

2021

ANNUAL
REPORT

VOTORANTIM

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We started 2021 with hope that our activities would get back to normal and our mobility would be resumed, but as early as the first quarter, we realized that the health crisis would be longer and more complex than anticipated. The important progress in vaccinations brought us a sense of relief and we ended the year optimistic about the future management of the pandemic, while also recognizing the need to still follow protocols and gain knowledge about how to deal with the coronavirus.

As restrictions began to be relaxed, the global economy showed signs of recovery. However, the increase in demand was not followed by an equal increase in supply. Global growth in 2021 was hampered by disruptions in supply chains, rising inflation in developed countries and some emerging markets, higher interest rates, and political uncertainty.

In Brazil, the Central Bank reversed the downward trend in interest rates to contain the rise in inflation, which was a result of

the exchange rate devaluation, an increase in commodity prices, and higher production costs. What followed was a decrease in consumption and investments, which had a negative impact on the projected gross domestic product (GDP) during the year.

At Votorantim, in an environment filled with pandemic-induced uncertainties, we continued **to pay attention to and care for our employees. We also focused on the financial health of our companies and our business continuity, and we continued to support society through various initiatives.** During these last two years, as we have been facing an unprecedented health crisis, we have witnessed the importance of our adaptability, our structures' flexibility, and our organized and unbureaucratic decision-making processes.

For us, **the year was filled with good results**, not only from an economic and financial standpoint, but also with regard to stronger collaboration in strategic discussions between Votorantim S.A. (the investment





holding company) and its portfolio companies.

All our companies had positive financial results, which contributed to significantly higher consolidated results than in recent years. At the end of 2021, our **leverage**, calculated by the net debt to adjusted EBITDA ratio, **was the lowest in more than 10 years**.

From a strategic standpoint, there were **important movements in the evolution of our portfolio**, which also reinforced Votorantim's extremely positive qualities, including the company's **ability**

to reinvent itself and create unique partnerships. CBA's initial public offering (IPO) in July, the combination of energy assets by Votorantim Energia and CPP Investments announced in October, and new investments made by Votorantim Cimentos in North America and Spain contributed to the diversification of our portfolio and the creation of value. Also in 2021, banco BV advanced its digitalization strategy and we created Altre, a real estate company that made important investments during the year. We consolidated our net financial resources management abroad and, at

the end of the year, we invested in CCR, in the infrastructure industry, in line with our portfolio evolution strategy.

In addition, we worked to ensure that **ESG (environmental, social, and governance) issues were discussed by the Boards of Directors of our portfolio companies** with the necessary focus and depth and that these discussions would result in concrete action.

We expect 2022 to be another challenging year due to uncertainties associated with new coronavirus variants,

the turmoil resulting from an election year in Brazil, and the projections of modest economic growth in the country. **Our trust in our long-term strategy** and business experience in Brazil, aligned with the clear vision of our shareholders, has helped us establish decision-making processes that guarantee us confidence in challenging times.

Votorantim, once again, is **prepared to face periods of volatility and come out stronger**.

Eduardo Vassimon

Chairman of the Board of Directors of Votorantim S.A.



From left to right: Marcelo Medeiros, Luís Ermírio de Moraes, José Roberto Ermírio de Moraes, Eduardo Vassimon, Oscar Bernardes, Cláudio Ermírio de Moraes, and Marcos Lutz.



A Message from the Executive Board 102-10 | 102-14



Watch the video

2021 was an extraordinary year, and despite all its challenges, we stayed true to our strategy and continued to advance in our portfolio evolution. We ended the year with great pride in our achievements, from our **historic financial results to the transformational initiatives in our portfolio**, and with renewed confidence in our leadership's ability to adapt and thrive.

Our portfolio companies were agile and demonstrated the ability to adapt quickly to new circumstances, from the complex operating conditions in the beginning of the pandemic to the strong resumption of economic activity throughout 2021. As a result, we achieved outstanding results across our portfolio and had a historical year from a consolidated perspective. **Consolidated net revenues in 2021 were R\$ 49 billion, adjusted EBITDA reached R\$ 11,5 billion and**

net income was R\$ 7,1 billion – all records.

Throughout our history, we have been tested by challenging situations, and although we can't predict such circumstances, we rely on the talent and determination of our teams, the financial strength of Votorantim, and the commitment of our shareholders to face them. These characteristics, combined with a prudent yet courageous managerial approach, have been essential to keep us among a select group of Brazilian companies with an **investment grade rating by the three main international credit risk agencies** (S&P Global Ratings, Fitch Ratings, and Moody's).



In terms of strategy, we have made **substantial progress at our portfolio companies and in creating new opportunities for growth**. We did the **IPO of CBA**, paving the way for a new wave of value accretive investments in the aluminum segment. We announced the **consolidation of the energy assets held by Votorantim Energia and CPP Investments** in Brazil, resulting in the creation of one of the largest renewable energy platforms in Brazil – **Auren Energia**. At **Votorantim Cimentos**, we advanced on our **international growth strategy** through acquisitions in Spain and the conclusion of the combination of our business in North America with McInnis, together with a new partner, the Canadian pension fund Caisse de dépôt et placement du Québec (CDPQ). And in real estate, **Altre** gained scale with two important acquisitions and new project initiatives.

We also advanced our strategy of new investments directly through the holding company – Votorantim S.A., with important moves in the area of **infrastructure**, with the acquisition of shares in **CCR** – one of the largest concession and mobility platforms in Latin America, and in the **management of our international liquidity**.

In financial services, **banco BV also had historical record results in 2021**, maintained its leadership in auto finance in Brazil for the 9th consecutive year and is quickly evolving its digital banking platform.

These initiatives make strategic sense as we look at them today and they **create optionality** for further investments to continue to evolve our business model. They also reflect a **portfolio logic**, as we maintain our diversification from a geographic, industry and risk perspective. Finally, they reflect **the leadership and courage of our management teams** under such complex operating conditions.

During the year, the companies also advanced the **ESG agenda** aligned with their business strategies by developing plans, setting goals, and making public commitments, with a particular emphasis on the environmental agenda and decarbonization initiatives.

From an ESG perspective, we also have two levers that enhance our portfolio companies' ability to address issues aligned with their strategy. One of them is **Reservas Votorantim**, which focuses on environmental assets and manages Legado das Águas, the largest private Atlantic Forest reserve in Brazil, where we have developed a business model that is part of the answer to integrating biodiversity into the economy and leveraging solutions to climate change. The other is the **Votorantim Institute**, a partner of the portfolio companies in the development of social and environmental strategies in the municipalities where we operate, in addition to its focus on major topics of national interest, such as education

and citizenship. In 2021, Instituto Votorantim launched **iV Ventures**, one of the first venture funds in Brazil focused on impact investing in the areas of water, sanitation, housing and the low carbon economy, with funds from Votorantim and our portfolio companies.

In 2021, Votorantim also **partnered with FCLTGlobal (Focusing Capital on the Long Term)**, a non-profit organization that develops studies, research, and tools to promote investments and business strategies focused on the long term. We are thrilled to represent Brazil and Latin America in such important debates, bringing light to matters related to the communities and markets in which we operate.



Votorantim is a century-old company built with integrity and courage, the dedication of our shareholders, and the commitment and collaboration of many talented people over the years. We have very clear business objectives and a diversified portfolio strategy. At the same time, we are exploring new business models and new opportunities that will generate value and fulfill our purpose of creating positive social and environmental impact through our activities.

Our way of going beyond and overcoming challenges led us to a **historic year**. We thank our shareholders for their inspiration and support in this entrepreneurial journey. We are grateful to our people for their leadership and courage and to our business partners who contributed to our results.

We continue to move forward with confidence because, as we say at Votorantim, **the future is our territory**.

João H. Schmidt
CEO of Votorantim S.A.



From left to right: Luiz Caruso, Sergio Malacrida, Mateus Ferreira, Glaisy Domingues, João H. Schmidt, Mauro Neto e Marcio Yamachira.



2021 Highlights 102-10



The highest consolidated result in Votorantim's history:
net revenues of R\$49.0 billion, adjusted Ebitda of **R\$11.5 billion**
and net income of **R\$7.1 billion**



Investment grade rating
by the three main rating
agencies, following
Moody's upgrade to Baa3



IPO of CBA in the Novo
Mercado segment of B3



Consolidation of
renewable energy
assets of Votorantim and
CPP Investments in Brazil,
creating **Auren Energia**



Significant progress in the
internationalization
strategy, with
acquisitions by Votorantim
Cimentos in North
America and Spain



Altre: new real estate
projects and
acquisitions



First Latin America
member of **FCLTGlobal**,
whose mission is to focus
capital on the long term
to support a sustainable
and prosperous economy

Portfolio Overview 102-4 | 102-6 | 102-8



Ownership



Industry



Operations (in no. of countries)



Units¹



Employees²

	Ownership	Industry	Operations (in no. of countries)	Units ¹	Employees ²
Votorantim Cimentos	100%	building materials	11	336	12,466
Bv banco	50%	finance	2	12	4,573
cba	76%	aluminum	1	13	6,021
VOTORANTIM energia	100%	electric power	1	42	532
nexa	65%	metals and mining	4	13	6,193
citrosuco	50%	orange juice	4	44	5,038
AcerBrag	100%	long steel	1	2	697
altre	100%	real estate	1	1	16

¹ Includes offices, plants, distribution centers and other units.

² Includes company employees, interns and apprentices.



Overview

Most recent figures*

34,000 employees

19 countries

515 operating units worldwide

Net Revenues LTM
R\$ 48.9 billion

Adjusted EBITDA LTM
R\$ 11.8 billion

CAPEX LTM
R\$ 4.5 billion

Overview

Most recent figures*

34,000 employees

19 countries

515 operating units worldwide

Net Revenues LTM
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CAPEX LTM
R\$ 4.5 billion

The Investment Holding Company

102-6 | 102-9 | 102-15





With 104 years of history, Votorantim S.A. (Votorantim) is a Brazilian family owned company with long term investments. Its portfolio companies operate in 16 countries in the building materials, finance, aluminium, clean and renewable energy, metals and mining, orange juice, long steel, real state, and infrastructure. [102-1](#) | [102-2](#) | [102-5](#) | [102-6](#)

Its includes the Center of Excellence (CoE), a hub for creating products and processes focused on data analytics, innovation, and technology, which consolidates the operations of the Shared Solutions, Real Estate Solutions, and Information Technology Skills Centers.

The holding company maintains Reservas Votorantim, a company focused on the management of environmental assets of the portfolio companies and supports their land and water resource conservation efforts. The organization also works in partnership with the Votorantim Institute, which supports the portfolio companies in the development of social and environmental strategies and fosters good social practices with a long-term vision.

In its headquarters in São Paulo, Votorantim has 73 employees. Added to the teams of the Votorantim Institute, Reservas Votorantim, CoE, and portfolio companies, the company employs approximately 37,000 people directly and 9,000 indirectly, in 522 operating units. [102-3](#)

Values [102-16](#) | [103-2](#) | [103-3](#)

A combination of the values of the shareholder family with the business culture of the portfolio companies, Votorantim's values of integrity, collaboration, and courage (called V3) reflect the attributes that the company promotes internally and externally and the characteristics for which it wants to be recognized.

The visual representation of V3 is inspired by DNA: it represents what all portfolio companies and all people who are part of Votorantim have in common and establishes the Votorantim way of doing business and interacting with society.

OUR WAY OF BEING!

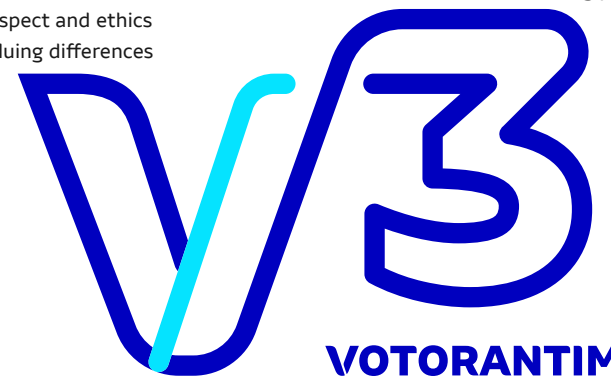
Integrity

- #Doing the right thing
- #Respect and ethics
- #Valuing differences

OUR WAY OF DOING THINGS!

Collaboration

- #Shared value creation
- #Networks and connections
- #Valuing people



OUR WAY OF GOING BEYOND!

Courage

- #Ownership
- #Innovation
- #Building the future



Votorantim's DNA


Votorantim has consolidated the practices it has followed for more than a century into a document informing and guiding the holding company's and the portfolio company's ways of being, acting, and managing. It consists of three blocks: values, the ways of being and doing things; management pillars, the ways the companies are managed; and governance principles, the ways the companies are governed. The document also has a specific chapter about the company's Social DNA.


Social DNA


Votorantim's Social DNA has four axes that guide the social and environmental initiatives of the portfolio companies to ensure that they can meet the expectations of the shareholders while leaving a positive legacy for current and future generations. These guiding principles include:

- ▶ Finding solutions within and outside the company's boundaries and business models to embed social and environmental aspects into the core business;
- ▶ Connecting people, skills, goals and economic partners to advance sustainable development;
- ▶ Building bridges with local communities and creating democratic spaces for discussion; and
- ▶ Maintaining the United Nations (UN) Sustainable Development Goals (SDGs) as a guide for Votorantim's actions, scale of ambitions, and callings

Votorantim's Identity

 **At the right time**
The right time means never missing an opportunity. Every day, we remember that today's decisions impact future results and we must think fast and act in a structured, strategic and assertive manner. We have an innovative mindset; we always look ahead. However, when looking to the future, we must be ready to question what is happening in the present. We must also be ready to respond to changes in the different sectors and countries where we operate.

 **The right way**
For us, there is only one way of doing things: the right way. Our DNA carries a unique way of being and acting. We see our companies, our employees and society through the lenses of ethics and respect. We have significant expertise in investment and the knowledge we need to continuously improve and perform more responsibly.

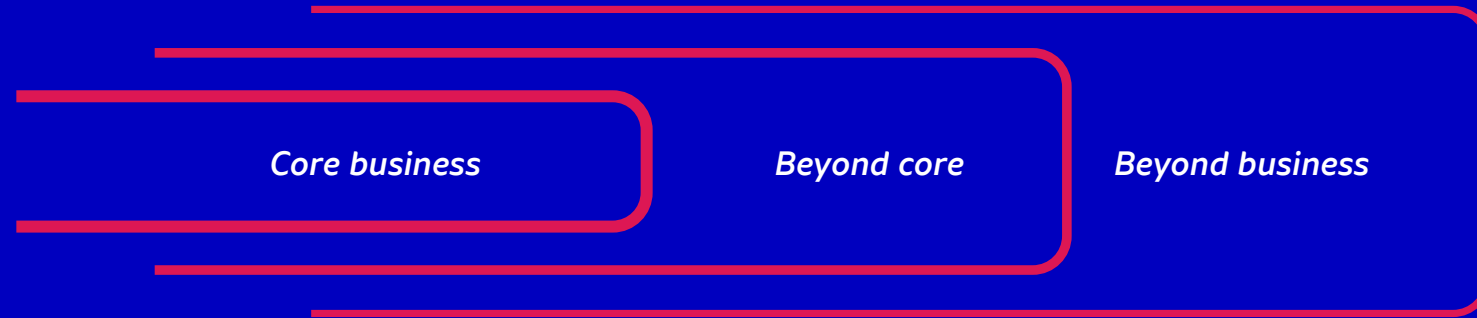
 **With the right people**
We have a clear commitment: to invest in the best of each of us to achieve the best for all, because we believe in the strength of people and their potential to thrive. We are continuously moving forward toward what is new. We positively influence our people through our inspiring leaders.



Strategy and Management 102-9 | 102-15 | 103-2 | 103-3

Votorantim:
a permanently capitalized investment holding company, with a long-term investment approach, that seeks to deliver superior financial returns with positive social and environmental impacts.

Investment thesis



Strengthening the core:
modernization, expansion, and consolidation



Value unlocking:
extract value from the asset base by leveraging existing skills and capabilities



Adjacencies:
business opportunities associated with the needs of the companies, and opportunities and risks that follow products and processes



New **patterns of production and consumption** and **new business models**



The essence of Votorantim’s management mandate includes achieving the investment objectives of its shareholders, acting in accordance with the pillars of its DNA, and complying with internal financial and dividend policies. Under these guidelines, the investment approach considers macro-themes that apply both to existing businesses and new investments: (i) strengthening the core business through investments in modernization, expansion and consolidation; (ii) extracting greater value from the asset base by leveraging existing skills and capabilities; (iii) operating in business adjacencies, assessing opportunities and risks related to products and processes; and (iv) paying close attention to new production and consumption patterns and business models that can present new opportunities and mitigate risks.

Votorantim continues to be focused on having a diversified portfolio of assets, from a geographic, industry and risk perspective. In line with this strategy, a series of impactful initiatives were implemented in 2021, such as:

- ▶ **IPO of CBA** in Novo Mercado segment of B3, in July 2021, raising R\$1.6 billion, of which R\$700.0 million will be invested in organic growth and strategic acquisitions.
- ▶ Consolidation of the energy assets of Votorantim Energia and CPP Investments, which resulted in one of the largest renewable energy platforms in Brazil – **Auren Energia**
- ▶ Announcement of the intention to create **a new joint venture** focused on the energy transition, decarbonization and new technologies alongside with **CPP Investments**, with an early-stage bias and broad investment objectives beyond traditional greenfield renewable projects.

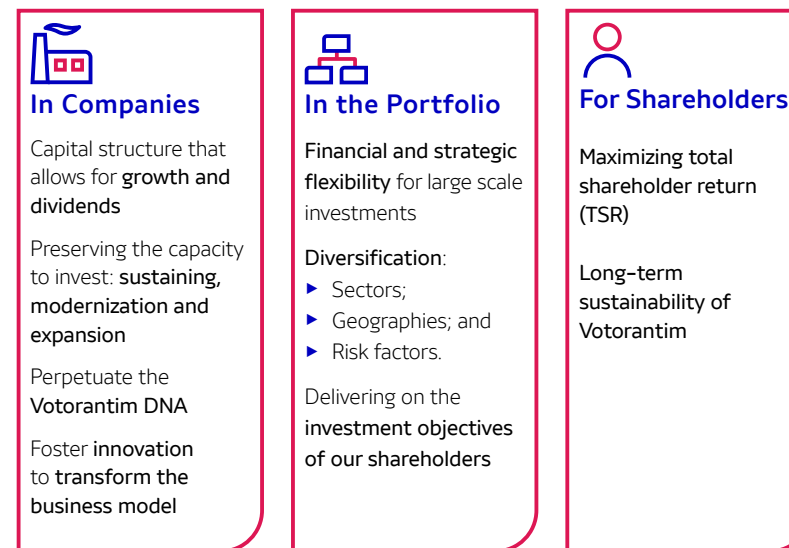
- ▶ Establishment of **Altre** as a real estate investment platform, with acquisitions and launches of new projects.
- ▶ Acquisition of a minority interest in **CCR**, Brazil’s largest infrastructure company.
- ▶ Implementation of a new liquidity management strategy through Janssen, a Dutch holding company that consolidates Votorantim’s liquid investments outside of Brazil.

- ▶ Announcement of the sale of Votorantim’s stake in Acerías Paz del Río, the leader in long steel production in Colombia.

All capital allocation decisions are tested against adverse scenarios and are based on the organization’s ability to face challenges, considering the qualification of its teams and an adequate capital structure. This diversified and careful approach, combined with the

Objectives of the capital allocation strategy

Patient capital, non-negotiable purpose





courage to invest in the future, places Votorantim among the few Brazilian companies that have an investment grade rating by the three main credit rating agencies.

ESG Performance 102-12 | 102-18 | 102-26 | 102-27 | 102-29 | 102-32

Votorantim’s ESG agenda is guided by the continuous promotion of ESG themes as the company maintains its commitment to transparency, improves the quality of the information it discloses, and adapts its report to global methodologies to standardize ESG indicators. The year 2021 marks the 11th publication of the annual report according to the guidelines of the Global Reporting Initiative (GRI).

During 2021 Votorantim continued to evolve in the ESG agenda and in its role as an engaged investor, with special progress at the holding level where emphasis was placed on the topics of investment decisions and engagement with strategic stakeholders.

According to corporate governance principles, each of the portfolio companies has autonomy to manage ESG issues, in line with its business strategies. In this context, Votorantim has three key ESG-related objectives:

- ▶ Influence
- ▶ Monitor
- ▶ Report

Votorantim became the first Latin American member of Focusing Capital on the Long Term (FCLT), a nonprofit organization that develops studies, research, and tools to drive the creation of long-term value. The company is joining more than 70 investors and world-leading companies in this initiative.

Votorantim also joined the Entrepreneurs for the Climate initiative, led by the Brazilian Business Council for Sustainable Development (CEBDS, for its initials in Portuguese), with the goal of moving, together with other participating companies, toward a low carbon economy. Some of the portfolio companies, such as Votorantim

Cimentos, CBA, and Nexa, also joined the initiative.

Progress in this area was also made at Altre, which structured its corporate governance and created its Board of Directors with two independent members; at Votorantim Cimentos and Votorantim Energia, which each of created their Sustainability Commissions; at Citrosuco, which created its ESG Committee and at banco BV and also Citrosuco, both of which became signatories of the UN Global Compact, an initiative that promotes fundamental and internationally accepted values in the areas of human rights, labor relations, the environment, and the fight against corruption. The holding company is also part of the Global Compact’s Anti-corruption Call to Action.



Influence

Influence portfolio companies to adopt environmental, social, and governance best practices, contributing to the long-term sustainability of the business.



Monitor

Follow the incorporation of ESG criteria into decisions regarding new investments and in the evaluation of the portfolio companies, while also monitoring social, environmental, governance, and reputation risks from Votorantim’s perspective.



Report

Communicate transparently and consistently about ESG initiatives undertaken by Votorantim and the portfolio companies.



Signatories of the Global Compact:

- ▶ Votorantim Cimentos
- ▶ Banco BV
- ▶ CBA
- ▶ Votorantim Energia
- ▶ Nexa
- ▶ Citrosuco



Respondents to CDP's public questionnaire in 2021:

- ▶ Votorantim Cimentos
- ▶ CBA
- ▶ Nexa



Publication of annual reports:

- ▶ Votorantim Cimentos
- ▶ Banco BV
- ▶ CBA
- ▶ Votorantim Energia
- ▶ Nexa
- ▶ Citrosuco



Green financing:

- ▶ Votorantim Cimentos (revolving credit facility)
- ▶ Banco BV (green bonds)
- ▶ CBA (export credit notes)

Materiality [102-15](#) | [102-21](#) | [102-40](#) | [102-42](#) | [102-43](#) | [102-44](#) | [102-46](#)

The content of this report is based on the materiality matrix developed by Votorantim in 2018. The stakeholder consultation process included the analysis of documents from Votorantim and the portfolio companies in addition to interviews with internal executives and corporate leaders of the portfolio companies, sustainability professionals, finance specialists, academics, and national and international investors. The data collected and the needs identified were analyzed and informed the definition of high-interest topics, in two categories, to be included in the matrix: (i) topics material to both the holding company and the portfolio companies, and (ii) topics specific to each company depending on the nature of each business.

In 2019, the company conducted a study on environmental, social, and governance demands from

financial stakeholders. The work was based on the evaluation of the methodologies used in the main sustainability index and by ESG assessment consultants, and considered initiatives such as CDP (Carbon Disclosure Project) and the Task Force on Climate-Related Financial Disclosures (TCFD), which engages companies with the goal of creating a common standard for the assessment, measurement, and disclosure of financial risks related to climate change. The integration of these topics with the company's materiality resulted in the prioritization of issues that are addressed by the investment strategy, communications with stakeholders, and the disclosures of indicators in the annual report.

Votorantim also developed a study on the Sustainable Development Goals (SDGs). Learn about the company's material topics and their correlation with the United Nations SDGs.



Materiality and SDGs at Votorantim

Material for Votorantim and the portfolio companies 102-47



Specific topics of the portfolio companies 102-47





People [103-1](#) | [103-2](#) | [103-3](#)

At Votorantim, the area of human and organizational development was integrated with the objective of prioritizing people and communication.

During the year, the main initiatives for attracting, engaging, developing, and recognizing talent were maintained. One of them, the internship program, which was fully remote due to the pandemic, included 22 interns. As part of the program (which, this year, included four virtual meetings to engage and develop the participants' managers), interns met with the CEO, João Schmidt, to share perceptions and lessons learned. The Votorantim Experience, a summer internship program, took place at the beginning of the year and was adapted and associated with Friends from Poli, an endowment fund that invests in development projects for students at

the Polytechnic School of the University of São Paulo (USP). The initiative included 13 students who went through a six-week immersion experience; two of them were later incorporated into the regular internship program.

To help support college funds, the company established a partnership with the Sempre FEA Endowment, a fund created by alumni of the College of Economics and Administration of USP (FEA-USP, for its initials in Portuguese) through which resources are used to support community projects of students, teachers, employees, and entities representing these categories. The endowment drives education and encourages research, diversity, innovation, and professional training for the challenges of the future. In 2021, more than 50% of the students who enrolled at USP came from public schools and, specifically at FEA-USP, 37% were Black and Indigenous. Through initiatives



Visit the [Votorantim website](#)





to support the education of these students, this partnership will help to increase diversity within entry-level positions at Votorantim.

Votorantim carried out activities with 10 financial market leagues, including two virtual workshops and 10 other initiatives as part of the Ambassadors program, which aims to promote Votorantim's employer brand among external audiences, especially universities. These included meetings, lectures, and workshops involving 31 ambassadors.

In the area of professional improvement, in addition to the resources offered by the Votorantim Development System (SDV, for its initials in Portuguese), such as coaching, counseling, and discussions, a specific assessment tool on emotional intelligence was added to the process given the issue's increasing importance in the corporate world. This evolution process included all employees and resulted in the creation of individual development plans.

In addition, through Votorantim Academy, which is available to employees of the holding company and of all portfolio companies, the company hosted Vototalks, a dialogue platform for people who are leaders on topics that influence the business environment. One of them addressed sustainability challenges and opportunities for companies and had the participation of a key global opinion leader in ESG, Amelia Miazad. The other Vototalk was about learning to rethink and led participants to reflect on human behavior, organizational

climate, and the pursuit of a purpose. It was facilitated by organizational psychologist, author, and professor Adam Grant, who is recognized as one of the 10 most influential management thinkers in the world. In addition, the company hosted webinars on topics such as diversity, health, and the environment, creating opportunities for questions, discussions, and the practical application of courses offered by the Votorantim Academy.

In the first semester, Votorantim concluded the Potenciar (Potentialize) program, which included 69 employees. This is a company initiative that aims to provide guidance on self-knowledge, the holding company, and society, aiming to facilitate the exchange of experiences and promote the personal and professional development of the participants.

Other important topics that were addressed this year were diversity and gender equality, with a focus on supporting institutions that work in these areas. Recognizing the importance of ensuring female participation in its staff, the holding company entered into a partnership with Fin4She to carry out collaborative activities. This year, the company also joined LIFT, an affirmative action initiative to promote racial equality by teaching English as a tool for social mobility. The program is open to Black people enrolled in college in the cities of São Paulo, Rio de Janeiro, Belo Horizonte, and Salvador. It offers two years of English courses and mentoring sessions with leaders from partnering organizations, as well as workshops for personal and professional development.



Health

Thanks to the higher number of people vaccinated against COVID-19, in the second half of the year the holding company offered its employees the option to return to in-person work in the office. The process was carried out safely and followed health protocols that included weekly testing, mask use, and daily temperature checks. Under the active coordination of a doctor, all 37 employees who contracted COVID-19 were monitored and made a full recovery.

This year, Votorantim held, once again, Semana+Vida (Health Week), which was rebranded to VSAúde (VSAHealth) in reference to the name of the holding company and the focus of the initiative. The event, which was held online, discussed issues related to nutrition, sleep, physical health, and mental health and included challenges with prizes to the participants. VSAúde also included a flu vaccination campaign, which was carried out in a drive-through format.

The benefits that had been added in 2020 because of the pandemic were maintained in 2021: psychological assistance, the option of exchanging restaurant vouchers for food vouchers, and loans of furniture and equipment to improve remote work conditions.

Reputation

Votorantim’s positioning as an investment manager has been established through high-quality exposures that help maintain the holding company’s positive reputation and is aligned with the challenges of the business.

the company has almost 400,000 followers. In December, engagement grew by 75%.

Internally, to align and cascade the leadership’s business guidelines to employees, the company held two Votorantim meetings virtually. And to bring internal and external stakeholders closer together, the holding company continued to host VotoCast—the seven podcasts released during the year had an average of 730 listeners. One of the highlights was an episode that discussed the topic of women in the financial market with the participation of Fin4She.

 **Benefits 402-1**

- ▶ Health and dental insurance
- ▶ Life insurance
- ▶ Private pension
- ▶ Christmas food voucher
- ▶ Medical care
- ▶ Telemedicine
- ▶ Executive health check-up
- ▶ Pregnancy program
- ▶ Lactation room
- ▶ Flu vaccine
- ▶ Fruits
- ▶ Gym allowance
- ▶ Agreements with Serviço Social do Comércio (SESC) units

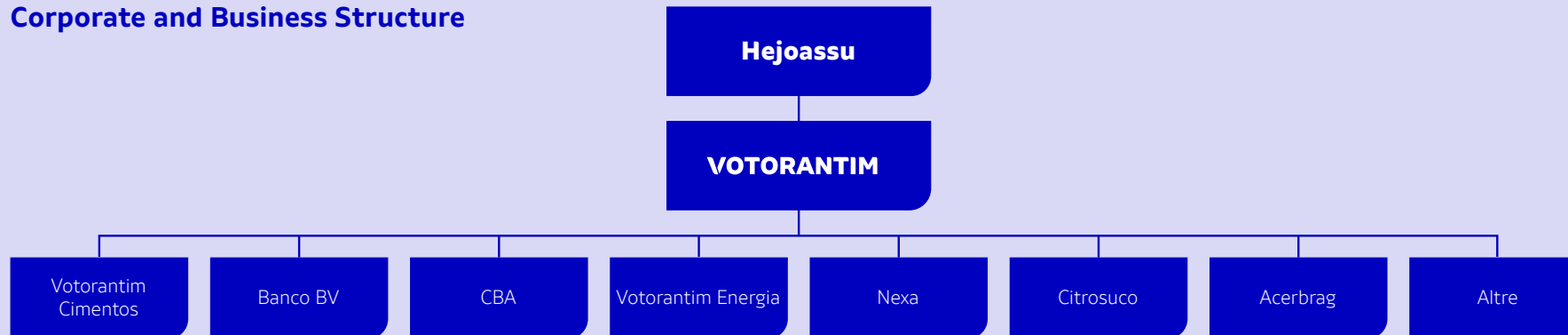
Votorantim also engages different stakeholders by promoting institutional initiatives and by successfully participating in the main social media platforms: at the end of 2021, the company had approximately 11,000 followers on Instagram and its 14 videos on YouTube had accumulated more than 26,000 views. LinkedIn continues to be the most important social media platform for Votorantim:



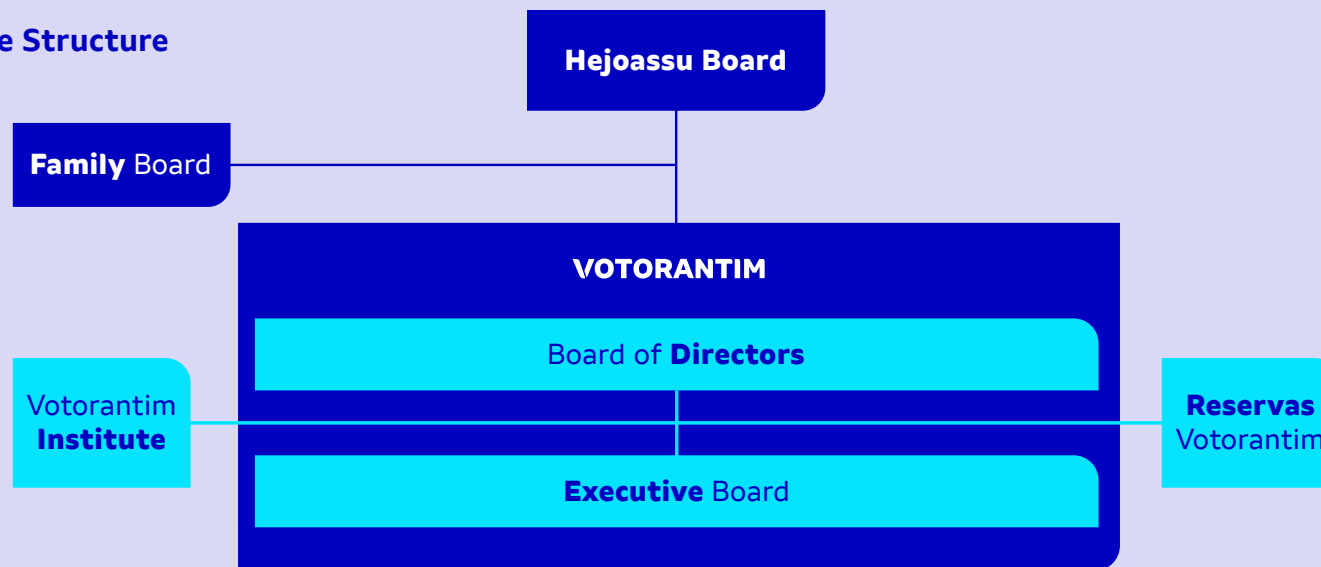
Governance, Compliance, and Risks

103-1 | 103-2 | 103-3

Corporate and Business Structure



Administrative Structure





Governance structure

102-18 | 102-19 | 102-20 | 102-24 |
102-26 | 102-27 | 102-29 | 102-31

Votorantim's governance is built around three axes that are represented by integrated bodies with different responsibilities:

- ▶ Ownership, represented by the Board of Hejoassu, the holding company that owns the conglomerate
- ▶ Family, represented by the Family Board
- ▶ Businesses, led by two complementary bodies: the Boards of Directors and the Executive Boards of Votorantim and the portfolio companies

All of Votorantim's companies adopt robust governance standards and structures, including those in which Votorantim is the sole shareholder, and its practices are in continuous evolution. Each company has also adopted its own solid governance model that includes its own Board of

Directors, advisory committees and Executive Boards, which are responsible for deliberating on strategies, management and investments. The Board of Directors of each company is made up of shareholders, employees from the holding company, and external and independent members.

