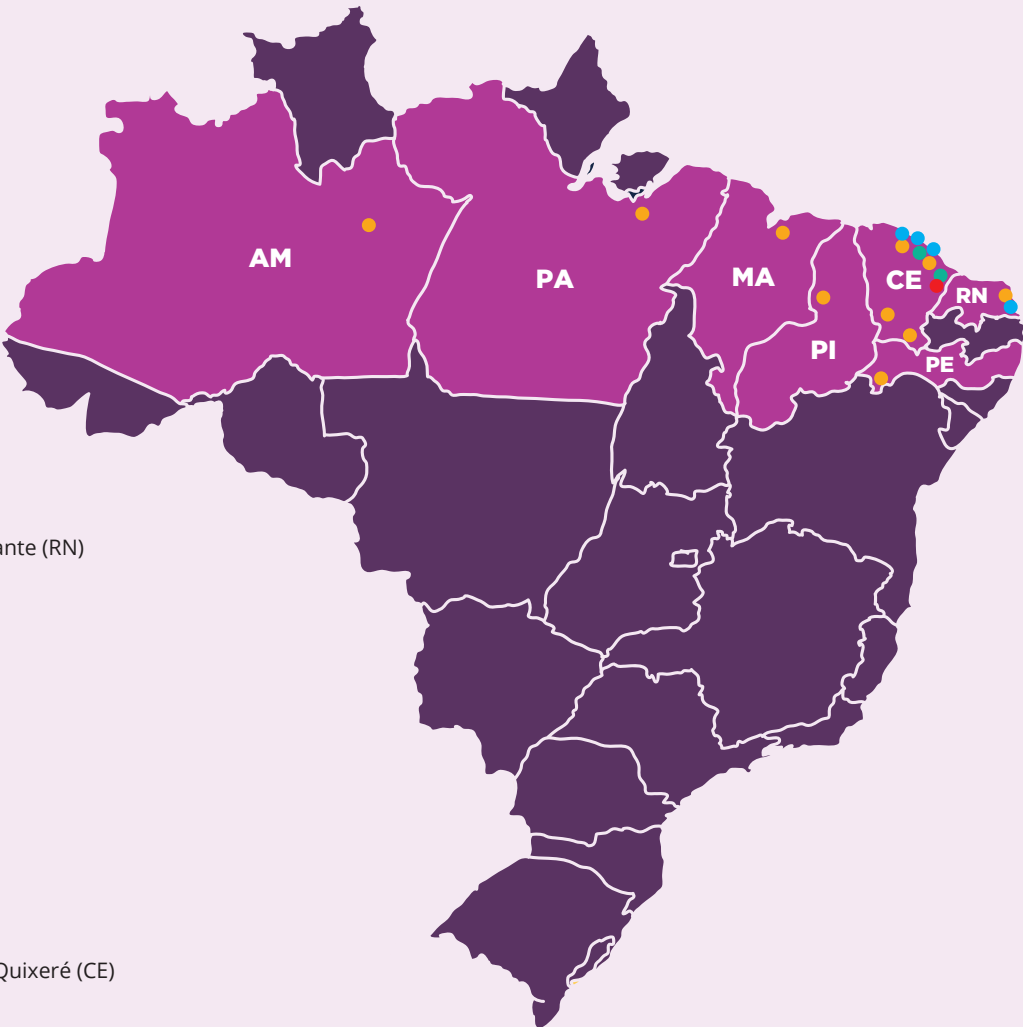
- Ananindeua (PA)
- Barbalha (CE)
- Caucaia (CE)
- Eusébio (CE)
- Manaus (AM)
- Petrolina (PE)
- São Gonçalo do Amarante (RN)
- São Luís (MA)
- Teresina (PI)

Concrete Units

- Eusébio (CE)
- Fortaleza (CE)
- Natal (RN)
- Pecém (CE)

Laboratories

- Concrete laboratory - Quixeré (CE)
- Mobile Laboratory



Our Purpose:

Transform the future.

Our Business:

Create the basis for human evolution.

Our Mission:

Provide the best experience for the construction industry, with innovation and sustainability.

Our Vision:

Inspire the building of a better world.



Moésio Gonçalves, Munck Operator Driver

How we create value for the business and society

BUSINESS MODEL:
CREATE THE FOUNDATION
FOR HUMAN EVOLUTION

FINANCIALS

- R\$715.6 million in fixed assets
- R\$36.8 million in working capital
- R\$21.6 million of investments

MANUFACTURE

- 2 Complete concrete labs, 1 fixed and 1 mobile
- 2 plants, 9 distribution centers and 4 concrete plants
- 1 limestone mine, 4 excavation sites
- Production of special cements
- 12 million tons of cement production

INTELLECTUAL

- Expansion of the Artificial Intelligence Project for the Quixerê plant
- TITAN Technical Group and APODI Team - Innovation and Industry 4.0
- Partnerships with local universities: biomass energy

HUMAN

- 95.4% of employees are from local communities
- 20.5% of women's participation in management positions
- About 700 direct and indirect employees
- 24,297 hours of training

SOCIAL AND RELATIONSHIP

- 3,638 customers
- 70,825 people benefited from actions to combat Covid-19
- 9,800 active suppliers, of which 45 are public and private institutions participating in the Sustainability Committee of Vale do Jaguaribe (Region where the cement factory is located)
- Active participation in AECOPP, comprised of 31 companies, 10 theme forums

NATURAL

- 24.23% clean and renewable energy
- 100% of the ash from Energias do Brasil - EDP and ENEVA S.A. used in the cement manufacturing process
- Reuse of 100% of treated liquid effluent
- 1.8 million tons of limestone and clay

Strategy: Sustainable profitability • Operational excellence • Customer centricity • People • Innovation and digital transformation • Sustainability



Our Vision: Inspire the building of a better world.

Our Mission: Provide the best experience for the construction industry, with innovation and sustainability.

Our Values: Safety, People, Excellence, Respect, Customers, Sustainability and Innovation.

Value Generated and Added to the Company in 2020 (in millions)

Total expenses with payroll and benefits
R\$ 50.9

Value Added
R\$ 319.1

Net value added
R\$ 269.2

Taxes and other payments to the government
R\$ 149.1

Suppliers
R\$ 250.2
(35% local suppliers)

Business risk: Strategic • Operational • Compliance • Financial

Our People

Innovation is the guiding principle of development. Nothing changes if there are no opportunities for everyone. Businesses that open up to the participation of people stimulate the emergence of ideas with the potential to revolutionize the pace and direction of decisions. We work every day to keep the company connected with the changes in the world. And the world only changes when it involves people.

Cimento Apodi Talent Management Policy started in 2019 and continued to be developed in 2020. Combined with the changes in corporate structure, the company valued its

employees and took advantage of their current talents, which resulted in differentiated results for the entire company.

In various sectors, the daily meetings served not only to align and motivate the teams, but also to acknowledge the employees who were performing an outstanding job and who presented good ideas. Throughout the year, Apodi has proven that it has speed and technology, but above all, it has talents and creative brains.

We worked hard to get there. We acted quickly to catch up with our production amidst a pandemic, closing the year with good figures and large deals. We owe this to our people development management policies and guidelines and creation of a stimulating and healthy work environment:

- There have been great advances on the talent management front.
- We updated the Succession Plan, an important instrument in a year that had several changes in the organizational structure.
- There was an increase in the number of promotions.
- We valued the training of leaders and employees, implementing awareness policies.

AVERAGE HOURS/TRAINING PER EMPLOYEE AND SEX

Overall Average	51
Average of women	108
Average of men	39

AVERAGE HOURS/TRAINING PER SUBJECT

Languages	18,223
Health and Safety	5,108
Digital	161
Compliance	698
Other	3
Technical competencies	104

TOTAL TRAINING HOURS

24,297



Caio César,
Driver



Maylla Silva,
Environmental
Technician, and
Máxion Alves,
Occupational
Safety Engineer

Our values

Safety

Health and safety for all employees and third parties, maintaining physical and mental integrity, inside and outside the workplace.

People

Provide working conditions that benefit balance between personal and professional life of our employees, equal treatment for all, respect for diversity and provide a work environment that fosters development and continuous learning.

Excellence

Maximum quality and excellence in industrial processes, products, services and financial results.

Respect

Treat and communicate respectfully with all stakeholders with which the company relates (Stakeholders), individually or as a group.

Customer

Customer satisfaction by establishing an open and clear communication, as well as a relationship of loyalty and integrity.

Innovation

Foster and develop inquisitive spirit, initiative, adaptability with a focus on implementing agile solutions throughout the operational flow.

Sustainability

Develop the business within the precepts of sustainability and corporate social responsibility, with a long-term vision and focus on the perpetuity of the business for the company and the entire supply chain.



Life comes first.

Adapting quickly was one of the lessons that Raimundo Vilicic Daltro assimilated in 2020. Apodi occupational physician, he is responsible for coordinating the Occupational Health and Medical Control Program (PCMSO) in all units of the company.

“When the year started, the health and safety area already had an entire planning, but the outbreak of the pandemic and the intensity of the spread required new measures. Immediately”, says Dr. Raimundo, whose first concern was with the employees’ well-being. For this reason, protocols, awareness campaigns,

commuting policies, and systematic monitoring of everyone’s health were established.

“The measures generated so much confidence that some employees even reported that they felt safer at the factory than at home,” says the doctor. “We had no deaths. The number of hospitalizations was extremely low. We strengthened actions with the teams at all stages. At no moment whatsoever did we relax the care”, he adds.

“APODI HAS ALWAYS PROVIDED THE NECESSARY SUPPORT AND DEPLOYED ALL RESOURCES TO PROTECT EMPLOYEES AND THEIR FAMILIES. THE CHANGES ARISING FROM THE PANDEMIC WERE QUICKLY ABSORBED BY MANAGEMENT. THE HEALTH AREA WENT WELL THROUGH 2020 THANKS TO THIS LEADERSHIP”

**RAIMUNDO VILICIC DALTRO,
APODI’S PHYSICIAN, FORTALEZA**



**KNOW DR.
RAIMUNDO’S
EXAMPLE OF
COMPETENCE
IN FACING THE
CHALLENGE OF
THE PANDEMIC.**

A native from the state of Bahia, Dr. Raimundo is a graduate from the Catholic University - PUC of São Paulo and has been living in Ceará for 20 years. His clinical background, as well as his penchant for management, led him to work in occupational medicine. For this purpose, he sought training in the area, focusing on process management. “My wife and I – she is a nutritionist – embraced Ceará with much love. I was happy to come here. And, since December 2019, I am at Apodi, which I consider a family”, he summarizes.

Health and Safety during the pandemic

Year 2020 was an opportunity for us to take a new leap together, investing in smarter processes, improving practices, taking care of people. Keep going healthy and grow safely. Much of Apodi's efforts and investments were focused on this direction.

Before uncertainties about the new coronavirus turned into fear in the workplace, we took all necessary care, encouraged the team, began to reduce operations, gave vacation to some employees and established remote working for most sectors.

At the start of the year, Occupational Health and Safety objectives included:

- Greater appreciation of the Occupational Health program.
- Review of Safety processes, especially the implementation of Datasul's Health and Safety Module.
- Compliance with e-social

eSocial is the digital tax bookkeeping system for tax, social security and labor obligations. It is a Federal Government project created through Decree 8.373 of December 11, 2014 and entered into force starting in 2018. It is a program of the Brazilian Government intended to integrate the various labor, social security and tax obligations into a single control and reporting system.

The actions to deal with Covid-19 in early March had to be implemented when they were still being structured, but the office had sufficient agility to reorganize when the pandemic arrived in Ceará.

Cases began to increase in São Paulo and there were already cases being reported in the Northeast. In a resolution with the executive board, the Crisis Committee was set up, whose first meeting took place on March 13. That is, as soon as the first cases were confirmed in Brazil and even before the first occurrences in Ceará.

During the discussions, the possible

strategies, the care to be taken and the main guidelines for action were discussed. From the outset, representatives of HR, Supplies, Operations, Logistics, Communication, Planning, Occupational Health and Safety and Information Technology took part in the Committee.

We began to draft new protocols with rules on travel, suspected cases and confirmed cases. Several internal policies, rules and procedures would be developed in the fight against the pandemic, as our operations did not stop. In the first phase, no mass test available was yet available in Fortaleza, hence it was a period of few confirmed infections.

In parallel, actions to carry out a new planning for our operations started and administrative employees were placed under remote working regime, our vacation and offset of worked hours were rescheduled.

In addition to being fundamental in the creation of protocols, the Committee was important for the establishment of remote working and gave speed to communication actions. To implement the measures, we counted on the managers of the units and the tireless work of the Health and Safety area.

Remote Working

At first, Apodi faced a huge challenge: place about 150 people under remote working regime within three days. It was necessary to create and adapt an entire structure, including IT structure, for the most impacted sectors, such as the Customer Relations Unit (URC), which depends on internal service equipment. Based on a survey, we found that, for some, there was a lack of adequate physical structure at home. Therefore, an ergonomic kit and an allowance were made available to employees. We know that such factors result in better working conditions. We adopted an extremely agile installation logistics, which contributed to the health and safety of employees.

It was not imagined that the pandemic would last so long, but there was a strong movement in the market to adopt a flexible type of work

in companies. Due to uncertainties regarding the resumption of in-person activities by government decrees, to reduce the insecurity and anxiety of employees as the cases grew in Ceará and families had no prospect of children returning to school, we decided to put an end to these extensions.

Remote working was adopted indefinitely, that is, until the conditions to return became safe. While other companies viewed remote working as a cost reduction project, Apodi, on the contrary, thought of the program as a modality for head office's administrative areas, intended to give better working conditions and quality of life to employees.

Daily health monitoring

Over the months, we did a thorough monitoring, which counted on the dedication of the entire Health and Safety team. At first, we were unable to implement a testing plan due to

the scarcity of tests and the low reliability. The strategic bet was on screening and awareness.

We implemented the Apodi Saúde app, in which employees answer a questionnaire about symptoms each day and receive automatic feedback as to permission to be at their work unit. Innovation and Safety, values prioritized to ensure the health of employees in our operations.

The effectiveness of all protocols implemented translates into numbers, given that in 2020 we did not have serious cases and among employees and third parties, less than 10% were infected.

Tests

With the increased availability of tests in the market, the Health area began to direct several suspected cases to perform RT-PCR, but quarantine remains the first option in case of any suspected cases and symptoms.



Aline Belmino,
HR Analyst

Survey

A month and a half after the actions started, we carried out a survey with our employees, asking them which platform they used the most. 70% of them looked at Workplace for information; 15%, television; 58% also used email. There were 317 participants. This data is detailed in the survey, whose development was a live broadcast on relevant items, for purposes of reassuring the employee.

Each question in the survey has its own interpretation. When asked whether Cimento Apodi had taken steps to deal with the pandemic, 98% of Quixeré's employees said yes. In all units, 90% of employees perceive the company as a source of support, and managers are available and accessible during the pandemic.

After the survey, HR contacted the families through personalized letters to each employee. Stronger work has been done with logistics partners in terms of communication. We also established new protocols in the transportation route of employees, providing gel alcohol and increased seating distance in vehicles. All these actions were the result of the survey.

Apodi sought to go through the pandemic with the least possible impact, preserving the main link of the chain, which are people.

Donation of masks

Given the complexity of the solutions that the new scenario requires, there must be collective solutions, involving transformation of behaviors. At Apodi, the concern for employees was extended to the care for the company's surroundings. In March, we already started a series of community engagement actions to find solutions to deal with Covid-19, in addition to promoting donations of masks, soaps and gel alcohol. Information on the risk of contamination and the importance of social isolation was passed on throughout the year, for the benefit of hundreds of low-income families, health professionals and waste pickers.

In Quixeré, collaborative work with the

Associação de Moradores de Bom Sucesso [Association of inhabitants in Bom Sucesso community] counted on the Mulheres Empreendedoras program [Women entrepreneurs program] to make and donate 1,800 fabric masks made in the community - which generated extra income for the women involved. In addition to Bom Sucesso, the communities of Serra do Vieira, Baixa do Félix, Maxixe and Ubaia were benefited.

In the municipalities of Morada Nova, Russas, Limoeiro do Norte, and Quixeré, Apodi donated non-woven fabric masks to health professionals, in partnership with Coopershoes and Scatec Solar. In July, as part of the environmental education actions and together with Quixeré Municipal Government, we delivered Covid-19 prevention kits to waste pickers (acetate masks, non-woven fabric masks and nitrile gloves). On the occasion, an awareness initiative was carried out in relation



to fires, an environmental crime that needs to be fought with the help of all.