Members of the Hejoassu Board, the Family Board, and Votorantim's Board of Directors are elected for three-year terms. The first two operate independently from the holding company, but all remain integrated through formal and periodic meetings. Additionally, Votorantim frequently assesses the performance of the Boards and committees, contributing to the evolution of governance.

Hejoassu Board

The Hejoassu Board is composed of 12 shareholders, three from each of the four family holding companies. It is responsible for conveying to the organization its macro vision, financial aspiration, and risk appetite and for appointing the members of the Board of

Directors of Votorantim. The Board is also the guardian of Votorantim's culture and DNA by ensuring alignment with the family's calling. In its sixth generation, the family is made up of 169 people, of whom 53 are shareholders.

Family Board

At the end of 2021, the Family Board had seven members, (six

women and one man), two from the fourth generation (chairman and deputy chairman) and five from the fifth generation.

The annual initiatives to promote the education and development of the new generations and increase awareness of the whole family continued to take place online as a result of the pandemic. The

Family Values

Integrity

Being ethical and acting with integrity, honoring our history, and creating the future with respect

Generosity

Being generous with yourself, the family, and society

Courage

Persevering, always being open to learning and evolving, and believing that everything is possible

Unity

Honoring the history that unites us, valuing our collective power, and owning the creation of our legacy

Impact

Working with dedication and achievement-focused energy, driven by the power to innovate and transform

Passion

Having freedom and motivation to find and pursue your passions



lectures and live virtual events addressed topics such as career and market challenges, ESG investments, democracy, and the electoral political system, among others.

With the purpose of aligning the Board's agenda to issues that are strategic to the family, the highlight in 2021 was the Raízes (Roots) project. Led by the fifth generation, it focused on reviewing the history of women in the family and reflecting on their roles in society over the years. The initiative included interviews, social analyses and surveys, consultations with experts, and workshops.

Social engagement is one of the Board's priorities and is part of the family's education model. The social activities gained scale in 2021 thanks to a partnership with the Votorantim Institute. Inspired by the Família Engaja (Engaged Family) campaign, the initiatives, held in São Paulo, had two main focuses: food donation and, in winter, collection and distribution of essential items for people in situations of financial

vulnerability. In addition, the Board hosted another Família Inspira Família (Family Inspires Family) meeting, in which family members shared their personal endeavors, social perspectives, and challenges.

The Social Committee was created three years ago to strengthen the family's historical relationship with three institutions: BP — A Beneficência Portuguesa de São Paulo, A.C. Camargo Cancer Center, and Associação de Assistência à Criança Deficiente (AACD). The committee focused on directly supporting structuring projects to leave a legacy to society.

At the end of the year, the Family Board concluded the preparations for the leadership transition that will take place in 2022 when, for the first time in the governance process, two fifth-generation members will occupy the positions of chairman and deputy chairman. This transition process has been in preparation for over a year and involved assessments, competency

memória VOTORANTIM

Created in 2003 as part of the celebration of Votorantim's 85th anniversary, the purpose of Memória Votorantim is to map, record, and preserve documents and promote knowledge about the holding company's history. In its almost 20 years of operation, the role of Memória has evolved and it is currently responsible for maintaining the historical record and for producing content based on Votorantim's past and present and the histories of the portfolio companies, their entrepreneurs, and employees. Its historical collection and responsibility for analyzing and managing knowledge are divided into three main areas:

- ▶ Reputation
- ▶ Organizational culture
- ▶ Sense of legacy

These areas complement each other and enable the development of projects, products, and in-depth research on the holding company's trajectory.

The collection of Memória Votorantim is open to all employees and the public by appointment. Part of its collection of more than 600,000 items—which includes photographs, documents, objects, audio, and films—has been digitalized and can be accessed online.



Visit the Memória
Votorantim website



analyses, and discussions about complementarity and profile diversity.

Board of Directors

Made up of seven members, Votorantim's Board of Directors is responsible for developing the strategic plan and the initiatives needed to put it into practice, deliberating on capital allocation, appointing the members of the Executive Boards and Boards of Directors of the portfolio companies, and monitoring their performance. Of the seven members, four are independent, including the chairman.

Executive Board 102-22 | 102-23

Eduardo Vassimon
Chairman

José Roberto Ermírio de Moraes
Deputy Chairman

Cláudio Ermírio de Moraes

Luís Ermírio de Moraes

Marcelo Medeiros

Marcos Lutz

Oscar Bernardes

Executive Board

The Executive Board includes the CEO and five executive officers and is responsible for conducting the business in accordance with the guidelines outlined by the Board of Directors.

Executive Board 102-22 | 102-23

João H. Schmidt
CEO

Glaisy Domingues

Luiz Caruso

Marcio Yamachira

Mateus Gomes Ferreira

Mauro Ribeiro Neto

Sergio Malacrida

Compliance 102-17 | 102-25

Votorantim has a solid structure to support its commitment to managing its businesses with integrity and transparency. One of the resources used by the company is the Compliance Program, which is based on Votorantim's Values and Code of Conduct and serves to guide the holding company's efforts in different areas.

In 2021, the guidelines and processes established by the Compliance Program were reinforced to further align them with the investment manager's performance model. This work included (i) a review of the due diligence process and methodology to make them more strategic and effective in supporting the team responsible for new investments in its integrity analyses; (ii) the improvement of document management practices through the review of policies, manuals, and procedures and the implementation of a new internal platform to manage and centralize all normative documents; and (iii) the launch

of the Compliance Portal, which centralizes the main activities carried out periodically by Votorantim employees, such as anti-corruption and Code of Conduct training, Compliance Declarations, Records of Interaction with Government Officials and donation or sponsorship requests, which must be evaluated by the compliance team.

Pillars of the Compliance Program

- ▶ Laws and regulations
- ▶ Licenses, authorizations, and certifications
- ▶ Contracts and agreements
- ▶ External reports
- ▶ Competition defense/antitrust
- ▶ Loss and fraud prevention
- ▶ Corruption prevention



The Anti-Corruption and Antitrust Policies and the Code of Conduct are part of the compliance structure. They must be observed by every new employee and communicated to suppliers, who must commit to complying with Votorantim's ethical standards. Contracts signed with the holding company include clauses related to the fight against corruption, the defense of human rights, and data protection in addition to other topics upon which the approval of suppliers is conditioned.

The Ethics Line is available to all stakeholders to help them learn about, assess, and address issues related to the Code of Conduct. All contact made with the Ethics Line is completely confidential to preserve the identity of the users.

In line with its commitment to strong internal controls, Votorantim conducts internal audits through a third-party company and submits its economic and financial results to an external audit conducted by PricewaterhouseCoopers.

Among the initiatives to reinforce the communication and culture of compliance, Votorantim promoted Compliance Week, an annual event that involves the leadership of all portfolio companies. In 2021, the fifth Compliance Week was held online and welcomed Professor Jim Detert from the University of Virginia, who spoke about the importance of courage as a value to ensure business integrity. In addition, a second event featured specialists Clarissa Lins and Sonia Favaretto, who participated in a panel that addressed topics such as the importance of compliance to ESG issues and the main challenges for companies and investors in advancing this agenda. 205-2

During the year, working groups made up of risk and compliance representatives from the portfolio companies and the holding company held meetings to promote and share best practices in this area.

Risk Management 102-9 | 102-10 | 102-11 | 102-30

In 2021, Votorantim concentrated its efforts on developing the Business Continuity Plan, aimed at its critical processes, and on mapping continuity risks, with a focus on insurable risks to be included in the Insurance Policy.

The first completed phase included consultations with all areas of Votorantim to understand their main processes. Based on this assessment, the company will map the continuity risks and develop related contingency plans.

The next planned step is to provide training to prepare teams to incorporate these protection steps.

The initiative will further strengthen the risk management processes and the methodology already adopted by the holding company considering the increased complexity of the external environment, enhanced by the

pandemic, and other situations that can put business objectives at risk.

With regard to financial risks, Votorantim annually updates and submits its Financial Policy for approval by the Board. The objective is both to preserve credit quality and to ensure that the metrics are compatible with an investment grade company. The Board of Directors and the Executive Board are part of the governance structure and participate in the execution of the financial risk management process.



Ethics Line
0800 89 11 729



Visit the Ethics
Line website



Economic and Financial Performance

103-1 | 103-2 | 103-3

2021 Results 102-7

The meaningful increase in vaccination rates resulted in the relaxation of restrictions related to the pandemic, thus providing a resumption of economic activity. In sync with the recovery of the global economy, all portfolio companies had positive results, which contributed to historic consolidated results for Votorantim.

In the consolidated view, Votorantim's results consider the operations of Votorantim Cimentos, CBA, Votorantim Energia, Nexa, Acerbrag, and Altre. The results of banco BV and Citrosuco are reported according to the equity method.

Year-end consolidated net revenue was R\$49 billion, 39% higher than in 2020. The growth was primarily driven by better operating results linked to price and sales volume in the cement, metals and mining, and aluminum businesses.





Votorantim Cimentos had higher sales volume in all regions where it operates and positive price dynamics, especially in Brazil. Nexa also benefited from the positive effect of a higher sales volume, combined with the positive effect of metal prices. At CBA, the results were driven by the higher price of aluminum.

Consolidated adjusted EBITDA totaled R\$11.5 billion, an increase of 70% compared with 2020, and was the highest result obtained by Votorantim in its entire history.

Votorantim ended the year with consolidated net income of R\$7.1 billion, compared with a net loss of R\$3.1 billion in 2020. The company also benefited from the positive effect of R\$4.5 billion related to the recognition of a 15% interest in the long steel business of ArcelorMittal Brasil S.A. In compliance with accounting rules, this interest is recognized as a financial instrument measured at fair value through profit or loss.

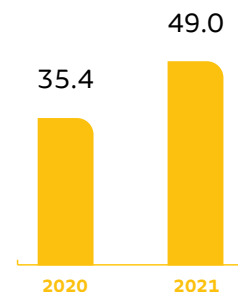
At the end of 2021, gross debt totaled R\$25.0 billion, remaining stable in relation to 2020. Cash, cash equivalents, and financial investments totaled R\$16.6 billion, of which 33% are in reais.

In September, Votorantim ended its US\$200 million revolving credit line. On the same day, Votorantim Cimentos and CBA concluded negotiations for two new revolving credit lines (US\$250 million for Votorantim Cimentos and US\$100 million for CBA). These credit lines, both maturing in 2026 and not yet disbursed, strengthened Votorantim's consolidated liquidity position, which totaled R\$18.7 billion in December 2021.

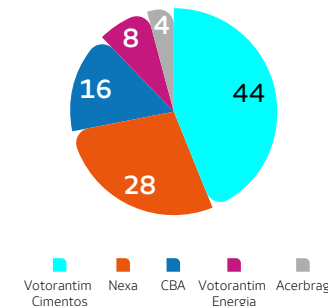
Year-end net debt was R\$10 billion, 12% lower than in December 2020, and financial leverage, measured by the net debt to adjusted EBITDA ratio, was 0.87x, the lowest since 2008.

NET REVENUE

In BRL billions

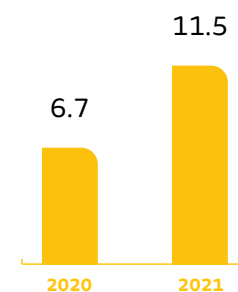


By company (%)

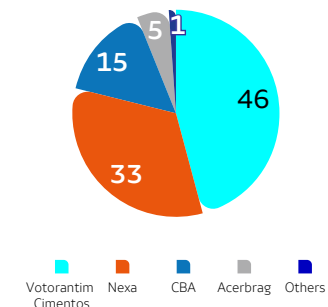


ADJUSTED EBITDA

In BRL billions



By company (%)





As a consequence of these exceptional results, in 2021, Moody's upgraded Votorantim's rating from Ba1 to Baa3 with a stable outlook, highlighting the diversified portfolio and cost-competitive operations of the portfolio companies in addition to a positive scenario for the sectors in which the company operates. Thanks to that, the holding company became part of a select group of Brazilian companies with an investment grade rating by the three main

global credit rating agencies: Moody's, S&P Global Ratings, and Fitch Ratings.

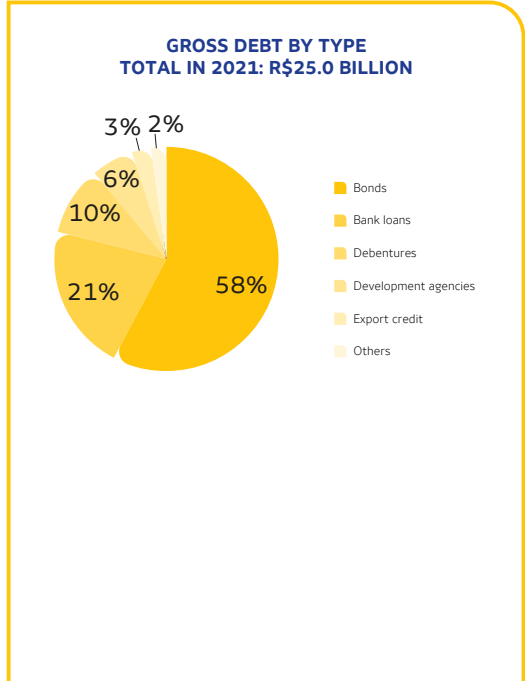
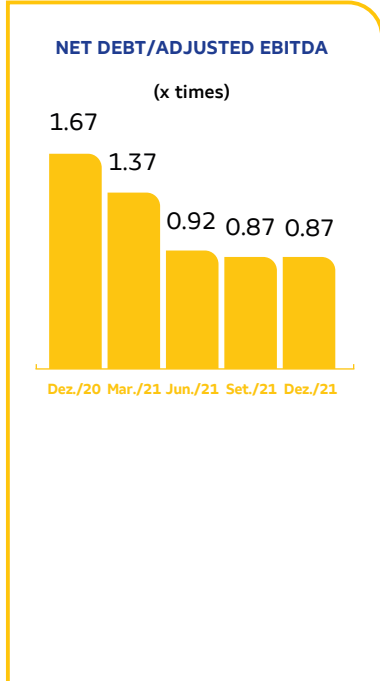
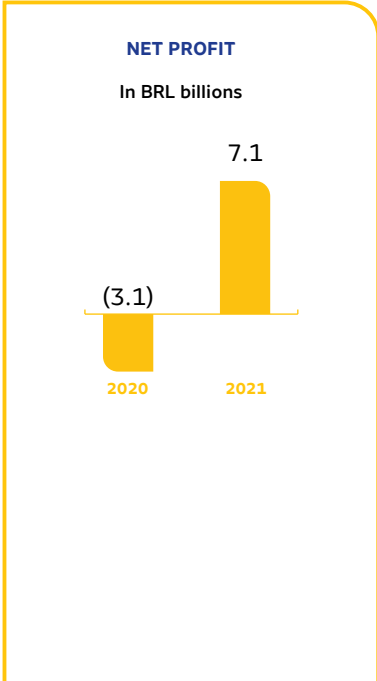
The high level of transparency that marks Votorantim's relationship with investors, analysts, and creditors—in line with that of publicly traded companies—was also highlighted by the agencies.

To communicate with investors and analysts, Votorantim maintains a dedicated space on

its Investor Relations website, which includes, among other information, operating and financial results and market announcements.



[Visit the Investor Relations website](#)





Social Investment

103-1 | 103-2 | 103-3

Fulfilling its committed to society, Votorantim invests in the areas of education, citizenship, and health in partnership with the Votorantim Institute and has the role of influencing the portfolio companies to generate social and environmental value through their businesses.

In 2021, the Votorantim Institute implemented 244 projects in 146 municipalities in Brazil, continuing its work in response to the pandemic and its social and environmental initiatives.

One of the projects that stood out during the year was the Partnership for the Enhancement of Education (PVE, for its initials in Portuguese). This initiative, aimed at improving public education, continued to focus on activities to fight the pandemic and resumed its work to strengthen the skills

developed in municipal schools and districts. Through remote learning initiatives, adaptation of teaching methods, guidance on resuming classes, and the development of learning loss recovery strategies, PVE helped 53 of the 68 towns served by the project achieve the expected skill development levels. In view of the positive results, Votorantim reaffirmed its commitment to education by extending the initiative to a new four-year cycle, during which new skills will be developed, including a focus on learning, people development, and integrated management under the umbrella of PVE 2.0.





The Via Solidária (Solidary Way) campaign, organized in partnership with the portfolio companies to promote the culture of donation, continued during the year and benefited 14 projects to ensure the protection of the rights of children and adolescents. In its fifth year, the campaign, which allows employees to donate between R\$10 and up to 6% of their income taxes, raised approximately R\$880,000 (a 41% increase compared with 2020) and had a 109% increase in the number of participants.

In 2021, Desafio Voluntário (Volunteer Challenge), a collection of volunteer activities carried out by the holding company and portfolio companies, made a difference in the lives of people and communities in Brazil and Latin America that were heavily affected by the COVID-19 pandemic. The program, in the form of a healthy competition between the companies, launched three thematic challenges during the year:

- ▶ More resilient communities: emergency actions that offered support or assistance to people and communities impacted by the pandemic
- ▶ Leaders of development: activities in which the volunteers used individual abilities or technical skills to support social organizations, people, and communities
- ▶ The company's cause: volunteer initiatives that were aligned with the social and/or environmental strategy of each company

More than 200 activities were carried out throughout the year, involving more than 1,250 volunteer employees and benefiting approximately 58,450 people. Some of the important initiatives included (i) training programs for women in civil construction, in partnership with Votorantim Cimentos employees; (ii) initiatives to promote gender equality in the town of Três Marias, where the Mais Mulher (More Women) group was created by Nexa volunteers; and (iii) the

distribution of lunch kits to financially vulnerable people, carried out by the CBA team.

The citizenship program, which promotes activities to empower citizens, advanced on two fronts: support for local projects focused on young people and the strengthening of a network of organizations that work to promote citizenship and democracy in Brazil.

On the first front, the program promoted initiatives to strengthen political participation and the culture of democracy in the regions prioritized by five portfolio companies (Votorantim Cimentos, CBA, Votorantim Energia, Nexa, and Citrosuco). In 2021, it benefited 300 people through more than 40 engagement activities.

The second front focused on solutions to address the challenges regarding citizenship and the Brazilian democratic culture identified in the corporate ecosystem, on three levels: innovation, knowledge, and networks. With regard to innovation, the program launched the Challenge for Democratic Culture, which aims to support four innovative initiatives to promote citizen participation. In the area of knowledge, the program is supporting the implementation of studies on citizenship in Brazil through the development of a systemic map that will deepen the understanding of challenges and levers for democracy. Finally, through its focus on networks, the program seeks to improve networking and partnerships with other organizations that already work on the issue of citizenship, aiming to further strengthen this ecosystem.



Fighting COVID-19

Although the effects of the health crisis subsided over the course of 2021, Votorantim maintained most of its initiatives to support communities in addition to investing in new ones, such as Tele ICU and Support for Public Health Management (AGP, for its initials in Portuguese), conducted together with the Brazilian National Bank for Economic and Social Development (BNDES, for its initials in Portuguese).

Tele ICU benefited hospitals in 12 municipalities. Through this project, doctors from BP—A Beneficência Portuguesa de São Paulo participated, virtually and in real time, in the daily visits to patients in intensive care, exchanging knowledge and sharing solutions with the local doctors caring for them. This not only provided better care to the patients but also helped develop the healthcare professionals in these towns.

The AGP program offered technical mentoring to healthcare teams in the 40 municipalities where the portfolio companies operate and in another 40 locations selected through a public call for proposals carried out in partnership with BNDES. The objective was to provide support to improve skills and management processes to help fight COVID-19 and offer comprehensive healthcare.

During the year, the Municipal Vulnerability Index (IVM, for its initials in Portuguese) was also updated to identify locations with high levels of vulnerability to enable not only the proper allocation of resources, but also the design of more successful strategies to fight the pandemic.

In 2021, the construction of vaccine plants in the cities of São Paulo and Rio de Janeiro, a project that had received financial support from Votorantim in 2020, was also completed.

instituto VOTORANTIM

The Votorantim Institute, a center for intelligence applied to social and environmental issues, revised its strategy in 2021. The objective was to align with the challenges of the portfolio companies and leverage business opportunities to create impact. In addition, the institute started to provide other organizations with products and services that had already been developed to serve the portfolio companies.

In 2021, the institute continued to create value for the portfolio by developing ESG strategies for CBA, Nexa, and Citrosuco, including the development of sustainable suppliers. It also created an impact strategy for the Associação de Assistência à Criança Deficiente (AACD), an organization supported by the Family Board.

One of the highlights was the launch of iV Ventures, an impact fund with resources raised by the Votorantim Institute and the portfolio companies that will be allocated to the identification of early-stage solutions developed by start-ups in the area of low carbon economy, water and sanitation, and social housing.



[Visit the Votorantim Institute website](#)



[Visit the iV Ventures website](#)



[Visit the IVM website](#)



Center of Excellence (CoE)

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The Center of Excellence (CoE)—Votorantim’s intelligence, innovation, and technology center—develops solutions in the areas of information technology, finance, accounting and taxes, human resources, real estate, innovation, and data use (analytics).

People

In 2021, the CoE officially adopted a hybrid work model (a combination of remote and in-person work) for its nearly 900 employees working in the cities of Curitiba, Lima, and São Paulo. To optimize the use of offices, a check-in app was created to help manage the space.

To care for people, the CoE improved its quality-of-life program by increasing the number of discussion events, creating virtual therapeutic spaces, and offering counseling to all employees. In the area of people management, the CoE maintains InPulse, an individual development program created internally to understand the challenges faced by employees and create plans to help them overcome these barriers. InPulse included 100% of employees and was recognized with the Abe Award in the Performance Management category from the Peruvian Chamber of Commerce.

To promote diversity, an important issue for the CoE, the center created the Women in Action program, which trained 34 professionals on topics such as self-knowledge and bias, and created a group of ambassadors, made up of men in leadership positions, who are responsible for welcoming and supporting women in their activities.

Innovation and Product Development

The goal of the CoE is to lead the innovation process to produce original, effective, and integrated solutions that can address common needs of companies. The products are developed in three segments: people analytics, industry, and digitalization. In 2021, the CoE worked on 20 initiatives—some of them have turned into products that are already available to companies outside the Votorantim portfolio.

In people analytics, the highlights are Flight Risk, an algorithm that can predict, with 94% accuracy, which employees are likely to leave the company and when they might resign, helping managers and human resources areas retain talent; and Criteria, a health and benefit management tool used by companies in Votorantim’s portfolio to manage a combined total of 21,157 employees. An assistance module for pregnant women was added to Criteria, through which a woman can follow her baby’s development and learn tips for a healthy pregnancy.

To support the portfolio companies in industrial segments, the CoE developed Sykn, an algorithm focused on loss prevention that identifies risks and waste in business transactions. This solution was acquired by one of the largest food companies in the world and, at the end of the year, was being tested by two other companies in the infrastructure sector. Another tool with commercialization potential is Harpi, an artificial intelligence (AI) solution that automates the purchasing of goods and services, thereby enabling procurement areas to make decisions with greater levels of predictability and compliance. Another AI tool, Registration Intelligence, simplifies procurement processes by identifying redundancies and waste. Together with the portfolio companies, the CoE also developed Smart Sensors, a model for predicting energy prices that, when installed in production lines, enables the remote management of industrial complexes, and Digital Smelter, which simulates scenarios for optimized metal production planning.

In the area of digitalization, the CoE maintains a marketplace of information technology services that includes registered professionals who can be identified through a system that matches the needs of the customers with the skills of each professional, simplifying the hiring process. A similar solution, also being tested by the portfolio companies, is IzCheck, a web platform that analyzes data to ensure compliance with legal standards in due diligence processes. This tool streamlines the consultations with suppliers and registration processes, making them more effective.

Votorantim Cimentos is testing a CLC prototype—a customer relationship management system equipped with data intelligence for strategic marketing that can identify customers who are likely to remain in an online commercial transaction to the end. Despite being used in a minor business segment, the solution resulted in a 40% increase in sales through the e-commerce channel.



An important step in the CoE's governance strategy was the creation of a supervision committee, with the participation of the CFOs of the companies in Votorantim's portfolio, to work on its continuous improvement in partnership with the portfolio companies.

Reservas Votorantim

103-1 | 103-2 | 103-3

Nature-based solutions.





reservas VOTORANTIM

Reservas Votorantim materializes Votorantim's commitment to the conservation of land and water resources and to the development of communities through the management of Legado das Águas.

This company, which in 2021 gained its own brand and headquarters, specializes in land management and nature-based solutions for both traditional and new economy businesses. It manages Legado das Águas, the largest private Atlantic Forest reserve in Brazil, with approximately 31,000 hectares in the towns of Juquiá, Miracatu, and Tapiraí in the state of São Paulo; Legado Verdes do Cerrado, a approximately 32,000-hectare private reserve for sustainable development, headquartered in Niquelândia in the state of Goiás; and Pátio Caeté, a space for the sale of native plants in the city of São Paulo.

Through its businesses, Reservas Votorantim develops activities and offers services that combine the conservation of nature and water resources with the responsible use of land and local development. It works in the areas of ecotourism, landscaping, production and commercialization of native plants, space rental, environmental studies, reforestation, and environmental compensation, among others.

Some of the highlights are the ecotourism activities conducted at Legado das Águas, which resumed in the second half of the year as the pandemic subsided. New services in 2021 included rafting and new accommodations, offered in partnership with the company Altar, in the form of a "floating house" in the middle of the Juquiá River reservoir to welcome guests looking for a peaceful refuge in contact with nature. In 2021, Legado das Águas received the Seal of Quality in Tourism, granted by the Brazilian Service of Support to Micro and Small Companies

of São Paulo (SEBRAE, for its initials in Portuguese) and the Intermunicipal Development Consortium of Vale do Ribeira and Litoral Sul (CODIVAR, for its initials in Portuguese). This certification recognizes organizations in the tourism industry that help promote the Atlantic Forest region as a national tourist destination.

In the area of landscaping, Reservas tripled its production capacity of native species and signed a contract with a developer to provide landscaping services to one of its real estate projects. The deal is linked to the company's purpose of bringing native flora back to urban centers. In this same market, Pátio Caeté, which sells native species, completed one year of operations and has been establishing itself as a space for the appreciation of Brazilian flora.



Visit the Reservas Votorantim website



Visit the Legado das Águas website





In the area of reforestation, Reservas signed contracts to plant native species in public parks in the state of São Paulo, such as the 15-hectare park Jurupará in Ibiúna, where the government develops the Nascentes (Springs) program. The area is also used for voluntary environmental compensation, a business segment divided into two platforms: Plantando o Amanhã (Sowing the Future), to assist companies in their carbon capture strategies through the planting of a variety of forest species; and the Palmito Juçara (Juçara Hearts of Palm) project, with plantations to expand the presence of this protected species in the Atlantic Forest and promote business with communities based on the production of hearts of palm.

Also related to the production chain is the legal reserve model for environmental compensation. To comply with the Brazilian Forest Code, which requires farmland owners to maintain an area of Atlantic Forest biome corresponding to 20% of their total property, they can opt to fulfill their compensation commitment by leasing an equivalent area of native forest in another property.

Also, Votorantim's participation in the Pomar Urbano (Urban Orchard) project progressed during the year. Landscaping of native woods and playgrounds was incorporated into the proposal of the Bruno Covas Linear Park on Marginal Pinheiros in the city of São Paulo, which will be concluded in 2022.

To promote community development, Reservas Votorantim launched, in partnership with researchers from the Butantan Institute and the Santo Amaro University, the Saúde Única (Single Health) program. Through this initiative, all the knowledge acquired through research conducted at Legado das Águas will be made available to the towns of Juquiá, Miracatu, and Tapiraí to help promote training and educational activities for their healthcare professionals.

In line with Reservas' governance in the area of social responsibility, scientific research evolved in 2021. Key projects in Legado das Águas included the study of amphibians, coordinated by the Butantan Institute, which can inform the creation of an ecotourism handbook for observing these animals, and the identification of jaguars, conducted by the organization Onçafari, which is expected to support the creation of a jaguar sighting route.



Altre

More than a real estate company.





Visit the
Altre website



Established at the end of 2020 as a platform for Votorantim’s real estate investments, Altre made progress in several areas during its first full year of operation, starting with the creation of its governance structure, the appointment of a CEO, and the establishment of a Board of Directors that includes independent members. Altre chose to settle in Vila Leopoldina, a neighborhood in São Paulo where, since 2016, the company has been conducting an innovative project of urban renewal aligned with the concept of smart cities, combining economic development with social gains.

In 2021, the project got a name, Spark, and its own brand. It includes the ARCA entertainment space and the STATE innovation and technology hub, both of which are former warehouses owned by the holding company that were retrofitted and repurposed, in addition to the Atlas Office Park, which houses corporate offices.

Most of the events hosted by ARCA in 2021 were held online due to the pandemic. Of the events held in person, the most important was the São Paulo International Art Festival (SP-Art), which attracted approximately 7,000 people per day over the course of five days. As the health crisis subsides, ARCA’s schedule of events for 2022 is getting increasingly busier. Next to STATE, construction work for the expansion and retrofitting of new office spaces was completed during the year. Part of the space has already been leased and now houses the new headquarters of a large furniture and decor company. At the Atlas Office Park, where Altre’s headquarters are located, the highlight was the acquisition of the remaining 50% stake in the project, which is now fully owned by Altre.

Spark is expected to continue to make progress in 2022, when the external areas, which are being sought for music and gastronomic events, are expected to be rented. In the long term, approximately 40,000 square meters will undergo transformations that are currently being designed, authorized, and awaiting licenses and permits.

Spark is part of the Vila Leopoldina Villa Lobos Urban Intervention Project proposed by the company to revitalize and address issues of public interest in the region, which is home to some vulnerable communities. The objective is to provide decent and high-quality housing—an initiative that depends on a change in the zoning law of the city of São Paulo that requires approval by the city council in two rounds. At the end of 2021, the company submitted the final reports recommending approval by the thematic committees and the project received the first round of approval.

Altre also made important progress in the development of planned neighborhoods. One example was the launch of Vivalegro, a new neighborhood in the town of Votorantim in the state of São Paulo, where all 450 phase-one lots have been sold. This initiative was the first step in Altre’s strategy to develop its own assets. At the same time, the company is in the process of licensing the first phase of a planned neighborhood in the town of Paulista in the state of Pernambuco, which is expected to be launched in 2022.

On the agenda of new investments, in addition to the recent acquisition of the Atlas Office Park, Altre acquired 60% of the corporate tower Alto das Nações, which, once completed in 2025, will be the tallest building in São Paulo. The company also began prospecting for real estate investment opportunities in the United States.

Portfolio Companies

103-2 | 103-3



The portfolio companies demonstrated their significant adaptability and resilience. They reaffirmed their values and strategies. All companies achieved good results despite the challenges they faced in 2021, which included a shortage of inputs, cost increases, and logistical issues combined with the impact of the pandemic on employees and their families.

In addition to their results, the companies advanced their strategies and made important progress during the year. The main highlights include (i) the international expansion of Votorantim Cimentos, especially in North America and Spain; (ii) the increased digitalization of BV; (iii) the IPO of CBA; (iv) the announcement of the consolidation of Votorantim Energia's energy assets, in a transaction involving CPP Investments and other CESP shareholders; (v) Nexa's preparation to start operating a new polymetallic mine,

Aripuanã, in 2022; (vi) the social and environmental development of Citrosuco's supply chain; and (vii) the increase in Acerbrag's investments and competitiveness in Argentina.

These moves, which are in line with the business strategy of each of the portfolio companies, helped make them stronger. The pages dedicated to the individual companies will provide additional information about their markets, operational and financial performances, initiatives during the year, and advances related to their ESG agendas. More detailed information about each of the individual companies can be found in the annual reports available on their respective websites.

Votorantim Cimentos

A commitment
to overcome.





Net revenue:

R\$22.3B



Adjusted EBITDA:

R\$5.2B



Leadership in the transition to a low carbon economy in the Brazilian civil construction sector.



Visit the [Votorantim Cimentos website](#)



In 2021, Votorantim Cimentos reaffirmed its financial discipline, took important steps with regard to its ESG agenda, demonstrated the power of its operating leverage, executed important strategic moves, and confirmed the resilience of its geographically diversified portfolio. In addition, it conducted initiatives that increased its financial strength by reducing its leverage and lengthening its debt.

As a result of the company's good financial health, Moody's raised its rating from Baa1 to Baa3, placing Votorantim Cimentos in a select group of Brazilian companies with an investment grade rating by the three main credit rating agencies. The company ended the year with net revenue of R\$22.3 billion and adjusted EBITDA of R\$5.2 billion, a 33% and 37% increase, respectively, compared with 2020.

The Brazilian cement market had a positive year that yielded good results, with an increase in sales volumes and prices that partially mitigated the impact of the increase in energy and raw material costs. In North America, the market remained strong, with growth similar to 2020. The approval of the infrastructure incentive package by the US government will create a positive outlook for the cement market in the coming years. In Europe, Asia, and Africa, the construction market also grew. However, like in Brazil, the results were impacted by an increase in energy and raw material costs. Despite that, the company had positive results when compared with 2020. In South America, market dynamics were positive in Uruguay, where Votorantim Cimentos continues to have good results, and showed signs of recovery in Argentina and Bolivia.

The company made strategic moves through acquisitions and investments, primarily in markets with strong currencies and good perspectives for growth and value creation. Votorantim Cimentos concluded the business combination with Caisse de dépôt et placement du Québec (CDPQ) in Canada, involving McInnis Cement. The new combined entity now has an installed cement production capacity of 7.8 million tonnes. In addition, the company carried out two other transactions that reinforced its position in North America: it increased its stake in the concrete company Superior Materials, taking control of the operation, which allowed it to expand its concrete business and its presence in the Great Lakes region; and it acquired an aggregates company, Valley View, in the United States.