Also in July we delivered acetate protectors to the health professionals of the Casa do Idoso (elderly nursing home) of Limoeiro do Norte and Russas. This work had the partnership of IFCE in Tabuleiro do Norte and Fortaleza, with a production of 2,025 face protectors.

Item	Partner	Qty.
Non-woven fabric masks	Coopershoes and Scatec	30,000
Fabric masks	Associação Comunitária de Bom Sucesso	1,800
Face Shields	IFCE	2,025
Acetate masks	FIEC	37,000
TOTAL		70,825

Some highlights

- Apodi donated R\$50,000 to the financial fund created by the Federation of Industries of the State of Ceará-FIEC to fight the pandemic.
- 500 direct and 200 indirect jobs were preserved without any dismissal or reduction of working hours and salary.
- All 14 units implemented protocols to preserve the health of employees, according to the guidelines of the Ministry of Health and State and Municipal Departments, as well as procedures for sanitizing and cleaning the facilities (cafeterias, buses, production, administrative areas and collective spaces).
- Corporate travel, events and face-to-face meetings were suspended.
- Employees belonging to the risk group were placed on leave.
- Campaigns were created for donations and constant distribution of information material in all plants to all stakeholders of Apodi (employee, customer, community, partners, suppliers, class entities and institutions linked to the government).

Communication

- Right at the beginning of the pandemic, the company published a statement with the main guidelines on suspended travels, symptoms of the disease, physicians' contacts.
- Throughout the year, several protocols were developed, including on return travel, hygiene, interaction with the external public, suspected and confirmed cases.
- Communication on restriction of access to the Head Office.
- Notice of actions of administrative nature.
- We invested in clear and informative visual communication in the units.
- A visual communication at the truck drivers' area was also made.
- Communications reinforcing the importance of conscious use of the mask.
- Announcements for employees who have started remote working.
- Remote working tips.
- Communication on medical certificate flow.
- Lives on healthy eating and other themes; lectures on mental health; Occupational workout videos at Workplace.

Actions for truck drivers

Truck drivers are Apodi's major partners in their efforts to ensure that products arrive to the consumer quickly and safely. During review of Logistics routines during the pandemic, monthly meetings with our logistics partners were included, to keep planning up to date, align the process and encourage engagement with health protocols. In addition, we implemented specific actions that made all the difference:

- Provision of masks, which started to be made available at the entrance gates.
- The trucks received gel alcohol sprays to clean the vehicles daily.
- Signaling of the area used by drivers.

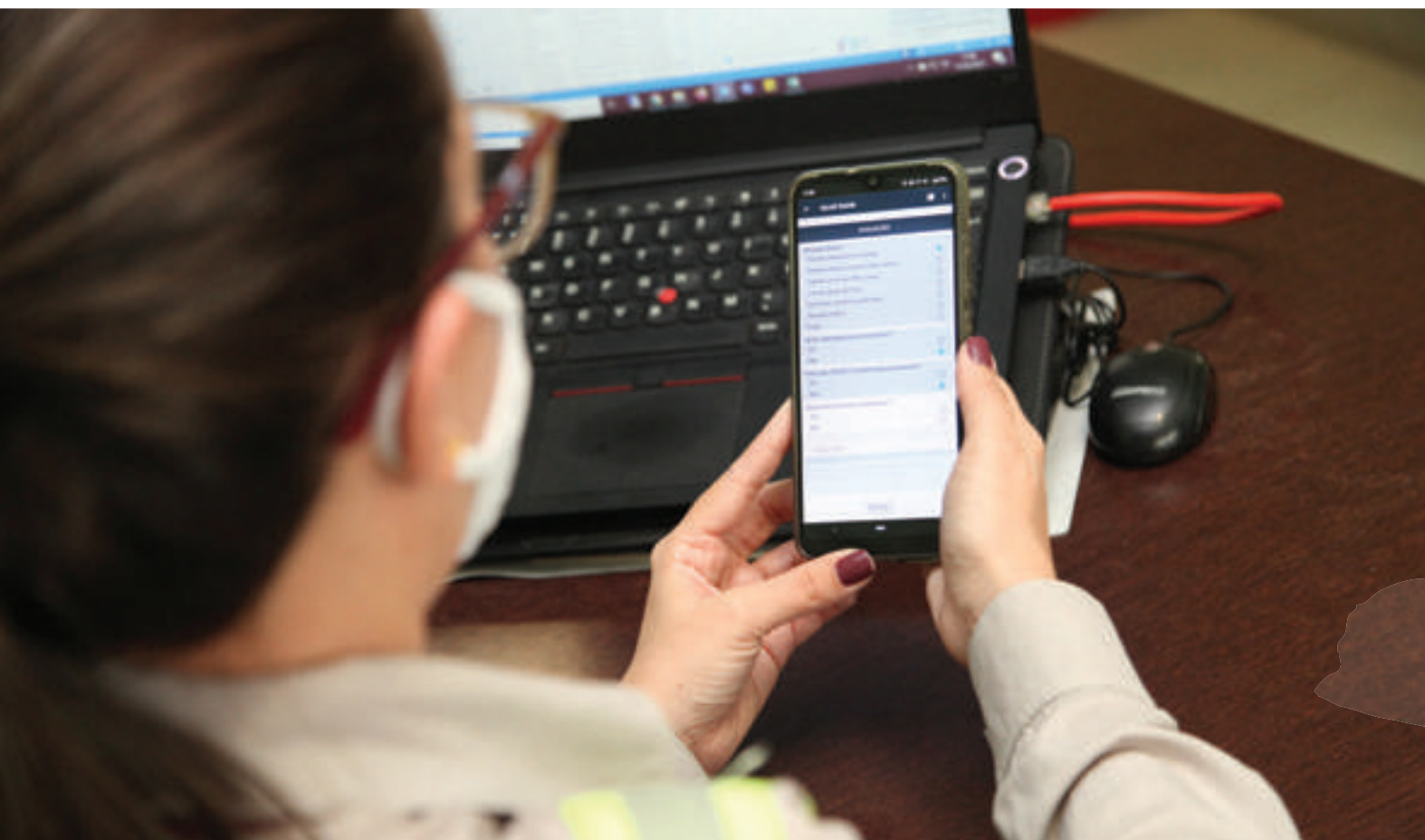
Continued actions

Effective health and safety management is related to UN SDG 3 (Good Health and Well-Being). At Apodi, the emphasis has always been on prevention. Our routines follow practices recognized by established organizations as a benchmark in the subject. This means that, in parallel with Covid-19 prevention measures, we continued with a series of trainings, programs and actions in favor of a sustainable, healthy and safe work environment. It took a lot of discipline to make everything happen in a regular and organized way with strict schedules, so that we could correct any dispersion or occasional event timely. We also had the assistance of remote training programs. In all actions, the highlight was the commitment of the teams regarding the rules that result in improvements for all. Below are some highlights of the year:

- Training: even with the pandemic, the company managed to carry out 75% of safety training. In 2021, we will maintain the pace to continue evolving with maturity and technical competence.
- Emergency Brigades: in 2020, we

established 94 new brigades, 60 of them in Quixeré. Today, 25% of the employees of the industrial complex are brigadiers and are trained to respond to emergency situations.

- Occupational Safety Committee: run by the leaders, the Committee discusses operational safety with the involvement of the various levels of the Company.
- Health & Safety Dialogue - DDS: dialogues between employees and leaders, always in the first hour of the day, to adjust the level of safety of each activity developed.
- Task Risk Remarks (ORT): it takes place weekly, also between leaders and teams, to observe behaviors and realign conducts, in addition to improving levels of interaction.
- SIPAT: due to distancing needs, the Internal Accident Prevention Week was a major challenge. The teams again excelled themselves and, very creatively, held the event in online format, with a lot of interactivity and action.
- Campaigns: Health and safety campaigns in 2020 were adapted to Covid-19 prevention protocols and guaranteed moments of information, interaction (with online games) and learning to employees.



Figures of the campaigns carried out



70,825 masks donated;



R\$ 50 thousand donated to the financial fund created by the Federation of Industries of the State of Ceará - FIEC to fight the pandemic;



2,025 acetate face masks will be donated to health professionals from Vale do Jaguaribe, which were made available through a partnership with IFCE/Tabuleiro do Norte;



200 families (800 people) from the surrounding community benefited from the delivery of hygiene kits, information material and masks;



37,000 disposable masks, in partnership with Coopershoes and Scate Solar, were donated to the population at risk from the cities of Quixeré, Russas, and Limoeiro do Norte;



500 direct and **200** indirect jobs were preserved without any dismissal or reduction of working hours/salary.



R\$ 800,000/month in employee benefits preserved;



Creation of a committee with representatives from various areas to deal with preventive measures;



36% of the workforce working remotely;



All **14** units implemented protocols to preserve the health of employees, according to the guidelines of the Ministry of Health and State and Municipal Departments, as well as carrying out procedures for sanitizing and cleaning the facilities (cafeterias, buses, production, administrative areas and collective spaces).



Suspension of corporate travel, events and face-to-face meetings;



Employees belonging to the risk group were placed on leave.



Creation of campaigns and constant distribution of information material in all plants to all stakeholders of Apodi (employee, customer, community, partners, suppliers, class entities and institutions linked to the government).



ESG



The world has changed and, with it, the role of companies. Corporate management practices focused on environmental, social and governance responsibilities - known as ESG, or Environmental, Social and Governance - have become levers for companies' financial strategies. The old performance metrics gave way to good management practices - with which Cimento Apodi has agreed since the beginning of activities and throughout its production chain.

Commitment to sustainability has transformed the way companies do business. In our case, this translates into actions for the reduction of inputs, the appreciation of human capital, training programs, inclusion and diversity measures and many other initiatives - all of which are addressed below.

Apodi's values are increasingly becoming inseparable from ESG-based businesses, which mitigate risks, bring profitability and generate value for the long term. The adoption of sustainable processes and the improvement of corporate governance make us see beyond, connecting us with an audience increasingly interested in conscious consumption.

Environment

Apodi's Corporate Environmental Policy guides the Company's practices and prioritizes the replacement of fossil fuels with various materials. Studies on the use of biomass and the use of carnauba residue are part of the company's action plans, working for the best use of water and energy, as well as the reduction of greenhouse gases. Artificial intelligence in the milling process is part of a scenario that expands to new fronts, with the support of the University and research institutions. The Sustainability Management Committee is one of the arms for monitoring progress. Valuing circular economy and preserving biodiversity, with clear and objective measurement of results, is what ensures risk mitigation for our Sustainability Matrix, bringing benefits to all.



Social

In the social sphere, we develop programs that ensure the health and safety of workers, as well as projects aimed at the various audiences with which the Company relates. Our main stakeholders - whether customers, suppliers, associations, communities, among others - are contemplated with initiatives that seek solutions to the different demands. By way of example: since 2018, Apodi participates in the Business Development Program - PDE, which empowers small cement manufacturers, fostering the spirit of innovation and giving more competitiveness to the sector. At the communities, the Company emphasizes the capacity for management and self-sustainability, so that the projects open new perspectives for life. Internally, we value the training of leaders and employees, and also invest in the formation of new talents.

Governance

Governance is the main instrument for the successful and balanced performance of Cimento Apodi, whose Code of Ethics and Conduct was updated in 2020. With equal commitment, the Company works on its Ethics Channel and, in 2020, created the Ethics Committee, responsible for corrective and disciplinary measures. The audit and ethical control system go hand in hand with compliance policies, not only establishing processes and establishing internal compliance rules, but above all, promoting transparency. The organization of committees is another important front. Several initiatives to fight and prevent the pandemic came from the Crisis Committee, in a work that involved the entire team, including transportation companies and drivers. The organizational culture based on the Company's values increases engagement, helps face crises and impacts productivity.



Research and innovation for the benefit of the industry.

"I've been following Apodi from the beginning. The great advantage of the company is its approach to people, which makes actions faster and decisions more correct", says civil engineer Eduardo Cabral. As a professor at UFC and coordinator of the Civil Construction Materials Laboratory, of the Engineering Department of the University, Eduardo considers that "those who take long time to change become

outdated". Before taking up his current duties, he graduated in Fortaleza, he got a master's degree in Rio Grande do Sul and a Ph.D. in São Paulo.

Apodi has a long history of partnership with the Laboratory coordinated by the professor, who has done studies to verify the quality of fly ash in the manufacture of cement and research on BSSF slag (Baosteel Slag Short Flow) for concrete production. In 2020, he conducted thermomechanical studies and studied the mitigation of cement aggregates,

focusing on the Alkali-Aggregate Reaction, or AAR.

"When the company started producing the ready mortar, we also evaluated the process. We're close partners. This close cooperation between the University and industry is interesting for both." If on the one hand the cement maker has the scientific support to solve the production bottlenecks, on the other hand the students improve their knowledge in practice. It is a union that generates innovation and promotes development.

"APODI HAS HAD A GREAT INTERFACE WITH THE UNIVERSITY. BECAUSE DECISION MAKERS UNDERSTAND THE TECHNICAL SIDE AS WELL AS THE NEED FOR RESEARCH. ANYONE WHO DOESN'T DO IT TODAY WILL FEEL IT TOMORROW."

EDUARDO CABRAL, PROFESSOR AT UFC, FORTALEZA



CHECK THE INNOVATIONS OF APODI'S TECHNICAL PANEL AT IBRACON 2020.

Governance



Materiality Matrix

In the pursuit of management excellence, planning is anticipating solutions.

The Materiality Matrix aligns the company's expectations with external audiences, unites information to establish priorities and maps the environmental, economic and social impacts of the activities. This is how we create value for business and society: empowering people. We believe that articulated and close work with civil society organizations, the public sector and community leaders allows the dissemination of responsible practices, knowledge to be passed on, trend monitoring and business improvement.

Much of the work done in 2020, therefore, is

the result of actions launched in 2019, when we established dialogues in the form of interviews, involving more than 100 representatives from different groups. Internal research supplemented the process for determining long-term objectives and goals, risks and opportunities. Finally, we came to the priority material themes and of high and medium relevance.

Today, we can invest more assertively in actions and projects that are fundamental to the company and its surroundings, from a sustainability perspective. Based on the Materiality Matrix, we identify creative solutions, facilitate meetings and coordinate alliances in favor of initiatives of high socio-environmental impact, operating systemically.

Material themes	SDGs
GOVERNANCE Legal Compliance, Governance, Transparency and Regulatory Risks	8, 16 and 17
SOCIAL Career development/Retention:	4 and 8
Occupational Health and Safety	8 and 11
Human Rights	8 and 17
Local Development	1,4,5,6,8,9,11,12,15,17
Balance between Work and Quality of Life	8
ENVIRONMENTAL Alternative Fuels and Raw Materials	11,12,13,15,17
CO2 Emissions and Climate Change	13,17
Water Resources Management	6,14,17
Air Quality	8,11,12
Energy Efficiency	7,11,12,13
Impacts of Climate Change	8,11,13
Circular Economy	11,12,13
Biodiversity and Ecosystem Services	6,15,17



Gilvânio Silva,
Mechanic

Materiality Matrix Cimento Apodi

GRI [102-47], IIRC and SASB

The main outcome of our materiality assessment process was the definition of a set of strategic "material issues" for the sustainability of Cimento Apodi.

We mapped these material issues in a materiality matrix. The vertical axis corresponds to the influence on stakeholder assessments and decisions and the horizontal axis refers to the importance of environmental, economic and social impacts on the Company.

PRIORITY TOPICS

- A. Legal Compliance, Governance, Transparency and Regulatory Risks
- B. Alternative Fuels and Raw Materials
- C. Career development/ Retention
- D. Customer Satisfaction
- E. Innovation
- F. Creation of Value for the Business and the Company
- G. Operational Excellence

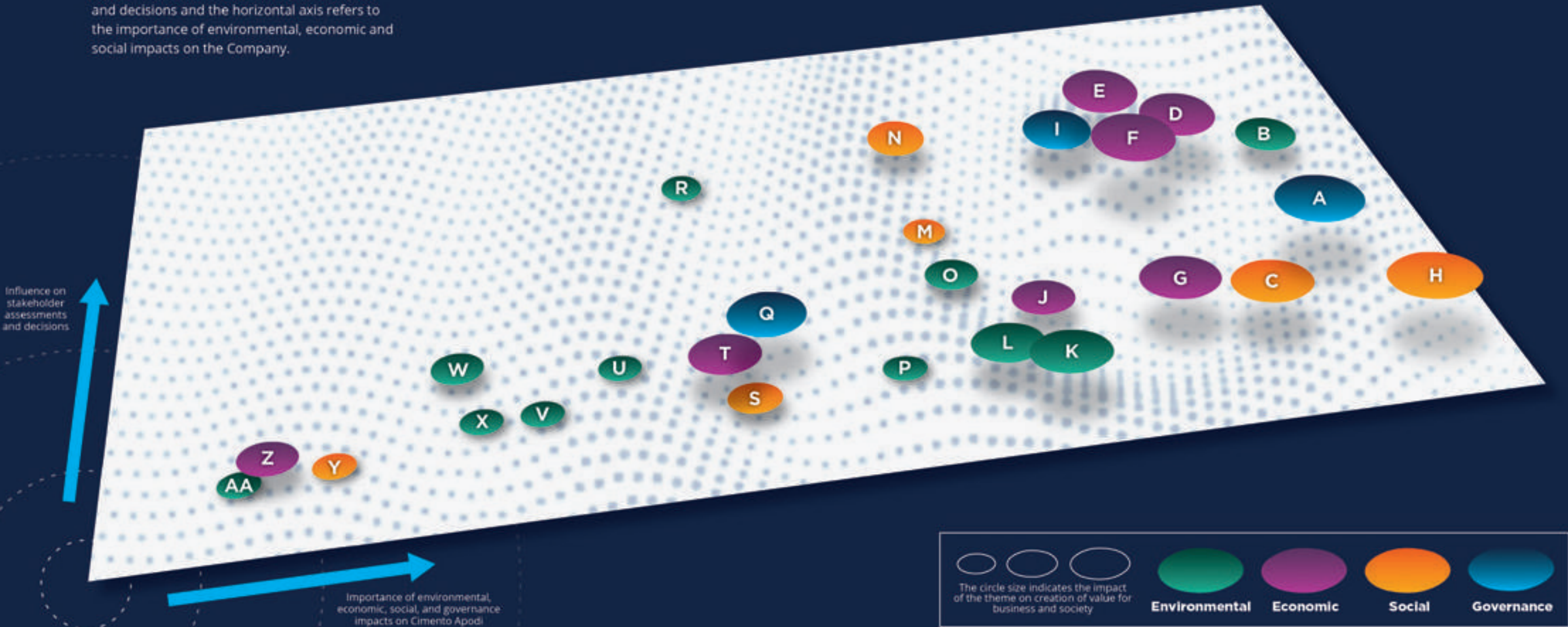
- H. Occupational Health & Safety
- I. Stakeholders Engagement and Relationship
- J. Sustainable Value Chain
- K. CO2 Emissions and Climate Change
- L. Water Resources Management
- M. Human Rights
- N. Local Development
- O. Circular Economy

TOPICS OF HIGH RELEVANCE

- P. Air Quality
- Q. Corporate Social Responsibility
- R. Energy Efficiency
- S. Balance, Work and Quality of Life
- T. Transportation & Logistics
- U. Impacts of Climate Change
- V. Biodiversity /Ecosystem Services

MEDIUM RELEVANCE TOPICS

- W. Sustainable Projects
- X. Waste Management and Recycling
- Y. Diversity
- Z. Business Model / Resilience
- AA. Life Cycle Analysis and Product Design

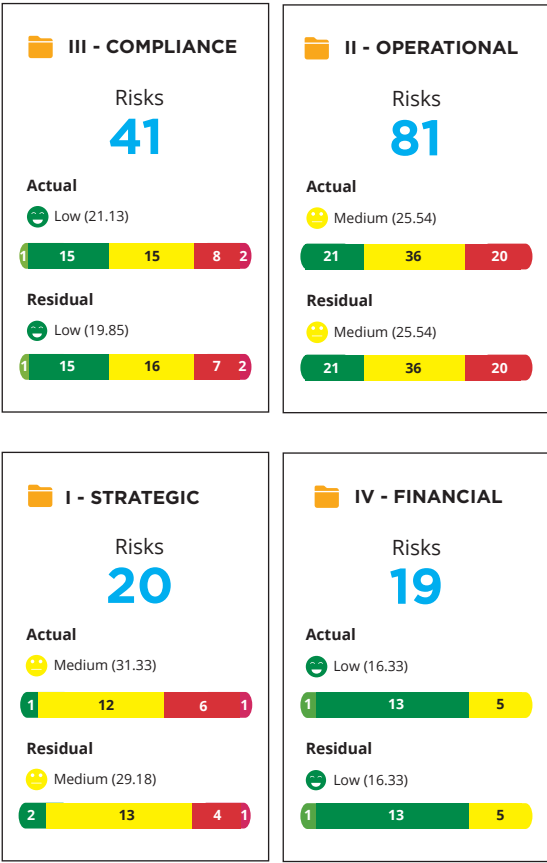


Risk management

Cimento Apodi Risk Management Policy was implemented in May 2019 and is based on the main international standards dealing with corporate risk management, such as COSO ERM and ISO 31000:2018.

We take into account the strategic, financial, operational and compliance risks to build an integrated decision-making system in the business environment, minimizing events that may adversely affect us, and including new projects to maximize benefits.

The risk map is followed by the entire Company, from the Board of Directors and the Executive Board to employees, in the various areas. For the management and registration of all plans and commitments of the company, we use a specialized software that contemplates the processes involved. In order to better drive our efforts, the risk matrix is continuously reviewed.



In 2020, giving continuity to what was carried out at the workshop, leaders began to focus on creating action plans to mitigate 'high' and 'extreme' risks.

Ethics and integrity in business

Code of Ethics and Conduct

One of the main advances in 2020 was the work to update our Code of Ethics and Conduct, which was launched on March 30 jointly with the Ethics Channel, an important tool to preserve the integrity of the company. The Code has been part of our DNA since the hiring of people, as its guidelines are evaluation points of our employees.

The Code of Ethics and Conduct, which reflects our way of doing business, details the principles, rules and procedures that guide us. Integrity, transparency, organization and control permeate the backbone of this document.

It is important to note that, in 2020, extensive remote training on the Code of Ethics brought together 255 employees, who continue to perform their duties in compliance with the rules.

Ethics Channel

By opening a channel for whistleblowing, we act promptly and objectively on issues that could negatively impact our operations. Launched in March 2020, the Ethics Channel is a tool that acts against violations of the Code of Ethics, internal policies and current legislation. It can be used not only by the company's employees, but also by customers, suppliers, neighboring communities and other stakeholders.

To ensure the impartiality and anonymity of whistleblowers, we retained a specialized company, which is responsible for receiving information and complaints. After an initial filtering, the issues raised are sent to Apodi, which opens an investigation process,

coordinated by Internal Audit.

The Ethics Channel, therefore, assists in the risk monitoring and management, helping to preserve the Company's values. Awareness work regarding its responsible use, as well as the definition of a structure for reporting to be monitored by competent people, achieved highly positive results for the company. In 2020, 31 reports were made to the Ethics Channel, which did not receive reports of corruption involving public officials and government authorities.

Ethics Committee

The Ethics Committee, also created in 2020, is the body in charge of implementing, disseminating, training, reviewing and updating the Code of Ethics. It is responsible for supervising the activities related to the Ethics Channel and for resolving on corrective and disciplinary measures, ensuring the equity of the applied sanctions.

The Committee, which is triggered whenever necessary, is composed of the CEO, Vice President, Human Resources Manager and Internal Audit Coordinator of Cimento Apodi. When deemed appropriate by the Committee, a legal representative and/or members of Management and other executives of the Company may be invited to attend the meetings.

Compliance Policies

Together with the work of the Code of Ethics, the Company's Compliance Policies were reviewed or created, in addition to compliance with the General Data Protection Law - LGPD, always with a view to avoiding relationship risks, based on the Anti-Corruption Law:

- Anticorruption Policy
- Competition Compliance Policy
- Conflict of Interest Policy
- Promotional gifts, Gifts, Invitations, Hospitalities and Entertainment Policy
- Sponsorship Policy
- Donations Policy

For employees to be aware of the laws and rules governing Competition and Anti-Corruption Law in Brazil, of the importance Apodi gives to compliance with these laws, training on Anti-Corruption and Competition Compliance policies was carried out throughout the year.

- Remote training for the entire Commercial team: 63 employees trained.
- Face-to-face training for leadership (coordinators, managers and officers): 32 employees trained.

Apodi deems it of the essence that everyone is aware of the company's policies regarding compliance with the Competition and Anti-Corruption rules, applying them at all times and at any level.





The sky is the limit.

Ítalo Santiago Lima’s career, 27, has a resilience history that began in 2011, when he worked for a land surveying company. His dedication and enthusiasm drew the attention of Apodi’s project manager, to whom the land surveying company provided services in Quixeré. Ítalo recalls: “One day, he brought a book on machine designer and told me: ‘Study it’. On his second visit, he gave me a book on technical drawing. I studied it too. The third time, he asked if I wanted to work with him and I accepted.”

“I ALWAYS SAY THAT APODI IS AN UNDERGRADUATE DEGREE THAT I AM TAKING TO THIS DAY. EVERY DAY I LEARN NEW THINGS. AND I ALSO WANT TO APPLY THIS KNOWLEDGE THAT I HAVE BEEN ACQUIRING TO OBTAIN BETTER RESULTS FOR THE COMPANY.”

Ítalo Santiago Lima
**ÍTALO SANTIAGO LIMA,
PROJECT CONSULTANT**

Ítalo’s relationship with Apodi therefore began in 2012, even before the Quixeré plant came into operation. He started as a designer, moved on to process improvement analyst and is currently a project consultant. “My routine is very busy, because we take it from design to completion of the project, going through several analyses,” he explains.



FOLLOW IN THE FOOTSTEPS OF ÍTALO SANTIAGO AND HIS PROFESSIONAL RISE IN APODI.

Studying is something that continues to feed the dreams of this resident of the Bom Sucesso community. Ítalo learned English practically alone, motivated by visits by foreign supervisors to Quixeré factory. From 2012 to date, he graduated as a Civil and Occupational Safety Engineer, but is still busy, with two MBAs. Dreams? Maybe one day become CEO of the Company. My goal is to learn more and more”, he concludes.

Gestão de pessoas

In 2020, Apodi promoted changes in its organizational structure, in the successful attempt to impart more cohesion, agility, promptness and security to internal practices - which resulted in improvements in information sharing, as well as faster responses to external audiences.

The main change took place in the Organizational Development and Sustainability area, which started to aggregate corporate Health and Safety, Environment, Social Responsibility and People Management. The merger reflects a systemic view of sustainability and respects the synergy between these areas, which had already been working very closely since the first Sustainability Report, which brought the definition of the company's material themes.

The change in structure, with the integration carried out, joined forces within governance, a component in which we have excelled over the years, and more especially in 2020, when we strengthened internal policies in the fight against the pandemic. For Apodi, adjustments in relation to governance structures and compliance processes start from the inside out - organically, genuinely and strategically.

Much of our investments were directed to the Health and Safety area, whose work was not limited to coping with Covid-19, although the pandemic required constant attention and unprecedented efforts. Smaller actions, but no less relevant, were included in the management map, which integrates the restructuring list.

Since October last year, Apodi also has a Planning and Supply Chain management. The new management benefited from the application of Sales & Operations Planning, or S&OP, a process focused on the planning of sales operations from a more comprehensive and integrated vision. With it, we strengthen the links between the various areas - not only Logistics and Supplies, but also Commercial and Industrial. The goal is that everyone can envisage the same horizon, sharing actions that guarantee the company's sustainable competitive advantage.

Aligned with the company's strategy of increasing the qualification and development of its talents, the position of Maintenance Operator was created. As its name says, this professional operates and performs maintenance, which requires greater qualification and preparation for the position. Therefore, in partnership with Senai, the company offered the course of Industrial Process Operator (COPI), to provide technical training to employees and people in the community. After the 700 hours of theoretical and practical classes, in addition to on-the-job training, the promotion of Production Assistants and Operators trained in Maintenance Operators in the course represented the Apodi way of experiencing the value of People, through the recognition of their talents.

Mental Health

According to data from the International Stress Management Association, an international organization dedicated to research, prevention and treatment of stress worldwide, about 90% of Brazilian workers deal with some level of anxiety in the workplace. Almost half of them suffer from depression. Expenditures related to emotional and psychological disorders can reach US\$6 trillion by 2030 - according to the World Economic Forum calculations. Nowadays, these disorders are already the second cause of sick leave.

Apodi owes much of its iconic overcoming during the pandemic period, to the care with mental and emotional health of employees. The company's routine incorporated close monitoring, benefiting the various sectors, especially teams that were somehow more impacted by isolation, such as those in the Commercial and Sales area, which previously worked with customers.

As these areas dealt closely with relationship issues, it was necessary to find new solutions for the period and such changes were monitored by the HR sector through weekly meetings, when the main difficulties were identified. Discussions on themes were carried out, to answer questions on the organization of the agenda, remote work,



time management, among others. Employees who needed differentiated support were monitored individually.

These actions ended up working as a pilot project within emotional health care. From the experience with these areas, we identified the need to make a mental and emotional health diagnosis of employees.

With the engagement of a Specialized Consulting company, scientifically validated scales were applied and focus groups were held in order to deepen more relevant themes. From there, the data obtained allowed the company to properly direct its actions and programs in 2021, creating a systemic way to face the new difficulties arising from the pandemic period.

Despite social isolation, we sought alternatives to open new communication channels, making

room for people to express their feelings, with the objective of controlling anxiety levels through listening and welcoming. We act as transparently as possible because we believe that by maintaining the team well, we move forward in performance and results.

The concern for the well-being of all, as we will see later, extended to the various sectors, with daily meetings, support for remote working and clarification of any and all doubts.

Internal communication

Business transparency involves accessibility to information and easy internal communication. In December 2019, Apodi implemented Workplace, an internal communication tool developed by Facebook, which in 2020 was extremely important, facilitating several processes:

- Checking
- Communication among all areas
- Messages to leaders
- Transfer of Information
- Sharing of tips
- Transmission of lives to employees
- Building of workgroups and sharing of content securely and instantly

The corporate social network is a decisive and strategic internal communication tool, whose use has strengthened and expanded during the pandemic, helping the company to go through the period in a more interactive way. It is available to 100% of employees, facilitating the exchange of data, ideas and experiences.

One of the achievements was the creation, within Workplace, of a training group, in which employees share books on a digital platform and links to institutions with a series of courses.

Workplace helped us keep the pace of processes and communication between sectors despite social distancing, aligning the expectations for achieving goals. Remote working forced us to think differently. We consolidated many learnings and the team matured from difficulties. With the right instruments, it was easier to resize the service to the demands that arose.



Samuel Maciel,
Maintenance
Supervisor

Indicators (Social, Environmental and Governance)

More transparency and technical rigor in information on social and environmental impacts. This is what Cimento Apodi sought in the construction of its material sustainability indicators, which follow the international standards adopted by the Titan Group. Reporting these indicators makes up a clear set of data that brings more confidence to stakeholders, serves as a compass for governance, and helps cement the future we build today.

We follow the Sustainability Accounting Standards Board-SASB standard and the GCCA Sustainability Framework guidelines.

Taking into account Quixeré plant, Pecém milling, Distribution and administrative, commercial and concrete units, the Social Performance table (Schedule 2) provides information on:

- Health and safety
- Employment
- Engagement with stakeholders

We highlight the zero rate of fatal accidents involving employees and contractors, as well as

measurements on turnover and new hires of employees, both by age group and by gender. Most contractors are between 30 and 50 years old. Female workforce is felt in the percentage of women in management, 20.30%. It is also important to note that 96.11% of employees hired belong to local communities. Stakeholder engagement includes principles related to Human Rights, labor standards, and anti-corruption attitudes.

The Environmental Performance table (schedule 1) assesses the impacts of the company's performance with regard to:

- Natural resources
- Water resources
- Energy resources
- Biodiversity and land use

Natural resources take into account the raw materials extracted for clinker and cement production, an area in which Apodi has made great advancements. The impact on water resources assesses water consumption, abstraction and disposal, while the fuel and energy table measures thermal and electrical energy consumption. Climate change is assessed based on CO2 emissions, the rate of replacement with alternative fuels, biomass in the fuel mix, among other factors.

Pacto Global - ODS

In 2020, Cimento Apodi formally adhered to the Global Compact as a participant, which implies being included in a group of private sector companies working towards the Sustainable Development Goals (SDGs), established by the United Nations (UN) member

countries in September 2015. The Company, in its planning process, establishes the link between material issues and the SDGs.

In 2019, the Company defined the priority SDGs, i.e., SDG 8, SDG 9, SDG 11, SDG 12, SDG 13, and SDG 17, identified

the relationship of SDGs with material themes and listed initiatives that contributed to the achievement of SDGs in general.