In Spain, Votorantim Cimentos acquired Cementos Balboa, with an installed production capacity of 1.6 million tonnes of cement per year. This transaction strengthened the company's position in the Iberian region by increasing its total capacity to 4.6 million tonnes. In addition, Votorantim Cimentos announced the acquisition of HeidelbergCement in southern Spain, with an installed production capacity of 1.4 million tonnes of cement per year. The transaction is subject to customary closing conditions, including approval by Spanish regulatory authorities.

In Brazil, Votorantim Cimentos completed the expansion of the Pecém plant in the state of Ceará. The new unit uses state-of-the-art technologies to ensure more sustainable production with less consumption of natural resources and a reduction in CO2 emissions.

In 2021, Juntos Somos Mais, one of the portfolio companies of Votorantim Cimentos, received a R\$100 million contribution from the shareholders to further explore the vast potential of digital solutions for the building materials sector. Juntos Somos Mais is a relationship company in the civil construction market that has more than 90,000 registered users, including retailers, construction workers, and companies.

As part of its ESG agenda, Votorantim Cimentos is leading the transition to a low-carbon economy in the civil construction industry—it is the only national company to participate in the Global Cement and Concrete Association (GCCA) 2050 Cement and Concrete Industry Roadmap for Net Zero Concrete. It joined the United Nations (UN) Business Ambition for 1.5oC and the Race to Zero campaigns, committing to align its CO2 emission reduction targets with the Science Based Targets initiative (SBTi). This decarbonization agenda is reflected in the company's governance, which includes working groups on decarbonization and ESG, made up of members of the Board of Directors.

In 2021, in line with the company's diversity and inclusion strategy, three women became part of its governance bodies: Clarissa Lins was appointed to the Board of Directors as an independent member, Luciana Domagala joined the Compensation Committee, and Cristina Betts became part of the Finance Committee.

In the social sphere, Votorantim Cimentos made investments to fight the pandemic. Additionally, it partnered with Habitat for Humanity, an organization that works in more than 70 countries to ensure that people in vulnerable situations have decent housing conditions.



Banco BV

The best of two worlds:
start-up mindset and
profitability.



levePra frente
nossos princípios:

Correto
Simples
Parceiro
Corajoso





Net income:

R\$1.6B



ROE:

14.0%



A financial institution that compensates for the CO₂ emissions from financed vehicles in Brazil.



Visit the [banco BV website](#)



Banco BV made significant progress in several areas of its strategy. Its performance demonstrates its expertise and leadership in mature businesses, such as used light vehicle financing and wholesale, as well as in segments that contribute to the diversification of revenues and strengthen customer relationships, such as financing for solar energy and for small and medium companies. BV ended 2021 with record net income of R\$1.6 billion and a 14% return on equity (ROE), compared with 10% in 2020.

In the area of mature businesses, BV's 100% digital operations and quick automatic responses (under a minute) to 97% of its credit checks helped establish the bank as the market leader in used light vehicle financing for the ninth consecutive year. In insurance, BV maintained a prominent position as one of the largest

brokers in the country, with more than R\$1.1 billion in premiums.

In wholesale, the bank advanced its diversification strategy with increased risk distribution. The Corporate segment—companies with annual revenues between R\$300.0 million and R\$1.5 billion—grew by 13.9% compared with 2020 and now represents 47% of the wholesale portfolio. In addition, debt issuance operations coordinated by BV totaled a record R\$25.5 billion.

As part of the new expansion strategies, solar panel financing—a business in line with the sustainability commitments of BV—grew by 181.6%. Banco Digital reached 2 million customers, 53% of the bank's total customer base, through a successful launch strategy for the BV Account. The launch of a new card

portfolio also contributed to the growth of this business line.

Another highlight in the year was the expansion of the bank's portfolio in the small and medium company segment, strengthened by investments in fintechs such as Trademaster. BV also signed an important strategic partnership with S3 Bank, a banking-as-a-service (BaaS) platform that offers integrated financing and payment solutions in a modular, secure, and scalable manner.

BVx, the innovation business unit, was created with the mission of generating value through connections with the start-up ecosystem, with a focus on co-creation, development, and investment in strategic partnerships on three fronts: Corporate Venture Capital (CVC) and strategic partnerships, BV Open, and BV Lab. On the first front, BVx maintains partnerships with



approximately 30 innovative companies to enrich the ecosystem. In 2021, the bank expanded its participation in Portal Solar, establishing itself as one of the main financiers of solar panels in Brazil.

BV Open plays an important role in BV's revenue diversification strategy by working as a distribution channel. At the end of 2021, 57 partners from several segments, such as education, energy, health, and e-commerce, were connected and using the services of the platform. As it continued to connect with the innovation ecosystem, BV formed a partnership, through BV Lab, with SignumWeb, a start-up that facilitates communication with people with hearing impairment through certified sign language interpreters.

BV reinforced its commitment to the ESG agenda through the public document "2030 Commitments for a Lighter Future," which detailed three objectives: (i) neutralize environmental impact; (ii) accelerate social inclusion; and (iii) mobilize resources to promote sustainable business. BV's long-term targets are based on these objectives, which align with five of the United Nations (UN) Sustainable Development Goals (SDGs).

BV announced the offsetting of CO2 emissions of its entire financed fleet—by 2021, more than 750,000 financed vehicles had joined the offset program. BV financed and distributed a total of R\$6.2 billion to fund sustainable initiatives in retail and wholesale.

In the social arena, BV developed the project Junto ao Meu Financiamento Solar (Together with my Solar Financing), in partnership with the nongovernmental organization Gerando Falcões, to supply solar energy to more than 240 homes in a community in São José do Rio Preto in the interior of the state of São Paulo. This will be the first favela in Latin America to have solar panels. In addition, as part of its culture, BV is committed to diversity and inclusion. The company sponsors programs such as Lugar de Mãe é no BV (Mothers Have a Place at BV), which focuses on hiring new mothers who are out of the job market.

BV also believes that sports are an avenue for social inclusion. Last year, the company sponsored, for the first time, the biggest skate event in Latin America: Skate Total Urbe. It also supported 10 athlete and former athlete institutes that reached more than 1,500 children and young people through 2,000 in-person or virtual classes in 2021.

BV also made progress in its engagement with stakeholders: it increased its level of transparency by publicizing its strategies, plans, and results to the market and took an important step in governance by forming a Sustainability Committee and including incentives to align the entire team with ESG principles. BV stands out for being the first bank to establish a framework of ESG targets linked to the variable compensation of its senior management.

A photograph of two workers in a control room. They are wearing blue uniforms with reflective yellow and silver stripes, blue hard hats, safety glasses, and ear protection. They are standing in front of a large control panel with a monitor displaying data. The background shows blue pipes and equipment. The image is framed by a blue gradient overlay on the left and right sides.

CBA

Aluminum solutions
that transform lives.





Net revenue:

R\$8.4B



Adjusted EBITDA:

R\$1.7B



First aluminum company in the Americas to receive ASI Certification in Performance Standards and Chain of Custody at the same time.



Visit the CBA website



This year, several regions in the world faced energy crises that significantly impacted the aluminum industry. Decreased production capacity in China resulted in lower supply and consequent changes in market dynamics. On the other hand, the search for lighter and more sustainable materials caused an increase in demand. This dynamic raised aluminum prices, offsetting the general increase in the price of energy, one of the main production inputs.

As an energy self-sufficient, integrated company (operating in bauxite mining, production of primary and transformed aluminum, and recycling activities), CBA was able to mitigate the cost increases during the year. Aluminum prices on the London Metal Exchange ended the year at US\$2,806.00 per tonne, with an annual average of US\$2,480.00 per tonne. As a result, the company's net

revenue was R\$8.4 billion in 2021, a 56% increase compared with the previous year. Adjusted EBITDA was R\$1.7 billion, 221% higher than in 2020.

CBA's growth strategy, which includes increasing its energy efficiency and advancing its sustainability agenda, will require important investments in the coming years. To finance this strategy in a sustainable manner, the company held its IPO on B3 in July and entered the Novo Mercado segment, which includes corporations that are committed to the highest standards of corporate governance. The operation raised R\$1.6 billion, of which R\$700.0 million will be invested in organic growth and potential strategic acquisitions in the coming years. The fact that sustainability is at the core of CBA's strategy was a determining factor for the success of the IPO.

CBA's 2030 ESG strategy is based on 10 priority topics: four environmental, two social, three in the area of governance, and one crosscutting topic that affects all business areas: ESG communication. The company has 15 programs planned, with objectives to be achieved by 2030, broken down into corporate ESG targets linked to the variable compensation of employees at all levels. With the goal of ensuring the supply of low-carbon aluminum and offering sustainable solutions, CBA also develops the communities where it operates and positively influences the entire aluminum value chain.





In line with its strategy of expanding its participation in the recycling business, CBA invested to increase the scrap processing capacity at Metalex and acquired 80% of the shares of Alux, one of the main suppliers of secondary aluminum in Brazil. This acquisition will allow CBA to grow its share in this market segment in addition to increasing its recycled aluminum production capacity.

The company advanced the CBA 4.0 program (which aims to incorporate digitalization into the organizational culture to optimize processes), launched its innovation manifesto, and hosted Innovation Week (which promoted this topic and invited all teams to innovate in their daily work).

Power generation from renewable sources has always been part of CBA's self-sufficiency strategy. Its portfolio includes 15 company-owned and six leased hydroelectric plants with the capacity to supply 100% of the electricity consumed in the plants. Aiming to further improve the management of energy resources and reinforce its position as a self-producer of energy, CBA announced the creation of a specific business unit to manage energy assets starting in 2022. The company announced the acquisition of a stake in wind energy self-production assets, which are part of the Ventos do Piauí I and II Complexes, with 171.6 MW of installed capacity. Starting in 2023, the energy will be used by CBA's plants in the towns of Itapissuma and Alumínio. The total investment planned by the company for the diversification of its energy matrix through renewable energy projects is R\$190 million.

To improve its ESG practices, CBA submitted its greenhouse gas emission reduction targets to the Science Based Targets initiative (SBTi), which encourages companies to set science-based climate targets and became a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, it remained in the CDP's (Carbon Disclosure Project) Climate Change A list with a score of A-, and received an A in the MSCI ESG rating.

Another achievement related to its sustainable performance was the expansion of the Aluminum Stewardship Initiative (ASI) international certification of the company Metalex, a subsidiary of CBA, in the Performance standard, and of the Itapissuma unit, in the Chain of Custody standard. ASI is a non-profit organization that recommends global sustainability practices for the aluminum industry. CBA's goal is to have 100% of the aluminum units certified by 2030.

To contribute to its value chain, the company kicked off the Sustainable Procurement program, a formal process that seeks not only to raise awareness of suppliers and customers on sustainability, but also to build the entire procurement process around ESG criteria, including the selection, approval, contracting, and development of business partners.

In addition, the company made progress with regard to its diversity targets. It created affinity groups that meet monthly to identify opportunities and facilitate dialogue with minorities. It also expanded the training program for women in the industry and trained 253 women during the year. These activities are conducted by the Diversity Committee, which also advocated for the hiring of women, who represent 14.3% of the workforce (3% more than in 2020).



Votorantim Energia

Energy for tomorrow, always.



Net revenue:

R\$4.0B



Adjusted EBITDA:

R\$8.0M



Review of the materiality matrix with the participation of more than 600 stakeholders.



Visit the [Votorantim Energia website](#)

VOTORANTIM energia

In 2021, Votorantim Energia took important steps in its growth strategy and remained positioned as one of the largest electricity companies in Brazil, operating in three segments: generation, commercialization, and energy management services. In generation, the joint venture with CPP Investments controlled 21 wind farms and CESP, which operates two hydroelectric plants, totaling 2.2 GW of installed capacity. Additionally, 10 wind farms under construction in Northeast Brazil, with an investment of approximately R\$2 billion, will add 409.0 MW of installed capacity. In commercialization, the company remained among the three main Brazilian energy traders according to data from the Chamber of Electric Energy Commercialization (CCEE, for its initials in Portuguese), with more than 450 end consumer units, a 10% increase compared with 2020. In energy services, Votorantim Energia operated

hydroelectric plants and wind farms of Votorantim portfolio companies in the South, Midwest, and Northeast regions of Brazil, totaling 763.2 MW in installed capacity.

In generation, the diversification of the joint venture's renewable energy sources, which includes hydroelectric plants and wind farms, mitigated the effects of the biggest water crisis of the last 91 years in Brazil and resulted in net revenue of R\$2.6 billion and adjusted EBITDA of R\$1.0 billion (including CESP and the Ventos do Piauí I and Ventos do Araripe III wind farms). In commercialization and energy services, the results of the joint venture (calculated by equity method) included consolidated net revenue of R\$4 billion, an 12% growth over the previous year, and adjusted EBITDA of R\$8 billion, representing a 81% reduction compared with 2020.

One of the highlights of the year was the approval by the Brazilian Electricity Regulatory Agency (ANEEL, for its initials in Portuguese) of the first hybrid wind-solar complex project in Brazil to be developed by the joint venture within the Ventos do Piauí I wind farm. The project is scheduled to start operating in 2023, with initial capacity to generate 68.7 MW. The energy produced by the solar project will complement the production of the wind project—wind generation is higher at night due to wind patterns in the region. Hybrid production is part of the strategy to increase renewable energy generation, thereby contributing to the energy transition required to ensure a greener economy.



In line with its strategy of diversifying energy sources, the joint venture concluded the acquisition of the Jaíba V solar project. With commercial operations scheduled to start in 2023, this is one of the largest photovoltaic projects for the generation of clean energy in the country, with an installed capacity of 635 MWp. Located in the town of Jaíba, in the state of Minas Gerais, the project will produce enough clean energy to supply more than 500,000 homes and will help Brazil reach the goal of having 23% of its energy from non-hydro renewable sources by 2030. The electricity sector is evolving at an accelerated pace and Votorantim Energia is following that trend; in November the company signed an investment agreement with Way2, a technology company specializing in telemetering and energy management.

Votorantim Energia took an important step in its growth strategy by signing an agreement with CPP Investments to consolidate its energy assets to create one of the largest renewable energy platforms in Brazil. This transaction created the Auren Energia, a company with an installed capacity of 3.3 GW, 71% hydro and 29% wind power. In addition to the assets in operation, the new company comes with a pipeline of 2.0 GW of renewable energy projects at different stages of development, which will enable significant organic growth and contribute to the diversification of energy generation sources. The company will also be positioned as a leader in the electricity sale segment and have a strong financial position, with estimated net revenue of R\$5.8 billion.

Votorantim Energia's ESG agenda is organized around 10 priority topics: (i) carbon management; (ii) ecosystem services; (iii) social legacy; (iv) relationship with communities; (v) employee health and safety; (vi) diversity and inclusion; (vii) supply chain management; (viii) management of subsidiaries, affiliates, and consortiums; (ix) integrated risk management; and (x) management of decision-making processes and flows. These topics guide the definition of targets to ensure high ESG standards in units and businesses. Since 2020, the company has had ESG targets linked to the variable compensation of its senior management.

During the year, Votorantim Energia revised its materiality matrix. The process involved more than 600 stakeholders, including employees, customers, suppliers, and others. In addition, the company prepared its first Communication on Progress (COP) report for the United Nations (UN) Global Compact, in which it shared

management practices related to the Sustainable Development Goals (SDGs).

In 2021, Votorantim Energia became a member of the CDP (Carbon Disclosure Project) Benchmark Club and responded to its climate change questionnaire for the first time. In the social arena, the company implemented the local supplier development program in communities where it operates and increased the number of women and Black employees hired by 19% and 140%, respectively, compared with 2019.

Continuing their successful partnership, Votorantim and CPP Investments will create an investment company focused on energy transition to invest in early-stage energy projects, including new solutions and technologies aimed at the decarbonization of the energy matrix.

Nexa

Building the future
of mining.





Net revenue:

US\$ 2.6B



Adjusted EBITDA:

US\$704.2M



ESG targets linked to the variable compensation of senior management.



Visit the
Nexa website



The low supply of metallic commodities globally and the increase in demand during the year increased the price of zinc and copper, Nexa's main products, contributing to the company's positive results. The price of zinc rose 28% over the previous year, reaching its highest level in the last 14 years. On the other hand, the industry was also affected by rising input prices and logistical constraints.

Despite that, Nexa achieved a record adjusted EBITDA of US\$704 million and net revenue of US\$2.6 billion in 2021, 75% and 34% higher, respectively, than 2020. Higher prices and volumes, as well as the initiatives of the Jeito Nexa (Nexa Way) program, contributed to the positive results in the year, despite the operational challenges related to lower mineral supply and the increase in input prices.

Jeito Nexa, the company's program to transform the organizational culture, promotes initiatives to improve efficiency in all areas of the operation. In 2021, it is estimated that Jeito Nexa had a positive impact on adjusted EBITDA of US\$209 million, exceeding initial expectations.

Another important project in year was Aripuanã, an underground polymetallic mine in the state of Mato Grosso that will start operating in the third quarter of 2022. Aripuanã is one of the largest zinc projects being implemented in the world, with an investment of approximately US\$625 million and production estimated at around 120,000 tonnes of zinc equivalent per year. This investment aims to increase the integration between the company's existing mines and smelters. Aripuanã is considered one of the most sustainable mining projects in Brazil;

highlighting the dry disposal of tailings and high efficiency in water reuse in the production process.

As part of Nexa's sustainability agenda, one important step was the creation of ESG targets linked to the variable compensation of company executives. In the social arena, Nexa continued to support the communities where it operates in their fight against COVID-19. During the year, social investments totaled more than US\$7 million to implement initiatives aligned with the company's strategic social axes: economic development, support for public management, and initiatives for children and young adults.



In addition, the company focused the efforts of its innovation program, the Mining Lab, on ESG solutions to economic, environmental, and social challenges. In 2021, the program continued to be carried out 100% remotely and launched eight challenges in three areas: (i) productivity and safety; (ii) use of zinc; and (iii) transformational decarbonization. The Mining Lab is a global program open to applicants from 23 countries. Of the 149 applications received during the year, four were selected for proofs of concept in 2022: Carbon Upcycling Technologies

from Canada (with a solution to transformational decarbonization challenges in mining and metallurgy), Eye Gauge from France and Eugenie from the United States (with solutions to the challenge of increasing the use and availability of mobile equipment), and Nextcam Social, from Brazil (which focuses on monitoring activities and mapping behavior deviations).

As part of its environmental efforts, in addition to reducing greenhouse gas emissions to contribute to a low-carbon economy, Nexa remains

committed to reducing the volume of waste and transforming it into secondary products to reduce the use of tailing dams. In Peru, a pilot project was carried out to transform waste from the El Porvenir mining unit into cement. It was approved by the National Council of Science, Technology, and Technological Innovation (CONCYTEC, for its initials in Spanish) to receive an incentive through a law in support of research projects. Currently, 70% of the tailings from Nexa's mining process are dry piled or returned to the mines, and only 30% are deposited in dams.

In the area of diversity, Nexa launched the Talentos Plurais (Plural Talents) program to hire and train people with disabilities who have graduated or will graduate by 2022. The company was also certified by Women on Board, an independent initiative that recognizes and encourages the inclusion of women in boards of directors or consultative bodies.

In November, the company appointed a new CEO, Ignacio Rosado, who has extensive experience in the metals and mining industry.



Citrosuco

Nourishing life,
living a legacy.



Net revenue:

US\$1.0B



Adjusted EBITDA:

US\$124.0M



Creation of an ESG Committee.



Visit the
Citrosuco website



In the 2020/2021 crop year (July 2020 to June 2021), world consumption of orange juice remained stable, with an upward trend in some markets due to the recognition of its health benefits during yet another year of pandemic. In Brazil, harvesting in the citrus belt was 21.6% lower, according to the Citriculture Defense Fund (FUNDECITRUS, for its initials in Portuguese), as a result of unfavorable weather conditions caused by drought. In this environment, Citrosuco, which uses the US dollar as its functional currency and is one of the world's largest producers of orange juice, posted net revenue of US\$1 billion and EBITDA of US\$124 million, a 5.7% and 82.0% increase, respectively.

Citrosuco continued to execute its business strategy, with a focus on the long term, to innovate its product portfolio while investing to increase productivity and efficiency, develop markets, and anticipate the trends and needs of the global food market. During the year, the company solidified its new purpose, "Nourishing life, living a legacy," applying it to all business relationships.

Citrosuco updated its internal technology platform through the expansion of internet infrastructure for the farms, process automation, and agricultural production data performance, increasing its internal fruit production. The company's migration to digital citrus farming benefits the planet—one of the highlights was the increased efficiency in the use of natural resources.

Regarding the product portfolio, in addition to orange juice, the company continued to invest in the development of natural ingredients, following a worldwide trend of using natural raw materials in different industries, such as cosmetics and health, among others.

Citrosuco continued its sustainability journey through the consolidation of its sustainable business strategy and the definition of its commitments for 2030. Six material topics, with specific objectives, were prioritized: water, value chain, biodiversity, carbon, diversity, and social management.



As part of the climate agenda, Citrosuco maintains its commitment to reducing greenhouse gas emissions through an energy matrix that includes 60% renewable energy, according to 2020 data, primarily biomass and wind power, the latter in partnership with Votorantim Energia. In addition, the company improved its CDP (Carbon Disclosure Project) rating to B, which places it above the global average of the food and beverage segment.

Citrosuco invested more than R\$2 million in positive intervention projects in the areas of education, public health, and citizenship in partnerships with local communities, governments, social organizations, and others. The company made progress in

the area of diversity, equality, and inclusion by forming affinity groups with the goal of identifying opportunities to promote an increasingly diverse work environment. Citrosuco also revamped its early career programs, such as the Semear (Sowing) internship program—in 2021, 34% of the approved candidates were Black.

Also, as part of its business strategy, Citrosuco leads and supports the value chain of orange producers and suppliers. The Trilhar (Making a Path) program, an initiative that guides social and environmental practices in partnership with the supply chain, was intensified despite the challenges presented by the pandemic. Through the program, Citrosuco started to assess the properties of its partners and to work with

them to plan the necessary improvements for responsible production. The company also increased its volume of sustainable supply, as attested by its SAI Platform certification, with approximately 70% of its production certified as sustainable. This important achievement confirms the public commitment Citrosuco made as part of the Sustainable Juice Covenant (SJC), the largest global initiative in the value chain to ensure that 100% of fruit supply is certified by 2030.

To strengthen the management of its 2030 strategy and commitments, Citrosuco created an ESG Committee, made up of managers representing the company's entire value chain who are responsible for fostering the

necessary transformations to meet its commitments by engaging customers, suppliers, local communities, and employees. As part of the execution of this strategy, the company also linked the variable compensation of the entire Executive Board and eligible leaders to ESG targets to accelerate the generation of shared value for the company and society.

Citrosuco's results and initiatives are aligned with its purpose of "Nourishing life, living a legacy" and reflect its readiness to address the increasingly strict demands of the global food market in line with the evolution of social and environmental practices.



Acerbrag

Structuring dreams.



Net revenue:

R\$2.1B



Adjusted EBITDA:

R\$595.0M



Social development through education.



Visit the Acrebrag website



In 2021, the Argentine government increased restrictions on the flow of foreign exchange since its foreign exchange reserves reached the lowest levels since 2020. In addition, the country was severely impacted by the pandemic, which increased the challenges of the industrial sector. Despite that, like in the rest of the world, the increased demand for civil construction materials benefited the long steel industry.

Despite the scenario of 50.9% inflation and currency devaluation of 23.2%, Acerbrag had the best performance in its history: net revenue of R\$2.1 billion and adjusted EBITDA of R\$595 million, a 79% and 63% increase, respectively, compared with 2020.

The good performance was the result of (i) management focus on operational stability and cost control, with a record production volume of 324,000 tonnes in 2021; (ii) higher demand for long steel in the country, driven primarily by continuous activity in the civil construction segment; and (iii) investments in plant modernization totaling R\$9.5 million.

With support from the Votorantim Institute, Acerbrag continued to implement its social development plan, focused primarily on education and support for technical schools. The company carried out training sessions for high school seniors in the town of Bragado and extended the program to technical schools in neighboring towns. In addition, through the Ler Foundation, it supported elementary school children and the Model UN program to train young leaders.

As part of its governance structure, Acerbrag has a Steel Committee, made up of the company's CEO, two executives, and one member of the Votorantim Board of Directors.

Long Steel

In 2021, Votorantim announced the sale of its stake in Acerías Paz del Río, the leader in long steel production in Colombia, to a group of Colombian investors. This transaction is part of Votorantim's investment and portfolio diversification strategy. In Votorantim's 2021 consolidated results, Acerías Paz del Río was listed as available for sale.

In addition to Acerbrag, Votorantim holds a 15% stake in ArcelorMittal Brasil's long steel operations.



About this Report

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For the 11th consecutive year, Votorantim is publishing its Annual Report in line with its commitment to transparency to stakeholders. Covering the year 2021, this document addresses the strategic management, initiatives, and results of the holding company and, where specified, of the portfolio companies.

This report has been prepared in accordance with the GRI Standards: Core option, as well as respecting the guidelines of the International Integrated Reporting Council (IIRC), besides correlating its content to the Sustainable Development Goals (SDGs) of the United Nations (UN).

The reported economic and financial results are consolidated and have been externally audited by PricewaterhouseCoopers. The information on operational, social, and environmental performance also includes Reservas Votorantim, the Votorantim Institute, Altre, and the portfolio companies Votorantim Cimentos, banco BV, CBA, Votorantim Energia, Nexa, Citrosuco (crop year July 2020 to June 2021), and Acerbrag.

No changes to scope and boundaries were made in relation to the previous report published in April 2021, in addition to those detailed in the Portfolio Overview section of the report. Reformulations of information from previous reports, when necessary, were described and justified throughout this report.

This document is presented in online and PDF versions and includes consolidated financial statements, basis of preparation, and a GRI Content Index. Both versions can be found at www.relatorioanual2021.votorantim.com.br/en/.

Questions and comments about this report can be directed to relatoriovsa@votorantim.com.



Click here to send your comments, questions, or suggestions



GRI Disclosures

General Disclosures

Information about employees and other workers GRI 102-8

	Brazil	Other countries	Total
Own employees			
Monthly	23,332	3,794	27,126
Hourly	7,555	339	7,894
Total	30,887	4,133	35,020
Interns and apprentices			
Interns and summer students	581	310	891
Apprentices	471	125	596
Total	1,052	435	1,487
Total of direct employees	31,939	4,568	36,507
Service providers			
Permanent activities	3,219	5,891	9,110
Total service providers	3,219	5,891	9,110
Grand total	35,158	10,459	45,617



Economic Disclosures

Direct economic value generated and distributed GRI 201-1

Value added breakdown (R\$/million)	2019	2020	2021
Direct economic value generated			
Revenues			
Sales of products and services	35,271	41,773	56,586
Other operating income (expense), net	6,721	595	46
Estimated loss on doubtful accounts	(17)	(31)	68
Total Revenues	41,975	42,337	56,700
Inputs acquired from third parties			
Cost of goods sold and services provided	(21,029)	(25,596)	(31,948)
Materials, energy, third party services and others	(930)	(821)	(887)
Impairment of assets	(714)	(2,777)	559
Gross value added	19,302	13,143	24,424
Depreciation, amortization and depletion	(3,067)	(3,293)	(3,637)
Net value added generated by the Company	16,235	9,850	20,787
Value added received through transfers			
Equity in the results of investees	919	727	585
Finance income and foreign exchange losses	1,748	2,245	9,464
Total value added received through transfers	2,667	2,972	10,049
Total value added to distribute	18,902	12,822	30,836

Value added breakdown (R\$/million)	2019	2020	2021
Distribution of value added			
Personnel and payroll charges	4,500	4,838	5,261
Direct compensation	2,787	3,007	3,373
Benefits	647	709	1,151
Social charges	1,066	1,122	737
Taxes and contributions	6,254	6,416	10,388
Federal	3,200	2,909	4,645
State	2,332	2,798	4,089
Municipal	17	18	23
Deferred taxes	705	691	1,631
Third-party capital remuneration	3,223	4,633	8,067
Finance costs and foreign exchange losses	2,884	4,288	7,689
Rentals	339	345	378
Own capital remuneration	4,925	(3,065)	7,120
Dividends	(1,692)	(1,005)	(2,712)
Non-controlling interest	(245)	(1,429)	720
Reinvested profits (offset losses)	6,918	(632)	8,877
Loss on discontinued operations	(56)	1	235
Value added distributed	18,902	12,822	30,836



Confirmed incidents of corruption and actions taken GRI 205-3

	2019	2020	2021
Employees dismissed or disciplined	0	1	0
Termination or non-renewal of contracts with suppliers	0	0	0
Involvement in investigations and / or legal process for involvement in corruption cases	0	0	0
Total number of confirmed incidents of corruption	0	1	0

Lawsuits brought on by unfair competition, trust and monopoly practices GRI 206-1

	2019	2020	2021
Nexa	0	0	0
Citrosuco	0	0	0
Votorantim Energia	0	0	0
Votorantim Cimentos	45	35	37
Long Steel	0	0	0
CBA	0	0	0
banco BV	0	0	0
Reservas Votorantim	0	0	0
Vototantim S.A.	0	0	0

Environmental Disclosures

Energy consumption within the organization (GJ) GRI 302-1

	2019	2020	2021
Total energy consumption from non-renewable sources	123,214,876	118,886,077	113,330,757.48
Total energy consumption from renewable sources	28,849,828	34,097,044	24,869,676.18
Total energy consumption at the company	182,625,386	187,939,854	193,966,517.38

Energy intensity (GJ/t) GRI 302-3

Company	Main products	2019	2020	2021
Nexa	Metallic Zinc	-	-	25.600
	Zinc equivalent	16.120	30.54	-
Votorantim Cimentos	Cement	2.650	2.505	3.584
	Aggregates	0.020	0.030	0.062
	Concrete	0.140	0.140	0.026
	Mortar	0.040	0.018	0.144
	Limes and agricultural inputs	0.020	0.010	0.816
CBA	Cast aluminum production	-	109.630	-
	Production of processed aluminum	-	-	78.000
	Beneficial bauxite	0.072	15.930	0.140
	Aluminum oxide	-	-	8.860
	Liquid aluminum	83.690	88.630	55.970
Acerbrag	Bars	2.777	2.954	4.570
	Wires	0.260	0.018	6.600
	Wire rod	1.306	1.976	5.820
	Mesh	0.301	0.024	6.460
Citrosuco	Total Production	-	8.609	8.055



Water withdrawal by source (m³) GRI 303-3

Total water use by source (m³)	2019	2020	2021
Surface water (rivers, lakes, wetlands, oceans)	68,160,068.1	66,713,345.4	72,941,506.5
Ground water	130,239,651.6	168,638,722.6	105,817,843.9
Rainwater collected directly and stored by the company	4,588,048.2	5,629,124.2	7,202,917.1
Reused water	-	3,796,835.5	149,922,649.0
Waste water from another organization	0	0	0
Water utilities	926,865.2	740,171.8	622,064.9
Total	203,914,633.1	245,518,199.6	336,506,981.4

Total water discharge (m³) GRI 303-4

Total water discharge	2019	2020	2021
Total discharged volume	190,241,652.8	201,855,720.4	167,107,632.0

Habitats protected or restored GRI 304-3

Biome	Total area (km²)	Areas where the success of restoration measures was approved by independent external professionals, or that comply with external standards/protocols
Amazon	39.0	39.0
Caatinga	8.7	8.7
Savanna (Cerrado)	430.4	429.1
Atlantic Forest	545.2	509.5
Tropical wetland (Pantanal)	1.7	1.7
Pampa	2.4	2.4
Other	0.0	0.0
Total	1,027.4	990.4

Total area by company (km²)	2019	2020	2021
Long steel	0.1	0.1	-
Citrosuco	175.3	189.8	190.7
Nexa	16.7	20.0	37.1
Reservas Votorantim	310.0	630.0	310.0
CBA	624.0	36.1	329.4
Votorantim Cimentos	113.6	158.2	107.0
Votorantim Energia	55.9	54.6	53.1
Total	1,295.6	1,088.8	1,027.4



Direct (Scope 1) GHG emissions (tCO₂eq) GRI 305-1

Company	Gases included in the calculation	2020				2021		
		2019	Gases included in the calculation	Non Biogenic Emissions	Biogenic emissions	Gases included in the calculation	Non Biogenic Emissions	Biogenic emissions
Long steel	CO ₂ -CH ₄ -N ₂ O-HFCs-SF ₆	1,186,269.1	CO ₂ -CH ₄ -N ₂ O-HFCs-SF ₆	1,236,234.2	0.0	-	-	-
Acerbrag	-	-	-	-	-	CO ₂ -CH ₄ -N ₂ O	38,427.6	0.0
Citrosuco	CO ₂ -CH ₄ -N ₂ O	528,522.6	CO ₂ -CH ₄ -N ₂ O-HFCs-SF ₆	406,714.2	833,687.0	CO ₂ -CH ₄ -N ₂ O	329,998.0	521,732.0
Nexa	CO ₂ -CH ₄ -N ₂ O	251,460.3	CO ₂ -CH ₄ -N ₂ O-HFCs	252,649.1	168,360.9	CO ₂ -CH ₄ -N ₂ O-HFCs-SF ₆ -NF ₃	264,733.5	150,081.0
Votorantim Cimentos	CO ₂ -CH ₄ -N ₂ O	19,215,648.0	CO ₂ -CH ₄ -N ₂ O	20,692,288.4	1,322,730.7	CO ₂ -CH ₄ -N ₂ O	25,097,870.0	1,524,961.2
CBA	CO ₂ -CH ₄ -N ₂ O-HFCs-PFCs-SF ₆	1,259,208.4	CO ₂ -CH ₄ -N ₂ O-HFCs-PFCs-SF ₆	1,063,942.1	2,267.9	CO ₂ -CH ₄ -N ₂ O-HFCs-SF ₆	1,158,573.4	2,719.1
Votorantim Energia	CO ₂ -CH ₄ -N ₂ O	124,094.0	CO ₂ -CH ₄ -N ₂ O-HFC	202,043.7	66.1	CO ₂ -CH ₄ -N ₂ O-SF ₆	3,607.8	146.3
Reservas	-	-	CO ₂	16,028.4	0.0	CO ₂	16,028.4	0.0
Total		22,565,202.4		23,869,900.0	2,327,112.5		26,909,238.8	2,199,639.6

Energy indirect (Scope 2) GHG emissions (tCO₂eq) GRI 305-2

Company	Gases included in the calculation	2020			2021		
		Non Biogenic Emissions	Biogenic emissions	Gases included in the calculation	Non Biogenic Emissions	Biogenic emissions	
Long steel	CO ₂ -CH ₄	150,089.45	0.00	-	-	-	
Acerbrag	-	-	-	CO ₂ -CH ₄	135,365.41	0.00	
Citrosuco	CO ₂ -CH ₄ -N ₂ O	29,167.00	0.00	CO ₂ -CH ₄ -N ₂ O	25,914.00	0.00	
Nexa	CO ₂	434,465.94	0.00	CO ₂	7,780.93	0.00	
Votorantim Cimentos	CO ₂	537,363.68	0.00	CO ₂	780,075.88	0.00	
CBA	CO ₂ -CH ₄ -N ₂ O-HFCs-PFCs-SF ₆	72,495.83	266,229.44	CO ₂ -CH ₄ -N ₂ O-HFCs-PFCs-SF ₆	6,988.66	369,538.75	
Votorantim Energia	CO ₂	57.96	0.00	CO ₂	58.96	0.00	
Total		1,223,639.86	266,229.44		956,183.8	369,538.75	



Other indirect (Scope 3) GHG emissions (tCO₂eq) GRI 305-3

Company	Gases included in the calculation	2020		2021		
		Non Biogenic Emissions	Biogenic emissions	Non Biogenic Emissions	Biogenic emissions	
Nexa	CO2-CH4-N2O	86,276.2	5,136.4	CO2	58,483.1	0.0
Votorantim Cimentos	CO2-CH4-N2O	249,060.7	30,661.0	CO2-CH4-N2O	5,158,605.2	0.0
CBA	CO2-CH4-N2O-HFCs-PFCs-SF6	22,232.3	2,602.5	CO2-CH4-N2O-HFCs-PFCs-SF6	2,200,354.09	11,466.01
Votorantim Energia	CO2-CH4-N2O	487.3	61.1	CO2-CH4-N2O	654.2	70.5
Citrosuco	CO2-CH4-N2O	117,937.0	0.0	CO2-CH4-N2O	349,579.0	0.0
Total		475,993.5	38,461.0		7,767,675.7	11,536.5

NOTE:

- ▶ The total scope 3 emissions reported by Nexa for this report are preliminary. Final figures will be available in their individual report.