In 2020, we mentioned in this Report the initiatives directed to the priority SDGs,

FOR DEFINITION
OF THE SDGS
SEE THE 2019
REPORT
(PAGE 52):



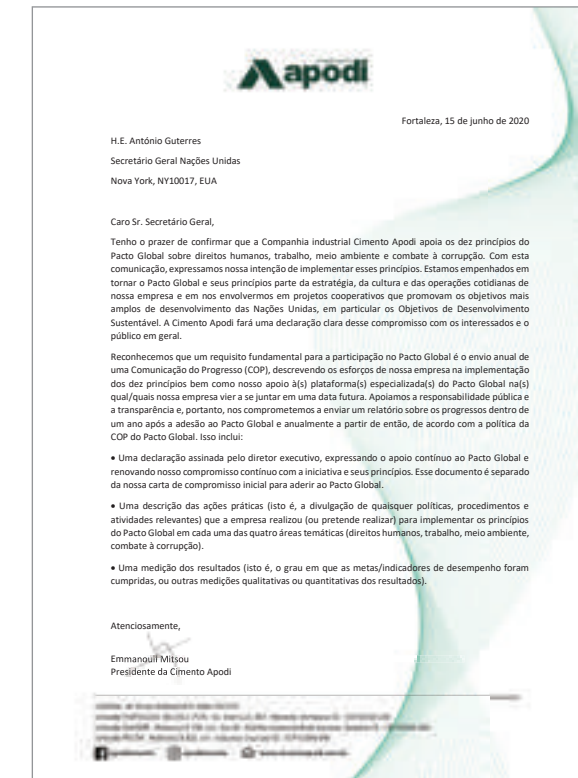
By recommendation of the **Global Compact**, the company that adheres to the SDGs must choose at least two action platforms, from the seven available:

- **SDG Action**
- **Water Action**
- **Sustainable Agribusiness Action**
- **Climate Action**
- **Human Rights Action**
- **Anti-Corruption Action**
- **Communication and Engagement Action**

Among the 7 action platforms, Apodi defined the following two as initial work:

1. **SDG Action**
2. **Communication and Engagement Action**

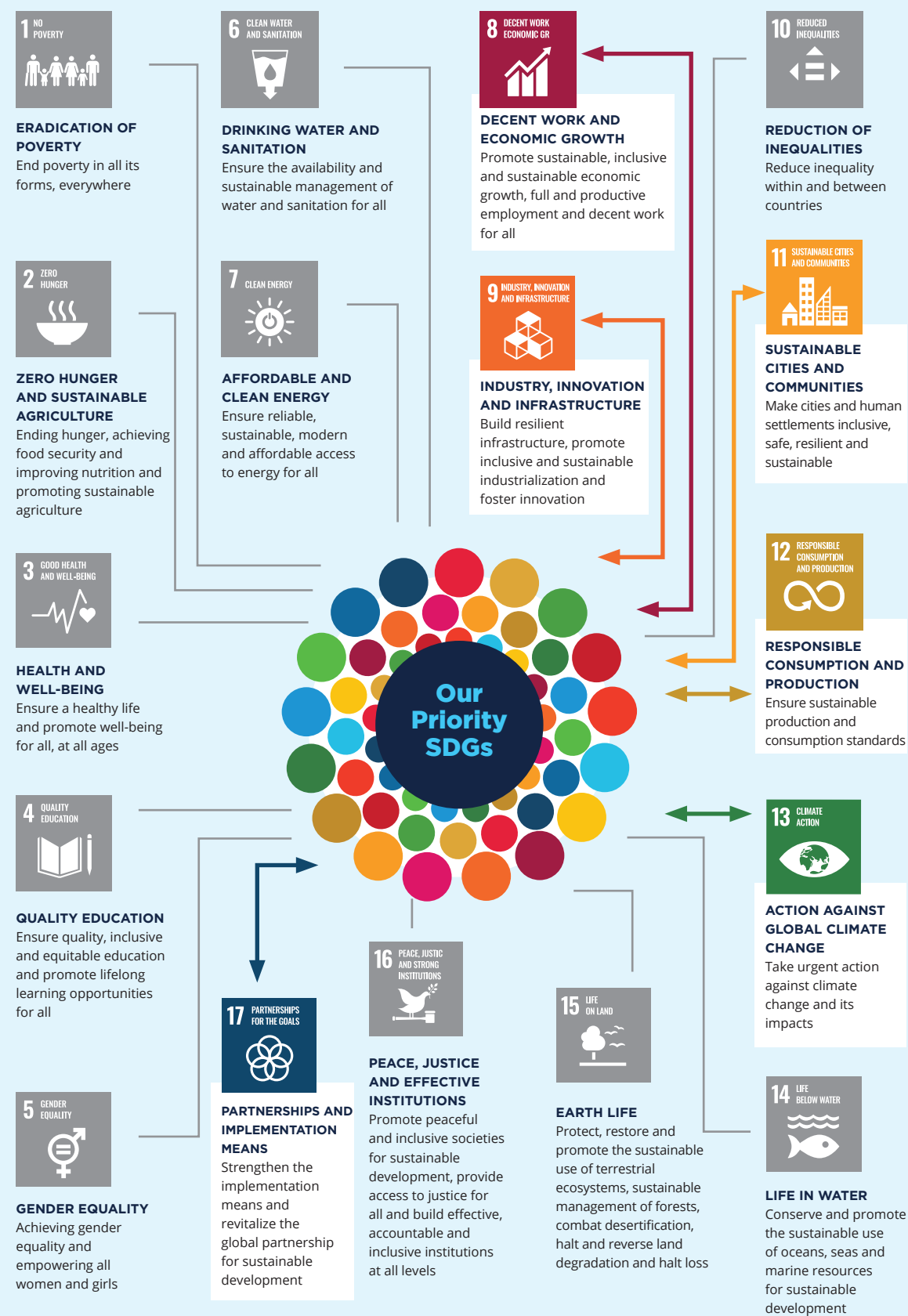
according to Schedule 3 to this Report, as a means to consolidate our position towards the global movement led by the United Nations in favor of Sustainability.



Inseridos no dia a dia

Composed of 17 objectives and 169 goals to be achieved by 2030, SDGs translate a global agenda in the areas of poverty eradication, food security, health, education, gender equality, agriculture, energy, water and sanitation, climate change, sustainable standards of production and consumption, inclusive economic growth, infrastructure, industrialization, among others.

Considering the limitations of public power - which cannot be solely responsible for the measures to be adopted in large, medium and small cities - the UN SDGs are an important opening. They bring new opportunities for growth and reduction of risk profiles in companies. They should be seen as practices for achieving sustainable management and the efficient use of natural resources, implementing



waste reduction goals. To achieve them, it is necessary to invest in innovative projects.

At Apodi, the entire production chain dialogues with these determinations. The company adopts co-processing in the production routine, Waste Heat Recovery-WHR for power generation and artificial intelligence in the milling process. From inception, we have applied solutions that minimize environmental impacts. Even the choice of our partners takes into account sustainable criteria.

An example of this are the transposition works of São Francisco River, in which Apodi was involved supplying the best types of cement, within the demands of each stretch and its specific aspects. This work began in 2019 and was strengthened in 2020, when we guaranteed the cement supply of the Agreste Branch - a stretch that connects Sertânia to Arco Verde, in Pernambuco.

Another example is sustainable energy works. In 2020, we exerted strength and visibility to our work with wind and solar farms, with emphasis on the regions of Rio Grande do Norte and Ceará. The CP 111-40-RS cement supplied by us is used in the bases of the wind farms, which require a material with low heat of hydration, sulfate resistance and adequate class of resistance. The main advance concerns the volume of sales of this segment, which ceases to be an “alternative” source to hold an increasingly relevant space in the Brazilian energy matrix.

On the streets of the capital of Ceará, the new technologies applied by Apodi in works procured by the government are also visible. They are the precast concrete pavement, the so-called pavers, which have all the sustainable advantages of rigid pavements (concrete), in relation to flexible pavements (asphalt) - with some more features, such as the non-waterproofing of the road, avoiding floods and overflows.

This also helps to recharge groundwater and reduces the risk of vehicle aquaplaning. It is an intelligent, economical and sustainable material that minimizes the fuel consumption of cars, increases light reflection by up to 30%

(reducing the need for street lighting) and reduces the so-called “heat islands”. Today, it is also found in the outskirt areas of the city. The installation method does not require any kind of special machine or tool. Blocks can be easily removed in case of road works and reused on the same site or in new works, avoiding waste. Apodi believes in innovation and invests in the concept of Industry 4.0, which led to a partnership with UFC Russas, which fully developed a software in Ceará and increased the cement production of Apodi’s milling plant in Pecém by about 10%, using artificial intelligence algorithms in mill automation. This project was expanded to Quixeré plant in 2020.





Strength to win in life and spread good.

As a boy, playing with friends in the Bom Sucesso community in Quixeré, Geusivânio Silva de Lima saw in capoeira a way to nurture trust, spend energy and strengthen the spirit. His interest in this combination of fight and art was so intense that, in a short time, he ended up becoming a coach for beginners, even without resources.

“We taught only based on willpower, me and three other colleagues,” recalls Bananã, as he is better known.

The situation improved when Cimento Apodi learned about the project and started supporting the boys, providing uniforms, snacks and equipment, in addition to helping in the graduation event of the class. “We had the presence of Student Master Fujão and Professor Mailson, both from Bahia”, celebrates Bananã, adding that other masters came later. The project quickly

gained fame. If the beginning had 25 members, today there are 120, from five different locations.

Energy and optimism are words that accompany Bananã since the early days of capoeira. At the age of 26, he continues to practice the sport, but extended his relationship with Apodi to the work portfolio - first as a contractor and then as an employee at the Quixeré unit, where he works in Mechanical Maintenance. In life and in the plant, Bananã applies what capoeira has given him as the most precious things: strength, rhythm and will to win.

“EVEN WORKING IN THE COMPANY, I CAN BE PART OF THE SOCIAL PROJECTS THAT IT PROPOSES TO THE COMMUNITY. OUR RELATIONSHIP IS ONE OF THE BEST AND THE POSITIVE POINT IS RENEWAL.”

Francisco Geusivânio

GEUSIVÂNIO SILVA DE LIMA, BANANÃ, MECHANIC



SEE AND GET EXCITED ABOUT BANANÃ'S TRAJECTORY OF RESILIENCE.

Environment

Environmental Management

Com base nos preceitos da economia circular, o Based on the precepts of the circular economy, the use of alternative fuels and raw materials, as well as the reuse of by-products, are actions that ensure sustainable production and consumption standards. Today, no company can do without environmental management, an issue that has become an absolute priority for contemporary industry.

By balancing productivity with the environment and uniting jobs with social advancements, we pave the way for sustainable growth. More than a way of operating, environmental management represents the basis on which the company looks to the future and moves on safely, working interrelated actions that bring responsible solutions at a definitive and lasting level.

In a scenario of constant changes, in which it is necessary to follow the environmental

legislation guidelines from a strong tracking model, Cimento Apodi environmental management system involves a large volume of actions in all units, with the sectors acting in tune. Monitoring and management of water, energy, liquid effluents, waste, noise and atmospheric emissions follow strict measurements, according to the limits established by regulatory standards.

Reducing the environmental impacts of our activities is a goal renewed every year, with the improvement of the indices studied, with innovative projects as a lever for transformation. Since 2019, for example, the use of artificial intelligence in our manufacturing processes has been consolidating positive impacts in reducing water and energy consumption, as well as in reducing the standard deviation in cement production.

Apodi's Corporate Environmental Policy guides the Company's practices and is aligned with our Mission, Vision, Values and Purpose, as well as the guidelines of our shareholders. Managements calls for boldness, with concrete alternatives and intelligent planning, capable of promoting dialogue between increased production and environmental conservation.

In 2020, we met all our environmental requirements and license renewals in place, adapting to the new online management methodology and assisting environmental agencies through active and transparent communication. In parallel, we maintained the care and Covid protocols in the continuity of visits and inspection in our units, also ensuring compliance with the environmental legislation.

In September 2020, we held the 3rd Meeting of the Sustainability Management Committee, composed of Apodi managers and officers, who discussed the Control of Social and Environmental Risks mapped in the Softexpert system. It was one of the many meetings in which we opposed collaborative strategies to the socio-environmental challenges of the units.

Being connected with changes in the world means adopting a set of policies necessary for human well-being and sustainability, with the proper engagement of employees. More

than plans, we orchestrate an environmental management that reverts to benefits for all. This is also our way of contributing to inclusive public policies and local economic models.

We believe in environmental education as a transformation and emancipation of our employees, partners, surrounding communities and population. Adapting the new work methodologies and online modality, we use virtual education through Workplace as an ally in the dynamic, continuous process of awareness and participation of our employees to articulate the theoretical and practical dimension. Guidelines, lives, explanatory videos, quiz, games, interactions were presented in 2020, and we had wonderful results.

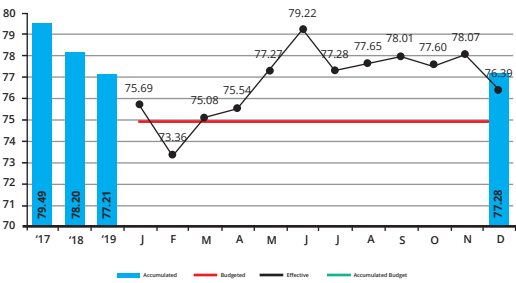
We highlight the campaign "Water: I care", which brought together several solutions to avoid waste of water by our employees, showing how much they care about the environment, in which we had the participation of the Secretary of State for the Environment in Ceará, Arthur Bruno. Another major environmental education campaign that deserves attention: the Environment Week, which was directed to the SDGs - Sustainable Development Goals with the realization of a live with the participation of Carlos Pereira, Executive Director of the UN Compact Brazil Network, clarifying and answering questions about the SDGs. Initially, this moment marked our partnership with the UN.

At a time of pandemic, we could not leave out the advice on the necessary care with the main tool used to combat Covid, which are the masks. Educational actions were carried out with all employees, truck drivers and the surrounding community, regarding the proper disposal of masks, ensuring the health of those who handle waste as well as waste pickers.

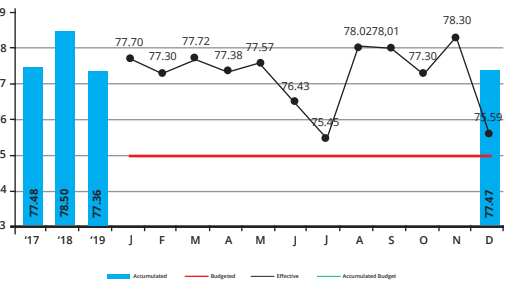
Environmental KPIs

The Environmental and Operational Performance Index-IDAO is an environmental indicator used by Cimento Apodi in its units. The goal is to measure monthly performance and set achievement goals.

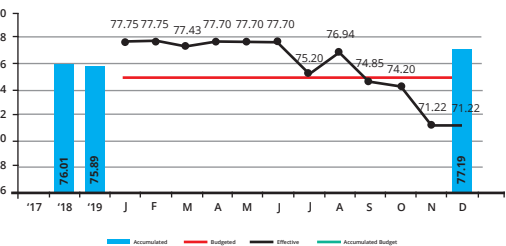
Quixeré Cement Plant IDAO



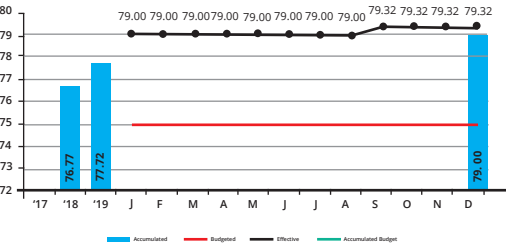
Pecém Milling IDAO



Conc. IDAO Eusébio

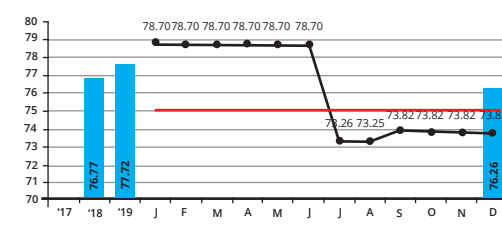


Conc. IDAO BR116

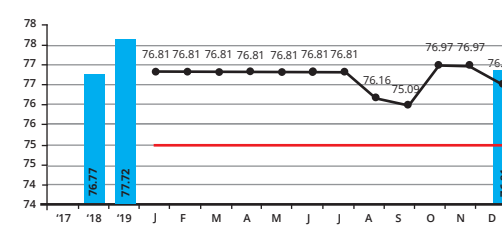


Coproprocessing Area

Conc. IDAO Pecém



Conc. IDAO Natal



There are several requirements that make up IDAO, including control items of environmental agencies. In summary, the index takes into account compliance with legal requirements; obtaining certificates and licenses; the number of notices of violation; the disposal of solid waste; the MP, NOx, SOx emissions; environmental accidents, among others.

Environmental Performance

Due to the intensive use of fossil fuels in the process, the cement industry is estimated to account for 5% of global CO2 emissions. At Apodi, the replacement of fossil fuels with various materials, including waste from other industries, as well as the use of biomass, are increasingly present and in constant improvement.

To talk about coprocessing as a technology in energy production is to refer to the operational routine of Cimento Apodi which even in a year of pandemic managed to keep the process ongoing - including weekly alignment meetings.

The technique, considered by the National Solid Waste Policy as an environmentally appropriate alternative, is developed by Cimento Apodi at its Quixeré plant in Ceará. It should be stressed that the process does not reduce the quality of cement.

Waste with heat value (açai core, nut shell, cashew chips and other crushed waste), raw material substitutes and tires can be coprocessed. One of the most important effects is the reduction of greenhouse gas emissions. Coprocessing in a cement plant also leads to advances for other industrial sectors - such as aluminum, packaging, paper and pulp, metalwork, chemical and steel - helping to eliminate environmental liabilities such as sludge, plastics, waste tires and industrial waste. By using this material for additions, we maximize the preservation of non-renewable natural resources.

In 2020, the need for cooperation between related areas to achieve the proposed goals, as well as the commitment of managers to collective feedback, were factors that had a positive impact on environmental management. The weekly meetings for alignment of the coprocessing coprocessing procedures at Quixeré plant were attended by several sectors, such as Supplies, Production, Sustainability and Industrial Officer.

In order to bring practical knowledge and transparency, we provided our employees with a moment to demystify the theme and answer questions through a live open to all employees with an expert Consultant with extensive experience in this subject.

The trend observed was the improved dialogue with the employees of the major axes, as the monitoring routine has a facilitated logic: leaders share responsibilities and the company requires joint results.

Water resources management

In addition to being a Material Theme of Cimento Apodi, water resources are fundamental to the economy, human survival and health of populations. All Cimento Apodi

Benefits of coprocessing

Energy replacement, contemplated in the wording of the National Solid Waste Policy (Law No. 12.305/2011), is an intelligent and responsible waste management alternative. In our operations, we use much of the slag of Companhia Siderúrgica do Pecem - CSP and 100% of the ash of Energias do Brasil - EDP and ENEVA S.A. Among the benefits of coprocessing, we can highlight:

- Lower production costs
- Increased useful life of landfills
- Definitive disposal of waste that would go to the environment, without generating new waste
- Reduction of health problems caused by inappropriate disposal of solid waste
- Optimization of the use of natural resources, with the replacement of raw materials
- Replacement of fossil fuels
- Reduction of local environmental impacts and greenhouse gas emissions
- Adequacy of the cement kiln as a tool to support environmental management

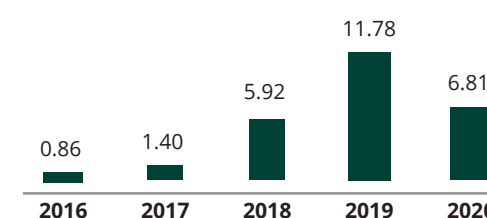
operating units continuously invest in good practices and specific water management goals. In our routines, we seek to reduce consumption, avoiding negative impacts on the ecosystem. Similarly, managing water disposal influences preservation of health. In 2020, we completed the works of the new Effluent Treatment Plant-ETE for Pecém milling, another positive item on the environmental

agenda, as it favors the reuse - for irrigation of gardens - of water from various sectors and operations. In Quixeré, we were already reusing 100% of the treated effluent.

FOR INFORMATION ON THE TOOL USED FOR WATER MANAGEMENT, SEE THE 2019 REPORT:

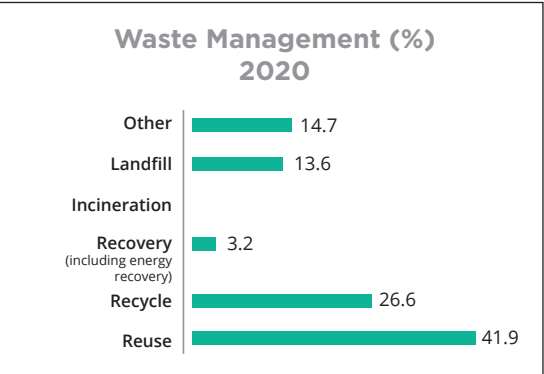


Thermal Substitution Performance (%)



Solid waste management

Maintaining a clean and healthy work environment is a task fulfilled on a daily basis, in an agile and organized manner. In addition to controlling the generation of solid waste in our units, it is essential to give them an appropriate disposal, with the use of technologies and tools that enable reuse or recycling through selective collection.



Biodiversity

The Company performs detailed assessments of areas of high relevance to biodiversity that overlap our operations, such as the Eusébio concrete plant. Risk assessment guides Apodi's

FOR INFORMATION ON THE IDENTIFIED SPECIES, SEE THE 2019 REPORT (PAGE 93):

efforts towards improving biodiversity management. It is also important to mention the Biodiversity Preservation Program, which proposes solutions for the preservation of local fauna and flora.

Climate changes

Our Quixeré plant was the first cement plant in Brazil - and the only one in Latin America - to implement Waste Heat Recovery (WHR) technology, which generates energy by using the exhaust gases, or the heat of the clinker manufacturing process. Before being released through the chimney, the gases are cooled, reaching the ideal temperature to be expelled into the atmosphere. A total of 24.21% (that is, 1/4) of the energy the plant demands in the year is generated by this system. We are working on optimizing the process in order for us to become even more sustainable.

One of the raw materials for the manufacture of cement is ash resulting from the burning of mineral coal. With the temporary shutdown of thermal plants due to the pandemic, Apodi could not count on this important steel slag

to reduce clinker and CO2 emissions into the atmosphere. The difficulty did not mean stagnation and the Company found different ways to work with alternative resources, even getting to save clinker.

Showing agility at the right time is a prerogative of companies that know how to reinvent themselves, overcoming obstacles in a spirit of innovation. In 2020, we also started using natural pozzolan as slag in the manufacture of CPIV at Pecém unit. Likewise, we took advantage of the so-called basin ash - that is, ash that was generated and, not being consumed, was placed in a tailings basin.

We did a study with alternative material, the waste of which we have in the factory. We are counting on the University of São Carlos to do the development, enabling us to apply this waste within concrete traces as a type of aggregate that will also bring product improvement.

In parallel, our Air Pollution Control Plan continued with actions and mechanisms to monitor atmospheric emissions, always with the objective of reducing them. Among the practices that seek the continuous improvement of the environmental performance of our units, we highlight the use of anti-pollutant equipment; carrying out self-monitoring analyses of atmospheric emissions; the implementation of landscaping projects and the recovery of naturally degraded areas.

Our modern emissions monitoring system follows up the temperature and concentration of particulate matter in real time, with two gas analyzers and an emission meter installed in the main furnace chimney. In addition, we rely on continuous monitoring performed by a laboratory accredited by INMETRO.

Clinker participation in the process

In 2019: **65,8%**
In 2020: **62,6%**



Environmental Education Center

CONTRIBUTION TO CO2 REDUCTION	
Composite cements	
Alternative raw materials from other sectors of the economy	200,000.00 t
Coproprocessing	
Crushed tire	498.54 t
Nut Shell	6,060.26 t
Cashew Chips	1,101.54 t
Coke Powder	445.9 t
Industrial Waste Derived Fuel (CDRI)	4,444.16 t
Alternative raw material	10,003.07 t
Total	222,553.47 t

The contribution of Cimento Apodi to CO2 reduction, therefore, is focused on three fronts: minimizing the clinker factor using composite cements; use of AFRs (alternative raw materials and fuels); and coprocessing.

Ivens Dias Branco Environmental Education Center

Ivens Dias Branco Environmental Education Center, opened in August 2019 in Quixeré, is dedicated to environmental education projects, promoting sustainable outdoor practices. Employees, universities, schools, surrounding communities and neighboring municipalities are the target audience.

Following the protocols to combat the pandemic, the space remained closed in 2020.

TO SEE ALL 12 CEA STATIONS, REFER TO THE 2019 REPORT (PAGE 96):



Paving partnerships to fly higher.

The challenge of reaching the ideal concrete was brilliantly won by Cimento Apodi in the works at Patio 2 of Pinto Martins International Airport. Dominik Casanova, Infrastructure Manager at Fraport Brasil, the company responsible for Pinto Martins' operations, followed this process from the beginning. "Works

at airports represent a challenge, both technologically and from an organizational point of view", he emphasizes, pointing out that during expansion services, suppliers need to respect a complex logistics of access and circulation.

When using fiber reinforced concrete, a technological alternative to reinforced concrete was chosen. The product has good deformation capacity before reaching the rupture point, when subjected to tensile stresses. It also presented lower

final cost for the project. Finally, it provides easy execution, time savings and lower environmental impact.

The work needs to be approved by the regulatory agency and quality control is extremely strict. For Dominik Casanova, the successful execution of the new pavement will be "a business card for future works at airports, adding value to the portfolio of Cimento Apodi".

"APODI PROVED TO BE A GREAT PARTNER. THERE IS A NOTICEABLE CONCERN OF THE COMPANY IN DELIVERING A QUALITY PRODUCT. WE HAVE BEEN VERY WELL SERVED SINCE THE FIRST TESTS TO GET THE RIGHT CONCRETE TRACE."


**DOMINIK CASANOVA,
INFRASTRUCTURE MANAGER OF
FRAPORT BRAZIL.**



**LEARN MORE
ABOUT
FRAPORT AND
THE AIRPORT
EXPANSION
WORKS.**

A photograph of four hands of different skin tones (dark brown, medium brown, light brown, and very light) resting on a dark wooden surface. A white, wavy, line-art graphic is overlaid across the hands. The word "Social" is written in white, bold, sans-serif font on the left side of the image.

Social

Relationship with Stakeholders

A complex world requires clear purposes, conscious action, institutional maturity and, above all, multi-sectoral group dynamics. Apodi believes that united we do better. Working together, we help encourage socio-biodiversity chains, from the emphasis on dialogue with academia, government and civil society.

Year 2020 was a milestone for relations with our key stakeholders. The Company has always worked as an aggregator of partners to strengthen alliances that share sustainability values and are environments for continuous improvement. They are clients, suppliers, associations and class entities, government agencies, labor unions, universities. The connections among all of them have operations that mix different paths, from research to entrepreneurship.

A good relationship with stakeholders leads to new conceptions and integrated solutions, with greater effectiveness and better coordination of available resources. This, in fact, is an important gain in the current model of operation, which allows us to develop a multiple look at the potentialities, implementing collaborative actions, with a wide variety of exchanges and learning. The composition of lasting partnerships and the articulated action with our stakeholders positively impacts the creation of an encouraging and inventive environment, uniting the demands of the company to the experiences of each organization.

Customers/Business Partners

Diariamente, a Cimento Apodi trabalha para acEach day, Cimento Apodi works to welcome, respond to and dispatch different needs of its business partners. A dynamic management of the structure, with the participation of coordinators and supervisors, serves both the client that is already part of the company's portfolio, and the new buyer waiting for a quote. Concrete and Logistics work in tune, so

that the materials are loaded and dosed on schedule, ensuring the pertinent delivery in the works.

Timely delivery, quality of service, confidence in excellence: we continue to improve our strengths, but we take steps further. We had the lowest default rate of all time, due to a well-articulated work of debt renegotiation, in a credit campaign that brought back customers who were facing difficulties. By reducing the default, we have optimized the average time of collections and contributed to the movement of the market. At the same time, we modernized the credit assessment system and responded to the flow of extra demand for products, without inflating the internal team. Throughout the year, we implemented monitoring and management systems, through CRM (Customer Relationship Management) modules. For Apodi, a satisfied customer means know-how, safety, and support to growth.

Technical Advisory

From the adjustment of a mortar trace to the manufacture of a very high strength concrete: our Technical Advisory team is prepared to meet any type of request, with the best cost-benefit for our partners. We go to the customers, develop their products and optimize what they already have. In addition to development, we measure the result, showing whether there was evolution. It is a way to help the customer be more sustainable, as the new practices improve the traces, making the products more durable and ensuring a high quality delivery to the market.

Due to the pandemic, the Technical Advisory, whose work is usually face-to-face with client, had to review its processes, but did not fail to act with excellence. We have a product development laboratory located in our Quixeré unit, where the concrete is run for adjustments. In addition, we have a mobile unit, which circulates throughout the state of Ceará, Piauí and part of Paraíba. We accompany the customer throughout the work.

Stakeholder	Relationship Strategy	Main actions in 2020
CUSTOMERS	<ul style="list-style-type: none"> • Customer Relationship Unit/CRM • Distribution Centers • Mobile Laboratories • Business Development Program 	<ul style="list-style-type: none"> • Large public and private works • Aspects of sustainability in projects
EMPLOYEES	<ul style="list-style-type: none"> • Multisectoral committees • Leadership Development Program • Training • Profit Sharing 	<ul style="list-style-type: none"> • Remote Working • Mental Health • Talent Retention
SHAREHOLDERS	<ul style="list-style-type: none"> • Board of Directors 	<ul style="list-style-type: none"> • Board Meetings
SUPPLIERS	<ul style="list-style-type: none"> • Purchase Policy • BancoDoc 	<ul style="list-style-type: none"> • Online training and meetings
LENDERS	<ul style="list-style-type: none"> • Financial reporting • Sustainability Report 	<ul style="list-style-type: none"> • Presentation of the Sustainability Report 2019
COMMUNITIES	<ul style="list-style-type: none"> • Company-Community Committee • Strengthening of the Community Association • Donations • Education, Culture and Sport Projects 	<ul style="list-style-type: none"> • Mask Donations • Social projects • Increase of education level
GOVERNMENT	<ul style="list-style-type: none"> • Sustainability Committee of Vale do Jaguaribe (which brings together the main municipal governments in the region where the company has its plant) • Compliance with laws established by regulatory bodies 	<ul style="list-style-type: none"> • Compliance with Protocols • Partnerships in actions to combat Covid
ACADEMIA	<ul style="list-style-type: none"> • Events and Conferences • Agreements and Partnership Terms • Sustainability Projects 	<ul style="list-style-type: none"> • Artificial Intelligence in Quixeré • Carnaúba Project
CLASS/SECTORAL ASSOCIATIONS	<ul style="list-style-type: none"> • Institutional Representation • Work Groups • Meetings • Socio-educational and environmental projects 	<ul style="list-style-type: none"> • AECIPP Work Groups
MEDIA & PRESS	<ul style="list-style-type: none"> • Clipping • Submission of agendas • Fact sheets • Digital Media 	<ul style="list-style-type: none"> • Apodi Clipping
LABOR UNION ENTITIES	<ul style="list-style-type: none"> • Collective Labor and Bargaining Agreements • Meetings 	<ul style="list-style-type: none"> • Agreements on protocols to cope with the pandemic
THINK TANKS	<ul style="list-style-type: none"> • Campaigns • Projects 	<ul style="list-style-type: none"> • IBRACON 2020
NONGOVERNMENTAL ORGANIZATIONS	<ul style="list-style-type: none"> • Projects • Donations 	<ul style="list-style-type: none"> • Mask donations

Being present at the time he needs is Apodi's commitment to the prevalence of care.

- Technical advice to help develop the products
- Trace development at the lab
- Product delivery and field adjustment with customer
- Training and Capacity Building, so that partners are aligned with the latest techniques and standards available
- Continuous innovation - use of industrial tailings or alternative raw materials

Business Development Program-PDE

Supporting the small one is thinking big. It was based on this concept that the Business Development Program - PDE, an Initiative of the Brazilian Association of Portland Cement-ABCP in partnership with SEBRAE, emerged. The goal is to empower smaller manufacturers, so that they have the chance to grow with innovation and technology, becoming more competitive in the segment.

In 2020, Apodi delivered online guidance and workshops on a variety of topics. In the first workshop, for example, we addressed the changes that took place due to Covid-19 and the reinvention that the virus imposed on companies. With high quality information for customers, PDE helps in the exchange between manufacturers, builders and specifiers.

Logistics and Distribution

Working with three modes - road, rail and coastal navigation - our Logistics area deals with the transport and movement of both the finished product and the raw material, also serving the North region, from Pará and Amazonas. Apodi's large volume of movements involves 3,700 trucks, 150 wagons and 300 containers every month. The daily effort is for our customers to be served with maximum efficiency, through a scattered distribution system, which today includes nine Distribution Centers.