Intensity of greenhouse gas emissions (GEE) – (tCO₂eq/t) GRI 305-4

Company	Main Product	2019	2020	2021
Votorantim Cimentos	Cement	0.591	0.576	0.597
	Aggregates	0.001	0.002	0.002
	Concrete	0.009	0.011	0.009
	Mortar	0.003	0.002	0.002
	Limes	0.076	0.088	0.089
Nexa	Zinc equivalent	1.470	1.320	-
	Metallic zinc and alloys sold	-	-	1.525
Acerbrag	Bars	0.870	0.729	0.702
	Wires	-	12.558	16.317
	Wire rod	-	1.525	12.310
	Construction mesh	8.000	9.240	8.732
	Contours			30.021
	Nails			103.080
	Cut and fold service			75.398

Company	Main Product	2019	2020	2021
CBA	Aluminum	3.740	3.080	2.840
	Processed bauxite	5.140	4.670	4.150
	Molten aluminum	2.555	2.660	2.560
	Benefited Bauxite	-	-	0.010
	Aluminum oxide	-	-	0.200



Waste by type and disposal method (t) GRI 306-3

Non-hazardous waste	2019	2020	2021
Composting	39,581.6	53,099.5	62,300.6
Reuse	47,859.0	73,299.0	71,355.5
Recycling	219,559.7	229,608.2	150,669.1
Recovery, including energy recovery	4,473.3	6,488.2	6,338.0
Incineration (mass burn)	816.3	1,086.2	8,640.4
Landfill	17,778.3	91,287.0	17,420.0
Deep well injection	1,585.0	-	33.5
On-site storage	52,487.6	614,972.0	26,046.1
Other	1,439,600.3	616,957.1	1,412,524.4
Total	1,823,741.1	1,686,797.3	1,755,327.6

Hazardous waste	2019	2020	2021
Composting	-	0.6	0.0
Reuse	2,995.9	4,364.5	6,569.3
Recycling	3,436.0	1,780.7	2,620.2
Recovery, including energy recovery	360.8	2,280.6	1,068.9
Incineration (mass burn)	771.1	728.6	2,421.3
Landfill	6,353.4	8,072.2	12,532.7
On-site storage	1,711.9	411.1	573.4
Other	15,917.2	22,228.9	6,606.2
Total	31,546.30	39,867.0	32,391.9

Percentage of new suppliers that were screened using environmental criteria GRI 308-1

New suppliers that were screened using environmental criteria	2019	2020	2021
Total number of new suppliers	5,527	6,206	6,209
Total number of new suppliers screened using environmental criteria	823	1,623	1,704
Percentage of new suppliers screened	14.9%	26.2%	27.4%

Negative environmental impacts in the supply chain and actions taken GRI 308-2

Suppliers that were screened using environmental criteria	2019	2020	2021
Total number of suppliers	23,312	38,422	44,713
Total number of suppliers assessed for environmental impacts	557	5,446	11,065
Percentage of suppliers assessed for environmental impacts	2.4%	14.2%	24.7%

Social Disclosures

New employee hires and employee turnover GRI 401-1

2019	Gender		Age Range		
	Men	Women	Under 30	30-50	Over 50
			years old	years old	years old
New hires	4,015	1,787	2,815	2,768	219
Termination of employment	4,505	1,569	1,998	3,237	839
Percentage of new hires	11.9%	5.3%	8.3%	8.2%	0.6%
Turnover	13.3%	4.6%	5.9%	9.6%	2.5%

2020	Gender		Age Range		
	Men	Women	Under 30	30-50	Over 50
			years old	years old	years old
New hires	3,925	1,544	2,546	2,773	243
Termination of employment	4,844	1,678	2,025	3,427	1,070
Percentage of new hires	11.4%	4.5%	7.4%	8.1%	0.7%
Turnover	14.1%	4.9%	5.9%	9.9%	3.1%

2021	Gender		Age Range		
	Men	Women	Under 30	30-50	Over 50
			years old	years old	years old
New hires	4,449	1,924	2,564	3,580	229
Termination of employment	4,448	1,501	1,965	3,243	740
Percentage of new hires	12.7%	5.5%	7.3%	10.2%	0.7%
Turnover	12.7%	4.3%	5.6%	9.3%	2.1%

Occupational health and safety GRI 403-9

Occupational health and safety	2019			
	Own employees		Contractors	
	Abroad	Brazil	Abroad	Brazil
Hours/men worked	18,520,875	64,448,150	-	-
Number of injuries	68	112	-	-
Number of fatalities	1	0	1	0
Number of lost days	2,531	228	-	-

Occupational health and safety	2020			
	Own employees		Contractors	
	Abroad	Brazil	Abroad	Brazil
Hours/men worked	18,063,365	68,436,974	23,569,658	33,033,822
Number of injuries	26	53	25	41
Number of fatalities	0	1	0	6
Number of lost days	2,531	1,831	5,298	1,104
Number of accidents with serious consequences	12	23	16	17
Number of mandatory reporting occupational accidents	275	228	102	220

Occupational health and safety	2021			
	Own employees		Contractors	
	Abroad	Brazil	Abroad	Brazil
Hours/men worked	15,074,958	72,449,083	24,644,588	47,895,249
Number of injuries	34	139	74	89
Number of fatalities	0	0	0	0
Number of lost days	713	1,318	1,357	859
Number of accidents with serious consequences	7	40	18	20
Number of mandatory reporting occupational accidents	62	451	111	131

Average hours of training per year per employee GRI 404-1

Employee category	Gender	2019	2020	2021
Senior management	Women	0.0	0.0	0.0
	Men	4.0	0.0	0.0
Middle management	Women	9.7	0.0	3.4
	Men	13.3	2.5	6.9
Coordinator/Adviser	Women	8.1	4.4	3.5
	Men	13.5	3.9	11.9
Technicians/Analysts/ Supervisors	Women	6.7	3.8	3.8
	Men	6.8	2.5	6.3
Trainee	Women	0.0	0.0	84.5
	Men	0.0	0.0	27.3
Operational	Women	0.0	0.0	0.0
	Men	0.0	0.0	0.0
Interns	Women	0.0	0.0	9.5
	Men	0.0	0.0	0.6
Apprentices	Women	0.0	0.0	1.6
	Men	0.0	2.5	6.9

Diversity of governance bodies GRI 405-1

Company's minority groups	2019	2020	2021
Employees over 50 years old	5,295	6,461	5,318
Women	6,318	9,034	8,279

Governance members - gender	2019	2020	2021
Men	104	97	100
Women	19	11	12

Governance members - age	2019	2020	2021
Under 30 years old	0	0	0
30 and 50 years old	57	55	56
Over 50 years old	56	53	56

Board members - gender	2019	2020	2021
Men	-	48	36
Women	-	9	6

Board members - age	2019	2020	2021
Under 30 years old	-	0	0
30 and 50 years old	-	19	11
Over 50 years old	-	38	31

Diversity of Employees in each category

Employees in each category GRI 405-1

Position	Age Group %			Men %	Women %
	-30 years	30 to 50 years	+50 years		
	Senior management	0.0	50.0	50.0	89.3
Middle management	0.7	82.8	16.5	77.8	23.7
Coordinators/ Advisers	11.6	79.7	8.7	67.1	32.1
Technicians/ Analysts/ Supervisors	21.1	69.2	9.7	64.0	36.1
Trainee	0.0	0.0	0.0	0.0	0.0
Operational	20.0	61.6	18.4	87.6	12.3
Interns	96.1	3.9	0.0	36.6	63.4
Apprentices	99.8	0.2	0.0	36.1	63.9
Total	22.0	63.5	14.6	77.3	22.7

Incidents of discrimination and corrective actions taken

GRI 406-1

Discrimination cases	2019	2020	2021
Ethnicity	-	7	2
Gender	-	1	2
Religion	-	2	1
Political opinion	-	1	0
Nationality	-	4	0
Harassment and abuse of power	44	11	38
Other incidents (race, age and nationality)	0	0	5
Other cases (discrimination and retaliation)	112	9	74
Total number of discrimination cases	156	35	122

Incidents of discrimination	2019	2020	2021
Confirmed cases	79	17	40
unfounded cases	-	-	63
cases under review	-	-	18

Operations and suppliers at significant risk for incidents of child labor GRI 408-1

banco BV, CBA, Citrosuco, Nexa, Reservas Votorantim, Acerbrag, Votorantim Energia and Votorantim S.A.

	2019	2020	2021
Operations and suppliers considered to have significant risk for incidents of child labor and/ or young workers exposed to hazardous work	0	1	0

Operations and suppliers at significant risk for incidents of forced or compulsory labor GRI 409-1

CBA, Citrosuco, Nexa, Reservas Votorantim, Acerbrag, Votorantim Energia and Votorantim S.A.

	2019	2020	2021
Number of operations and suppliers at risk of occurrence of forced or compulsory labor	0	0	1

banco BV

	2021
Number of operations with significant risk for incidents of forced or compulsory labor	159
Number of suppliers with significant risk for incidents of forced or compulsory labor	26

Operations that have been subject to human rights reviews or impact assessments GRI 412-1

CBA, Citrosuco, Nexa, Reservas Votorantim, Acerbrag, Votorantim Energia and Votorantim S.A.	2019	2020	2021
Total number of operations (Brazil and abroad)	404	458	126
Operations subject to reviews	64	60	65
Percentage of operations subject to reviews	15.8%	13.1%	51.6%
banco BV	2019	2020	2021
Total number of operations (Brazil and abroad)	1,420	1,368	1,560
Operations subject to reviews	458	494	424
Percentage of operations subject to reviews	32.3%	36.1%	27.2%

Operations with local community engagement, impact assessments and development programs GRI 413-1

	2019	2020	2021
Total number of operations (Brazil and abroad)	433	441	453
Operations with community engagement	201	204	246
Percentage of operations with local community engagement	46.4%	46.3%	54.3%

New suppliers that were screened using social criteria GRI 414-1

	2019	2020	2021
Total number of new suppliers	5,527	6,206	6,209
Labor practices			
New suppliers screened using criteria relative to labor practices	2,342	2,436	3,057
Percentage of new suppliers screened	42.4%	39.3%	49.2%
Impacts on society			
New suppliers screened using criteria relative to impacts on society	814	1,261	3,057
Percentage of new suppliers screened	14.7%	20.3%	49.2%
Human rights			
New suppliers screened using human rights criteria	1,974	1,733	3,057
Percentage of new suppliers screened	35.7%	27.9%	49.2%

Negative social impacts in the supply chain and action taken GRI 414-2

	2019	2020	2021
Total number of suppliers	23,312	38,422	44,713
Labor practices			
Suppliers assessed for labor practices	12,028	5,805	12,216
Percentage of suppliers assessed	51.6%	15.1%	27.3%
Impacts on society			
Suppliers assessed for impacts on society	1,586	917	12,185
Percentage of suppliers assessed	6.8%	2.4%	27.3%
Human rights			
Suppliers assessed for human rights issues	10,440	6,003	12,104
Percentage of suppliers assessed	44.8%	15.6%	27.1%



GRI Content Index

GRI 102-55

GRI Standards	Disclosure	Page and/or link	Assurance
GRI 102: Foundation 2016			
GRI 102: General disclosures 2016 <u>Organizational profile</u>			
	102-1 Name of the organization	Votorantim S.A.; The Investment Holding Company, p.10	
	102-2 Activities, brands, products, and services	The Investment Holding Company, p.10	
	102-3 Location of headquarters	The Investment Holding Company, p.10	
	102-4 Location of operations	Portfolio Overview, p. 8;	
	102-5 Ownership and legal form	The Investment Holding Company, p.10	
	102-6 Markets served	Portfolio Overview, p.8; The Investment Holding Company, p.10 ; Center of Excellence (CoE), p. 31 This report reports information pertinent to markets served by Votorantim S.A .. Information on sectors served and types of customers and beneficiaries of each investee company and their specificities are available in the individual reports of each company.	
	102-7 Scale of the organization	The Investment Holding Company, p. 9 ; 2020 Results, p. 32 ; Consolidated Financial Statements, p. 102	Yes
	102-8 Information on employees and other workers	Portfolio Overview, p. 8 ; The Investment Holding Company, p. 9	
	102-9 Supply chain	The Investment Holding Company, p. 9 ; Strategy and Management, p. 12 ; Risk Management, p. 24 ; Center of Excellence (CoE), p. 31	



GRI Standards	Disclosure	Page and/or link	Assurance
	102-10 Significant changes to the organization and its supply chain	<p>A Message From the Board of Directors, p. 2; A Message From the Executive Board, p. 4; 2020 Highlights, p. 7; Risk Management, p. 24</p> <p>During the period covered by this report, there were no significant changes in the share capital structure of Votorantim S.A., as well as no significant changes in the selection and exclusion processes for suppliers in the chain. Information on the significant changes in each investee is available in the individual reports.</p>	Yes
	102-11 Precautionary Principle or approach	Risk Management, p. 24	Yes
	102-12 External initiatives	ESG engagement, p. 14	
	102-13 Membership of associations	<p>Amcham: João Schmidt (Chairman) serves as a Director</p> <p>Global Compact: Mariana Mayumi Oyakawa (General Manager of Investor Relations) is a member of the Advisory Board.</p> <p>FIESP: David Canassa (Director of Votorantim Reserves) serves as a member of the Superior Council of Environment (Cosema).</p> <p>CGESP (Environmental Management Council of the State of São Paulo in Portuguese): David Canassa (Director of Reservas Votorantim) serves as a member of the Council.</p> <p>Council of The Americas: Chairman's International Advisory Council (CIAC).</p>	
	Strategy		
	102-14 Statement from senior decision-maker	A Message From the Board of Directors, p. 2 ; A Message From the Executive Board, p. 4	
	102-15 Main impacts, risks, and opportunities	The Investment Holding Company, p. 9 Strategy and Management, p. 12 Materiality, p. 15	Yes



GRI Standards	Disclosure	Page and/or link	Assurance
	Ethics and integrity		
	102-16 Values, principles, standards, and norms of behavior	Values, p. 10	
	102-17 Mechanisms for advice and concerns about ethics	Compliance, p. 23 ;	
	Governance		
	102-18 Governance structure	ESG engagement, p. 15 ; Governance Structure, p. 21	
	102-19 Delegating authority	Governance Structure, p. 21	
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance Structure, p. 21	
	102-21 Consulting stakeholders on economic, environmental, and social topics	Materiality, p. 15	Yes
	102-22 Composition of the highest governance body and its committees	Board of Directors, p. 23 ; Executive Board, p. 23	
	102-23 Chair of the highest governance body	Board of Directors, p. 23 ; Executive Board, p. 23	
		The term of office of the Chairman of the Board of Directors runs until the General Meeting that resolves on the financial instructions for the fiscal year ended on 12/31/2022.	
	102-24 Nominating and selecting the highest governance body	Governance Structure, p. 21	
	102-25 Conflicts of interest	Compliance, p. 23	
	102-26 Role of highest governance body in setting purpose, values, and strategy	ESG engagement, p. 14 ; Governance Structure, p. 21	
	102-27 Collective knowledge of highest governance body	ESG engagement, p. 14 ; Governance Structure, p. 21	Yes
	102-29 Identifying and managing economic, environmental, and social impacts	ESG engagement, p. 14 ; Governance Structure, p. 21	Yes
	102-30 Effectiveness of risk management processes	Risk Management, p. 24	Yes
	102-31 Review of economic, environmental, and social topics	Governance Structure, p. 21	
	102-32 Highest governance body's role in sustainability reporting	ESG engagement, p. 14 ; Governance Structure, p. 21	Yes



GRI Standards	Disclosure	Page and/or link	Assurance
Stakeholder engagement			
	102-40 List of stakeholder groups	Materiality, p. 15 <ul style="list-style-type: none">• Executives of Votorantim S.A.• Professionals in the sustainability and governance areas of the portfolio companies.• Finance and sustainability experts.• Academic experts.• Investors in national and international markets.	Yes
	102-41 Collective bargaining agreements	All Votorantim employees are covered by collective bargaining agreements. Of these, 44% are subject to collective adjustments.	
	102-42 Basis for identifying and selecting stakeholders with whom to engage	Materiality, p. 15 The review of material topics, conducted in 2018 by an external consultancy, came from the audiences with which Votorantim S.A. relates and which make demands related to ESG themes.	Yes
	102-43 Approach to stakeholder engagement	Materiality, p. 15 The review of material topics, conducted in 2018 by an external consultancy, was carried out through in-depth interviews with selected stakeholders.	Yes
	102-44 Key topics and concerns raised through stakeholder engagement	About this Report, p. 15 Material topics are presented in an aggregated form, according to the commitment assumed with stakeholders at the time of consultation.	Yes
Reporting practice			
	102-45 Entities included in the consolidated financial statements	About this Report, p. 60	Yes
	102-46 Defining report content and topic boundaries	Materiality, p. 15 ; About this Report, p. 60 The themes were structured in two dimensions, due to the diversity of Votorantim's portfolio: 1) Transversal to the holding and its investees; and 2) Specific, according to the nature of each business.	Yes



GRI Standards	Disclosure	Page and/or link	Assurance
	102-47 List of material topics	Materiality e ODS na Votorantim, p. 16	Yes
	102-48 Restatements of information	About this Report, p. 72 For indicator 401-1, an improvement was identified in the form of consolidation, with the total number of employees as the denominator for calculating the turnover rate. Historical data has been adjusted in the indicator book. Citrosuco considered as presence in countries, those in which it has operational control of the inserted plant(s).	
	102-49 Changes in the list of material topics and topic boundaries	About this Report, p. 60	Yes
	102-50 Reporting period	About this Report, p. 60	
	102-51 Date of most recent previous report	About this Report, p. 60 2020, published march 2021	
	102-52 Reporting cycle	About this Report, p. 60	
	102-53 Contact point for questions regarding the report	About this Report, p. 60	
	102-54 Claims of reporting in accordance with the GRI Standards	About this Report, p. 60	Yes
	102-55 GRI content index	GRI Disclosures, p. 71	
	102-56 External assurance	About this Report, p. 60 The entire contents of this document are verified externally by PwC. This practice is requested by the company's leaders and is one of the annual goals of those responsible for developing the Report. External and independent verification keeps Votorantim S.A. updated with the best accountability practices in the market.	Yes



GRI Standards	Disclosure	Page and/or link	Omission		Global Compact	Assurance
			Part omitted	Reason Explanation		
Material topics						
GRI 200 Standards Economic Series						
Economic Performance						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary		Economic and Financial Performance, p. 25		
	103-2	The management approach and its components		Economic and Financial Performance, p. 25		
	103-3	Evaluation of the management approach		Economic and Financial Performance, p. 25		
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed		Economic Disclosures, p. 62		Sim
Anti-corruption						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary		Governance, Compliance and Risks, p. 20		Sim
	103-2	The management approach and its components		Governance, Compliance and Risks, p. 20		Sim
	103-3	Evaluation of the management approach		Governance, Compliance and Risks, p. 20		Sim
GRI 205: Anti-corruption 2016	205-2	Comunicação e treinamento sobre políticas e procedimentos anticorrupção		Governance, Compliance and Risks, p. 20		
	205-3	Confirmed incidents of corruption and actions taken		Economic Disclosures, p. 63	P. 10	Sim
Anti-competitive behavior						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary		Governance, Compliance and Risks, p. 20		Sim
	103-2	The management approach and its components		Governance, Compliance and Risks, p. 20		Sim
	103-3	Evaluation of the management approach		Governance, Compliance and Risks, p. 20		Sim
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices		Economic Disclosures, p. 63		Sim



GRI Standards	Disclosure	Page and/or link	Omission		Assurance
			Part omitted	Reason Explanation	
GRI 300 Standards Environmental series					
Energy					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The report consolidates the consumption and energy intensity of each invested company. For more detailed information, see the annual and sustainability reports for each investee.			Sim
	103-2 The management approach and its components				Sim
	103-3 Evaluation of the management approach				Sim
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Disclosures, p. 63			Sim
	302-3 Energy intensity	Environmental Disclosures, p. 63		P. 7, P.8, P.9	
Water					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Reservas Votorantim, p. 34 The indicator reported in the Book of Indicators consolidates the withdrawal of water by source of the investees. For more detailed information, consult the annual and sustainability reports of each company.			Yes
	103-2 The management approach and its components				Yes
	103-3 Evaluation of the management approach				Yes
GRI 303: Water 2018	303-3 Water withdrawal by source	Environmental Disclosures, p. 64			Yes
	303-4 Water discharge	Environmental Disclosures, p. 64			Yes
Biodiversity					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Reservas Votorantim, p. 34 The indicator reported in the Book of Indicators consolidates the total area protected or restored. For more detailed information, consult the annual and sustainability reports of each company			Yes
	103-2 The management approach and its components				Yes
	103-3 Evaluation of the management approach				Yes
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Environmental Disclosures, p. 64		P.7, P.8, P.9	Yes
Emissions					
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Reservas Votorantim, p. 34 The indicator reported in the GRI Disclosures consolidates the investees's GHG emissions by scope. For more detailed information, see the annual and sustainability reports for each company.			Yes
	103-2 The management approach and its components				Yes
	103-3 Evaluation of the management approach				Yes



GRI Standards	Disclosure	Page and/or link	Omission		Global Compact	Assurance
			Part omitted	Reason Explanation		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Disclosures, p. 65				Yes
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Disclosures, p. 65				Yes
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Disclosures, p. 66				Yes
	305-4 GHG emissions intensity	Environmental Disclosures, p. 66			P.7, P.8, P.9	
Waste						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The report consolidates the water discharge and waste disposal of each invested company. For more detailed information, see the annual and sustainability reports for each investee				Yes
	103-2 The management approach and its components					Yes
	103-3 Evaluation of the management approach					Yes
GRI 306: Waste and effluents 2018	306-3 Waste by type and disposal method	Environmental Disclosures, p. 67				Yes
Supplier environmental assessment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The report consolidates data of suppliers that were screened using environmental criteria of each invested company. For more detailed information, see the annual and sustainability reports for each investee				Yes
	103-2 The management approach and its components					Yes
	103-3 Evaluation of the management approach					Yes
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Environmental Disclosures, p. 67			P.7, P.8, P.9	Yes
	308-2 Negative environmental impacts in the supply chain and actions taken	Environmental Disclosures, p. 67			P.7, P.8, P.9	Yes
GRI 400 Standards Série Social						
Employment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	People, p. 17 The report consolidates new employee hires and turnover of each invested company. For more detailed information, see the annual and sustainability reports for each company invested.				
	103-2 The management approach and its components					
	103-3 Evaluation of the management approach					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Social Disclosures, p. 68			P.3, P.6	



GRI Standards	Disclosure	Page and/or link	Omission		Global Compact	Assurance
			Part omitted	Reason Explanation		
Occupational health and safety						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary				Yes
	103-2	The management approach and its components				Yes
	103-3	Evaluation of the management approach				Yes
GRI 403: Occupational health and safety 2016	403-9	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social Disclosures, p. 68		P.3, P.6	Yes
Training and Education						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	People, p. 17			
	103-2	The management approach and its components	People, p. 17			
	103-3	Evaluation of the management approach	People, p. 17			
GRI 404: Training and education 2016	404-1	average hours of training per year per employee	Social Disclosures, p. 69		P.3, P.6	
Diversity and equal opportunity						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	People, p. 17			
	103-2	The management approach and its components	People, p. 17			
	103-3	Evaluation of the management approach	People, p. 17			
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Social Disclosures, p. 70		P.3, P.6	
Non-discrimination						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary				
	103-2	The management approach and its components				
	103-3	Evaluation of the management approach				
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Social Disclosures, p. 70		P.1, P.2, P.6	



GRI Standards	Disclosure	Page and/or link	Omission		Global Compact	Assurance
			Part omitted	Reason Explanation		
Child labor						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The report consolidates significant risk for incidents of child labor of each invested company. For more detailed information, see the annual and sustainability reports for each investee.				Yes
	103-2 The management approach and its components					Yes
	103-3 Evaluation of the management approach					Yes
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Social Disclosures, p. 70			P.1, P.2, P.5	Yes
Forced or compulsory labor						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The report consolidates significant risk for incidents of forced or compulsory labor of each invested company. For more detailed information, see the annual and sustainability reports for each investee.				Yes
	103-2 The management approach and its components					Yes
	103-3 Evaluation of the management approach					Yes
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Social Disclosures, p. 70			P.1, P.2, P.4	Yes
Human rights assessment						
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	The report consolidates human rights reviews of each invested company. For more detailed information, see the annual and sustainability reports for each investee				Yes
	103-2 The management approach and its components					Yes
	103-3 Evaluation of the management approach					Yes
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Social Disclosures, p. 70			P.1, P.2	Yes



GRI Standards	Disclosure	Page and/or link	Omission		Global Compact	Assurance
			Part omitted	Reason Explanation		
Local communities						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	Social Investment, p. 28			Yes
	103-2	The management approach and its components	Social Investment, p. 28			Yes
	103-3	Evaluation of the management approach	Social Investment, p. 28			Yes
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Social Disclosures, p. 71		P.1, P.2, P.4	Yes
Supplier social assessment						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	The report consolidates data of suppliers that were screened using social criteria of each invested company. For more detailed information, see the annual and sustainability reports for each investee			Yes
	103-2	The management approach and its components				Yes
	103-3	Evaluation of the management approach				Yes
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Social Disclosures, p. 71		P.1, P.2, P.3	Yes
	414-2	Negative social impacts in the supply chain and actions taken	Social Disclosures, p. 71		P.1, P.2, P.3	Yes
Public policy						
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundary	Governance, Compliance and Risks, p. 20			
	103-2	The management approach and its components	Governance, Compliance and Risks, p. 20			
	103-3	Evaluation of the management approach	Governance, Compliance and Risks, p. 20			
GRI 415: Public policy 2016	415-1	Political contributions	In line with the guidelines of our code of conduct, which prohibits financial contributions to political parties, there were no such donations in the year 2021.		P. 10	



Basis of Preparation

1. Introduction

This document is the basis of preparation for the 2021 Annual Report of Votorantim S.A. (Votorantim). It serves to specify the boundaries and parameters defined during the preparation of the Report, as well as to ensure that it complies with the necessary criteria for information assurance.

Votorantim is a Brazilian family-owned company, with a long-term investment horizon. Its portfolio companies are present in 15 countries, operating in the building materials, finance, aluminum, clean and renewable energy, metals and mining, orange juice, long steel, real estate and infrastructure sectors.

Limited assurance is provided by PwC; its scope will be a selection of GRI Standards to be listed in the Limited Assurance Report prepared by the independent auditors.

To ensure the commitment to transparency and accountability to all stakeholders, the Annual Report for the year 2021 complies with the GRI Standards – Core Option and its content is correlated with the Sustainable Development Goals (SDGs) of the United Nations (UN).

2. Organizational boundaries and exceptions in the scope of the Report

The 2021 Annual Report follows the boundaries of Votorantim's operations. It addresses the strategic management, initiatives and results of the holding company and, where specified, of the businesses conducted in the portfolio companies, in a complementary way.

The operational, social and environmental performance, especially in the standards annex, consolidates information from Reservas Votorantim, the Votorantim Institute and the portfolio

companies Votorantim Cimentos, banco BV, CBA, Votorantim Energia (including the joint venture with CPP Investments), Nexa, Citrosuco (crop year July 2020 to June 2021) and Acerbrag. The Report does not include Acerías Paz del Rio, which was included in previous reports, due to Votorantim's divestment in the company.

Due to the differences and particular characteristics of the businesses, the consolidation of data may have limitations, which will be described throughout this Basis of Preparation. Specific and detailed information about each portfolio company is available in their individual reports.

3. Accounting information, currencies and conversions

The accounting information published in the 2021 Annual Report was compared by the reporting organization with the information available in the consolidated financial statements for the same period,

which was also audited by an independent third party, PwC.

The company's functional and reporting currency is the Brazilian Real. For the purposes of the financial results included in the Annual Report, foreign currencies used by different operations were converted into reais. The financial results of portfolio companies with a functional currency that differs from the reporting currency are presented in their functional currency.

4. Reporting systems

The collection of information for the production of the Report included interviews with Votorantim leaders and access to documents and materials produced throughout the year.

The standards annex includes consolidated information on Votorantim and the portfolio companies. Quantitative data is managed by the operational areas through information technology systems and records based on manual controls. To identify and consolidate them according to the same standard, indicator collection forms are used and systematically reviewed



to incorporate improvements from previous cycles. This is a continuous process that aligns with Votorantim's interest in ensuring the best possible quality in reporting.

The collection forms include the information necessary to report all standards, common instructions and the reporting parameters adopted. The criteria and exceptions are described in this Basis of Preparation, in the chapter Detailing the reporting criteria.

5. Detailing the reporting criteria

The table below aims to detail the criteria and parameters adopted for the measurement and consolidation of information regarding the GRI Standards, on which this Report is based, and should be used to complement Votorantim's 2021 Annual Report, not only with regards to the main document, but also regarding the GRI Indicators Annex.

The table includes the following fields, as described below:

- ▶ **Standard:** GRI standard, referenced by their official code
- ▶ **Description of the standard:** Description of the standard following the GRI Standards specification
- ▶ **Reporting criteria and parameters:** Detailed information provided as follows:
 - ▶ **Boundary:** Scope of the standard, which can be specified as "Votorantim (investing holding company)" or "Consolidated (Votorantim and portfolio companies)", for standards that consolidate data from the holding company and the portfolio companies.
 - ▶ **Details:** Description of reporting criteria and parameters for standards with boundaries specified as "Votorantim (investment holding company)".
 - ▶ **"Details general" and "Details per portfolio company":** For cases of boundaries specified as "Consolidated (Votorantim and portfolio companies)", in which the details apply to all portfolio companies at the time of data collection and consolidation ("Details – general") or address specific situations of each company ("Details per portfolio company").
- ▶ **Exceptions:** Exceptions with regard to the boundaries and reporting period.
- ▶ **Changes:** Changes in boundaries and criteria in relation to the previous report.
- ▶ **Justification:** Justifications for the changes in boundaries and criteria in relation to the previous report.