The relationship with logistics partners is worked with extreme attention by Apodi

and, in 2020, this work was tested. With the market heating up and the high demand in late May, freight and operating costs also increased. Having a good relationship with the transportation companies and a well-organized internal structure was fundamental to meet the orders and ensure the best prices. In the routine review of Logistics, daily meetings were included, in which the manager talks virtually with the entire leadership of the operation, aligning the process. The same is true in the monthly meetings held with the transportation companies, when we showed the results of the previous month and already aligned the planning of the following months, discussing the main topics.

Suppliers/Supplies

Long-term partnerships, relationship of trust, environmental validation, respect for human rights and participatory management, as well as a good cost-benefit balance. This is what we expect from our suppliers, in addition to the quality of the products. In 2020, Apodi continued the process started in 2019, when it reviewed supplier management and readjusted its Purchasing Policy. During the year, we totaled 12,000 registered suppliers and 9,800 active suppliers, with emphasis on local partners, all selected transparently and technically. Another point is that we intensify the control of all our suppliers in the discharge of labor liabilities with their employees, because it is a beacon of social responsibility.

In 2020, there was a great effort to overcome supply problems, as the main suppliers had their production hindered by Covid-19. We faced a reduced material availability process that caused temporary bottlenecks within the operation. Our teams exerted great efforts to meet the demand, accelerate the pace and ensure a year of good results. As to packaging, for example, we contacted all suppliers, so that there was no shortage of material and we got the support of each of them at a crucial time. The Supply team needed a lot of agility to cope with sudden changes and alterations in planning, but we

relied on the trust of our partners and years of work, articulated in favor of quality.

Government Agencies

Link experiences to reflect reality, with collective participation as the engine of change. In the relationship with government agencies, our main front is the Sustainability Committee of Vale do Jaguaribe, the region where Quixeré plant is located. The Committee was created by Apodi in April 2017, with the mission of thinking about local growth in an orderly manner, bringing together knowledge and proposals from more than 40 governmental, non-governmental and private institutions. The 15 towns of the region participate, through municipalities, city councils, educational institutions, research, technology and industries.

SOCIO-ECONOMIC CLASHES THAT THE NEW CORONAVIRUS PANDEMIC BROUGHT

to producers on Vale do Jaguaribe were the motto of the meeting that closed year 2020, with the title "Adapting to the crisis". Held online on December 3 due to sanitary safety protocols, the meeting also discussed the projects carried out by the attendees and the restructuring proposals for the Committee. The previous meeting, on June 26, recorded the attendance of 23 members of the municipalities of Quixeré, Russas, Limoeiro do Norte, Tabuleiro, Jaguaribe and Baraúnas, and success stories of Scatec Solar and SESI - CE and the actions to combat Covid-19 were presented. The meetings, coordinated by Apodi, are spaces which allow a rich reflection for the attunement of different institutions operating in the same context.





Social responsibility event promoted by AECIPP

Class associations and entities

Cimento Apodi maintains representations and relationships of mutual help and partnership with class associations and entities, among which:

- Civil Construction Industry Association of the State of Ceará-Sinduscon
- Federation of Industries of the State of Ceará-FIEC
- Association of Companies of the Industrial and Port Complex of Pecém-AECIPP
- National Cement Industry Association (SNIC)
- Brazilian Portland Cement Association (ABCP)
- Brazilian Association of Concreting Service Companies (ABESC)
- Brazilian Association of Construction Material Industries (ABRAMAT)
- Brazilian Chamber of the Construction Industry (CBIC)

Universities and Research Institutions

In a world of interconnected and intense transformations, where traditional education is no longer enough, it is necessary to foster innovation and develop creative and entrepreneurial skills. In the knowledge chain, technological excellence gains enormous relevance for the reduction of socio-environmental vulnerability. By investing in innovation and research, Apodi anticipates market demands, as staying together with the institutions that produce the “new” and undertake advances is the best way to achieve quality leaps.

Dialogue with the University takes place through projects, conferences, workshops and research. There are studies such as the one that Apodi carries out in partnership with the University of São Carlos (SP), whose focus is to analyze the possibility of using ash as aggregate

in concrete traces, improving the product. In 2020, we also participated in events such as Engineering Week, carried out by the Federal University of Ceará-UFC, where we talked to students about the concrete of the future, metal structures and mixed structures.

Likewise, we attended and were one of the sponsors of the 62nd Brazilian Concrete Conference, organized by the Brazilian Concrete Institute - IBRACON. This is a technical-scientific event of the highest relevance for the segment, as it reaches a large number of specialists and future professionals. Held in 2020 in virtual format, the Conference had four days of lectures and discussions. One of the most impacting lives, which brought together cases of construction, sustainability and use of alternative products, was made by Cimento Apodi, which brought advances in relation to what had been presented. Students, teachers, researchers and technical professionals participated in the event.

Apodi's most significant partnerships with regard to innovation and research include institutions such as the Federal University of Ceará (UFC), the Federal Institute of Education, Science and Technology of Ceará (IFCE), the Brazilian Agricultural Research Corporation (Embrapa), the Social Service of Industry (SESI), the National Service of Industrial Learning (Senai), the Ceará Industrial Technology Center Foundation (Nutec), Seriores, the Paju Institute and Carnauba Memorial.

Among the various projects developed in partnership, two stand out for the high power of technological innovation (Autonomous Management Platform of Vertical Cement Mills) and socioeconomic potential (Carnauba Project). More details to follow.

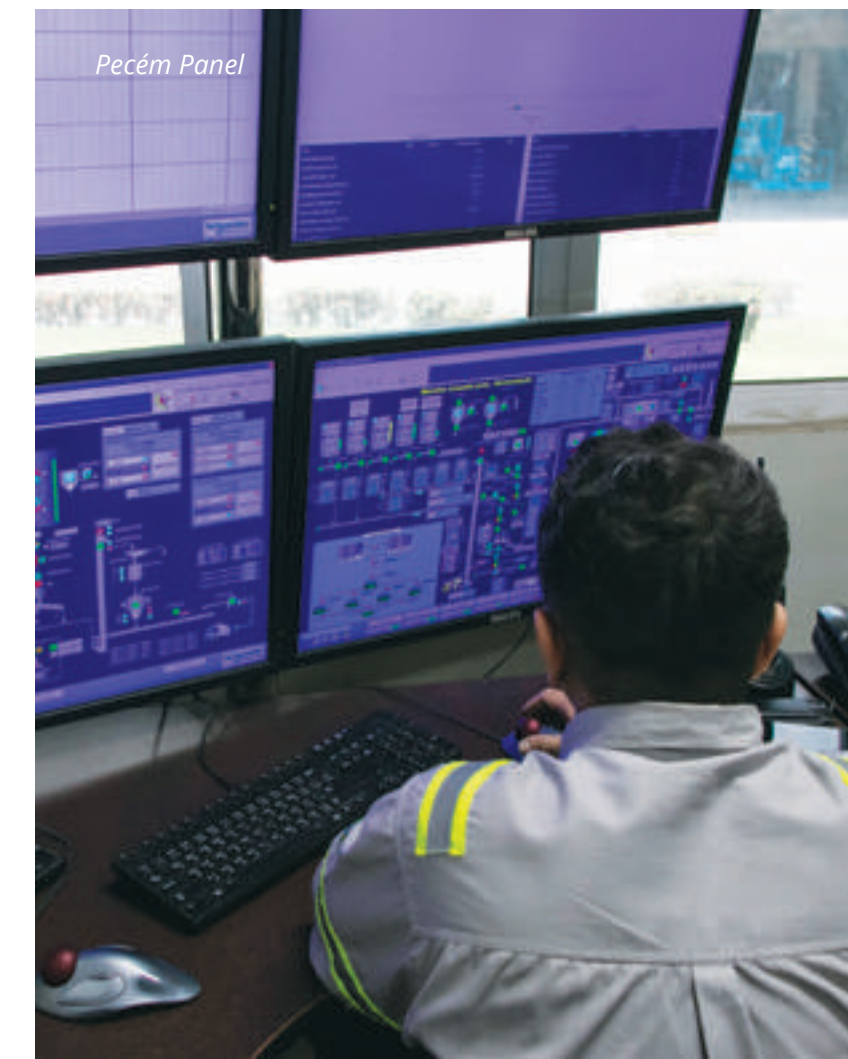
Artificial Intelligence in the Milling Process

The Apodi 4.0 program, started in 2019, continued in 2020, transforming the concept of Industry 4.0 into a productive reality. As a result of a year of intensive work between Cimento Apodi and the Federal University of Ceará (Russas Campuses), the Autonomous

Management Platform for Vertical Cement Mills began to be used in 2019 at the industrial unit of Pecém. That year, mill productivity increased by 10%.

Completely developed in Ceará, the software developed incorporates the use of artificial intelligence into operations, applying a pioneering technology that increases mill productivity and reduces process costs. Once successfully implemented, the project began the migration phase of cement milling to Quixeré plant in 2020. The plan is to automate the mill and clinker kiln, to reduce kiln shutdowns, also minimizing water and energy consumption. Increased productivity is another expected benefit.

Teachers-researchers and students at the Russas UFC's Laboratory of Innovative Technologies (LTI) work on research and development of the project algorithms. This is a greater challenge than the previous one, as while Pecém mill worked with 60 to 90 tons of cement/hour, this figure in Quixeré exceeds 250





in addition to the software created by UFC. Based on this information, we can develop a model capable of predicting the behavior of the mill, which optimizes the milling process and brings relevant productive, financial and environmental gains. In the near future, artificial intelligence may be used in all of the Company's plants.

Carnauba Project

A palm tree of the Arecaceae family, also known as "tree of life", carnauba is endemic to the Brazilian Northeast, notably Ceará, Piauí, Maranhão, and Rio Grande do Norte. Exploited secularly for extraction of its powder, carnauba offers a multitude of uses, wax being its main export product. The problem is that, in addition to the waste of material, the current extraction model is unprofitable for small producers - they have a derisory share in the distribution of wealth and live in precarious housing conditions.

Worldwide, cement companies are seeking to replace oil with biomass, and two years ago Apodi began to consider the possibility of using carnauba biomass in its processes. After all, while the powder has high added value and the straw is used for handicrafts, the palm stalk is considered useless and burned in the open by producers, which has negative impacts on the environment. To study the issue further, we made a multisector partnership, uniting Nutec, UFC and the Carnauba Memorial. After several

tons/hour with regard to raw material milling. It is worth recalling that the clinker manufacturing process is much more complex than the milling of the material. With the efforts and investments expended (R\$230 million in Pecém and Quixeré units by 2030), the company aims to reduce the consumption of raw materials, thermal energy, electricity and water, in addition to improving production yield.

To improve the performance of the mill, which has 50 constantly altered operational and quality variables, we use the operational and quality data management system (PI OSI),



researches and tests in laboratories, we ended 2019 with all the scientific data.

Carnauba has a high calorific value, but its residue is forgotten. The stalk discarded in carnauba plantation could be used by the industry, with great environmental advantages, as it also serves as a thermal and acoustic insulator. In addition to using this material as waste, Apodi intends to ensure better compensation for the small producer, for whom the most basic personal protective equipment is lacking.

There are many advantages to using carnauba as biomass. The cut takes place between September and December. There is plenty of raw material and labor available. Many jobs could be generated in land clearing and stalk collection. In addition, there is already equipment that facilitates the cutting, drying and processing of the material.

On February 19, 2020, Apodi's board took part in the presentation of the results of the Carnauba Project Feasibility Study, with representatives of the institutions involved. The next step would be to conduct a pilot at the Carnauba Memorial to evaluate the behavior of the project in practice. But with the pandemic, actions had to be temporarily suspended, for everyone's safety.

The idea is that in 2021 this important initiative will have a leading role within the company, because it is a work that brings together environmental progress, social return and income generation for hundreds of families.

Potential of carnauba residues on Vale do Jaguaribe Region (per harvest):

- 20.81 million of dried leaves
- 4,786 tons of stalks
- 50,000 cubic meters of crushed material





A history of entrepreneurship.

Dynamic, inventive and enthusiastic, Fabiano Monteiro, 44, discovered his vocation for business early in life. The family already had a business tradition related to construction and, as a teenager, Fabiano set up the first venture: a warehouse in a region of growing development in the city of Fortaleza. At the time, when he was only 16, the young entrepreneur united the will to make dream prosper and a lot of energy to run the project.

“I BELIEVE IN PRODUCTIVE PARTNERSHIPS, PERSEVERANCE OF WORK, ENTHUSIASM TO ENDEAVOR. MAY WE GROW TOGETHER AND DISCOVER NEW WAYS TO CONQUER THE MARKET.”

FABIANO MONTEIRO, CEO OF SIMPLIFIQUE HOME CENTER, FORTALEZA

After six years of dedication, Fabiano took a turn in his career and set up a garment company, which brought him new experiences and know-how in dealing with customers. Eight years later, an uncle invited him to return to his origins, setting up with him an enterprise whose flagships would be cement and ceramics. The proposal was accepted without hesitation.

That was the start of the long relationship between Fabiano and Apodi, which bet on the new business and the entrepreneur's

workforce. With organization and commitment, he created a small network of three Constrular stores. Evolution was a natural consequence of talent and the business became Simplifique Home Center, which markets Apodi products exclusively. Today there are already 10 stores spread throughout the Metropolitan Region of Fortaleza, with two more expected to open by May 2021.



LEARN MORE ABOUT FABIANO'S GROWTH AND SIMPLIFIQUE.



Pedro Lucas,
Student
of the
Capoeira
Project

Social projects and relationship with communities

A few decades ago, in the UN reports, Brazil was placed among the 10 most unequal countries in the world, behind only African nations when it comes to income disparity. At the wheel of the economy, small producers have low training and difficulties in accessing the market, which generates deforestation, erosion, unproductive land and water crisis. Studies also point out to differences in income between regions of the country, as well as between men and women.

In this scenario, social assistance programs are often “springboards” necessary for families in situations of vulnerability to find immediate solutions to urgent problems. But this is not all. Each small action serves as a window for building a better future, with more art, culture, education and income. Today, investing in major works is not enough for a company that works seriously. Assistance programs for women, children, young people, victims of violence and abandonment must be strengthened. What seems small to some means dignity to most.

We had about 70,000 people, in eight municipalities neighboring the Quixeré unit, benefited from actions to confront Covid-19. Many social projects had to be suspended due to the pandemic, whose protocols required social distancing. Nevertheless, encouraging local growth is a principle that Cimento Apodi expresses through initiatives such as the Acordes do Sucesso project, which brings music and hope to children; Mulheres Empreendedoras, which generates income for women heads of families; and Construindo o Saber, encouraging the completion of elementary and high school. All these projects have adapted to the constraints imposed by the pandemic. Mulheres Empreendedoras, for example, replaced the production of homemade sweets with the making of fabric masks.

Worldwide, companies with experience in the sustainability scenario do social mapping even before locating the plant on the ground, mapping the risks of the socio-environmental area in which they operate. In Quixeré/CE, Apodi’s industrial park was built in the vicinity of a community that has existed for more than five decades. And that’s where a good part of the projects we’ve developed is going.

Responsibility and commitment kept the initiatives under review, although the outbreak of the pandemic forced some of them to stop. Solidarity actions, as a stimulus to volunteering, in addition to donations, are part of our social culture and count on the participation of employees.

What we seek with our social and community relationship projects:

- Strengthen communities’ management and self-sustaining capacity
- Increase target audience income
- Improve indicators of sustainability, measuring changes periodically
- Support processes for institutional initiatives aimed at sustainable development, including: public policies, guidelines, plans and legal frameworks

Below, we highlight some of the most important projects:

EducaVida Project

Capoeira is the center of this project that involves residents around Quixeré factory. Teachers are young people from their own communities, who have united and, even without resources, organized capoeira classes. Sport helps keep young people away from drugs, violence and lack of perspectives. When Apodi met the initiative, it began to support it, through the offer of uniforms, snacks, and donation of equipment. In 2020, online follow-up meetings were held, including to provide guidance on Covid-19 and its forms of prevention. The idea is to resume as soon as possible in 2021.



Conselita Lima e Gabriela Pinheiro, Students of the Acordes do Sucesso (Successful Chords) Project

Successful Chords - Acordes de Sucesso

Music as a tool of social insertion and dream lever. The Acordes do Sucesso Project has the partnership of the IFCE music course of Tabuleiro do Norte and was born in 2017, proposing the teaching of music as a supplementary activity in schools. In 2020, musical instruments such as flutes and guitars acquired by the company were made available to children, adolescents and adults. Due to the pandemic, learning classes were suspended. The idea is to encourage training at home.

Music Bands

In Quixeré, the band 13 de Maio returned to produce sounds, with the support of Cimento Apodi, which recovered the musical

instruments played by the children. The band was suspended for more than five years. On February 14, 2020, we held a ceremony to celebrate the company's support for the recovery of the instruments, which bring more beauty to the lives of boys and girls living in the municipality of Quixeré, where Cimento Apodi plant has its facilities, 30 km from the head office. The event was attended by company managers, representatives of the government and the community in general.

Increased Education Level Project - Construindo o Saber

Another project of great social impact is the Increased Education Level. In 2017, when the Company carried out a census in the Bom Sucesso community, we detected a large number of residents late to school. The survey

showed that more than 10% of respondents were illiterate. Seventy percent reported having attended only Elementary School II. Only 10% reported having completed high school. Many had to leave school to help support the family.

We then sought a partnership with SESI, which develops a methodology recognized by MEC, called Reconhecimento de Saberes. With it, instead of spending a year studying to get a degree, the student spends between 4 and 6 months. Reducing school hours helps fight dropping out, reconciling the required study with social restrictions. In addition, the methodology values the innate knowledge of each one and it is from there that the student is taught to read and write. In 2020, we were able to open two online elementary and high school classes to train more than 80 people. In the Construindo o Saber Project, the mobile phone facilitates access to knowledge. By improving a young person's or adult's education, we increase their self-esteem and transform the world.

Female Entrepreneurs - Mulheres Empreendedoras

More empowered and stronger women, from the production and sale of homemade sweets. It was around this topic that the Mulheres Empreendedoras project was born, with the objective of motivating income generation in the community itself, among the mothers of families. To do that it was necessary to know the target audience through a process initiated in 2017, when a survey showed that in the communities surrounding our operations (in Quixeré), 70% of households are headed by women.

The project had the partnership of the outsourced food supplier, Seriares, and involved professors and students of the Federal University of Ceará (UFC) - Russas campus and the Federal Institute of Education, Science and Technology of Ceará (IFCE) - Limoeiro do Norte.

In 2020, the new sanitary reality ended up replacing sweets with masks, for the benefit



César Pinheiro, Student of the Construindo o Saber (Increasing Knowledge) Project

of the women of Bom Sucesso, Baixa do Félix, Serra do Vieira and Ubaia - all of them small communities of Quixeré. On June 17, 2020, Apodi met with the Sustainability Development Group - GDS of the Russas UFC to address the alignment of the Business Plan of the Mulheres Empreendedoras Project.

Company-Community Committee

Opening more accessible and direct channels of communication with people was the reason why the Company-Community Committee was born, which meets every two months or whenever necessary. Meetings took place on the premises of the factories, with the participation of the site manager and community leaders, but became virtual in 2020. On June 18, for example, the Committee was attended by 16 participants, including residents of the communities of Bom Sucesso and Ubaia, as well as a representative of the Municipality of Quixeré. At the meeting, the Committee's objectives, the Ethics Channel, Apodi's projects and actions to combat Covid 19 were presented.

Volunteering and donations

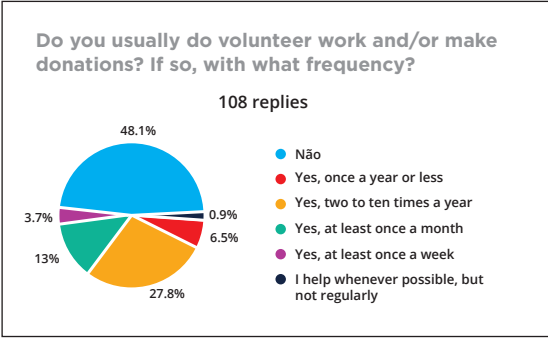
Volunteering, within Apodi, is not a social project, but a stimulated attitude that involves many arms and wills. Due to the pandemic, the actions had to be readapted, but they did not stop happening. In 2020, we took the time to get to know the talents who donate their time to some cause outside the company a little more. To do this, we launched a volunteer survey. Among other data, it showed that 90% of employees already have or would like to have some involvement in volunteering.

In 2019, volunteers were invited to participate in a joint effort to improve three public schools in Fortaleza, Pecém and Quixeré. They devoted themselves to small renovations, painting, gardening and repairs in general, benefiting 500 students of educational institutions installed near our units. In 2020, we had to readjust. To celebrate the National Volunteer Day, we launched the Food Collection Campaign in all



units. The campaign began on August 28 and lasted until September 30, collecting a total amount of R\$5,742.60, which were converted into basic food baskets for low-income families.

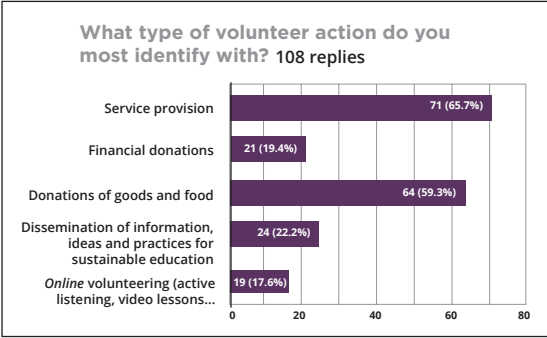
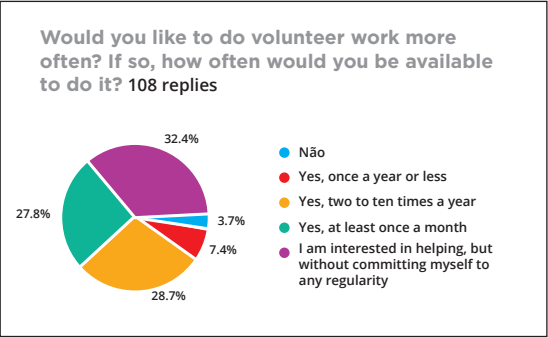
In October, basic food baskets were donated to associations of waste pickers from Quixeré and Russas, also benefiting Lar Batista, in Fortaleza. In the same month, we donated beds, mattresses, cabinets and other furniture to Santa



Clara de Assis Home in Russas, which assists elderly people in situations of social vulnerability, ensuring their rights according to the Statute of the Elderly. Volunteering also included a blood donation campaign, when the company received a team from Hemoce in the Quixeré unit.

In December, we highlight the donation of Christmas kits, gifts and food, in campaigns promoted with the support of volunteers. They

enthusiastically engaged in the initiative that Apodi named Cooperative Friend, bringing gifts to children who wrote letters telling their wishes. Social institutions in Caucaia (in the vicinity of the Apodi cement milling plant in Pecém), Fortaleza (involving volunteers of the head office), Eusébio (institution neighboring Apodi concrete mill) and Quixeré (institution neighboring the plant) were benefited.





Working together, we grow more.

“Hope” is a word that community leader Silvia Pinheiro often repeats with joy. Hope for a good winter, health for all, new projects, good sales, better days. As president of the Association of Residents of the Community of Bom Sucesso, in Quixeré, she deals with the daily demands and needs of low-income families. Her own story is of struggle against difficulties, as she is the daughter of farmers and lives from farming to this day.

“FOR YEARS WE HAVE DEVELOPED PROJECTS SUCH AS MULHERES EMPREENDEDORAS AND CONSTRUINDO O SABER WITH APODI. IN 2020, SOME PROJECTS WERE HAMPERED, BUT OTHERS WERE ABLE TO SUCCESSFULLY REINVENT THEMSELVES THROUGH ONLINE WORK”.

Silvia Pinheiro
**SILVIA PINHEIRO, PRESIDENT
OF THE COMMUNITY
ASSOCIATION IN QUIXERÉ**

The land where Silvia grows corn and beans is next door to the Apodi factory in Quixeré. And it was precisely the proximity that provided the first contacts between the residents and the company's social project area. Since 2017, Silvia has been responsible for mobilizing the people and monitoring the progress of capoeira projects, music, education, production of sweets and masks with the company. These initiatives involve children, young people and women, with positive repercussions for the whole family.



**VISIT THE
COMMUNITY WHERE
SILVIA AND APODI
HAVE ESTABLISHED
THIS LONG LASTING
PARTNERSHIP.**

At 55, Silvia does many tasks. She saw the struggle of the residents to organize themselves and contributed to the consolidation of the partnership with Apodi. Born in Jaguaruana, she has lived in the Bom Sucesso community since her adolescence, when she arrived in search of better living conditions, with her father, mother and nine siblings. Her 2021 recipe contains two basic ingredients: work and hope.

Investments and DVA

Rates

Inflation
RPI (1987=100)
RPIX (Target 2.5pc)
CPI (2015=100 target 2pc)
Halifax house price index

Money

Bank Rate
Overnight
7 day
1 month
3 months
6 months

Major price changes FTSE 100 Week

Volume	Close	Change
2.73m	1557½	15.41pc
924		8.30pc
2124		7.46pc
		7.08pc

Fallers

● Pear
● Smith
● Royal
● Mond
● Prud
● BT Gr

Investment

Being competitive in the current market calls for planning, anticipation and action. Year after year, the effectiveness of our efforts can be measured both by the financial strength we built and by the indicators we achieved. Strengthening technical, management and innovation capacity is our way of winning partners and meeting short and medium-term goals.

In the long term, we seek business continuity through process excellence and a focus on people. In 2020, we reached a total of R\$21.8 million in investments. Improve sustainability indicators in all priority chains; strictly measure the changes; make the company a place of learning; act as an aggregator of solutions.

That's how we grow up. That's what our investments are based on. The results are there to show that the decision is right.

DVA

The Statement of Value Added Table is intended to show the wealth created by the Company and its distribution during the reported period. Our DVA for the year 2020 presents:

2020 DVA
(in millions of Reais, except where indicated)

	2019	2020
Revenue - Gross sale of products and services, other revenues and provision of credits (in thousands of reais)	461.57	568.55
Inputs acquired from third-parties	-229.25	-249.54
Gross value added	232.31	319.01
Depreciation / Amortization / Exhaustion	-46.88	-49.81
Net value added generated	185.43	269.20
Total value added received		
in transfer	8.91	6.30
Total value added to be distributed	194.34	275.50
Distribution of value added	194.34	275.50
Net revenue per product (in thousands of reais)	343,70	419.40
Cement	299.43	372.80
Concrete	28.45	32.80
Aggregates	-	-
Mortar	-	-
Other	15.82	13.80
Creation of Value for Key Stakeholders	194.34	275.50
Employee benefits	47.66	50.90
Value added to government (taxes)	115.45	149.10
Remuneration of third-party capital	39.64	40.00
Remuneration of third-party capital	-8.40	35.40
Sales of cement	1,199,173 t	1,363,892 t
Sales of concrete	98,285 m³	101,426 m³



Schedule 1: Environmental Performance

	Environmental Performance	Note	Unit	2020	2019	SDGs and Goals	Code	Global Sectoral Approach
	1. All Activities - Environmental Performance (according to the Sectoral Approach adopted by TITAN)							
LOCAL IMPACTS	Extracted natural raw materials (total, wet)		million t	1.4	1.2	SDG 12	EP01L	UNGC
	Raw materials extracted for clinker and cement production		million t	1.4	1.2	Goals 12.2	EP02L	UNGC
	Raw materials extracted for aggregates		million t	-	-		EP03L	UNGC
	Waste recycled externally (total, wet)		t	2,345	1,045		EP04L	UNGC, UNCTAD 12.5.1
	Reuse		t	1,287	616	SDG 12		
	Recycle		t	1,049	416	Goals 12.4 and 12.5		
	Recovered		t	9	14			
IMPACT ON WATER RESOURCES	Water Consumption (total)		million m³	0.40	0.50		EP05L	GCCA, UNGC
	Water extraction (total, by source)		million m³	0.40	0.50		EP06L	GCCA, UNGC, UNCTAD
	Groundwater		million m³	0.22	0.40	SDG 6 Goals 6.3, 6.4, and 6.5		
	City water		million m³	0.04	0.04			
	Rainwater		million m³	0.00	0.00			
	Surface water		million m³	0.00	0.00			
	Water from quarry used (from quarry dehydration)		million m³	0.14	0.06			
	Ocean or seawater		million m³	0.00	0.00			
	Wastewater		million m³	0.00	0.00			
	Disposal of water (total, per disposal)		million m³	0.00	0.00		EP07L	GCCA, UNGC, UNCTAD
	Surface (river, lake)		million m³	0.00	0.00			
	Ocean or sea		million m³	0.00	0.00			
	External treatment		million m³	0.00	0.00			UNCTAD 12.5.1
IMPACT ON BIODIVERSITY AND LAND MANAGEMENT	Active mines with biodiversity problems	1.3	%	1	0	SDG 15	EP08L	GCCA, UNGC
	Active mines with biodiversity management plans	2.3	%	0	-	Goals 15.3, 15.4, 15.5, 15.9 and 15.a	EP09L	GCCA, UNGC
	Active mines with biodiversity management plans		%	0.0	-		EP10L	GCCA, UNGC
	Sites with mine reclaiming plans	3	%	0.0	0.0		EP11L	GCCA, UNGC
	Land areas of reclaimed mines of the total impacted area (cumulative)	3.4	TJ	0.0	-		EP12L	UNGC
	Active mine sites (wholly owned) with Environmental Management System (ISO14001 or similar)		TJ	0.0	0.0		EP13L	UNGC
				3,721	3,357			
FUELS AND ENERGY IMPACT ON ENERGY RESOURCES	Thermal energy consumption (total)			486	494	SDG 7	EP14L	GCCA, UNGC, UNCTAD 7.3.1
	Electric power consumption (total)					Goal 7.2	EP15L	GCCA, UNGC, UNCTAD 7.3.2
	2. Cement Activities - Environmental Performance (according to the Sectoral Approach adopted by TITAN)							
CLIMATE CHANGE IMPACT ON GREENHOUSE GAS EMISSIONS	Direct specific CO2 emissions - gross	5	kg/t Cement products	631.0	633.0	SDG 9 Goal 9.4	EP16L	GCCA, UNGC
	Direct specific CO2 emissions - net		kg/t Cement products	626.1	627.5		EP17L	GCCA, UNGC
	Indirect CO2 emissions (Scope 2, total)		million t	0.01	0.01		EP18L	GCCA, UNGC, UNCTAD 9.4.1

	Environmental Performance	Note	Unit	2020	2019	SDGs and Goals	Code	Global Sectoral Approach
FUELS AND ALTERNATIVE MATERIALS	Alternative fuel replacement rate	6	% energy	6.2	10.1	SDG Goals 7.2,7.3 and 7.a SDG 12 Goal 12.2	EP19L EP20L EP21L	GCCA,UNGC,UNCTAD 7.2.1
	Biomass in the fuel mix		% energy	3.9	7.6			GCCA,UNGC,UNCTAD 7.2.1
	Clinker / cement ratio		%	69.77	70.17			GCCA,UNGC
	Thermal power consumption							
IMPACT ON ENERGY RESOURCES	Cement, milling plants and mines		TJ	3,704	3,341		EP22L EP23L	GCCA,UNGC,UNCTAD
	Consumption of alternative fuels (total)		t	11,788	17,432			GCCA,UNGC,UNCTAD
	Electric power consumption (total)							
	Cement factories and mines		GWh	121.2	122.7			GCCA,UNGC,UNCTAD
LOCAL IMPACTS	Material consumption (total, dry)		million t	2.0	1.8	SDG 12	EP24L	UNGC
IMPACT ON NATURAL RAW MATERIAL RESOURCES	Consumption of (natural) extracted raw materials (dry basis)		million t	1.8	1.5	Goal 12.2	EP25L	
	Consumption of alternative raw materials (dry basis)		million t	0.2	0.2			
	Use of alternative raw materials (from total raw materials consumed)		% dry basis	12.3	13.2			GCCA,UNCTAD
	Rate of alternative raw materials (based on clinker-cement factor (equivalent))		% dry basis	16.7	18.4		EP26L	GCCA,UNGC,UNCTAD
IMPACT ON WATER RESOURCES	Water Consumption (total)	4	million t	0.37	0.48	SDG 6	EP27L	GCCA,UNGC
	Recycled water (total)		million t	0.05	0.03	Goal 6.4 e 6.5		GCCA,UNGC,UNCTAD
OTHER ATMOSPHERIC EMISSIONS	Continuous measurement of coverage rate		%	100.0	100.0	SDG 3 Goal 3.9		GCCA,UNGC
	Specific dust emissions		g/t Clinker	74.3	94.1	SDG 9 Goal 9.4	EP29L	GCCA,UNGC
	NOx specific emissions		g/t Clinker	3,989.5	3,634.7		EP30L	GCCA,UNGC
	SOx specific emissions		g/t Clinker	380.6	490.7		EP31L	GCCA,UNGC
	3. All activities – Disclosures about materials, fuels and waste						EP32L	
IMPACT ON FUELS AND ENERGY RESOURCES	Fuel blending, energy consumption for clinker and cement production		%Heat Basis	100.0	10.0	SDG 7 Goal 7.2	EP33L	UNGC
	Conventional fossil fuels		%Heat Basis	93.8	89.9	SDG 12 Goal 12.2		UNGC
	Coal, anthracite and coal residues		%Heat Basis	0.0	0.0		EP34L	
	Oil coke		%Heat Basis	92.3	88.3			
	Lignite		%Heat Basis	0.0	0.0			
	Other solid fossil fuel		%Heat Basis	0.0	0.0			
	Natural gas		%Heat Basis	0.0	0.0			
	Heavy fuel (ultra)		%Heat Basis	0.0	0.0			
	Diesel oil		%Heat Basis	1.5	1.6			
	Gas, LPG (liquefied petroleum gas or liquid propane gas)		%Heat Basis	0.0	0.0			
	Alternative and mixed fossil fuels		%Heat Basis	2.4	2.7			GCCA,UNGC,UNCTAD
	Tires		%Heat Basis	0.4	0.9		EP35L	
	RDF including plastics		%Heat Basis	0.0	0.0			
	Impregnated saw powder		%Heat Basis	0.0	0.0			
	Mixed industrial waste		%Heat Basis	1.7	1.8			
	Other fossil and mixed waste (solid)		%Heat Basis	0.3	0.0			
	Biomass fuels		%Heat Basis	3.8	7.4			
	Dry sewage sludge		%Heat Basis	0.0	0.0			
	Wood, non-impregnated sawdust		%Heat Basis	0.0	0.0			
	Agricultural, organic, diapers waste, coal		%Heat Basis	3.7	7.4			
	Other		%Heat Basis	0.0	0.0			
							EP36L	