Standards – 100 Series

Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
102-1	Name of the organization	Boundary: Votorantim (investment holding company) Details: Organization's corporate name and trade name.	None	None	N/A
102-7	Scale of the organization	Boundary: Votorantim (investment holding company) Details: It considers Votorantim's financial results, as an investment holding company, including its net sales and total capitalization. Information on net revenue and adjusted EBITDA of each company can be found in the chapter "Portfolio Companies" on pages 30 to 59 of the Report. Information such as capitalization, described as net equity, and on products and services offered are available in the individual reports of each company in the portfolio. The chapter "Portfolio Overview", on page 8, details the number of employees and units of each portfolio company.	None	None	N/A
102-8	Information on employees and other workers	Boundary: Consolidated (Votorantim + portfolio companies) Details – general: The Report includes data from 12/31/2021 regarding permanent company employees, interns and apprentices, or contractors, according to the following criteria: 1. Monthly employees, hourly employees or trainees 2. Interns and apprentices 3. Contractors 4. Broken down by region, in Brazil and abroad The standard consolidates data from all portfolio companies, which have their own parameters and autonomy to manage their data. In some cases, this prevents the reporting of broken-down data as recommended by the GRI. All employees reported are company employees, except when specified as "contractors" or "indirect", and permanent. Details per portfolio company: ▶ Citrosuco: Following the consolidation and comparability guidelines of previous years, this report does not consolidate information on the 7,232 seasonal workers formally hired according to Brazilian labor laws (CLT) for the harvest period.	▶ The standard consolidates data from all portfolio companies, which have their own parameters and autonomy to manage their data. In some cases, this prevents the reporting of broken-down data.	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
102-9	Supply chain	<p>Boundary: Votorantim (investment holding company)</p> <p>Details:</p> <p>As detailed in Votorantim's 2021 Annual Report and the introduction section of this document, Votorantim has a simple structure, with office activities aimed at managing the investments of its shareholder family. For the purpose of reporting this standard, the following definitions were used:</p> <ul style="list-style-type: none">• Supply chain: The sequence of activities or parties that supply products or provide services to the organization.• Products: Article or substance offered for sale or that is part of a service provided by the organization.• Service: Action by an organization to satisfy a demand or need. <p>For detailed information on the supply Chain of each portfolio company, consult their individual resources.</p>	None	None	N/A
102-10	Significant changes to the organization and its supply chain	<p>Boundary: Votorantim (investment holding company)</p> <p>Details:</p> <p>Significant changes are understood as those that, when omitted or distorted, may influence the readers' perception of the Report. They include changes in the investment portfolio, share capital and other activities related to capital formation, maintenance or alteration.</p>	None	None	N/A
102-11	Precautionary principle or approach	<p>Boundary: Votorantim (investment holding company)</p> <p>Details:</p> <p>As an investment manager, Votorantim's precautionary principle is related to its risk appetite and market and financial risk policies, as well as the effectiveness of the risk management policies adopted by the portfolio companies and in relation to participation in their governance bodies.</p>	None	None	N/A
102-15	Key impacts, risks and opportunities	<p>Boundary: Votorantim (investment holding company)</p> <p>Details:</p> <p>The main impacts, risks and opportunities included in the Report are identified and prioritized by the executive board and its respective committees and governance bodies, which systematically and routinely monitor the strategic aspects of the holding company's business.</p>	None	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
102-22	Composition of the highest governance body and its committees	Boundary: Votorantim (investment holding company) Details: The Board of Directors is composed of at least six and at most seven members, elected and dismissed at any time by General Meeting. They will serve a three-year term and are allowed to be reelected. The Executive Board is composed of at least three and at most seven members, all without specific designation, resident in the country, shareholders or not, who can be elected and dismissed at any time by the Board of Directors. They will serve a one-year term and are allowed to be reelected.	None	None	N/A
102-23	Chair of the highest governance body	Boundary: Votorantim (investment holding company) Details: Serves a three-year term; no alternated members are nominated.	None	None	N/A
102-25	Conflicts of interest	Boundary: Votorantim (investment holding company) Details: According to Votorantim's Code of Ethics and Conduct: "Conflict of interest in the employee-company relationship occurs when an employee uses his/her influence or commits acts with the intention of benefiting personal interests."	None	None	N/A
102-30	Effectiveness of risk management processes	Boundary: Votorantim (investment holding company) Details: Continuity plan for insurable risks for the holding company's processes and financial policy revised annually to highlight financial risks.	None	None	N/A
102-41	Collective bargaining agreements	Boundary: Votorantim (investment holding company) Details: This standard includes permanent employees covered by Brazilian labor laws (CLT). The standard consolidates information from Votorantim, Reservas Votorantim, Votorantim Institute and the Center of Excellence. Specific information on the portfolio companies is available in their individual reports.	None	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
102-49	Changes in reporting	Boundary: Votorantim (investment holding company) Details: Significant changes in scope and boundaries in relation to previous reports are those that, when omitted or distorted, may influence the readers' perception of the Report, violating basic principles such as comparability.	None	None	N/A
103-1	Explanation of the material topic and its boundaries	The Report aims to address how Votorantim manages the topics that are considered material and their respective impacts. Since the materiality includes both topics that are cross-cutting and inherent to Votorantim's activity and topics that are specific to one or more portfolio companies, the reporting of standard 103-1 will specify, in each situation, the scope of the impacts (Votorantim or the portfolio companies), as well as the level of involvement of Votorantim's management in each topic and, consequently, its impact.	None	None	N/A

Standards – 200 Series

Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
201-1	Direct economic value generated and distributed	Boundary: Votorantim (investment holding company) Details: Covers Votorantim's financial results as an investment holding company. The model used follows the guidelines of CPC 09 and the International Accounting Standards Board (IASB).	None	None	N/A
205-2	Communication and training about anti-corruption policies and procedures	Boundary: Votorantim (investment holding company) Details: The Report includes awareness and training programs and campaigns promoted by Votorantim that have the portfolio companies as their target audience. Like the rest of the Report, the reporting of this standard reflects the base year 2021. The content and target audience of the programs are reported in a qualitative way. Despite being required, the percentages of employees and business partners reached are not reported due to different criteria used by the portfolio companies to classify and group these audiences.	None	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
205-3	Confirmed incidents of corruption and actions taken	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>Corruption is the effect or act of corrupting someone, including government officials, or something, with the purpose of obtaining advantages in relation to others by means considered illegal or illicit. Corruption includes practices such as bribery, facilitation payments, fraud, including in public tenders, extortion, collusion and money laundering.</p> <p>“Confirmed incidents of corruption” are considered to be the sum of individual cases identified as valid.</p> <p>Details per portfolio company:</p> <p>-</p>	<p>▶ Data reported by banco BV includes only operations in Brazil.</p>	None	N/A
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>For the purposes of this standard, the following definitions were used:</p> <ul style="list-style-type: none">▶ Unfair competition: Initiatives aimed at limiting the effects of market competition, such as fixing prices, imposing geographic quotas, coordinating bids and others.▶ Trust and monopoly: Unfair business practices, cartels and improper mergers that make competition difficult. <p>Due to their differences in size and business segment, the criteria for forming the basis of lawsuits related to unfair competition and violations of antitrust laws used by each company may depend on their particular and specific definitions of materiality, validated by the appropriate governance bodies of each company, and to the proper reporting of probable, possible and unlikely losses. However, this standard aims to consolidate any and all involvement in lawsuits related to these issues.</p> <p>Details per portfolio company:</p> <p>-</p>	<p>▶ Data reported by Votorantim Cimentos includes only operations in Brazil.</p>	None	N/A



Standards – 300 Series

Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
302-1	Energy consumption within the organization	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: Data is presented in GJ for each type of energy source, as described below:</p> <ul style="list-style-type: none"> ▶ Non-renewable energy sources: Those that cannot be replenished, reproduced, cultivated or generated in a short period of time through ecological cycles ▶ Renewable energy sources: Those that can be replenished in a short period of time through ecological cycles. Renewable energy sources include geothermal, wind, solar, hydro, biomass and others. <p>“Within the organization” refers to the energy consumed in the units operationally controlled by the portfolio companies (amounts are reported in the chapter “Portfolio Overview” of Votorantim’s 2021 Report. It includes offices, industrial plants and distribution centers</p> <p>To calculate this standard, each portfolio company must follow its own methodology, calculation rules and tools, and conversion rates used for this purpose. Such calculations may include, but are not limited to: energy balance of the plants and data reported by those responsible for the areas, most up to date GHG Protocol, and energy consumption as shown on electricity bills, among others.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ Votorantim Cimentos: GNR methodology for the Cement business and GHG Protocol for the other businesses. The energy figures reported by Votorantim Cimentos cover all the company’s operations, except for concrete, cement, mortar, aggregates (or other) operations in countries other than Brazil. ▶ Acerbrag: Conversion rates: <ul style="list-style-type: none"> • Electricity (MWh)*3.6 = GJ • Gas (Nm³)*9300*4.1868/10⁶= GJ ▶ CBA: For the plant, fuel consumption data was extracted from the GHG Protocol version 2021.0.1 calculation tool. For the other units, the same conversion rates as in previous years were used. CBA’s reporting for the indicator does not include the following operational units: Barro Alto, Rondon, Distribution Center, and Central Office. ▶ Citrosuco: GHG Protocol standard. ▶ Nexa: GHG Protocol standard. Nexa’s reporting for this indicator does not include the company’s offices located in Luxembourg and the United States. ▶ Reservas: Internally controlled data; conversion rates extracted from ISACTEEP. ▶ Votorantim Energia: Energy converted from MWh to GJ, considering 1MWh = 3.6GJ. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim. ▶ 2021 information from Citrosuco is not available. The reported information refers to the period between January and December 2020. ▶ Nexa’s reporting for this indicator does not include the offices located in Luxembourg and the United States. 	<p>Nexa’s energy (GRI Standards 302-1 and 302-3) and greenhouse gas emissions (GRI Standards 305-1 and 305-4) indicators had their 2020 data corrected and restated in Votorantim’s Annual Report 2021.</p>	<p>Due to the identification of an unintentional error in the compilation of fuel consumption data in one of the company’s operational units.</p>



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
303-3	Water withdrawal	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>Includes the total volume of water withdrawn from any water source, including water withdrawn for cooling. The data is obtained through direct measurements, but can also be estimated or modeled, depending on the practices of each company.</p> <p>This standard may include water withdrawn directly by the organization or through intermediaries, such as water supply companies.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ Citrosuco: The amount of reuse water reported by Citrosuco refers to water produced by the organization. Does not include data from operations abroad and the São Paulo office.	<ul style="list-style-type: none">▶ Standard not reported by Votorantim.▶ The data reported by Votorantim Cimentos includes all Cement operations and the Concrete operations in Brazil and Uruguay. Units of the company's other businesses are not included.▶ The figures reported by Citrosuco do not include the data from foreign operations and the São Paulo office.▶ Nexa's reporting for the indicator does not include the following operational units: Aripuanã and offices (São Paulo, Belo Horizonte, Peru, Luxembourg and the United States).	None	N/A
303-4	Water discharge	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>This standard refers to the total volume of water discharge, calculated by the sum of water effluents discharged as groundwater, surface water and sewage that flows into rivers, oceans, lakes, swamps, treatment facilities and groundwater in the period covered by the Report, through:</p> <ul style="list-style-type: none">▶ A specific discharge point (point source discharge).▶ Land surfaces in a dispersed or indefinite manner (non-point source discharge).▶ Wastewater taken from the organization by truck. <p>Discharge of collected rainwater and domestic sewage is not considered water discharge.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ Votorantim Cimentos: The data reported by Votorantim Cimentos is primarily based on estimates and includes all Cement operations. Units of the company's other businesses are not included.▶ Citrosuco: Considers the parameter that all areas of protected or restored habitat reported are 50% in the Cerrado biome and 50% in the Atlantic Forest biome.	<ul style="list-style-type: none">▶ Standard not reported by Votorantim.▶ The data reported by Citrosuco includes only operations in Brazil.▶ Nexa's reporting for the indicator does not include the following operational units: Aripuanã and offices (São Paulo, Belo Horizonte, Peru, Luxembourg, and the United States).	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
304-3	Habitats protected or restored	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>This standard refers to areas where restoration has been completed or that are actively protected. Two important definitions are considered for this consolidation:</p> <ul style="list-style-type: none">▶ Protected areas: A geographically defined area that is designated, regulated or managed to achieve specific conservation objectives.▶ Restored areas: Areas used during or affected by operational activities, and where mitigation measures have been implemented to restore the environment to its original state or to a state where it forms a healthy and functioning ecosystem. <p>The consolidation of this standard considers the total number of protected or restored areas, with emphasis on those that were identified with the participation of external experts or protocols.</p> <p>External experts include certifications or independent external evaluators who are qualified to participate in the identification. Furthermore, parameters and protocols are understood as clear guidelines of a classificatory nature, which follow criteria established by voluntary regulation, self-regulation or standards.</p> <p>Protected or restored habitats are located in Brazil (in the states of BA, CE, DF, GO, MG, MT, MS, PE, PA, PI, PR, RJ, RO, RS, SC, SP and TO).</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ CBA: The areas belonging to CBA in São Paulo and Goiás are managed and, therefore, were accounted for in the Report by Reservas Votorantim.	<ul style="list-style-type: none">▶ The data reported by Votorantim Cimentos includes only operations in Brazil.▶ The data reported by Citrosuco includes only the operations in Brazil.▶ Citrosuco considered the assumption that all reported areas of protected or restored habitat fall 50% within the Cerrado biome and 50% within the Atlantic Forest biome.	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
305-1	Direct (Scope 1) GHG emissions	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>Direct greenhouse gas emissions (Scope 1) from sources (units or processes that release GHGs into the atmosphere) owned or controlled by the organization.</p> <p>Direct greenhouse gas emissions (Scope 1) include, but are not limited to, CO2 emissions from fuel consumption reported in standard 302-1.</p> <p>To calculate this standard, each portfolio company must follow its own methodology, calculation rules and tools, and conversion rates used for this purpose. These calculations primarily follow the GHG Protocol methodology.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ Votorantim Cimentos: Emissions from the Cement business were calculated following the GCCA guidelines for calculating the industry's CO2 emissions. Emissions from other businesses were calculated according to the GHG Protocol guidelines. ▶ Acerbrag: Follows the parameters of the Argentine Secretary of Energy. ▶ CBA: Follows the parameters of the Brazilian GHG Protocol Program and uses the consolidation approach by operational control. ▶ Citrosuco: Follows the GHG Protocol standards. ▶ Nexa: Follows the GHG Protocol standards. ▶ Reservas: Follows the GHG Protocol standards. ▶ Votorantim Energia: Uses the Climas platform, which follows the methodological guidelines of the GHG Protocol, with adjustments and specifications. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim and banco BV. ▶ 2021 information from Citrosuco is not available. The reported information refers to the period between January and December 2020. ▶ The emissions data reported by Votorantim Cimentos cover all the company's operations, except those of concrete, cement, mortar, aggregates (or other) in countries other than Brazil. ▶ CBA's reporting for this indicator does not include the following operational units: Barro Alto, Rondon, Distribution Center, Head Office and Sorocaba Branch. 	<p>Nexa's energy (GRI Standards 302-1 and 302-3) and greenhouse gas emissions (GRI Standards 305-1 and 305-4) indicators had their 2020 data corrected and restated in Votorantim's Annual Report 2021.</p>	<p>Due to the identification of an unintentional error in the compilation of fuel consumption data in one of the company's operational units.</p>



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
305-2	Energy indirect (Scope 2) GHG emissions	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: Indirect greenhouse gas emissions (Scope 2) from company sources (units or processes that release GHG into the atmosphere), resulting from the generation of electricity, heat, cooling and steam imported and consumed by the organization. To calculate this standard, each portfolio company must follow its own methodology, calculation rules and tools, and conversion rates used for this purpose. These calculations primarily follow the GHG Protocol methodology.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ Votorantim Cimentos: Emissions from the Cement business were calculated following the GCCA guidelines for calculating the industry's CO2 emissions. Emissions from other businesses were calculated according to the GHG Protocol guidelines. ▶ Acerbrag: Follows the parameters of the Argentine Secretary of Energy. ▶ CBA: Follows the parameters of the Brazilian GHG Protocol Program and uses the consolidation approach by operational control. ▶ Citrosuco: Follows the GHG Protocol standards. ▶ Nexa: Follows the GHG Protocol standards. ▶ Reservas: Follows the GHG Protocol standards. ▶ Votorantim Energia: Uses the Climas platform, which follows the methodological guidelines of the GHG Protocol, with adjustments and specifications. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim, banco BV and Reservas Votorantim. ▶ 2021 information from Citrosuco is not available. The reported information refers to the period between January and December 2020. ▶ The amounts reported by Acerbrag refer to industrial units. ▶ The emissions data reported by Votorantim Cimentos cover all the company's operations, except those of concrete, cement, mortar, aggregates (or other) in countries other than Brazil. ▶ CBA's reporting for this indicator does not include the following operational units: Barro Alto, Rondon, Distribution Center, Head Office and Sorocaba Branch. ▶ Nexa's reporting for the indicator does not include the company's offices located in Luxembourg and in the United States. 	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
305-3	Other indirect (Scope 3) GHG emissions	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: Indirect greenhouse gas emissions (Scope 2) that result from the organization's activities but are produced by sources that do not belong to or are not controlled by the company. To calculate this standard, each portfolio company must follow its own methodology, calculation rules and tools, and conversion rates used for this purpose. These calculations primarily follow the GHG Protocol methodology.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ Votorantim Cimentos: Emissions from the Cement business were calculated following the GCCA guidelines for calculating the industry's CO2 emissions. Emissions from other businesses were calculated according to the GHG Protocol guidelines. ▶ Acerbrag: Follows the parameters of the Argentine Secretary of Energy. ▶ CBA: Follows the parameters of the Brazilian GHG Protocol Program and uses the consolidation approach by operational control. ▶ Citrosuco: Follows the GHG Protocol standards. ▶ Nexa: Follows the GHG Protocol standards. The total scope 3 emissions reported by Nexa for this report are preliminary. Final figures will be available in your individual report. ▶ Reservas: Follows the GHG Protocol standards. ▶ Votorantim Energia: Uses the Climas platform, which follows the methodological guidelines of the GHG Protocol, with adjustments and specifications. ▶ Acerbrag: The amounts reported include only data from industrial units. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim, banco BV, Reservas Votorantim and Acerbrag. ▶ 2021 information from Citrosuco is not available. The reported information refers to the period between January and December 2020. ▶ Nexa's reporting for the indicator does not include the company's offices located in Luxembourg and the United States. ▶ The total scope 3 emissions reported by Nexa for this report are preliminary. The final figures will be available in your individual report. 	None	N/A
306-3	Waste generated, by composition and disposal method	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: Standard reported in tonne of waste generated, broken down by type of waste, hazardous and non-hazardous, according to the National Solid Waste Policy, and disposal methods: composting, reuse, recycling, recovery (which includes energy recovery), incineration, landfill, underground injection, on-site storage or other methods indicated by the portfolio company at the time of data collection. The data is obtained through weighing, but can also be estimated, depending on the characteristics of each company.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ banco BV: Reports only the amount of waste sent for recycling and generated by construction. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim and Reservas Votorantim. ▶ The amounts reported by Acerbrag refer to industrial units. ▶ CBA's reporting for the indicator does not include the following operational units: Barro Alto, Rondon, Distribution Center and Central Office. ▶ Nexa's reporting for the indicator does not include the following operational units: São Paulo, Belo Horizonte, Peru, Luxembourg and United States offices. 	The historical data reported in the indicator by Votorantim Cimentos has been restated due to a revision in the consolidation method used in 2019 and 2020.	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justification
308-1	New suppliers that were screened using environmental criteria	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>The standard provides a relative assessment (in %) of new suppliers screened using environmental criteria (numerator) in relation to all new suppliers (denominator), according to the following definitions:</p> <ul style="list-style-type: none">▶ New suppliers: First-time suppliers selected, approved and/or contracted during the period covered by the report.▶ Environmental criteria: Assessments can be informed by audits, contractual reviews, documentation review at the time of approval, approval updates, involvement of both parties, and complaint and grievance mechanisms related to environmental aspects, including but not limited to, legal compliance, history of non-compliance, fines and sanctions and evaluation of policies and processes to mitigate environmental risks that may lead to operational, reputational, legal or financial damage to the supplier or the portfolio company itself. <p>Given the variety of sectors and segments, it is up to each portfolio company to determine the relevant criteria for its procedures, according to its specific characteristics.</p> <p>Details per portfolio company:</p> <p>-</p>	<ul style="list-style-type: none">▶ The data reported by Votorantim Cimentos includes only operations in Brazil.▶ Nexa's reporting for the indicator does not include the company's offices located in Luxembourg and the United States.	None	N/A
308-2	Negative environmental impacts in the supply chain and actions taken	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>The standard provides a relative assessment (in %) of suppliers screened using environmental criteria (numerator) in relation to all active suppliers (denominator), according to the following definitions:</p> <ul style="list-style-type: none">▶ Suppliers: Suppliers that are considered active by the company and were selected, approved and/or contracted before the period covered by the Report.▶ Environmental criteria: Assessments can be informed by audits, contractual reviews, documentation review at the time of approval, approval updates, involvement of both parties, and complaint and grievance mechanisms related to environmental aspects, including but not limited to, legal compliance, history of non-compliance, fines and sanctions and evaluation of policies and processes to mitigate environmental risks that may lead to operational, reputational, legal or financial damage to the supplier or the portfolio company itself. <p>Given the variety of sectors and segments, it is up to each portfolio company to determine the relevant criteria for its procedures, according to its specific characteristics.</p> <p>Details per portfolio company:</p> <p>-</p>	<ul style="list-style-type: none">▶ Nexa's reporting for the indicator does not include the company's offices located in Luxembourg and the United States.	None	N/A



Standards – 400 Series

Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justifications
401-1	New employee hires and employee turnover	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>The aggregated information is reported by gender and age group, according to the following consolidation criteria:</p> <ul style="list-style-type: none">▶ Rates are calculated based on the total number of employees at the end of the reporting period (12/31/2021).▶ The total number of employees used in the turnover calculation does not include seasonal workers, interns and apprentices.▶ The new hire rate is calculated by the total number of employees hired by gender and age group (numerator) in relation to the total number of employees at the end of the reporting period (denominator).▶ Only employees hired under the Brazilian labor laws (CLT) are included.▶ The turnover rate is calculated by the total number of employees dismissed by gender and age group (numerator) in relation to the total number of employees at the end of the reporting period (denominator). <p>Details per portfolio company:</p> <p>-</p>	None	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justifications
403-9	Work-related injuries	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: This standard includes occupational health and safety data related to company employees, that is, those who have a direct relationship with the organization, according to the same parameters as standard 102-8. Data is broken down by region (Brazil and other countries), according to the following parameters:</p> <ul style="list-style-type: none">▶ Man hours worked: Absolute number of man hours worked, considering the working hours per week, month or year defined in accordance with local laws and practices relating to working hours.▶ Number of injuries: Consolidates only lost-time incidents.▶ Fatalities: Consolidates the absolute number of deaths in the period covered by the Report.▶ Lost time: Refers to "calendar days" or "business days", depending on the classification used by each portfolio company.▶ Contractors: Workers who are not employees but whose work and/or workplace is controlled by the organization.▶ High-consequence work-related injuries: Work-related injuries that result in critical or irreversible consequences, such as multiple traumas, amputations, crushing, spinal fractures, spinal cord injuries and others. Each company may have specific rules for determining high-consequence injuries.▶ Recordable work-related injuries: Follow the legal requirements of each area where the companies are located. <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ Acerbrag: The total number of contracted employees reported by Acerbrag includes fixed and mobile outsourced employees. Reported man hours worked is calculated based on estimates. For the number of injuries with serious consequence (except deaths), accidents classified from severity level 4 onwards, detailed in Acerbrag's internal procedures, were considered. For the number of reportable injuries, we considered work-related accidents of all severity levels described in the same procedures.▶ Votorantim Cimentos: For the number of injuries with serious consequences (except deaths), we considered the most serious accidents that are described in the following classifications: amputation (total or partial) of a body member; temporary or permanent loss or reduction of vision; crushing injuries to internal organs; severe burns; scalping and any other injury resulting from working in an enclosed space that leads to hypothermia. For the number of reportable injuries, we considered level 1 to 6 accidents detailed in the company's internal procedures.▶ Citrosuco: For the number of injuries with serious consequences (except fatalities), we considered level 3 and 4 accidents detailed in the internal procedures of Citrosuco. For the number of reportable injuries, the levels 1 to 4 described in the same procedures were considered.▶ CBA: For the number of injuries with serious consequence (except deaths), Level 4 and 5 accidents were considered, as detailed in the internal procedures of CBA. For the number of reportable injuries, levels 2 and 3 described in the same procedures were considered.▶ Nexa: Nexa considers as reportable injuries all work-related accidents recorded during the reporting period. For injuries with serious consequence, we considered level 4, 5 and 6 work accidents, detailed in the company's internal procedures.	<ul style="list-style-type: none">▶ The reporting of this standard by Votorantim Cimentos does not include Votorantim Cimentos' operations in Uruguay.	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justifications
404-1	Average hours of training per year per employee	<p>Boundary: Votorantim (investment holding company)</p> <p>Details general:</p> <p>This standard measures the average hours of training per employee provided by the Votorantim Academy, as described in Votorantim's 2021 Annual Report.</p> <p>For this standard, data us broken down by gender (male and female) and functional categories (director/president, manager, coordinator/consultant, technician/analyst/supervisor, trainee, operational worker, intern and apprentice).</p> <p>The number of hours were calculated according to the number of hours employees of the holding company and the portfolio companies spent on modules of the Votorantim Academy. These modules are available, for example, in the form of distance learning courses such as recorded classes, interactive content, webinars and lectures.</p>	None	None	N/A
405-1	Diversity of governance bodies and employees	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>This standard reflects the diversity of employees and members of governance bodies in terms of gender and age group (percentage).</p> <p>The assessment included the following categories: director/president, manager, coordinator/consultant, technician/analyst/supervisor, trainee, operational worker, intern, apprentice and others. The calculation of the total number of employees follows the same consolidation rule used for standard 102-8.</p> <p>Members of governance bodies are directors and presidents.</p> <p>Details per portfolio company:</p> <p>-</p>	None	None	N/A
406-1	Incidents of discrimination and corrective actions taken	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>The following definitions were used for the consolidation of this standard:</p> <ul style="list-style-type: none">▶ Discrimination: The act and result of treating a person unequally, imposing unequal burdens or denying them benefits, rather than treating each person fairly on the basis of individual merit. Discrimination may also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person toward whom they are addressed.▶ Confirmed cases: Each individual case of discrimination that has been found to be valid. <p>The consolidated base is formed by the number of cases of discrimination received by the complaint channels available in each portfolio company, according to the following classifications: (i) race, (ii) color, (iii) age group, (iv) gender, (v) religion, (vi) political opinion, (vii) nationality, (viii) social origin, (ix) harassment and abuse of power and (x) other cases involving internal and/or external stakeholders in the operations.</p> <p>The reporting includes cases classified as "unfounded", "under analysis" or "confirmed" on 12/31/2021.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ Votorantim Cimentos: One case is currently classified as "inconclusive" (that is, despite being confirmed, it was not possible to gather enough information to classify it as "valid" or "unfounded").	None	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justifications
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: For the purpose of consolidating this standard, “at significant risk” refers to the real possibility of operations or suppliers being involved in incidents of child labor, whether due to a history of incidents in a particular sector or link in the chain, or due to the presence of operations or suppliers in regions with increased social vulnerability, for example. A “child” is any person under the age of 15 or under the age of completion of compulsory studying (whichever is higher), except in certain countries where the economy and education system are not sufficiently developed, in which cases a minimum age of 14 years might apply. A “young person” is any person under the age of 18 years, the age of majority in Brazil, which is established by Votorantim’s internal policies as the minimum age for hiring. “Hazardous work” refers to activities and functions that pose a threat to the life or health of the employee, as determined by Brazilian labor laws.</p> <p>Details per portfolio company: -</p>	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim Cimentos. ▶ Citrosuco’s numbers reflect the evaluations carried out in the company’s operations and suppliers only in Brazil. ▶ The data reported by banco BV includes only operations in Brazil. ▶ CBA’s reporting for the indicator does not include the Metalex operating unit. ▶ Nexa’s reporting for the indicator does not include the company’s offices located in Luxembourg and the United States. 	None	N/A
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: For the purpose of consolidating this standard, “at significant risk” refers to the real possibility of operations or suppliers being involved in incidents of forced or compulsory labor, whether due to a history of incidents in a particular sector or link in the chain, or due to the presence of operations or suppliers in regions with increased social vulnerability, for example. “Forced or compulsory labor” is defined as all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily (ILO Convention 29 on Forced Labor), and also debt-induced labor or work in degrading condition (as established by the Brazilian Federal Constitution, article 5).</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ banco BV: Considers the number of new customers in 2021 screened for social and environmental risk. The bank reports the total number of customers screened in 2021 by the social and environmental risk area with activities in sectors at significant risk for incidents of compulsory labor. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim Cimentos. ▶ The data reported by banco BV includes only operations in Brazil. ▶ Citrosuco’s numbers reflect the evaluations carried out in the company’s operations and suppliers only in Brazil. ▶ CBA’s reporting for the indicator does not include the Metalex operating unit. ▶ Nexa’s reporting for the indicator does not include the company’s offices located in Luxembourg and the United States. 	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justifications
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: The consolidation of this standard includes all units in Votorantim’s 2021 Annual Report, including offices, plants, distribution centers and others. “Human rights reviews” are formal or documented assessment process that applies a set of human rights performance criteria. Impact assessments related to human rights are necessary instruments to fulfill the responsibility of preventing, mitigating and repairing negative impacts of business on human rights and establishing the parameters and guidelines necessary for their effectiveness. Countries where the company operates are only counted once in cases where different portfolio companies operate in the same country.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ banco BV: Considers the number of new customers in 2021 screened for social and environmental risk. The bank reports the total number of customers screened in 2021 by the social and environmental risk area with activities in sectors at significant risk for incidents of compulsory labor. 	<ul style="list-style-type: none"> ▶ Standard not reported by Votorantim Cimentos, Reservas Votorantim and Votorantim. ▶ The data reported by banco BV includes only operations in Brazil. 	None	N/A
413-1	Operations with local community engagement, impact assessments, and development programs	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general: The consolidation of this standard includes all units in Votorantim’s 2021 Annual Report, including offices, plants, distribution centers and others. “Local development program” are those that detail actions to minimize, mitigate or compensate for adverse social and economic impacts, and/or to identify opportunities or actions to enhance positive impacts of a project on the community. Social impact assessment programs may relate to impact as part of participatory processes, environmental impact assessments and continuous monitoring, public communication of the results of environmental and social impact assessments, local development programs based on the needs of local communities, comprehensive processes of consultation to the local community including vulnerable groups, working committees and councils, occupational health and safety commissions and other worker representative bodies to discuss impacts, and formal processes to register complaints by local communities.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none"> ▶ Votorantim Cimentos: The total number of operating units included in the reporting of the standard differs from the total number of operating units reported by Votorantim Cimentos for standard 102-7, considering the parameter of impact in the municipalities covered by community involvement, social impact assessment or local development programs. 	<ul style="list-style-type: none"> ▶ Standard not reported by banco BV and Votorantim. ▶ Votorantim Cimentos considers, for the reporting of the indicator, the operational units in the territories of Latin America, VCEAA (Spain, Morocco, Tunisia and Turkey) and VCNA (United States and Canada). 	None	N/A



Standard	Description	Reporting criteria and parameters	Exceptions	Changes	Justifications
414-1	New suppliers that were screened using social criteria	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>This standard provides a relative assessment (in %) of new suppliers screened for environmental issues (numerator) in relation to all new suppliers (denominator), according to the following definitions:</p> <ul style="list-style-type: none">▶ New suppliers: First-time suppliers selected, approved and/or contracted in the period covered by the Report.▶ Social impact: Assessments can be informed by audits, contractual reviews, documentation review at the time of approval, approval updates, involvement of both parties, and complaint and grievance mechanisms related to social aspects, including but not limited to, violations of human rights and labor practices, and impact on society, presented separately in the consolidation of this standard. <p>Given the variety of sectors and segments, it is up to each portfolio company to determine the relevant criteria for its procedures, according to its specific characteristics.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ banco BV: The total number of new suppliers includes suppliers that were not submitted to an approval process in 2021, since it is not required in this segment.	<ul style="list-style-type: none">▶ Data reported by Votorantim Cimentos includes only operations in Brazil.▶ Nexa's reporting for the indicator does not include the company's offices located in Luxembourg and the United States.	None	N/A
414-2	Negative social impacts in the supply chain and actions taken	<p>Boundary: Consolidated (Votorantim + portfolio companies)</p> <p>Details general:</p> <p>This standard provides a relative assessment (in %) of suppliers screened for environmental issues (numerator) in relation to all active company suppliers (denominator), according to the following definitions:</p> <ul style="list-style-type: none">▶ Suppliers: Suppliers that are considered active by the company and were selected, approved and/or contracted before the period covered by the report.▶ Social impacts: Assessments can be informed by audits, contractual reviews, documentation review at the time of approval, approval updates, involvement of both parties, and complaint and grievance mechanisms related to social aspects, including but not limited to, violations of human rights and labor practices, and impact on society, presented separately in the consolidation of this standard. <p>Given the variety of sectors and segments, it is up to each portfolio company to determine the relevant criteria for its procedures, according to its specific characteristics.</p> <p>Details per portfolio company:</p> <ul style="list-style-type: none">▶ banco BV: The total number of suppliers includes those that were not submitted to an approval process in 2021, since it is not required in this segment.	<ul style="list-style-type: none">▶ Data reported by Votorantim Cimentos includes only operations in Brazil.▶ Nexa's reporting for the indicator does not include the company's offices located in Luxembourg and the United States.	None	N/A



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Consolidated balance sheet

Ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents	9	13,680	9,783
Financial investments	10	3,132	5,678
Derivative financial instruments	6.1.1 (a)	106	221
Derivative financial instruments – put option	6.1.1 (b)	4,704	
Trade receivables	11	3,679	3,209
Inventory	12	7,167	4,724
Taxes recoverable	14	2,709	2,033
Dividends receivable	15	305	176
Electric power futures contracts	16	845	49
Other assets		944	538
		37,271	26,411
Assets classified as held-for-sale	34	1,281	25
		38,552	26,436
Non-current assets			
Long-term receivables			
Financial investments	10		20
Financial instruments – shares	13	2,801	2,590
Derivative financial instruments	6.1.1 (a)	847	1,945
Derivative financial instruments – put option	6.1.1 (b)		252
Taxes recoverable	14	2,033	2,966
Related parties	15	225	196
Deferred income tax and social contribution	23 (b)	2,696	2,731
Judicial deposits	24 (b)	214	193
Electric power futures contracts	16	2,962	9
Securitization of receivables		211	149
Other assets		705	701
		12,694	11,752
Investments			
Advance for investment property	1.1 (aa)	58	
Property, plant and equipment	18 (a)	35,078	30,105
Intangible assets	19 (a)	16,703	14,594
Right to use assets arising from leases	21 (a)	1,492	797
Biological assets		90	96
		79,806	70,042
Total assets		118,358	96,478