	Environmental Performance	Note	Unit	2020	2019	SDGs and Goals	Code	Global Sectoral Approach
WASTE MANAGEMENT	Waste disposal (total, wet)		t	4,605	2,084		EP37L	UNGC,UNCTAD12.4.2 e 12.5
	Nonhazardous wastes		t	4,599	2,053			
	Hazardous Wastes		t	6	31			
	Waste disposal, breakdown by disposal-use (wet)		%By mass	100.0	100.0		EP38L	UNGC,UNCTAD12.5.1
	Reuse		%By mass	27.9	29.8			
	Recycle		%By mass	22.8	20.1			
	Recovered (including energy recovery)		%By mass	0.2	0.7			
	Incineration		%By mass	0.0	0.0			
	Landfill		%By mass	4.8	10.3			
	Other (incl. Storage)		%By mass	44.3	39.1			
	4. All Activities - Investments for the Environment							
	Environmental expenses in all activities	7	million €	0.38	0.17	SDG 7 Goal 7.b	EP39L	UNGC,UNCTAD7.b.1
	Environmental management		million €	0.11	0.05	SDG 9 Goal 9.4		
	Reforestation		million €	0.00	0.05			
	Reclaiming		million €	0.00	0.00			
	Environmental training and Awareness		million €	0.00	0.00			
	Application of green technologies		million €	0.20	0.00			
	Waste management		million €	0.06	0.07			

NOTES FOR EXTERNAL VERIFICATION, STANDARDS, GUIDELINES AND TERMS USED

- Standards: The reporting standards under TITAN's Global Sectoral Approach, namely GCCA, UNGC and UNCTAD.
- Guidance: TITAN follows the GCCA Sustainability Framework Guidelines and the Sustainability Guidelines for monitoring and reporting of: CO2 emissions from cement manufacturing, fuel and raw materials co-processing, monitoring and reporting of emissions, monitoring and reporting of water in cement manufacturing, and reclaiming of quarries and biodiversity management (for all documents the reference is the latest edition of 2019 or 2020). In 2020, the above Guidelines replaced the previous - and respective - WBCSD / CSI Guidelines, which were the guidelines for measuring, reporting and verifying environmental performance up to (and including) the year 2018. For Sector standards. "Sectoral standards for non-financial disclosures" (mandatory).

NOTES FOR SPECIFIC ENVIRONMENTAL PERFORMANCE INDICATORS

1. Active mines within, containing or adjacent to, areas designated for their high biodiversity value.
2. Areas with high biodiversity value where biodiversity management plans are actively implemented.
3. Coverage includes mines connected to cement factories and mines for aggregate production.
4. New indicators.

- Quarry land areas reclaimed from total impacted areas (cumulative)

Coverage includes all quarries under TITAN management control. This KPI is calculated as the percentage of impacted/disturbed quarry areas that have been reclaimed (total and cumulative), aggregated to BU level. Under TITAN approach this KPI is supplementary to the KPIs under the theme Impact on biodiversity and land management in this Table, namely: "Places with quarry reclaiming plans" and "Active quarry sites with biodiversity management plans". Data disclosure began in 2020.

- Recycled water (total)

This KPI is calculated in accordance with GCAA Sustainability Guidelines for monitoring and reporting water in cement manufacturing.

5. Indirect CO2 emissions are related to emissions released for the production of electricity consumed at TITAN's facilities. For its calculation, we use emission factors provided by the electricity supplier or other publicly available data sources.

6. The biomass rate corresponds to the percentage of total thermal energy consumption from renewable energy sources.

7. The definition of environmental spending in all activities is equivalent to the definition of Green Investment. See 'Glossary'.

Schedule 2: Social Performance

	Social Performance	Note	2019	SDGs and Goals	Codes	
		2020			Global Sectoral Approach	
HEALTH AND SAFETY	Performance of all activities according to TITAN Global Sectoral Approach					
	Data:					
	Quixeré Plant					
	Employee fatality	0	0		SP01L	GCCA & UNCTAD 8.8.1
	Employee Fatality Rate	0	0		SP02L	GCCA & UNCTAD 8.8.1
	Subcontractor Insurance	0	0		SP03L	GCCA & UNCTAD 8.8.1
	Third party fatalities	0	0		SP04L	GCCA & UNCTAD 8.8.1
	Employee leave due to injuries	9	0		SP05L	GCCA & UNCTAD 8.8.1
	Accident and employee leave ratio	79.85	0	SDG 3,	SP06L	GCCA & UNCTAD 8.8.1
	Loss of working days per employee	72	0	Goal 3.6;	SP07L	GCCA
	Accident severity and employee leave ratio	63.88	0	SDG 8,	SP08L	GCCA & UNCTAD 8.8.1
	Contractor leave due to injuries	4	2	Goal 8.8	SP09L	GCCA & UNCTAD 8.8.1
	Accident and contractor leave ratio	3.76	2.71		SP10L	UNCTAD 8.8.1
	All key performance indicators of the activities					
	Near-accident	1			SP11L	UNGC
EMPLOYMENT	Man-hours of health and safety training per employee	1			SP12L	UNGC
	Number of employees on December 31	479	491		SP14L	UNGC
	Data:				SP15L	UNGC
	Quixeré Factory,				SP16L	UNGC
	Pecém Milling,				SP17L	UNGC
	Distribution,				SP18L	
	Administrative,			SDG 5,	SP19L	UNGC
	Commercial and			Goals 5.1,		
	Concrete Centers			5.4, and		
	Employee turnover (%)	11.3%	17.9%	5.5; SDG 8		
	Employees who left the organization	54	88	Goals 8.5,	SP20L	UNGC and D&I
	New hires (%)	9.2%	10.4%	8.6 and 8.8;		
	New employee hires	44	51	SDG 10,		
	New hires by age range			Goal 10.3	SP21L	UNGC
	Under 30	11	14			
	Between 30-50	33	33			
	Over 50	0	4			
	New hires by gender					
	Women	8	9			
	Men	36	42			
	Employees by age range					
	Under 30	117	154			
	Between 30-50	321	296			
	Over 50	41	41			
	Employees per type				SP22L	UNGC
	Full time	479	491			
	Part-time	0	0			

PEOPLE DEVELOPMENT	Temporary	0	0			
	Employees by category				SP23L	UNGC
	Managers	53	57			
	Senior Managers	25	22	SDG 5,		
	Administration / technical	195	202	Goals 5.1,		
	Semi-skilled /unskilled	206	210	5.4, and		
	Employees by gender			5.5; SDG 8	SP24L	UNGC and D&I
	Woman	81	83	Goals 8.5,		
	Men	398	408	8.6 and 8.8;		
	Percentage of women employees (%)	16.9%	16.9%	SDG 10,	SP25L	UNGC and D&I
	Percentage of women in management (%)	20.5%	20.3%	Goal 10.3	SP26L	UNGC and D&I, and UNCTAD 5.5.2
	Women's participation in senior management (%)	16.0%	9.1%		SP27L	UNGC and D&I, and UNCTAD 5.5.2
	Local community employees (%)	95.4%	95.1%		SP28L	UNGC & Local
	Unionized employees (%)	56.37%	59.27%		SP29L	UNGC
	Investment in training per employee (EUR)	3	n/a		SP30L	UNGC & UNCTAD 4.3.1
	Investment in training by gender (EUR)	383	n/a		SP31L	UNGC and D&I, and UNCTAD 4.3.1
	Woman	254				
	Men	129				
	Trained employees	140	n/a		SP32L	UNGC
	Percentage of trained employees (% of total staff)	29.2%	n/a		SP33L	UNGC
	Percentage of employees trained (% in total trained)	27.9%	n/a		SP34L	UNGC and D&I
	Trained employees by hierarchical level				SP35L	UNGC
	Managers	44				
	Senior Managers	25		SDG 4,		
	Administration / technical	65		Goals 4.3,		
	Operational	6		4.4 and		
	Trained employees by age range			4.5; SDG	SP36L	UNGC and D&I
	Under 30	22		5, Goals		
	Between 30-50	102		5.1 and		
	Over 50	16		5.5; SDG 8,		
	Training hours	19,189	0	Goal 8.5;	SP37L	UNGC & UNCTAD 4.3.1
	Average hours of training per employee and per gender	40	0	SDG 10,	SP38L	UNGC and D&I, and UNCTAD 4.3.1
	Average of women	102		Goal 10.2		
	Average of women	27		and 10.3;		
	Training days per subject			SDG 16,		
	Environment: care and management systems			Goal 16.5	SP39L	UNGC
	Languages	18,223				
	Health and safety					
	Human rights					UNGC & UNCTAD 16.5.2
	Management and management skills					
	Non-technical skills and expertise					
	Digital	161				
	Compliance	698				
	Other	3				
	Security					

	Technical know-how and basic competences		104			
	TITAN Group Code of Conduct					UNGC & UNCTAD 16.5.2
ENGAGEMENT WITH STAKEHOLDERS	Donations (EUR)		n/a	19,792		SP40L UNGC & UNCTAD 17.17.1
	Donations in kind (EUR)	1	0	17,883	SDG 2, Goals 2.1 and 2.3	SP41L UNGC & UNCTAD 17.17.1
	Donations in goods (EUR)	1	0	1,909	SDG 4, Goals 4.3 and 4.4	SP42L UNGC & UNCTAD 17.17.1
	Internships / Apprentices		24	9	SDG 8, Goals 8.5 and	SP43L UNGC and EP4Y
	New jobs by Intern /Apprentice hiring		3	n/a	8.6; SDG 9, Goals 9.1 and 9.5; SDG 11, Goal 11.4	SP44L UNGC and EP4Y
Data: Quixeré Factory, Pecém Milling, Distribution, Administrative, Commercial and Concrete Centers	Expenses with local suppliers (%)		82.40%	79.90%	SDG 16, Goal 16.5; SDG 17, Goal 17.17; SDG 9, Goal 9.3	SP45L UNGC & UNCTAD 9.3.1

NOTE 1 Cimento Apodi does not have a registration system that guarantees the certainty of information on “Near Accidents”, “Men/hour of training in Health and Safety” and “Donations”.

INDUSTRY STANDARDS FOR NON-FINANCIAL DISCLOSURES IN 2020

ASSOCIATION OR SECTORAL INITIATIVE	Guidelines and other reference documents	Published
GCCA	GCCA Sustainability Letter	Last edition in 2019 or 2020
	GCCA Sustainability Framework Guidelines	
	GCCA Sustainability Guidelines for monitoring and reporting safety in cement manufacturing. This document has been agreed within the GCCA to have extended application to concrete activities and other related activities [Pillar 1]	
	GCCA sustainability guidelines for monitoring and reporting CO2 emissions from cement manufacturing [Pillar 2]	
	GCCA sustainability guidelines for water monitoring and reporting in cement manufacturing [Pillar 4]	
	GCCA sustainability guidelines for monitoring and reporting emissions from cement manufacturing [Pillar 4]	
	GCCA sustainability guidelines for the co-processing of fuels and raw materials in cement manufacturing [Pillar 5]	
	GCCA sustainability guidelines for quarry reclaiming and biodiversity management [Pillar 4]	
(PREVIOUSLY) WBCSD / CSI	Guidelines for Environmental and Social Impact Assessment (ESIA)	2016
	Good Recommended Practices for: (a) Contractor Safety, and (b) Driving Safety	2009

NOTES: 1. GCCA has built its Sustainability Charter around five (5) Sustainability Pillars: Pillar 1: Health and Safety, Pillar 2: Climate Change and Energy, Pillar 3: Social Responsibility, Pillar 4: Environment and Nature, and Pillar 5: Circular Economy.

2. TITAN actively participated in five (5) Working Groups under the GCCA activities in 2020: WG1. Health and safety in the cement and concrete industries, WG2. Innovative leadership and policy for cement and concrete, WG4. 2050 concrete roadmap, WG5. Innovation in cement and concrete and WG6. Good practices and benchmarking.

Schedule 3: Global Compact, priority SDGs and 2020 initiatives

Themes SDGs	2020 Cimento Apodi Initiatives	Global Compact Goal
8. DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Conducting courses to increase schooling for communities around the factories. Promotion of technical qualification courses for employees. Increased number of internal promotions. 	Goal 8.6 Reduce the proportion of young people who are not employed, studying or in vocational training.
9. INDUSTRY, INNOVATION, AND INFRASTRUCTURE	<ul style="list-style-type: none"> Partnership with the Federal University of Ceará - Russas Campus in the development of industrial automation solutions for greater kiln productivity - replication of the project at Quixeré plant. Participation in the Innovation and Technology Forum of the Federation of Industries of the State of Ceará - FIEC. 	Goal 9.1 Support national technological development, research and innovation in developing countries, including ensuring a policy environment conducive to, among other things, industrial diversification and value addition to commodities.
11. SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> Diversification of waste with great environmental impact on coprocessing. Partnership with government agencies/ municipal consortia, to use waste usually destined for landfills, in coprocessing. Dissemination of CEA - Centro de Educação Ambiental Ivens Dias Branco with municipal and state governments and schools. Participation in the Development Project of Waste Derived Fuels - CRD for coprocessing purposes, through the structuring of strategic clusters, coordinated by the Brazilian Association of Portland Cement-ABCP. 	<p>Goal 11.6 Reduce the negative per capita environmental impact of cities, including paying special attention to air quality, municipal waste management and others.</p> <p>Goal 11.7 Provide universal access to safe, inclusive, accessible and green public spaces, particularly for women and children, the elderly and people with disabilities.</p>
12. RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Construction of the new Effluent-ETE Treatment Plant for Pecém milling. Expansion of the Biodiversity Preservation Program. Efficiency in power self-generation through Waste Heat Recovery technology. 	<p>Goal 12.2 Achieve sustainable management and efficient use of natural resources.</p> <p>Goal 12.5 Substantial reduction of waste generation through prevention, reduction, recycling and reuse.</p>
13. ACTION AGAINST GLOBAL CLIMATE CHANGE	<ul style="list-style-type: none"> Continuity of Carnauba Project aimed at using waste such as biomass, contributing to the generation of alternative income for rural producers, social inclusion and reduction of CO2 emissions. 	Goal 13.03 Promote capacity building mechanisms for climate change planning and effective management in less developed countries, including the focus on women, youth, local and marginalized communities.
17. PARTNERSHIPS AND IMPLEMENTATION MEANS	<ul style="list-style-type: none"> Leadership of the Vale do Jaguaribe Sustainability Committee as an instance of regional development. Participation of the AECIPP - Association of Companies of the Industrial Complex of Pecém Port forum. 	Goal 17.17 Encourage and promote effective public, public-private and civil society partnerships, based on the experience of resource deployment strategies of these partnerships.



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2020 Sustainability Report

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apodi

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