	Note	2021	2020
Liabilities and equity			
Current assets			
Borrowing	20 (a)	603	1,407
Derivative financial instruments	6.1.1 (a)	556	511
Lease liabilities	21 (b)	330	235
Confirming payables	22	3,405	2,380
Trade payables		6,914	5,404
Salaries and payroll charges		1,377	1,174
Taxes payable		1,627	760
Advances from clients		188	182
Dividends payable	15	1,624	44
Use of public assets – UBP	25	175	97
Financial instruments – firm commitment	16	800	75
Deferred revenue – silver streaming		185	141
Other liabilities		1,529	924
		19,313	13,334
Liabilities related to assets held-for-sale	34	1,163	2
		20,476	13,336
Non-current assets			
Borrowing	20 (a)	24,401	23,658
Derivative financial instruments	6.1.1 (a)	526	2,412
Lease liabilities	21 (b)	1,221	623
Deferred income tax and social contribution	23 (b)	3,824	2,373
Related parties	15	75	11
Provision	24 (a)	3,751	3,586
Use of public assets – UBP	25	1,692	1,400
Pension plan and post-employment health care benefits	26	563	524
Financial instruments – firm commitment	16	3,063	210
Deferred revenue – silver streaming		637	722
Other liabilities		841	827
		40,594	36,346
Total liabilities		61,070	49,682
Equity			
Share capital		28,656	28,656
Revenue reserves		14,741	8,806
Carrying value adjustments	27 (c)	6,518	4,879
Total equity attributable to the owners of the Company		49,914	42,341
Non-controlling interests		7,374	4,455
Total equity		57,288	46,796
Total liabilities and equity		118,358	96,478



Consolidated statement of income

Years ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2021	2020
Continuing operations			
Net revenue from products sold and services rendered	28	49,008	35,383
Cost of products sold and services rendered	29	(37,934)	(28,424)
Gross profit		11,074	6,959
Operating expenses (income)			
Selling	29	(901)	(889)
General and administrative	29	(2,841)	(2,503)
Other operating income (expenses), net	30	605	(2,294)
		(3,137)	(5,686)
Operating profit before equity results and finance results		7,937	1,273
Results from equity investments			
Equity in the results of investees	17 (c)	585	727
Realization of other comprehensive income on disposal of investments		20	
		605	727
Finance results, net	31		
Finance income		908	660
Finance costs		(3,014)	(2,979)
Result of derivative financial instruments		4,386	(121)
Foreign exchange losses, net		(505)	(1,027)
		1,775	(3,467)
Profit (loss) before income tax and social contribution		10,317	(1,467)

	Note	2021	2020
Income tax and social contribution	23 (a)		
Current		(1,801)	(900)
Deferred		(1,631)	(686)
Profit (loss) from continuing operations		6,885	(3,053)
Discontinued operations	34		
Profit (loss) on discontinued operations		235	(12)
Profit (loss) for the period attributable to the owners of the Company		7,120	(3,065)
Profit (loss) attributable to the owners of the Company		6,400	(1,636)
Profit (loss) attributable to non-controlling interests		720	(1,429)
Profit (loss) for the period		7,120	(3,065)
Weighted average number of shares - thousands (to the owners of the Company)		18,278,789	18,278,789
Basic and diluted earnings (loss) per thousand shares, in reais		350.13	(89.50)
From continuing operations			
Basic and diluted earnings (loss) per thousand shares, in reais		337.27	(88.84)
From discontinued operations			
Basic and diluted earnings (loss) per thousand shares, in reais		12.86	(0.66)



Consolidated statement of comprehensive income

Years ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2021	2020
Net income (loss) for the year		<u>7,120</u>	<u>(3,065)</u>
Other components of comprehensive income to be subsequently reclassified to profit or loss			
Attributable to the owners of the Company	27 (c)		
Foreign exchange variations		621	3,062
Hedge accounting for net investments abroad, net of taxes		(12)	(289)
Hedge accounting for the operations of subsidiaries		601	(636)
Fair value of assets available for sale of unconsolidated investments		(3)	(25)
Realization of comprehensive income in the sale of shareholding		(265)	(173)
Adjustment to fair value of shares, net of taxes		144	712
Inflation adjustments for hyperinflationary economies		583	426
Participation in other comprehensive results of investees		(58)	(2)
Attributable to non-controlling			
Foreign exchange variations of investees		88	961
Hedge accounting for the operations of subsidiaries		47	
Effect of dilution of equity interest - acquisition of investee			(3)
Participation in other comprehensive results of investees			(7)
		<u>1,746</u>	<u>4,026</u>

	Note	2021	2020
Other components of comprehensive income that will not be reclassified to profit or loss			
Attributable to the owners of the Company	27 (c)		
Remeasurement of retirement benefits, net of taxes		37	(169)
Credit risk of debts measured at fair value		(9)	25
Attributable to non-controlling			
Remeasurement of retirement benefits, net of tax		12	
Other components of comprehensive income for the period		<u>1,786</u>	<u>3,882</u>
Of operations			
Continued operations		8,671	829
Discontinued operations		235	(12)
		<u>8,906</u>	<u>817</u>
Comprehensive income attributable to			
Owners of the Company		8,039	1,295
Non-controlling interests		867	(478)
		<u>8,906</u>	<u>817</u>



Consolidated statement of charges in equity

Years ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	Attributable to the owners of the Company							Non-controlling interests	Total equity
		Share capital	Tax incentives	Legal	Profit retention	Retained (loss) earnings	Carrying value adjustments	Total		
At January 1, 2020		28,656	10	1,032	10,123		1,948	41,769	5,138	46,907
Loss for the year						(1,636)		(1,636)	(1,429)	(3,065)
Other components of comprehensive income							2,931	2,931	951	3,882
Comprehensive income for the year						(1,636)	2,931	1,295	(478)	817
Distribution of dividends					(800)			(800)	(205)	(1,005)
Effect of liquidation of related parties on the spin-off of investees					37			37		37
Reversal of deliberate dividends and interest on equity					40			40		40
Loss absorption					(1,636)	1,636				
					(2,359)	1,636		(723)	(205)	(928)
At December 31, 2020		28,656	10	1,032	7,764		4,879	42,341	4,455	46,796
At January 1, 2021		28,656	10	1,032	7,764		4,879	42,341	4,455	46,796
Profit for the year						6,400		6,400	720	7,120
Other components of comprehensive income							1,638	1,638	147	1,786
Comprehensive income for the year						6,400	1,638	8,038	867	8,905
Distribution of dividends					(1,016)			(1,016)	(176)	(1,192)
Effect in the dilution on interest in investee – McInnis	1.1 (o)				1,513			1,513	1,314	2,827
Gain in the dilution on interest in investee – CBA					214			214	914	1,128
Net gain on sale of shares of investee – CBA					344			344		344
Mandatory minimum dividends						(1,520)		(1,520)		(1,520)
Constitution of reserves				320	4,560	(4,880)				
Total contributions and distributions to shareholders				320	5,615	(6,400)		(465)	2,052	1,587
At December 31, 2021		28,656	10	1,352	13,379		6,517	49,914	7,374	57,288



Consolidated statement of cash flows

Years ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2021	2020
Cash flow from operating activities			
Profit (loss) before income tax and social contribution		10,317	(1,467)
Profit (loss) of discontinued operations		235	(12)
Adjustments to items that do not represent changes in cash and cash equivalents			
Depreciation, amortization and depletion	29	3,637	3,293
Depreciation, amortization and depletion - discontinued operations	29	90	
Equity in the results of investees	17 (a)	(585)	(727)
Interest, indexation and foreign exchange variations		1,851	2,071
Provisions (reversal) for the impairment of fixed and intangible assets	30	(559)	2,778
Provisions for the impairment of investments	30	827	
Loss on sales of fixed and intangible assets, net		104	74
Adjustment to fair value of loans and financing	20 (b)	(53)	95
Constitution of provisions, net		602	202
Derivative financial instruments		66	252
Electric power future contracts	16	(171)	54
Net revenue on sale of investments	30	(629)	(427)
Net gain from financial instrument - put option	6.1.1 (b)	(4,452)	403
Gain on purchase of investee	30	(243)	(366)
PIS and COFINS credit recognition on the ICMS calculation basis			(168)
Provision (reversal) for estimated loss from doubtful accounts, net			(44)
Renegotiation of hydrological risk	19	(448)	
Loss on debt renegotiation		382	17
		10,971	6,028

	Note	2021	2020
Decrease (increase) in assets			
Financial investments		2,910	(1,040)
Derivative financial instruments		(840)	(239)
Trade accounts receivable		(592)	73
Inventory		(2,425)	45
Taxes to recover		62	754
Related parties		(25)	33
Judicial deposits		(30)	125
Other accounts receivable and other assets		38	(64)
Increase (decrease) in liabilities			
Trade payables		1,642	(111)
Salaries and social charges		230	250
Use of public assets		158	(8)
Taxes payable		352	(230)
Advances from customers		50	57
Confirming payables			729
Other obligations and other liabilities		280	(242)
Cash provided by operating activities		13,755	6,160
Interest paid on borrowing and use of public assets		(1,425)	(1,320)
Income tax and social contribution paid		(1,163)	(407)
Net cash provided by operating activities		11,167	4,433



Consolidated statement of cash flows

Years ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2021	2020
Cash flow from investment activities			
Proceeds from disposals of fixed and intangible assets		840	242
Net cash received on sale of shares		910	
Sale of financial instruments – shares		1,615	1,462
Acquisition of financial instruments – shares		(1,368)	
Dividends received		471	172
Acquisitions of property, plant and equipment	18	(5,346)	(3,516)
Advance for acquisition of investment properties		(58)	
Increase (reduction) in biological assets			(7)
Acquisitions of investments		(593)	(222)
Increase in intangible assets	19	(666)	(22)
Net cash used in investment activities		(4,195)	(1,891)
Cash flow from financing activities			
New borrowing	20 (b)	4,414	11,772
Repayment of borrowing	20 (b)	(6,779)	(10,846)
Repayment of leasing contracts		(363)	(251)
Derivative financial instruments		42	55
Funding by public offering of investee shares		657	
Dividends paid		(1,132)	(1,041)
Net cash used in financing activities		(3,161)	(311)

	Note	2021	2020
Increase (decrease) in cash and cash equivalents			
		3,811	2,231
Effect of companies excluded from consolidation		(133)	7
Effect of fluctuations in exchange rates		219	1,283
Cash and cash equivalents at the beginning of the year		9,783	6,262
Cash and cash equivalents at end of the year		13,680	9,783
Non-cash transactions			
Acquisition of investments with issuance of shares	1.1 (o)	2,827	



Consolidated statement of value added

Years ended December 31 – All amounts in millions of reais unless otherwise stated (A free translation of the original in Portuguese)

	Note	2021	2020
Revenue			
Sales of products and services		56,586	40,489
Estimated loss on doubtful accounts	11	68	(31)
Other operating income, net	30	46	484
		56,700	40,942
Inputs acquired from third parties			
Raw materials and other production inputs		(31,948)	(22,915)
Materials, energy, outsourced services and others		(887)	(821)
Impairment of assets	30	559	(2,778)
Gross value added		24,424	14,428
Depreciation, amortization and depletion	18, 19 and 21	(3,637)	(3,293)
Net value added generated by the Company		20,787	11,135
Value added received through transfers			
Equity in the results of investees	17	585	727
Finance income and foreign exchange losses		9,464	6,026
		10,049	6,753
Total value added to distribute		30,836	17,888

	Note	2021	2020
Distribution of value added			
Personnel and payroll charges			
Direct remuneration		3,373	2,873
Social charges		1,151	1,122
Benefits		737	709
		5,261	4,704
Taxes and contributions			
Federal		4,645	2,909
State		4,089	2,798
Municipal		23	18
Deferred taxes		1,631	686
		10,388	6,411
Third-party capital remuneration			
Finance costs and foreign exchange losses		7,689	9,493
Rentals		378	345
		8,067	9,838
Own capital remuneration			
Non-controlling interests		720	(1,429)
Dividends		(2,712)	(1,005)
Reinvested profits (offset losses)		8,877	(619)
Loss on discontinued operations		235	(12)
		7,120	(3,065)
Value added distributed		30,836	17,888



Notes to the consolidated financial statements

at December 31, 2021 – All amounts in millions of reais unless otherwise stated

1. General considerations

Votorantim S.A. (the Company, the Parent Company, or VSA), is a long-term Brazilian holding company. With its headquarters in the city of São Paulo, Brazil, the Company's purpose is to manage assets and companies, and to invest in other companies in order to further its objectives.

The Company, through its subsidiaries and associates, operates in the following segments: building materials, finance, aluminum, clean and renewable energy, metals and mining, agrobusiness, long steel, real estate and infrastructure.

1.1. Main events that occurred during the year of 2021

(a) Prepayment of export credit note – Nexa

During the first half of 2021, the subsidiary Nexa Resources S.A. (Nexa) prepaid the outstanding principal and accrued interest of an Export Credit Note in Brazil in the amounts of Brazilian Reais (R\$) 495 and R\$ 16, respectively.

On June 28, 2021, the subsidiary Nexa prepaid the outstanding principal of a Credit Line in the amount of United States Dollars (USD) 43 million (R\$ 234)

(b) Sale of Suzano shares – VSA

On January 23, 2021, VSA sold 25,000,000 common shares in Suzano S.A (Suzano) held by the Company, totaling a net gain of R\$ 415. After the sale, VSA held 25,180,059 common shares, corresponding to approximately 1.9% of Suzano's total and voting capital.

(c) Dividend distribution – Nexa

On February 11, 2021, the Board of Directors of Nexa approved the distribution of total dividends to shareholders of approximately USD 35 million (R\$ 121), which was paid on March 12, 2021.

During the year ended December 31, 2021, the indirect subsidiary Pollarix S.A. (Pollarix) declared dividends of R\$ 132 to minority interests held by Votorantim Geração de Energia S.A., an intercompany.

(d) Use of a Committed Credit Facility by St. Marys Cements Inc. (St. Marys)

During 2021, to face the period of seasonality in the northern hemisphere, the indirect subsidiary St. Marys made an additional withdrawal from the revolving credit line Committed Credit Facility. As of December 31, 2021, the amount used under this credit facility totaled the equivalent of USD 46 million, considering the exchange rate on the withdrawal dates for amounts withdrawn in Canadian dollars. The amount of USD 244 million remained at the disposal of the Company's subsidiaries for further withdrawals.



(e) Incident at the collecting substation of the jointly controlled company VTRM Energia Participações S.A. (VTRM)

On February 12, 2021, an incident at the collecting substation that links the companies in the Ventos do Araripe III complex, formed by wind farms belonging to the jointly controlled VTRM, caused the remaining power transformer to be disconnected from this substation. This caused a complete interruption in the flow of power generation from the complex, since the other transformer was out of operation due to an accident in June 2020. The park returned to commercial operation on April 29, 2021, the final date of the repair of the transformer that had been out of operation since June 2020. In the interim, while there is only one transformer, the generation of the park will be limited.

Concerning the second incident, VTRM Management contacted the manufacturer of the transformer and the main companies in the sector to obtain an opinion on the feasibility of the transformer's repair or need for replacement, and, due to a favorable opinion on the likelihood of successful repair, proceeded with its repair.

The interruption in the flow of power generation from the complex should be reflected in the provision for annual reimbursement that the companies calculate on a monthly basis due to the effective generation of energy, with a consequent reduction in the net revenue of the companies, until the situation is normalized. This impact has been minimized due to the insurance policy that the subsidiaries have for the main risks associated with the assets, including damage to transformers, with coverage for material damages and loss of profits.

During 2021, the subsidiary Votorantim Geração de Energia S.A. (VGE) discussed with the insurer the assumptions involved in calculating the indemnity for claims and submitted its claim for evaluation.

With regard to the first claim, the insurer signaled in August 2021 that the total indemnity amount will be around R\$53 (R\$ 5 for material damages and R\$ 48 for loss of profits).

On December 28, 2021, R\$ 5 was received through the subsidiary of VTRM, Ventos de Santo Augusto, and R\$ 46 through the subsidiary VTRM, there is still an outstanding amount of R\$ 2, which will be paid in the first quarter of 2022.

(f) Issue of Certificates of Real Estate Receivables (CRI) – Votorantim Cimentos S.A. (VCSA)

On February 15, 2021, through RB Capital Companhia de Securitização, the subsidiary VCSA and the indirect subsidiary Votorantim Cimentos N/NE S.A. (VCNNE) issued Certificates of Real Estate Receivables (CRI) in the Brazilian capital market, amounting to R\$ 400, maturing in 2033. The subsidiary VCSA and the indirect subsidiary VCNNE contracted a forward derivative financial instrument (swap) which aims to exchange the exposure of the floating IPCA + rate to floating rate CDI +.

(g) 12th issue of debentures by VCSA

In 2021, the subsidiary VCSA and indirect subsidiary VCNNE amortized their debentures maturing in 2023 and 2024, amounting to R\$ 1,570, with emphasis on: (i) VCSA fully amortized its 2nd public issue of debentures in the amount of R\$ 800; (ii) VCSA partially amortized its 6th and 8th public issuances of debentures in the amount of R\$ 207 and R\$ 113, respectively; and (iii) VCNNE fully amortized its 1st public issue of debentures in the amount of R\$ 450.

On the other hand, the subsidiary VCSA raised the aggregate amount of R\$950 through its 12th and 13th public issuances of debentures, with restricted placement efforts, maturing in 2026 and 2028, respectively.

(h) Approval of dividend distribution – VCSA

At the Extraordinary General Meetings of the subsidiary VCSA, held on February 25, 2021 and August 18, 2021, the shareholders approved the distribution of dividends in amount of R\$ 345 and R\$ 316, respectively, totaling R\$ 661. All of these dividends were paid in the period together with the mandatory minimum dividends for the year ended December 31, 2020 in the amount of R\$ 85.



Additionally, on December 13, 2021, the Board of Directors of subsidiary VCSA approved the distribution of dividends in the amount of R\$ 535, from retained earnings reserves, which were paid to shareholders in February 2022.

(i) Acquisition of shares in Tinka Resources Limited (Tinka) – Nexa

On March 17, 2021, the subsidiary Nexa acquired 29,895,754 common shares of Tinka, a company involved in the acquisition and exploration of minerals from properties located in Peru, in a private transaction at a price of Canadian Dollars (CAD) 0.26 per share. As a result, Nexa owns 8.8% of the issued and outstanding common shares of Tinka, which owns 100% of the Ayawilca zinc-silver project in Peru.

On April 16, 2021, the subsidiary Nexa acquired another 654,758 common shares of Tinka. As a result, after the operations carried out in March and April 2021, the subsidiary Nexa holds a total of approximately 9% of the issued and outstanding common shares of Tinka.

(j) Assets Retirement Obligation (ARO) remeasurement – Companhia Brasileira de Alumínio (CBA)

In March 2021, the subsidiary CBA updated its environmental obligations for the demobilization of assets, amounting to R\$ 73 for the Niquelândia unit, and concomitantly constituted impairment on this increase in fixed assets.

(k) Temporary suspension of the Extreme North Mine of Vazante – Nexa

In March 2021, during a regular inspection of the Extreme North mine in Vazante, operated by the subsidiary Nexa, above-normal ground displacements were identified in the area around the mine’s main access and escape route. The Extreme North mine requires aquifer dehydration for its operations, which leads to depressurization and can cause local disturbances in the rock mass surrounding the mine. As a preventive measure, activities in this area were temporarily suspended.

The subsidiary Nexa, supported by external experts, began a detailed analysis of the geological and geotechnical conditions to ensure the safety of its workers and the resumption of operating activities at the Extreme North mine.

In August 2021, the mine’s main access and escape route and the development of new mine areas were re-established. Thus, production at the Extreme North mine is expected to resume during the first quarter of 2022.

(l) GSF (Generation Scale Factor) – VCNNE, CBA, VGE and Nexa

As disclosed in the consolidated financial statements for the year ended December 31, 2020 (Note 1.1 (t)), the Company follows the regulatory process of Law No. 14.052, published on September 9, 2020, which establishes new conditions for the renegotiation of the hydrological risk of electricity generation, providing for the compensation of generators by extending the term of concession of their grants due to the occurrence of non-hydrological risks that negatively influenced the GSF after 2012.

In the first quarter of 2021, the indirect subsidiary VCNNE recognized credit with a gross amount of R\$ 58 and deferred taxes of R\$ 20 related to the renegotiation of the hydrological risk of electricity generation, by extending the concession period for the use of the public asset of the Pedra do Cavalo plant in 7 years.

The subsidiary CBA also recognized this credit, on March 31, 2021, with a total amount of R\$ 142 and deferred taxes of R\$ 48, by extending the concession period for the use of the public assets listed below:

Power Plant	Dead line of extension (in days)	Value
UHE Sobragi	567	34
UHE Piraju	1,783	37
UHE Ourinhos	1,941	20
UHE Salto do Rio Verdinho	2,555	51



The approval made by the Board of Directors did not extend to the Canoas, Machadinho, Barra Grande and Campos Novos plants, since they are not fully managed by the Company, but through consortia or other entities. All had their extension deadlines already approved by National Electric Energy Agency (ANEEL).

Power Plant	Approval resolution	Dead line of extension (in days)
Canoas 1	2,919	1,460
Canoas 2	2,919	1,467
Machadinho	2,932	1,180
Barra Grande	2,932	1,757
Campos Novos	2,932	1,318

With this, what is lacking is the deliberation by the governance bodies of each one by all of its consortium members and other shareholders, who must agree on their portions of right levied on the renegotiation before the effective approval.

For the subsidiary VGE, on March 1, 2021, the calculations of the extension of the grants of the plants that adhere to the renegotiation of the hydrological risk of the Free Contracting Environment (ACL) were presented and forwarded to ANEEL for analysis and approval, which should take place in up to 30 days (expected March 30, 2021). However, such approval did not take place within this period because of funds claimed by some plants with ANEEL, so that new conditions for the renegotiation of hydrological risk related to the Regulated Contracting Environment (ACR) were included. As a consequence, ANEEL requested that the GSF values be recalculated for a new round of analysis and approval.

Pursuant to Ratification Resolutions No. 2,919 of August 3, 2021 and No. 2,932 of September 14, 2021, ANEEL ratified the term of grant extension of the hydroelectric plants participating in the Energy Reallocation Mechanism (MRE) related to the ACL, according to Electric Energy Trading Chamber (CCEE) calculations, including the Paraibuna and Porto Primavera

plants (whose concessions are held by Companhia Energética de São Paulo- CESP, a subsidiary of VTRM) and Igarapava, Amador Aguiar I and Picada (whose concessions are linked to the investees, LDRSPE Geração de Energia e Participações Ltda., LDOSPE Geração de Energia e Participações Ltda. and LDQSPE Geração de Energia e Participações Ltda., subsidiaries of Pollarix).

As for the first two plants mentioned, the Board of Directors of CESP approved in March 2021: (i) the agreement with the terms proposed in Official Letter 36/2021, so that an amendment to the Concession Agreement 3/2004 could be signed, to forecast the provisional extension of six months of the concession of the Paraibuna HPP; (ii) adherence to the renegotiation of the hydrological risk for the two Paraibuna and Porto Primavera plants and the consequent extension of the concession due to the compensation provided for in the terms of Law 14,052/2020. The accounting recognition was carried out in the third quarter of 2021, after approval by ANEEL of the amounts and terms of extension of the concessions.

Regarding the Igarapava, Amador Aguiar I and Picada plants, approval of the adherence to the hydrological risk renegotiation – GSF, took place on September 24, 2021 by the governance bodies of the investee Pollarix.

Additionally, through Ratification Resolution No. 2,932 of September 14, 2021, ANEEL ratified the term of extension of the concession of the hydroelectric plants related to the ACR, among which are the Barra Grande plants, in which the indirect investee CBA Energia holds 15% of participation, and Campos Novos, in which the indirect investees Pollarix and CBA Energia hold a 20.98% and 23.78% interest, respectively.

The subject will be deliberated by the governance bodies, all the consortium members and other shareholders, who must agree on their portions of right levied on the renegotiation, as disclosed by ANEEL.

Considering the innovation brought about by the renegotiation of the hydrological risk and the absence of a CPC Pronouncement (Accounting



Pronouncements Committee), Interpretation or Guidance that applies specifically to the topic, the Company's Management exercised its judgment in the development and application of an accounting policy, as provided for in CPC 23 – Policies Accounting, Change in Estimate and Error Correction, using by analogy the precepts of CPC-04 (R1) – Intangible Assets, considering that it is essentially an intangible asset related to the right of grant arising from compensation for costs incurred in fiscal years above. Additionally, considering also by analogy paragraph 44 of the aforementioned CPC – 04 (R1), the asset constituted by the renegotiation of the non-hydrological risk was recognized at fair value, considering the Company's best estimate,

based on the parameters determined by the regulation of ANEEL, as well as the values of compensation calculated by the CCEE.

The amounts were transformed by ANEEL into an extension of the concession term, which will be amortized using the straight-line method until the end of the concession term, adjusted with the extension as from the renegotiation.

The table below shows the amounts involved and the concession extension period for each plant:

	Investees	GSF Value	Impairment GSF (i)	% Reflected on VGE	Equity method impact	Extension period	End date of grant
Plants							
Porto Primavera	CESP Companhia Energética de São Paulo	739	(299)	20.00%	88	7 years	April 13, 2056
Paraíbuna	CESP Companhia Energética de São Paulo	43		20.00%	9	15 months	June 3, 2022
Igarapava	L.D.R.S.P.E. Empreendimentos e Participações Ltda	13		66.67%	9	2 years and 7 months	September 9, 2031
Amador Aguiar I	L.D.O.S.P.E. Empreendimentos e Participações Ltda	17		66.67%	11	6 years	November 25, 2042
Picada	L.D.Q.S.P.E. Empreendimentos e Participações Ltda	24		66.67%	16	5 years	March 30, 2041
Campos Novos	L.D.Q.S.P.E. Empreendimentos e Participações Ltda	157		20.98%	33	3 years and 5 months	January 6, 2039
Baesa	L.D.Q.S.P.E. Empreendimentos e Participações Ltda	179		23.79%	43	4 years and 9 months	March 6, 2041
Total		1,172	(299)		208		

(i) In possession of the calculations approved by ANEEL for Porto Primavera, CESP updated the impairment test on hydrological risk (GSF), in order to analyze the ability to recover the book value of the intangible asset in its future operations, considering the future cash flow from operations and the indemnity amount at the end of the concession, and identified the need to set up a provision for impairment of the GSF, in the amount of R\$ 299, recognized in CESP's income.



(m) Approval and payment of dividends by Votorantim Geração de Energia S.A. (VGE)

On April 30, 2021, the Management’s proposal was approved for the subsidiary VGE to pay dividends for the year ended December 31, 2020, in the amount of R\$ 200, of which R\$ 101 was the mandatory minimum dividend and R\$ 99 was an additional dividend, to be paid in national currency to the Company, of which R\$ 100 was paid on April 13, 2021, R\$ 70 was paid on December 17, 2021. The remaining amount will be paid according to cash availability.

(n) Restructuring of financial obligations – Acerías Paz del Río (APDR)

In April 2021, the subsidiary APDR carried out a resettlement of its financial obligations, settling the principal balance of outstanding loans with Citibank in the amount of Colombian Peso (COP) 86 billions (R\$ 133) and contracting new loans with Davivienda banks in the amount of COP 25 billions (R\$ 39) and Itaú, in the amount of COP 21 billions (R\$ 33), resulting in a reduction of COP 40 billions (R\$ 62).

(o) Business combination with McInnis Cement Inc (McInnis) – VCSA

In April 2021, the indirect subsidiary St. Marys concluded a business combination with the acquisition of the entire issued share capital of McInnis, for a total amount of USD 553 million (R\$ 2,989).

McInnis is a company that manufactures, distributes and sells cement in the eastern Great Lakes region of Canada and on the northeast coast of the United States. Its business assets include a modern plant in Port-Daniel-Gascons in Quebec, Canada, with an annual production capacity of 2.2 million tons of cement, as well as a deepwater terminal, adjacent to the plant, and a distribution network that has 10 terminals (marine, rail and road).

This transaction complements St. Marys in the region, enabling expansion of operations and strengthening strategic positioning through increased cement production capacity, operational efficiencies and an improved distribution network.

The effect of this combination is shown below:

Consideration transferred	
Cash paid on acquisition of McInnis	11
Price adjustment (working capital and net debt)	117
Promissory notes to be paid in 2025	34
Issue of shares	2,827
Total consideration	2,989

As a result, St. Marys issued 170,000 shares in consideration transferred in exchange for control of the acquired McInnis, representing a 17% stake in St. Marys. The fair value of the shares issued was based on a weighted average resulting from the assessment of discounted cash flow and market value.

This transaction resulted in the dilution of the interest held indirectly by VCSA in St. Marys, and, consequently, in the recognition of the interest of non-controlling shareholders and an increase in the equity valuation adjustment attributable to the controlling shareholders. The effect of this dilution can be summarized as follows:

Consideration paid to non-controlling interests, representing 17% of St. Marys' carrying amount immediately prior to the transaction	(833)
Consideration received representing 83% of the additional net assets consolidated as a result of McInnis' acquisition	2,346
Excess of consideration received, recognized in other comprehensive income	1,513
Carrying amount attributable to non-controlling shareholders	1,314
Total shares issued by St. Marys to the non-controlling shareholders	2,827



The provisional amounts of assets and liabilities recognized as a result of the acquisition are:

Recognized amounts of identifiable assets and assumed liabilities	
Cash and cash equivalents	31
Trade receivables	257
Inventory	218
Prepaid expenses and other assets	23
Deferred taxes and other (i)	588
PP&E	3,152
Intangible assets	285
Right of use on lease agreements	788
Borrowing	(733)
Lease liabilities	(788)
Trade payables	(324)
Other finance liabilities	(265)
Acquired identifiable net assets	3,232
Gain on acquisition of investments	(243)
Total assets and liabilities	2,989

The price paid for the acquisition totaled R\$ 2,827 and, upon application of the acquisition method in accordance with International Financial Reporting Standard (IFRS) 3 / CPC 15 (R1) – Business Combination, the net assets and liabilities acquired totaled R\$ 3,232, generating a gain on bargain purchase in the amount of R\$ 243, recorded under Other operating income (expenses), net (Note 30).

As indicated in CPC 15 (R1) / IFRS 3 – Business Combination, the Company has 12 months to fulfill the purchase price allocation (PPA) of the acquired assets and liabilities and complete the initial accounting for the acquisition. The fair value balances above are presented as provisional until the PPA works are completed.

(p) Loan agreement with National Bank for Economic and Social Development (BNDES) – Nexa

In July 2020, the subsidiary Nexa contracted a loan approved by BNDES and, during the second quarter of 2021, it made disbursements of the following amounts:

- (i) On May 28, 2021, the amount of R\$ 160 (approximately USD 31 million) was used;
- (ii) On June 18, 2021, the amount of R\$101 (approximately USD 20 million) was used.

Of the total R\$ 750 approved by BNDES, the subsidiary Nexa has already used R\$ 736 (approximately USD 140 million).

This contract is guaranteed by Nexa Recursos Minerais S.A. (Nexa BR) and Nexa and was contracted at a cost of Long Term Rates (TLP) + 3.39%, maturing in 2040. The resources are being used to finance the Aripuanã project.

(q) Public Offering of Shares – CBA

On June 29, 2021, the subsidiary CBA announced its initial public offering and began trading its shares on the São Paulo Stock Exchange, under the ticker name CBAV3.

On July 15, 2021, CBA announced the closing of its primary distribution public offering with the issuance of 62,500,000 common shares at a price of R\$ 11.20 per share, and as a result CBA's net equity increased by R\$ 657, net of transaction costs. As a result of this issue, the interest was diluted from 100% to 89.51%, resulting in a gain of R\$ 214 in VSA.

On July 15, 2021, the Company also negotiated a secondary distribution public offering of 62,500,000 of the shares held in CBA, with a net gain of R\$ 270.



On August 17, 2021, the Company sold a supplementary lot of 18,750,000 shares held in CBA at the price of R\$ 11.20 per share, with a net gain of R\$ 74.

With the sales carried out on July 15 and August 17, 2021, VSA reduced its interest in CBA, with the Company now holding 75.87% of the subsidiary's capital.

The gains from this transaction, at the time of R\$ 558, were realized in the context of transactions between the controller and minority shareholders. As a result, in line with the Company's accounting policy, they were recognized in retained earnings in shareholders' equity (Note 27).

(r) Capital increase in the investee Janssen Capital B.V. – Janssen

During 2021, the Company carried out a capital increase in the subsidiary Janssen, in the amount of R\$ 1,978, in order to guarantee the management of the Company's assets.

(s) Loan settlement – Nexa

On July 9, 2021, indirect subsidiary Nexa Peru prepaid the outstanding principal amount of a bank loan of R\$ 477 (approximately USD 91 million) and accrued interest of R\$ 13 (approximately USD 2 million). The cross-currency swap contracted associated with this debt was also closed generating a loss of USD 12 million. Consequently, the total value of this transaction was USD 105 million.

As this debt is being accounted for using the fair value option, all market-to-market effects and related credit risk will be reversed, with no impact on income.

On July 28, 2021, the subsidiary Nexa prepaid the outstanding principal and accrued interest of a loan in the amounts of USD 80 million and USD 211 thousand, respectively.

(t) Amendment of loan agreement by Votorantim Cimentos EAA Inversões S.L. (VCEAA)

On July 27, 2021, the indirect subsidiary VCEAA entered into an amendment to the loan agreement signed on 2020, to postpone the maturity from November 2025 to July 2026 and reduce the cost, in addition to increasing the contracted amount by EURO (EUR) 35 million (R\$ 215).

(u) Loan contracting by Corporacion Noroeste – VCEAA

In July 2021, the indirect subsidiaries VCEAA and Votorantim Cimentos España (VCE), signed two loan agreements in the amounts of EUR 40 million (R\$ 246) and EUR 50 million (R\$ 307), respectively, both maturing in July 2026. However, in December 2021, the indirect subsidiary VCEAA signed an amendment to postpone the maturity of the contract in the amount of EUR 40 million (R\$ 246) from July 2026 to January 2027.

(v) Acquisition of Superior Materials (Superior), Valley View Industries (Valley View) e A.G. Cementos Balboa, S.A.U. (Cementos Balboa). – VCSA

(v.1) In July 2021, indirect subsidiary St. Marys completed the purchase of the remaining 50% interest in Superior Materials, a precast concrete company located in Detroit-Michigan, for a total amount of USD 38.5 million (R\$ 197). With the completion of the transaction, St. Marys now holds 100% of Superior's interest.



The effect of this acquisition can be summarized as follows:

Consideration transferred	
Cash paid on acquisition of Superior	197
Interest held previously	74
Gain on measurement	126
Total consideration	397
Amounts recognized of identifiable assets and assumed liabilities	
Cash and cash equivalents	20
Accounts receivable	113
Inventories	27
Prepaid expenses and other assets	5
Property, plant and equipment	155
Intangible assets	129
Right of use on lease agreements	46
Accounts payables and other liabilities	(96)
Lease liabilities	(46)
Net identifiable assets acquired	353
Goodwill	44
	397

Goodwill is attributable to the workforce and profitability of the acquired business.

- (v.2) In August 2021, indirect subsidiary St. Marys acquired Valley View, an Illinois-based aggregates company, for a total amount of USD 46 million (R\$ 235). Valley View operates its aggregates business through five operating units, all located in the state of Illinois. It produces aggregates, agricultural limestone, gravel, shale and other products for the construction and road sectors and for the agricultural market. With this acquisition, Valley View's aggregates business will now be managed by VCNA Prairie LLC.

The effect of this acquisition can be summarized as follows:

Purchase consideration	
Cash paid on acquisition of Valley View	231
Price adjustment (working capital and net debt)	4
Total purchase consideration	235
Recognized values of identifiable assets and liabilities assumed	
Accounts receivable	9
Inventories	9
Property, plant and equipment	76
Intangible assets	105
Accounts payables and other liabilities	(2)
Net identifiable assets acquired	197
Goodwill	38
Total assets and liabilities	235

Goodwill is attributable to the workforce and profitability of the acquired business.

- (v.3) In October 2021, indirect subsidiary VCEEA, acquired 100% of the share capital of Cementos Balboa.

Cementos Balboa has a modern integrated cement plant located in southwest Spain, with an annual production capacity of 1.2 million tons of cement. This acquisition is in line with Votorantim Cimentos' growth and positioning strategy, and represents an important step towards increasing competitiveness, accelerating the decarbonization program and strengthening its presence in the Iberian Peninsula. With this acquisition, the production capacity installed in Spain increases to 4.3 million tons of cement per year, through the operation of five integrated cement plants.



Details on the consideration transferred and the provisional amounts of assets and liabilities recognized as a result of the acquisition are as follows:

Purchase consideration	
Cash paid on acquisition of Balboa	
Fixed price	641
Acquisition of CO2 emission rights (i)	194
Total purchase consideration	835
Recognized values of identifiable assets and liabilities assumed	
Cash and cash equivalents	21
Accounts receivable	26
Inventories	75
Prepaid expenses and other assets	10
Deferred taxes	11
Property, plant and equipment	492
Intangible assets	94
Emission right of CO2	220
Right of use on lease agreements	2
Deferred taxes	(146)
Lease liabilities	(3)
Accounts payables and other liabilities	(108)
Net identifiable assets acquired	694
Goodwill	141
Total assets and liabilities	835

(i) As indicated in CPC 15 (R1) / IFRS 3 – Business Combination, the indirect subsidiary has 12 months to fulfill the purchase price allocation (PPA) of the acquired assets and liabilities and complete the initial accounting for the acquisition.

The goodwill arising from this business acquisition is essentially a technical goodwill that results from the recognition of the deferred tax liability arising from increases in the fair value of the net assets acquired.

(w) Conclusion of the Wind Farms acquisition process – CBA

On August 30, 2021, the subsidiary CBA concluded the process of acquisition of the wind energy self-production assets Ventos de Santo Anselmo Energias Renováveis S.A. (Ventos de Santo Anselmo) and Ventos de Santo Isidoro Energias Renováveis S.A (Ventos of Saint Isidore).

The wind farms are part of the Ventos do Piauí I and II complex, located between the states of Pernambuco and Piauí, with 171.6 MW of installed capacity, equivalent to 74.4 average MW of assured energy.

The energy supply will be destined for the Itapissuma and Aluminum Plants, which are expected to start in 2023. With the conclusion of the operation, the subsidiary reinforces its investments in the diversification of the renewable energy matrix. The total acquisition price by CBA is R\$ 60, of which R\$ 47 is a direct purchase by subsidiary CBA, and R\$ 13 is a purchase made by the indirect subsidiary CBA Itapissuma Ltda, with annual installments to be paid between 2023 and 2027. These amounts were initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

Additionally, the subsidiary CBA and VTRM signed an agreement for energy supply by CBA for a period of 10 years, with an option to repurchase the said assets at the end of the term of the supply agreement. The repurchase option of the said assets, provided for in the contract, can be exercised unilaterally by VTRM.

(x) New Revolving Credit Facility – VCSA

To replace the revolving credit facility (Global Revolving Credit Facility) contracted in August 2018 in the amount of USD 500 million and maturing in August 2023, in September 2021, the subsidiary VCSA and its subsidiaries contracted a new revolving credit line with a syndicate of banks in the amount of USD 250 million maturing in September 2026, characterized as Sustainability-Linked, in line with its long-term sustainability commitments.

The revolving credit facility is available for withdrawal at any time.



(y) Water crisis in Brazil

The Company has been following closely the water crisis currently experienced by Brazil, which has significantly impacted the levels of reservoirs in the country's hydroelectric plants, consequently impacting the market energy prices experienced by energy consumers. The Company has evaluated the topic and so far has not identified any relevant effect that could affect the contracts it has with its counterparties.

(z) Sale of properties – VSA

On August 12, 2021, the Company signed a sale agreement for some properties located in Minas Gerais. The price agreed between the parties was R\$ 452, and the cost of writing off property, plant and equipment was R\$ 209, recognized net in other operating income (expenses) (Note 30).

(aa) Acquisition of the corporate tower of Alto das Nações - Altre Empreendimentos e Investimentos Imobiliários Ltda. (Altre)

In September 17, 2021, the subsidiary Altre signed an agreement to purchase the Alto das Nações corporate tower with PNU Nações Unidas Desenvolvimento Imobiliário S.A., a wholly-owned subsidiary of WTorre. The building is part of the future Alto das Nações multipurpose real estate complex, located in Marginal Pinheiros, São Paulo. The purpose of this acquisition is to enable the expansion of the Company's activities. In order to complete the purchase, the Company made an advance in the amount of R\$ 58, recorded under Advance for investment property. The payment of the residual installments will be carried out in accordance with the completion of the works, scheduled for 2025.

(bb) Issuance of the Aripuanã Project operating license – Nexa

In October 07, 2021, the subsidiary Nexa obtained the operating license for the Aripuanã greenfield project. This license was issued by the Environmental Secretariat of the state of Mato Grosso (SEMA).

Aripuanã is an underground polymetallic mine containing zinc, lead and copper.

Installation of facilities and equipment testing was completed in 2021, and commercial production is scheduled to start in the third quarter of 2022.

(cc) Early settlement of borrowing under the terms of Law 4.131/1962 – VCSA

The subsidiary VCSA entered into two loan agreements, under the terms of Law 4,131/1962, in amount of USD 100 million (R\$ 515), with maturity in 2026 (both contracts include interest rate and currency swaps, derivative financial instruments, which aim both to exchange exposure to floating LIBOR rate and fixed rates to floating CDI rates and to exchange currency from US dollar to Brazilian real).

The indirect subsidiary VCNNE made the total repayment of the borrowing under the terms of Law 4,131/1962, in amount of USD 75 million (R\$ 409), with maturing in 2024. Consequently, the swap contract associated with this borrowing was also terminated.

(dd) Committed Credit Facility – St. Marys

In October, 2021, the indirect subsidiary St. Marys made a new payment of the available committed credit facility, in the amount of USD 55 million.

The approximate amount of USD 218 million remains available for new withdrawals.

(ee) Civil class action – VCSA

On October 27, 2021, the subsidiary VCSA became aware, through news in the media, of a civil class action filed by the Federal Public Prosecution Office of São Paulo (MPF-SP), related to the decision issued by the Administrative Council for Economic Defense (CADE) due to alleged anti-competitive practices in relation to the administrative proceeding that ended in October 2015. As stated in the Significant Event Notice disclosed, the VCSA has not yet been served in this action.



Finally, the direct subsidiary VCSA used several assumptions to estimate the amounts and percentages of the orders allocated to it, however the Company cannot guarantee that such assumptions will prevail, including considering the current stage of the processes and even the solidarity requests made by the public ministries, as described above, estimating the updated amount to R\$5,587 of the possible contingency for both ACPs on December 31, 2021.

It should be noted that this estimate does not represent any agreement by the subsidiary VCSA with the requests made by the Public Prosecutor's Office, but a mere estimate for purposes of reporting possible contingencies. The subsidiary VCSA classified the probability of loss of the ACPs as possible and, therefore, there are no amounts provisioned.

(ff) Acquisition of 80% of Alux of Brasil Indústria e Comércio Ltda. (Alux) – CBA

On November 3, 2021, the subsidiary CBA signed the agreement for the acquisition of 80% of the capital stock of Alux, for the price of R\$ 133, which is subject to adjustments at closing, in the form of a purchase and sale agreement. The conclusion of the transaction was conditioned to the fulfillment of the usual obligations and conditions precedent, and the approval by CADE was obtained as detailed in Note 36 (d).

Alux, located in Nova Odessa-SP, is one of the main suppliers of secondary aluminum in the country, with an installed capacity of 46 thousand tons per year. As one of the largest suppliers of secondary aluminum alloys in Brazil, Alux will allow the subsidiary CBA to enter a new market segment, which aims to expand its production capacity of recycled aluminum, starting to operate with greater relevance in this market.

This transaction is in line with the subsidiary CBA's purpose of providing aluminum solutions that transform lives, in addition to reinforcing the subsidiary's Environmental, social and corporate governance (ESG) strategy, since the operation also encourages the circular economy and contributes for the production of aluminum with a lower carbon footprint.

(gg) Acquisition of interest in Tellus III Holding S/A Company (Tellus) – Altre

On November 30, 2021, the subsidiary Altre concluded the acquisition of all shares in Tellus, whose purpose is to invest in commercial, retail, residential and/or industrial real estate segments. The purchase price agreed between the parties was fully paid by Altre to the sellers. The subsidiary Altre recognized the amount of R\$ 59 related to the capital gain related to the indirect acquisition of the Atlas Officer Park (AOP) building.

Reconciliation of purchase price allocation	11/30/2021
Amount paid to the selling parties	125
(-) Equity's carrying amount of Tellus III	74
(+) Judicial measure on withholding income tax	8
Amount of purchase price allocation	59

The added value was recognized as the difference between the amount paid in the transaction and the book value of Tellus' shareholders' equity, and is recognized in accordance with the application of the acquisition method provided for in CPC 15 (R1) – Business Combination. The amount was recorded under inventories in the consolidated balances and allocated under investments at Altre. AOP is a commercial development located in the Vila Leopoldina neighborhood, in the city of São Paulo – SP, consisting of 4 towers totaling 36 thousand m2, which was about 90% occupancy in December 2021.

The subsidiary Altre hired an independent entity to prepare an appraisal report on the fair value of the assets and liabilities acquired and to allocate the amount paid in the acquisition, scheduled for completion in 2022.

The following table shows the transaction amounts:

Composition of the acquisition price	11/30/2021
Amount paid to the selling parties	125
Judicial measure on withholding income tax	10
(-) Compensation of dividends receivable by Tellus III	(2)
Payment of advance payment for future capital increase	37
Total amount of acquisition	170



With the acquisition of this interest, subsidiary Altre obtained control of Jaguatirica Empreendimentos Imobiliários SPE S.A (Jaguatirica), owner of the Atlas Office Park project, which became part of the consolidated financial statements of the subsidiary Altre. The table below shows the balances included in the consolidation:

Jaguaririca Empreendimentos Imobiliários	11/30/2021
Financial investments	1
Trade receivables	12
Inventory of properties for sale	194
Other assets	10
Property, plant and equipment	1
Intangible assets	5
Taxes payable	1
Other liabilities	1
Deferred income tax and social contribution	4
Assets and liabilities, net	218

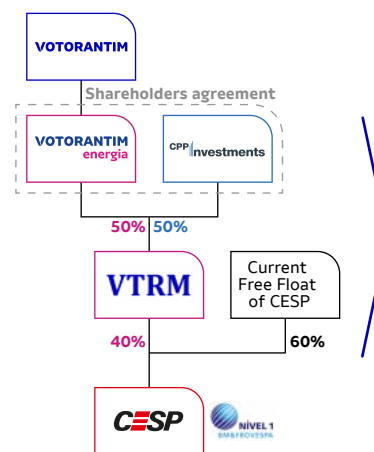
(hh) Corporate restructuring resulting from the Operations VTRM and CESP - VGE

On October 18, 2021, the Company and the Canada Pension Plan Investment Board (CPP Investments) announced their intention to consolidate energy assets in Brazil, which will have shares listed on B3's Novo Mercado.

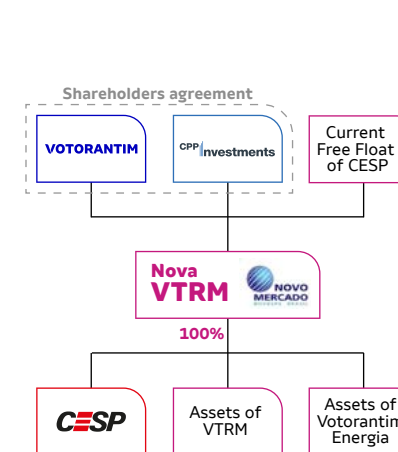
As part of the reorganization process, the companies of the Votorantim group: CBA, Votorantim Cimentos and Nexa Resources will assume the management of their energy self-production assets that are currently under the administration of Votorantim Energia, and will include several steps. Below is a breakdown of the steps taken throughout 2021.

The table below shows how this corporate restructuring transaction will take place:

Current Structure



Post Transaction Structure



The consolidation is intended to take place through two main transactions and will comprise several steps, which we detail below.

VTRM Transaction:

(a) Creation of CESP's independent Committee

On October 21, 2021, CESP's Board of Directors approved the creation of a special independent Committee (Committee) which, in compliance with the guidelines provided for in the Guidance Opinion of the Securities Commission nº 35, has the function of negotiating the transaction of corporate reorganization proposed in a non-binding manner by VSA and CPP Investments for the merger of all shares issued by CESP into VTRM.

The Committee is composed of: (a) an administrator chosen by the majority of the Board of Directors; (b) a director elected by the non-controlling shareholders; and (c) a third party, administrator or not, chosen jointly by the other two members. The resolutions already issued by the Committee are described in Note 36 – Subsequent Events.



(b) VTRM IPO and Listing on the Novo Mercado

On December 10, 2021, VTRM submitted an application for registration as a publicly-held company category A with the CVM (Open Public Offering) and for listing on the Novo Mercado of B3 (Listing on the Novo Mercado), noting that the effective listing and trading of Nova VTRM shares on the Novo Mercado will depend on the conclusion of the CESP Transaction.

(c) Proposal for the merger of CESP Shares into VTRM

In order to allow CESP’s minority shareholders to participate in the New VTRM, a proposal for the merger of shares was presented to the independent special Committee, with the intention of merging all the shares issued by CESP by VTRM, and consequent attribution , to the other shareholders of CESP, of these new shares.

(d) Approvals

The corporate reorganization is not subject to the approval of any other governmental authority, either in Brazil or abroad, with the exception of the prior approval of the Economic Defense Administration Council (CADE), which was obtained on December 9, 2021 , and the antitrust authorities of the European Union and Turkey.

(e) Other transaction steps

The next steps of the transaction, which will take place throughout 2022, will be as follows:

- e.1) VGE reverse incorporation – already consummated. See detail in Note 36 of Subsequent Events.
- e.2) Capital contribution from CPP Investments
- e.3) Redemption of CESP Preferred Shares

Further details on these items were detailed in Note 36 – Subsequent Events.

(ii) Extension of the concessions for Barra, França, Fumaça, Porto Raso and Serraria Hydroelectric Power Plants – CBA

In October 1st, 2021, the subsidiary CBA was granted, in a Dispatch in the Official Gazette of the Union, an extension for 27 years of the grants for the following hydroelectric power plants: Barra, França, Fumaça, Porto Raso and Serraria.

The annual amount, adjusted for the remaining period of twenty-seven years of the Grants, referring to the base date of December 2019, will be paid in favor of the reasonable tariff as Use of Public Property as shown in the table below:

Power plant	Annual value UBP adjusted for the remaining term of the grant (27 years)
UHE Barra	R\$ 3.5
UHE França	R\$ 2.9
UHE Fumaça	R\$ 3.8
UHE Porto Raso	R\$ 1.8
UHE Serraria	R\$ 1.2

(jj) Reclassification of investee Acerías Paz del Rio – APDR – to discontinued operations

In November 2021, the Company entered into an agreement for the sale of all the shares of the investee APDR with Trinity Capital S.A.S. and Structure S.A.S. Investment Bank. As a result, the investment was reclassified to the item Assets held for sale in the amount of R\$ 100. The Company recorded a provision for loss related to the sale of the investment in the amount of R\$ 827, recorded in the item Other operating income, net , as per Note 30. In accordance with CPC 31 – Non-current assets held for sale and discontinued operations, the assets and liabilities of the subsidiary were reclassified to a specific line in the balance sheet, as per Note 34.



The details of the impacts of the operation are shown in the following table:

Impairment of investment	Value
Carrying amount of investment	927
(-) Estimated revenue from the sale	100
Provision for loss	(827)
Deferred income tax and social contribution	281
Effect on the result, net	(546)

(kk) Acquisition of shares of CCR S.A. (CCR)

In November 2021, the Company acquired the equivalent of 5.8% of the total capital of CCR. In compliance with accounting rules, this acquisition is now recognized at fair value, as a financial instrument, in accordance with CPC 48 / IFRS 9 – Financial instruments.

(ll) Derivative financial instruments – Put option

In 2018, the Company acquired a minority interest of 15% in the combined long steel business of ArcelorMittal Brasil S.A. (AMB). In compliance with accounting rules, the investment was recognized as a financial instrument measured at fair value through profit or loss, in accordance with CPC 48 / IFRS 9 – Financial instruments. As a result of the terms established in the contract, this financial instrument was reclassified to short-term in the last quarter of 2021. The change in the fair value of this operation in the year ended December 31, 2021 resulted in a gain of R\$ 4,452 (December 31, 2021). In December 2020, a loss of R\$ 403 was recorded under Financial result, net – Note 31. The gain recorded in 2021 is justified by the better results obtained in the long steel operation of AMB.

(mm) Start of the cement factory project at Cementos Artigas S.A. (Artigas) – VCSA

Artigas, a subsidiary of the subsidiary VCSA, started a project to unify its industrial activities in Uruguay. The initiative involves the integration of its industrial facilities, until then divided between a mill and a distribution center located in Montevideo and the main plant in the city of Minas. The project consists of the relocation of the current grinding operations and cement distribution center from the Montevideo plant to the Minas plant, resulting in a unified production line that is much more efficient and sustainable. In addition, as a result of this unification, a new vertical cement mill, a modern silo and a distribution center will be installed at the plant. Artigas will invest approximately USD 40 million in this project, which is expected to start operating in 2022. As at December 31, 2021, the total amount of investments made was USD 17.2 million (R\$ 96).

(nn) Effects of the pandemic caused by the novel Coronavirus (COVID-19)

Given the emergence of the pandemic related to the novel Coronavirus, which has caused widespread impacts on public health and the economy of Brazil and the rest of the world, the Company has been taking preventive and risk mitigation measures according to the guidelines established by national and international health authorities, aiming to minimize impacts on the health and safety of its employees, family, partners and communities, as well as the continuity of all its operations. These measures are in accordance with the laws in force in the countries in which the Company operates and its internal regulations.

The extent of the impacts of COVID-19 will depend on the duration of the pandemic, possible restrictions imposed by governments, and other possible developments in the countries in which the Company and its subsidiaries operate.

The Company and its subsidiaries constantly evaluate and implement action plans together with customers, suppliers, and other stakeholders involved, according to the current scenario and the best possible projections.



In this scenario, the Company and its subsidiaries have been monitoring the effects on the main critical accounting estimates and judgments, as well as other balances with the potential to generate uncertainties and impacts on the financial information disclosed.

Since the consolidated financial statements for the year ended December 31, 2021, we have not identified any additional impact to those disclosed in the annual financial statements, concerning to the following topics:

- (i) Reduction in the recoverable value of non-financial assets;
- (ii) Recoverability of deferred tax assets;
- (iii) Compliance with obligations contained in debt contracts;
- (iv) Compliance with obligations assumed with customers and suppliers;
- (v) Risk matrix for calculating the allowance for loan losses;
- (vi) Inventory loss estimate due to low turnover and change in realizable value.

Additionally, the Company has a solid liquidity position. In addition, the subsidiaries VCSA and CBA have revolving credit facilities available in the amount of USD 413 million (R\$ 2,245) and USD 100 million (R\$ 544), respectively, on December 31, 2021. This position provides the Company with conditions to mitigate the impacts of this adverse scenario, even if these impacts are not fully known.

Considering the analysis of the information and data mentioned above, until the time of the issuance of these interim consolidated financial statements, the Company and its subsidiaries have not identified other relevant impacts to be disclosed and do not have visibility of impacts or accounting evidence arising from the pandemic caused by COVID-19 that imply changes in accounting policies, in the main estimates established and in the critical accounting judgments mentioned above.

2. Presentation of the condensed consolidated interim financial statements

2.1. Basis of preparation

(a) Condensed consolidated interim financial statements

The consolidated financial statements have been prepared and are being presented in accordance with the accounting practices adopted in Brazil, in effect on December 31, 2021, which includes the pronouncements issued by the Accounting Pronouncements Committee (CPCs) and in accordance with the International Financial Reporting Standards (International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)) and interpretation of (IFRIC) and evidence all relevant information specific to the financial statements and are consistent with those used by Management in its management.

The Company voluntarily discloses its consolidated statement of value added, according to the accounting practices adopted in Brazil, applicable to public companies and presented as an integral part of these financial statements. In accordance with international practice, this statement is presented as additional information, without prejudice to the set of financial statements.

The financial statements require the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting practices. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

(b) Approval of the financial statements

The Board of Directors approved the consolidated financial statements for issue on March 29, 2022.

2.1.1. Restatement of comparative figures

In accordance with IFRS 5 / CPC 31 - Non-current assets held for sale and discontinued operations, the Company reclassified the long steel operation in Colombia from the headings of Continuing operations to Discontinued operations, consequently, the balances of income suffered changes in the amounts previously presented in the financial statements as at December 31, 2020. The effects of these reclassifications are presented below:

	2020		
	As originally stated	Reclassification of Acerías Paz Del Rio	Restated
Continuing operations			
Net revenue from products sold and services rendered	36,667	(1,284)	35,383
Cost of products sold and services rendered	(29,620)	1,196	(28,424)
Gross profit	7,047	(88)	6,959
Operating expenses (income)			
Selling	(900)	11	(889)
General and administrative	(2,626)	123	(2,503)
Other operating expenses, net	(2,182)	(112)	(2,294)
	(5,708)	22	(5,686)
Operating before equity results and finance results	1,339	(66)	1,273
Results from equity investments			
Equity in the results of investees	727		727
	727		727

	2020		
	As originally stated	Reclassification of Acerías Paz Del Rio	Restated
Finance results, net			
Finance income	680	(20)	660
Finance costs	(3,075)	96	(2,979)
Income from derivative financial instruments	(121)		(121)
Foreign exchange, net	(1,024)	(3)	(1,027)
	(3,540)	73	(3,467)
Loss before income tax and social contribution	(1,474)	7	(1,467)
Income tax and social contribution			
Current	(901)	1	(900)
Deferred	(691)	5	(686)
Loss for the continuing operations	(3,066)	13	(3,053)
Discontinued operations			
Profit (loss) for the discontinued operations	1	(13)	(12)
Loss for the attributable to the owners	(3,065)		(3,065)
Loss attributable to the owners of the Company	(1,636)		(1,636)
Loss attributable to non-controlling interests	(1,429)		(1,429)
Loss for the year	(3,065)		(3,065)
Weighted average number of shares - thousands (to the owners of the Company)	18,278,789		18,278,789
Basic and diluted loss per thousand shares, in reais	(89.50)		(89.50)
From continuing operations			
Basic and diluted losses per thousand shares, in reais	(89.55)	0.70	(88.84)
From discontinued operations			
Basic and diluted earning (loss) per thousand shares, in reais	0.05	(0.70)	(0.66)



2.2. Consolidation

(a) Subsidiaries

Subsidiaries are fully consolidated from the date on which control is transferred to the Company.

Unrealized balances and gains on transactions between Company companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of a loss (impairment) of the transferred asset. In the acquisition, the accounting policies of the subsidiaries are changed when necessary, to ensure consistency with the policies adopted by the Company.

The consolidated financial statements were prepared separately from the individual financial statements, issued on March 29, 2022.

(b) Transactions with non-controlling interests

The Company treats transactions with non-controlling shareholders as transactions with owners of the Company's assets. For purchases of non-controlling interests, the difference between any consideration paid and the acquired portion of the carrying amount of the subsidiary's net assets is recorded in equity. Gains or losses arising from the sale of non-controlling interests are also recorded directly in equity, in the Retained earnings account.

(c) Loss of control of subsidiaries

When the Company ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in book value recognized in the income statement. The amounts previously recognized in equity value adjustments are reclassified to the result.

(d) Associates and joint arrangements

Joint operations are accounted for in the financial statements in order to represent the Company's contractual rights and obligations. Therefore, the

assets, liabilities, revenues and expenses related to its interests in joint operations are individually accounted for in its financial statements.

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost.

The Company's investments in associates and joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss.

Dilution gains and losses on investments in associates and joint ventures are recognized in the statement of income.

2.3. Foreign currency conversion

(a) Functional and presentation currency of the financial statements

The functional currency of the Company is the Brazilian Real (R\$ or BRL).

(b) Transactions and balances

Foreign currency transactions are translated into reais. When items are remeasured, the exchange rates prevailing at the dates of the transactions or the dates of valuation are used. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income, except when deferred in equity as net investment hedges.

(c) Subsidiaries with a different functional currency

The results and financial positions of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;



(ii) Income and expenses for each statement of income are translated at average exchange rates;

(iii) All resulting exchange differences are recognized as a separate component of equity, in Carrying value adjustments.

The amounts presented in the cash flow are extracted from the translated movements of the assets, liabilities and profit or loss, as detailed above.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other foreign currency instruments designated as hedges of such investments, are recognized in equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

Goodwill and fair value arising from the acquisition of an entity abroad are treated as assets and liabilities of the entity abroad and converted at the closing rate. Below are the functional currencies defined for the significant foreign subsidiaries:

Company	Country	Functional currency	Main activity
Acerbrag S.A.	Argentina	Argentine Peso	Steel
St. Marys Cement Inc - St. Mary's	Canada	US Dollar	Cement
Votorantim Cimentos EAA Inversiones, S.L. - VCEAA	Spain	Euro	Cement
Nexa Resources Cajamarquilla S.A.	Peru	US Dollar	Zinc
Nexa Resources Perú S.A.A.	Peru	US Dollar	Mining
Nexa Resources S.A.	Luxemburgo	US Dollar	Holding
Votorantim Cimentos International S.A. - VCI	Luxemburgo	US Dollar	Holding
Votorantim FinCo GmbH	Luxemburgo	US Dollar	Trading
Janssen Capital B.V.	Netherlands	US Dollar	Holding

3. Changes in accounting policies and disclosures

3.1. New standards issued and amendments to the accounting standards adopted by the Company and its subsidiaries

The following changes to standards issued by the International Accounting Standards Board (IASB) were adopted for the first time for the year beginning January 1, 2021:

- (i) Classification of liabilities between current and non-current: changes to IAS 1 / CPC 26 Presentation of the Financial Statements;
- (ii) Gains on the sale of inventories produced while the asset is not ready for use: changes to IAS 16 / CPC 27 Property, plant and equipment;
- (iii) Initial adoption of IFRS in subsidiaries: changes to IFRS 1 / CPC 37 Initial adoption of international accounting standards;
- (iv) Borrowing costs in the derecognition test of financial liabilities: changes to IFRS 9 / CPC 48 Financial instruments;
- (v) Lease incentives: amendments to IFRS 16 / CPC 06 Leases
- (vi) Cost of fulfilling onerous contracts: changes to IAS 37 / CPC 25 Provision, contingent liabilities and contingent assets, and;
- (vii) Concessions related to COVID-19: amendments to IFRS 17 Insurance contracts.



- (viii) Reform of Interbank offered rates (IBORs): amendments to IFRS 9 / CPC 48 Financial instruments, IAS 39 / CPC 38 Financial instruments – recognition and measurement, IFRS 7 / CPC 40 Financial instruments: disclosure, IFRS 4 / CPC 11 Insurance contracts and IFRS 16 / CPC 06 Leases.

The Company analyzed the amendments to the accounting standards mentioned above and did not identify any impacts on its operating and accounting policies.

3.2. New standards issued and amendments to accounting standards not yet adopted by the Company and its subsidiaries

The following changes to standards issued by the International Accounting Standards Board (IASB) will be adopted for the first time in periods beginning after January 1, 2022:

- (i) Review of technical pronouncements by the Accounting Pronouncements Committee, No. 19/2021 with amendments to the Technical Pronouncements: CPC 37 (R1) / IFRS 1 – First-time Adoption of International Accounting Standards, CPC 48 / IFRS 9 – Financial Instruments, CPC 27 / IAS 16 – Fixed Assets, CPC 25 / IAS 37 – Provisions, Contingent Liabilities and Contingent Assets and CPC 15 (R1) / IFRS 3 – Business Combinations, as a result of the annual changes related to the 2018-2020 improvement cycle; Fixed Assets – sales before intended use; Onerous Contract – contract fulfillment costs; and References to the Conceptual Framework.

The Company analyzed the amendments to the accounting standards mentioned above and did not identify any impacts on its operating and accounting policies to be adopted retrospectively or at the beginning of the year 2022.

4. Critical accounting estimates and judgments

Based on assumptions, the Company and its subsidiaries make estimates regarding the future. By definition, accounting estimates and judgments are continuously reviewed and are based on historical experience and other factors, including expectations of future events, which are considered reasonable for the circumstances. Revisions to the estimates are recognized prospectively.

The accounting estimates will rarely be the same as the actual results. Estimates and assumptions that present a significant risk and are likely to cause a material adjustment to the carrying amounts of assets and liabilities for the next fiscal year are described in the respective notes below:

- (i) Fair value of financial instruments and derivatives (Note 6.1.1);
- (ii) Trade receivables (Note 11);
- (iii) Electric power futures contracts (Note 16);
- (iv) Property, plant and equipment (Note 18);
- (v) Intangible assets (Note 19);
- (vi) Lease liabilities (Nota 21);
- (vii) Current and deferred income and social contribution taxes (Note 23);
- (viii) Provision (Note 24);
- (ix) Pension plan (Note 26).



5. Social and environmental risk management

The Company, through its subsidiaries and associates, operates in various segments and consequently, these activities are subject to several Brazilian and international environmental laws, regulations, treaties and conventions, including those that regulate the discharge of materials into the environment, which establish the removal and cleaning of the contaminated environment, and those relating to environmental protection. Violations of the environmental regulations in force expose the violator(s) to significant fines and monetary penalties, and may require technical measures or investments to ensure compliance with the mandatory emissions levels.

The Company and its subsidiaries carry out periodic studies to identify any potentially affected areas and records, based on the best estimates of costs, and the amounts expected to be disbursed for the investigation, treatment and cleaning of the potentially affected areas. The Company and its subsidiaries believe they are in compliance with all of the applicable environmental standards in the countries in which they operate.

6. Financial risk management

6.1. Financial risk factors

The activities of the Company and its subsidiaries expose them to a variety of financial risks, namely: (a) market risk (including currency, commodity price and interest rate risk), (b) credit risk and (c) liquidity risk.

A significant portion of the products sold by the Company and its subsidiaries, such as aluminum, nickel and zinc are commodities, with prices pegged to international indexes and denominated in US Dollars. Their costs, however, are mainly denominated in reais, and therefore, there is a mismatch of currencies between revenues and costs. Additionally, the Company and its subsidiaries have debts linked to different indexes and currencies, which may have an impact on their cash flow.

In order to mitigate the various effects of each market risk factor, the Company and its subsidiaries follow a Market Risk Management Policy, approved by the Finance Committee, with the objective of establishing governance and the overall guidelines of the process of managing these risks, as well as the metrics for their measurement and monitoring.

The financial risk management process aims to protect the cash flow and its operational (revenues and costs) and financial (financial assets and liabilities) components against adverse market events, such as fluctuations in the prices of currencies, interest rates and commodity prices, and against adverse credit events. In addition, it aims to preserve liquidity.

The following financial instruments may be taken out in order to mitigate and manage risk: conventional swaps, call options, put options, collars, currency futures contracts, interest or commodities and non-deliverable



forward contracts. Strategies that include simultaneous purchases and sales of options are authorized only when they do not result in a net short position in volatility of the underlying asset. The Company and its subsidiaries do not carry out transactions involving financial instruments for speculative purposes.

(a) Market risk

(i) Foreign exchange risk

The Company and its subsidiaries have certain investments in foreign operations, the net assets of which are exposed to foreign exchange risk. The foreign exchange exposure arising from the Company's and its subsidiaries' participation in foreign operations is mainly hedged by borrowing in the same currency as these investments, classified as net investment hedges.

Presented below are the accounting balances of assets and liabilities indexed to a foreign currency at the closing date of the balance sheets:

	Note	2021	2020
Assets denominated in foreign currency			
Cash and cash equivalents	9	9,569	7,992
Financial investments	10	1,612	1,209
Derivative financial instruments		239	382
Trade receivables		2,337	1,875
Related parties		107	105
		13,864	11,563
Liabilities denominated in foreign currency			
Borrowing (i)	20	20,527	18,755
Derivative financial instruments		314	1,173
Lease liabilities		1,409	634
Confirming payables		2,922	1,840
Trade payables		3,524	2,917
Deferred revenue - silver streaming		822	863
		29,518	26,182
Net exposure		(15,654)	(14,619)

(i) Funding costs are not considered in these amounts.

(ii) Hedge of net investments in foreign operations

Hedge of net investment in operations abroad is accounted for similarly to cash flow hedge.

Any gain or loss on the hedging instrument related to the effective portion of the hedge is recognized in equity, under Carrying value adjustments. The gain or loss related to the ineffective portion is immediately recognized in profit or loss. Accumulated gains and losses in shareholders' equity are included in profit or loss for the period when the investment abroad is made or sold.

The investments presented in the following table were designated as hedged objects and the debt portion of the Company and its subsidiaries CBA, Votorantim Cimentos International S.A. (VCI) and St. Marys, denominated in euros and dollars.

		2021	
Investment		Debt	
Nexa Resources Cajamarquilla S.A.	510	CBA	499
St. Marys	2,790	St. Marys	2,790
	3,300		3,289
		2020	
Investment		Debt	
Nexa Resources Cajamarquilla S.A.	822	CBA	747
St. Marys	1,245	St. Marys	1,245
Votorantim Cimentos EAA Inversiones, S.L. (i)	2,598	Votorantim Cimentos International S.A. (i)	2,598
	4,665		4,590

(i) After the hedge relationship was rebalanced on December 31, 2020, the debts in EUR held by VCI were fully settled and the hedge accounting in question was ended.

The Company and its subsidiaries document and evaluate the effectiveness of the investment hedge operations prospectively, as required by CPC 48 / IFRS 9 - Financial instruments.



(iii) Cash flow and fair value interest rate risk

The interest rate risk arises from the fluctuations of each of the main indexes of interest rates from borrowing and from financial investments, which have an impact on the payments and receipts of the Company and its subsidiaries. Borrowing at fixed rates exposes the Company and its subsidiaries to fair value interest rate risk.

(iv) Commodity price risk

The Financial Policy of the Company's operating subsidiaries establishes guidelines to mitigate the risk of fluctuations in commodity prices that have an impact on the cash flow of the Company's operating subsidiaries.

The exposure to each commodity price considers the monthly projections of production, purchases of inputs and flows of maturities of the related hedges. Hedge transactions are classified into the following categories:

Fixed-price commercial transactions - hedge transactions that switch, from fixed to floating, the price contracted in commercial transactions with customers interested in purchasing products at a fixed price;

Hedges for quotation periods - hedges that set a price for the different quotation periods between the purchases of certain inputs (metal concentrate) and the sale of products arising from the processing of these inputs;

Hedges for costs of inputs - intended to ensure protection against volatility in the prices or costs of its operating subsidiaries for commodities such as oil and natural gas;

Hedges for operating margin - intended to set the operating margin for a portion of the production of certain operating subsidiaries.

(b) Credit risk

Derivative financial instruments and financial investments create exposure to credit risk of counterparties and issuers. The Company and its subsidiaries adopt a policy of working with issuers which have, at a minimum, been assessed by two of the following three rating agencies: Fitch Ratings, Moody's or S&P Global Ratings. The minimum rating required for the counterparties is A (Brazilian scale) or BBB- (international scale), or equivalent.

For financial assets where issuers do not meet the minimum credit risk ratings, criteria proposed by the Finance Committee are applied as an alternative, criteria approved by the Board of Directors.

The credit quality of financial assets is disclosed in Note 8. The ratings disclosed in this Note always represent the most conservative ratings of the agencies in question.

The pre-settlement risk methodology is used to assess counterparty risk on derivatives transactions, determining (via Monte Carlo simulations) the likelihood of a counterparty not honoring the financial commitments defined by the contract. The use of this methodology is described in the VSA Financial Policy.

(c) Liquidity risk

The following table analyzes the financial liabilities of the Company and its subsidiaries, by maturity, corresponding to the period remaining from the balance sheet date up to the contractual maturity date. The amounts disclosed in the table represent the undiscounted contractual cash flows, and these amounts may not be reconciled with the amounts disclosed in the balance sheet.



	Up to one year	From one to three years	From three to five years	From five to ten years	From ten years	Total
At December 31, 2021						
Borrowing (i)	1,826	2,331	10,400	14,869	6,235	35,661
Derivative financial instruments	556	272	123	102	29	1,082
Lease liabilities	371	235	277	637	31	1,551
Confirming payables	3,405					3,405
Trade payables	6,914					6,914
Dividends payable	1,624					1,624
Related parties		75				75
Use of public assets	128	181	326	829	1,960	3,424
	14,824	3,094	11,126	16,437	8,255	53,736
At December 31, 2020						
Borrowing	2,258	1,869	11,654	13,418	5,998	35,197
Derivative financial instruments	514	334	635	1,269	171	2,923
Lease liabilities	253	208	169	173	55	858
Confirming payables	2,380					2,380
Trade payables	5,404					5,404
Dividends payable	44					44
Related parties		11				11
Use of public assets	100	177	312	828	1,213	2,630
	10,953	2,599	12,770	15,688	7,437	49,447

(i) For borrowing balances, financial charges are projected until the final maturity of the contracts. These figures do not consider an adjustment to the fair value of the operations contracted in Law No. 4131/1962.

6.1.1. Derivatives contracted

Accounting policy

Initially, derivatives are recognized at fair value on the date of their contracting and are subsequently re-measured at their fair value.

The fair value of financial instruments that are not traded on active markets is determined using valuation techniques. The Company and its subsidiaries use their judgment to choose between different methods and to define assumptions that are mainly based on the market conditions existing at the balance sheet date.

The method for recognizing the resulting gain or loss depends on whether the derivative is designated or not as a hedge instrument in cases of adoption of hedge accounting.

This being the case, the method depends on the nature of the item being hedged. The Company and its subsidiaries adopt hedge accounting and designate certain derivatives as:

(i) Cash flow hedge

With a view to ensuring a fixed operating margin in reais for a portion of the production of the metal businesses, the subsidiaries enter into commodity forward contracts (zinc, aluminum and nickel) on sales of certain commodities combined with the sale of US Dollar forward contracts. There is also the quotation period hedge, which seeks to equalize the periods between the purchase of concentrate and the sale of the final product of the non-integrated plants, in order to mitigate exposures. These subsidiaries adopt hedge accounting for the derivative instruments entered into for this purpose.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in equity within Carrying value adjustments. The gain or loss relating to the ineffective portion is recognized as Operating income (expenses). The amounts recognized



in equity are recorded in the statement of income (in the same line item affected by the transaction originally hedged) upon realization of the hedged exports and/or sales referenced to London Metal Exchange (LME) prices.

(ii) Fair value hedges

With the objective of maintaining the flow of the metal businesses' operating revenue pegged to LME prices, the subsidiaries enter into hedging transactions under which they convert sales at fixed prices to floating prices in

commercial transactions with customers interested in purchasing products at a fixed price. Changes in the fair values of derivatives that are designated derivatives are recognized in the income for the year.

(a) Effects of derivative financial instruments on the balance sheet and cash flow

The following are the derivative financial instruments and the objects protected by them:

Programs	Principal Value			2021							Fair value by maturity					
	2021	2020	As per unit	Total (net between assets and liabilities)	Inventory	Net revenue from products sold and services rendered	Cost of products sold and services rendered	Other operating income, net	Finance results, net	Other comprehensive income	Gain (loss) Realized	Total (net between assets and liabilities)	2021	2022	2023	2024+
Hedges for sale of zinc at a fixed price																
Zinc forward	8,787	15,695	ton	10				32			23	19	19			
				10				32			23	19	19			
Hedges for mismatches of quotational period																
Zinc forward	215,809	204,394	ton	11	6	54	(211)	10		3	(70)	(57)	(57)			
				11	6	54	(211)	10		3	(70)	(57)	(57)			
Hedges for sale of zinc at a fixed price																
Zinc forward	3		BRL													
Operating margin hedging																
Aluminum forward	57,200	203,130	ton	(350)		(859)				193	(798)	(218)	(217)			
Collars		5	USD millions							(1)		(1)				
USD forward	120	337	USD millions	52		15				(63)	1	3	3			
				(298)		(844)				129	(797)	(216)	(215)			
Foreign exchange risk																
Turkish Lira Term (EUR/TRY)		1	EUR millions	(1)					1							
Turkish Lira Term (USD/TRY)	4		USD millions	(2)					2							
				(3)					3							



Programs	Principal Value			2021									Fair value by maturity			
	2020		As per unit	2020		Changes in fair value					2021		2021	2022	2023	2024+
	2021	2020		Total (net between assets and liabilities)	Inventory	Net revenue from products sold and services rendered	Cost of products sold and services rendered	Other operating income, net	Finance results, net	Other comprehensive income	Gain (loss) Realized	Total (net between assets and liabilities)				
Interest rates risk																
LIBOR floating rate vs. CDI floating rate swaps	200	225	USD millions	190					77		71	196	(85)	(59)		340
IPCA floating rate vs. CDI floating rate swaps	1,236	760	BRL	37					(39)		12	(14)	(62)	(55)	(42)	145
USD vs. CDI floating rate swaps	100	50	USD millions	15					4		(12)	31	(48)	(36)	(31)	145
CDI floating rate swaps vs. USD floating rate swaps		1	BRL	(690)							688	(3)	1			
IPCA floating rate vs. USD floating rate swaps	160	160	BRL	(52)					(55)	52	12	(67)	(6)	(7)	(7)	(49)
BRL vs. USD rate swaps		477	BRL	(2)					(41)		(40)	(3)				
Swap floating rate vs. CDI fixed rate	2		BRL													
				(502)					(54)	740	40	144	(201)	(158)	(79)	581
Hedge of operational contracts																
USD forward	50		USD millions						4		4					
IPCA floating rate vs. USD floating rate swaps	823	823	USD millions	25					(19)	(25)		(19)		21	5	(44)
				25					(15)	(25)	4	(19)		21	5	(44)
				(757)	6	(790)	(211)	42	(66)	847	(800)	(129)	(454)	(137)	(75)	537

In December 31, 2021, derivative transactions net of taxes recognized in Equity valuation adjustment totaled R\$ 719.



(b) Derivative financial instruments – Put-option

In 2018, the Company acquired a minority interest of 15% in the combined long steel business of ArcelorMittal Brasil S.A. (AMB). In compliance with accounting rules, the investment was recognized as a financial instrument measured at fair value through profit or loss, in accordance with CPC 48 / IFRS 9 – Financial instruments. As a result of the terms established in the contract, this financial instrument was reclassified to short-term in the last quarter of 2021. The change in the fair value of this operation in the year ended December 31, 2021 resulted in a gain of R\$ 4,452 (December 31, 2021). December 2020, loss of R\$ 403 was recorded under Financial result, net – Note 31. The gain recorded in 2021 is justified by the better results obtained in the long steel operation of AMB.

6.1.2. Estimated fair value

The main financial assets and liabilities are described below, as well as the assumptions for their valuation:

Financial assets – considering the nature and terms, the amounts recorded are close to the realizable values.

Financial liabilities – are subject to interest at the usual market rates. The market value was calculated based on the present value of the future cash disbursement, using interest rates currently available for issuing debts with similar maturities and terms.

Electric power future contracts – The fair value of these financial instruments is estimated based, in part, on price quotes published in active markets, insofar as such observable market data exist, and, in part, by the use of valuation techniques, which consider: (i) prices established in the purchase and sale operations; (ii) supply risk margin and (iii) projected market price in the availability period. Whenever the fair value at initial recognition for these contracts differs from the transaction price, a gain or loss of fair value is recognized in Other operating income (expenses), net.

The Company and its subsidiaries disclose the fair value measurements by the following hierarchy:

Level 1 – quoted prices (not adjusted) in active markets for identical assets and liabilities;

Level 2 – information, in addition to quoted prices, included in level 1 that are adopted by the market for the asset or liability, either directly (as prices) or indirectly (derived from prices), and;

Level 3 – inserts for assets or liabilities that are not based on data adopted by the market (that is, unobservable insertions).

As at December 31, 2021, financial assets measured at fair value and financial liabilities disclosed at fair value were classified in levels 1 and 2 of hierarchy, as given below:

	Note	Fair value measured based on		2021
		Prices quoted in an active market (Level 1)	Valuation supported by observable prices (Level 2)	
Assets				
Cash and cash equivalents	9	8,636	5,044	13,680
Financial investments	10	844	2,288	3,132
Derivative financial instruments (i)	6.1.1 (a)		953	953
Derivative financial instruments - put option			4,704	4,704
Financial instruments - shares	13	23	2,778	2,801
		9,503	15,767	25,270
Liabilities				
Borrowing (i)	20	16,326	10,156	26,482
Derivative financial instruments (i)	6.1.1 (a)		1,082	1,082
To rent	21		1,551	1,551
Confirming payables			3,405	3,405
		16,326	16,194	32,520



	Note	Fair value measured based on		12/31/2020
		Prices quoted in an active market (Level 1)	Valuation supported by observable prices (Level 2)	Fair value
Assets				
Cash and cash equivalents	9	4,418	5,365	9,783
Financial investments	10	1,279	4,419	5,698
Derivative financial instruments (i)	6.1.1 (a)		2,166	2,166
Derivative financial instruments - put option			252	252
Financial instruments - shares	13		2,590	2,590
		5,697	14,792	20,489
Liabilities				
Borrowing (i)	20	16,633	13,377	30,010
Derivative financial instruments (i)	6.1.1 (a)		2,923	2,923
To rent	21		858	858
Confirming payables			2,380	2,380
		16,633	19,538	36,171

(i) The fair value of these financial instruments takes into account the credit risk of the Company and its subsidiaries, and the value of the change in the fair value of the financial liability that is attributable to changes in credit risk is recorded in equity in other comprehensive income. If the classification of credit risk in other comprehensive income creates or increases the accounting mismatch in the result, the entity must present all gains or losses in the income for the year. The accumulated amount of changes in credit risk remains in other comprehensive income until the settlement of the financial instrument, when they are reclassified to retained earnings, without affecting the income.

6.1.3. Sensitivity analysis

The main risk factors affecting the pricing of cash and cash equivalents, financial investments, loans and financing and derivative financial instruments are exposed to the fluctuation in the US Dollar, Euro, Turkish Lira, New Peruvian Sun, Argentine Peso and Bolivian interest rates, CDI, IPCA, TJLP, LIBOR, US Dollar coupon, commodity prices and electricity purchase and sale contracts. The scenarios for these factors are prepared using both market sources and specialized sources of information, in line with the Company's governance.

The scenarios as at December 31, 2021 are described below:

Scenario I - Considers a shock to the market curves and quotations at December 31, 2021, according to the base scenario defined by management as at March 31, 2022;

Scenario II - Considers a shock of + or - 25% in the market curves at December 31, 2021;

Scenario III - Considers a shock of + or - 50% in the market curves at December 31, 2021.



Risk factors	Cash and cash equivalents and financial investments (i)	Borrowing and related parties (i)	Derivative financial instruments/As per unit		Changes from 2021	Impacts on profit (loss)				Impacts on comprehensive income					
						Scenario I		Scenarios II & III		Scenario I		Scenarios II & III			
						Results of scenario I	-25%	-50%	+25%	+50%	Results of scenario I	-25%	-50%	+25%	+50%
Foreign exchange rates															
USD	9,521	18,606	2,301	USD millions	-1.4%	33	572	1,145	(572)	(1,145)	138	2,384	4,768	(2,384)	(4,768)
EUR	752	1,174			0.1%		(12)	(25)	12	25		118	236	(118)	(236)
MAD	227				2.1%	5	(57)	(113)	57	113					
BOB	58	635			-3.1%						18	144	289	(144)	(289)
TRY	46	17	4	USD millions	-7.0%	(1)	(15)	(37)	12	22					
CAD	27	113			-0.5%		23	46	(23)	(46)		(1)	(3)	1	3
UYU	38	121			-1.4%						1	21	42	(21)	(42)
TND	229				-2.2%	(5)	(57)	(114)	57	114					
ARS	136				-12.4%						(17)	(34)	(68)	34	68
NAD	8				-3.3%							(2)	(4)	2	4
PEN	139	10			-2.4%	(3)	(31)	(62)	31	62		(2)	(3)	2	3
	11,180	20,677	2,305			29	423	840	(426)	(855)	140	2,628	5,257	(2,628)	(5,257)
Interest rates															
BRL - CDI	5,544	2,063	2,910	BRL	191 bps	139	228	529	(170)	(295)		2	5	(2)	(4)
BRL - IPCA		2,307	6,726	BRL	-456 bps	105	(73)	(133)	86	187					
BRL - TJLP		128			44 bps		2	3	(2)	(3)					
USD - LIBOR		1,775	1,176	USD millions	2 bps	6	(11)	(23)	11	23					
Dollar coupon			1,326	USD millions	17 bps	63	(198)	(395)	198	395	(1,088)	122	245	(122)	(245)
	5,544	6,273	12,137			313	(52)	(19)	123	307	(1088)	124	250	(124)	(249)
Price of commodities															
Zinc			224,596	ton	-18.7%	187	132	265	(132)	(265)	(37)	(26)	(52)	26	52
Aluminium			57,200	ton	7.8%						(32)	158	316	(158)	(316)
			281,796			187	132	265	(132)	(265)	(69)	132	264	(132)	(264)
Firm Commitment - electric energy															
Purchase and sale contracts - fair value			(44)					1	1	2					
			(44)					1	1	2					

(i) The balances presented do not reconcile with the explanatory notes, since the analysis performed covered all the most significant currencies and the interest rates include only the principal amount.



7. Financial instruments by category

Accounting policy

The Company and its subsidiaries classify their financial instruments depending on the purpose for which the financial instruments were acquired. Management determines the classification of financial instruments upon initial recognition, in the following categories:

(a) Financial instruments at fair value through profit or loss

These are financial assets held for active and frequent trading. These assets are measured at their fair value, and the changes are recognized in the statement of income for the year.

(b) Financial instruments at fair value through other comprehensive income

These are financial instruments that meet the criteria of contractual terms, give rise to cash flows that are exclusively the payment of principal and interest and are maintained in a business model, the objective of which is achieved both by obtaining contractual cash flows and by sale of financial assets. The instruments in this classification are measured at fair value through other comprehensive income.

(c) Financial instruments at amortized cost

These are financial instruments maintained in a business model whose purpose is to obtain contractual cash flows and their contractual terms give rise to cash flows that are exclusively the payment of principal and interest. The instruments in this classification are measured at amortized cost.

(d) Impairment of financial assets measured at cost

This is measured as the difference between the book value of the assets and the present value of the estimated future cash flows (excluding future credit losses that were not incurred), discounted at the current interest rate

of financial assets. The book value of the asset is reduced and the amount of the loss is recognized in the statement of income.

If, in a subsequent period, the impairment loss decreases and the impairment can be objectively related to an event occurring after recognition of the impairment (such as an improvement in the debtor's credit rating), the reversal of the loss will be recognized in the statement of the results.

	Note	2021	2020
Assets			
At amortized cost			
Trade receivables		3,679	2,352
Related parties	15	225	196
		3,904	2,548
Fair value through profit or loss			
Cash and cash equivalents (i)	9	13,680	9,783
Financial investments	10	3,132	5,698
Trade receivables			857
Derivative financial instruments	6.1.1 (a)	847	1,154
Derivative financial instruments - put option	6.1.1 (b)	4,704	252
Electric power futures contracts		3,807	58
		26,170	17,802
Fair value through other comprehensive income			
Financial instruments - shares	13	2,801	2,590
Derivative financial instruments	6.1.1 (a)	106	1,012
		2,907	3,602



	Note	2021	2020
Liabilities			
At amortized cost			
Borrowing	20 (a)	23,337	23,676
Trade payables		6,914	5,404
Lease liabilities	21 (b)	1,551	858
Related parties	15	75	11
Confirming payables	22	3,405	2,380
Use of public assets	25	1,867	1,497
		37,149	33,826
Fair value through profit or loss			
Borrowing	20 (a)	1,667	1,389
Derivative financial instruments	6.1.1 (a)	556	511
Electric power futures contracts		3,863	285
		6,086	2,185
Fair value through other comprehensive income			
Derivative financial instruments	6.1.1 (a)	526	2,412
		526	2,412

(i) In practice, fair value and amortized cost are equivalent, considering, by definition, the characteristics of cash equivalents.

8. Credit quality of financial assets

The ratings resulting from local and global ratings were extracted from rating agencies (S&P Global Ratings, Moody's and Fitch Ratings). For presentation, the nomenclature standard of S&P Global Ratings and Fitch Ratings and the classification as established in the Financial Policies were considered.

	2021			2020		
	Local rating	Global rating	Total	Local rating	Global rating	Total
Cash and cash equivalents						
AAA	5,061		5,061	1,575		1,575
AA+	165		165	309		309
AA	680		680	158		158
AA-		140	140	46	136	182
A+	200	3,396	3,596		2,092	2,092
A	137	2,309	2,446		2,216	2,216
A-		1,105	1,105		1,790	1,790
BBB+		219	219		687	687
BBB		27	27		300	300
BBB-		37	37		292	292
BB		15	15		13	13
BB-		34	34		10	10
B		61	61		60	60
B-					1	1
CCC+					2	2
CCC					30	30
CCC-		1	1			
Unrated (i)	14	79	93		66	66
	6,257	7,423	13,680	2,088	7,695	9,783



	2021			2020		
	Local rating	Global rating	Total	Local rating	Global rating	Total
Financial investments						
AAA	1,397		1,397	3,639		3,639
AA+	10		10	26		26
AA	227		227	317		317
AA-				487		487
A+				20	29	49
A		22	22		131	131
A-		70	70			
B		3	3			
CCC+		92	92		4	4
CCC-		18	18			
Unrated (ii)		1,293	1,293		1,045	1,045
	1,634	1,498	3,132	4,489	1,209	5,698
Derivative financial instruments						
AAA	756		756	1,688		1,688
AA-				323		323
AA	9		9			
A+		144	144		10	10
A-		42	42		145	145
B		2	2			
	765	188	953	2,011	155	2,166
Financial instruments - shares						
AAA	2,801		2,801	2,590		2,590
	11,457	9,109	20,566	11,178	9,059	20,237

(i) Refers to values invested in offshore banks which are not rated by any ratings agency.

(ii) Refer to amounts invested in liquid assets traded abroad that are not classified by rating agencies.

9. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash, bank deposits and other highly liquid short-term investments whose original maturities are less than three months, and which are readily convertible into a known amount of cash and subject to an insignificant risk of change in value.

(a) Breakdown

Cash and cash equivalents in local currency include deposits in current bank accounts and government securities (overnight operations) or financial institutions, indexed to the interbank deposit rate. Foreign currency cash equivalents are mainly composed of financial instruments in local currency of the company and its investees.

	2021	2020
Local currency		
Cash and banks	26	27
Bank Deposit Certificates - CDBs	2,437	798
Repurchase agreements - public securities	1,424	955
Repurchase agreements - private securities		11
Financial Treasury Bills - LFTs	224	
	4,111	1,791
Foreign currency		
Cash and banks	6,962	3,409
Time deposits	2,607	4,583
	9,569	7,992
	13,680	9,783

10. Financial investments

Accounting policy

Financial investments have, for the most part, immediate liquidity, however, they are classified as financial investments based on the original maturities, considering the expected destination of the funds. Investments in national currency comprise government bonds or financial institutions, indexed to the interbank deposit rate.

Investments denominated in foreign currency are mainly composed of fixed income financial instruments in local currency (time deposits). There are also investments that have immediate liquidity considering the expected allocation of funds by the Investment Policy. Such investments comprise sovereign bonds and ETFs (Exchange Traded Funds) with low risk concentration in specific assets, following restrictions defined in the Investment Policy to safeguard liquidity and mitigate risk of capital loss.

(a) Breakdown

	2021	2020
Fair value through profit or loss		
Local currency		
Bank Deposit Certificates - CDBs	183	2,583
Financial Treasury Bills - LFTs	608	1,169
Financial bills - Private securities		290
Repurchase agreements - Public securities	236	110
Investment fund quotas	493	337
	1,520	4,489
Foreign currency		
Assets traded on the market (i)	1,400	1,046
Time deposits	212	163
	1,612	1,209
	3,132	5,698
Current	3,132	5,678
Non-current		20
	3,132	5,698

(i) Balance refers to assets traded on the market, being investments with a low concentration of risk in specific assets.

11. Trade receivables

Accounting policy

Trade receivables correspond to the amounts referring to the sale of goods or provision of services in the normal course of the activities of the Company and its subsidiaries.

They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method less the estimated loss on allowance for loan losses. Accounts receivable from customers in the foreign market are updated based on the exchange rates in effect on the balance sheet date.

(a) Breakdown

	2021	2020
Trade receivables – Brazil	1,445	1,475
Trade receivables – foreign customers	2,349	1,892
Related parties	39	64
	3,833	3,431
Allowance for doubtful accounts	(154)	(222)
	3,679	3,209

(b) Breakdown by currency

	2021	2020
Brazilian real	1,581	1,334
U.S. dollar	1,489	1,213
Euro		181
Colombian peso	309	131
Turkish lira	97	71
Uruguayan peso	66	62
Moroccan dirham		61
Argentine peso	83	55
Other	54	101
	3,679	3,209

(c) Changes in estimated loss for doubtful accounts

	2021	2020
Opening balance	(222)	(191)
Additions, net		(44)
Receivables written off as uncollectible (i)	69	21
Effect of subsidiaries excluded from consolidation	(5)	(2)
Foreign exchange variations	4	(6)
Closing balance	(154)	(222)

(i) (i) The debits on the estimated loss account with doubtful accounts are generally written off when there is no expectation of recovery of funds.

(d) Aging of trade receivables

	2021	2020
Current	3,473	2,945
Up to three months past due	137	166
Three to six months past due	20	14
Over six months past due	203	306
	3,833	3,431

12. Inventory

Accounting policy

Presented at the lower of cost and net realizable value. The cost is determined using the weighted average cost method. The costs of finished products and products in preparation comprise raw materials, direct labor and other direct and indirect production costs (based on normal operational capacity). The raw materials from biological assets (e.g: trees from a plantation, plants, fruit trees, cattle, etc.) are measured at fair value, less selling expenses at the point of harvest, when they are transferred from non-active assets current to the inventory group.

The subsidiaries, at least once a year, carry out the physical inventory of the goods included in their inventory. Inventory adjustments are recorded under Cost of goods sold and services provided.

The provision for inventory losses refers substantially to obsolete and low turnover materials.

(a) Breakdown

	2021	2020
Finished products	1,609	949
Semi-finished products	2,021	1,705
Raw materials	1,610	858
Auxiliary materials and consumables	1,588	1,249
Imports in transit	402	319
Other	415	114
Provision for inventory losses	(478)	(470)
	7,167	4,724

(b) Changes in the estimate of inventory losses

						2021	2020
	Finished products	Semi- finished products	Raw materials	Auxiliary materials and consumables	Other	Total	Total
Balance at the beginning of the year	(17)	(57)	(17)	(246)	(133)	(470)	(393)
Addition	(51)	(103)	(46)	(158)	(34)	(392)	(229)
Disposal		12		17	17	46	
Reversal	52	74	56	142	2	326	219
Effect of subsidiaries included in consolidation	3	11		26	(15)	25	
Exchange variation		(1)		(6)	(6)	(13)	(67)
Balance at the end of the year	(13)	(64)	(7)	(225)	(169)	(478)	(470)



13. Financial Instruments - Shares

Accounting policy

Uses the average share price quote for the last ninety days of the closing date.

The value of financial instruments refers, substantially, to the portion of the Company's shares held by Suzano S.A. and CCR S.A..

	2021				2020
	Suzano	CCR	Tinka	Total	Suzano
Balance at beginning of period	2,590			2,590	2,749
Acquisition (i)		1,348	37	1,385	
Change in fair value	141	78		219	1,079
Realization of fair value	(999)		(17)	(1,016)	
Sale of shares	(377)			(377)	(1,238)
Balance at the end of the period	1,355	1,426	20	2,801	2,590

(i) Refers to the acquisition of shares in CCR, as described in Note 1.1 (kk).

14. Taxes recoverable

Accounting policy

The recoverable taxes are held in assets mainly for the purpose of recognizing in the balance sheet of the entity the book values that will be the object of future recovery.

	2021	2020
Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL)	2,343	1,725
Social Contribution on Revenue (COFINS)	892	1,561
State Value-added Tax on Sales and Services (ICMS)	661	719
Value-added Tax (VAT) (foreign companies)	263	252
Social Integration Program (PIS)	233	368
State Value Added Tax on property, plant and equipment (ICMS)	80	68
Withholding Income Tax (IRRF)	43	59
Excise Tax (IPI)	43	32
Social Security Credit	20	20
Service Tax (ISS)	2	11
Other	162	184
	4,742	4,999
Current	2,709	2,033
Non-current	2,033	2,966
	4,742	4,999

15. Related parties

Accounting policy

Related parties are individuals or legal entities that are related to the entity that reports the financial statements.

Assets	Trade receivables		Dividends receivable		Non-current assets	
	2021	2020	2021	2020	2021	2020
Related companies and joint ventures						
Cementos Avellaneda S.A.	3	3				
Banco Votorantim S.A.			298	36		
Citrosuco S.A. Agroindústria					80	126
Citrosuco GmbH					72	67
Supermix Concreto S.A.	24	22				
VTRM Energia Participações S.A	2	3	7	140	47	
Superior Building Materials LL		24				
Outros	10	12			26	3
	39	64	305	176	225	196
Current	39	64	305	176		
Non-current					225	196
	39	64	305	176	225	196

Liabilities	Trade payables		Dividends payable		Non-current liabilities	
	2021	2020	2021	2020	2021	2020
Parent company						
Hejoassu Administração S.A.			1520			
Related companies and joint ventures						
Superior Materials Holdings, LLC		11				
Cementos Avellaneda S.A.		1				
Others	8	6			75	11
	8	18	1,520		75	11
Non-controlling interests			104	44		
Current	8	18	1,624	44		
Non-current					75	11
	8	18	1,624	44	75	11
Profit and loss	Sales (purchases), net		Finance income (expenses), net			
	2021	2020	2021	2020		
Related companies and joint ventures						
Cementos Especiales De Las Islas, S.A.		39	22			
Cementos Granadilla S.L.		26	20			
Citrosuco S.A. Agroindústria		29	20			
Midway Group, LLC		45	32			
Supermix Concreto S.A.		315	235			
Superior Materials Holdings, LLC		79	112			
Others		55	21	(15)	(4)	
		588	462	(15)	(4)	

16. Electric power future contracts

The subsidiary Votorantim Comercializadora de Energia Ltda. (Votener) Centralizes energy purchase and sale transactions to meet the demands of Votorantim companies. A portion of these transactions takes the form of contracts that have been entered into and continue to be carried out for the purpose of receiving the energy for Votener's own use or delivering self-produced energy, in accordance with the productive demands of the Company's subsidiaries and, therefore, meets the definition of a financial instrument.

Another part of these transactions refers to energy purchases and sales that are not used in the production process of Votorantim companies and are traded in an active market, therefore, it meets the definition of a financial instruments, due to the fact that transactions are settled in energy, and promptly convertible into cash. Such contracts are accounted for as derivatives under IFRS 9 / CPC 48 and are recognized in the balance sheet of their subsidiaries at fair value, on the date the derivative is entered into, and are revalued at fair value on the balance sheet date.

The operations carried out by the indirect subsidiary Votener until 2023 in the Free Contracting Environment (ACL) were recognized at their fair value on the closing date of each operation. In 2021, the realization of the fair value of these operations, resulting from the physical settlement of the energy purchase and sale contracts, resulted in a gain of R\$ 11 (R\$ 83 in loss in 2020). These amounts were accounted for under Other operating income (expenses), net. The A-0/2014 contracts, which were traded in the Regulated Contracting Environment (ACR), were fully settled in December 2019.

The values quoted above have the following composition:

	ACL			Total		
	Votorantim Cimentos	CBA (i)	Votorantim Energia	Total	2021	2020
Realization	(2)	28	(11)	15	15	105
Recognition		156		156	156	(159)
	(2)	184	(11)	171	171	(54)

The table below shows the composition of equity balances:

	ACL			Total	
	CBA	VGE	Votorantim Cimentos	2021	2020
Assets					
Current		845		845	49
Non-current		2,962		2,962	9
		3,807		3,807	58
Liabilities					
Current	(11)	(767)	(22)	(800)	(75)
Non-current	(24)	(2,993)	(46)	(3,063)	(210)
	(35)	(3,760)	(68)	(3,863)	(285)

17. Investments

Accounting policy

Investments in affiliates, subsidiaries and joint ventures are accounted for using the equity method of accounting as of the date they become their jointly controlled joint ventures and subsidiaries.

Affiliates are those entities in which the Company, directly or indirectly, has significant influence, but not control or joint control over financial and operating policies. In order to be classified as a jointly controlled entity, there must be a contractual agreement that allows the Company to share control of the entity and gives the Company the right to the net assets of the jointly controlled entity, not the right to its specific assets and liabilities.

The Company also recognizes its assets in accordance with the venturer's participation in the assets, liabilities, revenues and expenses of the controlled entity on a proportional basis. This implies recognizing the venturer's share of the assets, liabilities, income and expenses of the joint ventures by adding such amounts to its own assets, liabilities, revenues and expenses by the straight-line method, and including such amounts in corresponding to the balance sheet and income statement of the same nature.

(i) Impairment of investments

For the calculation of the recoverable amounts of the investments, the Company and its subsidiaries use criteria similar to those used to test goodwill impairment.

(a) Breakdown

	Information on December 31, 2021		Equivalence result		Balance	
	Equity	Net income (loss) for the semester	2021	2020	2021	2020
Investments accounted for under the equity method - Associates						
Cementos Avellaneda S.A.	1,380	247	2	(28)	825	717
Alunorte - Alumina do Norte S.A.	3,775	430	13	(1)	115	107
IMIX Empreendimentos Imobiliários Ltda.	14	6	1	2	3	3
Mineração Rio do Norte S.A.	900	(6)	(1)	(2)	90	92
Supermix Concreto S.A.	283	73	18	5	71	63
Jaguatirica Empreendimento Imobiliário SPE S.A.	226	7	11	6		112
Cementos Especiales de las Islas S.A.	239	54	27	20	120	113
Others			(13)		100	92
Joint ventures						
Citrosuco GmbH	5,973	368	135	249	4,043	3,628
Banco Votorantim S.A.	13,020	672	817	719	6,510	5,871
Citrosuco S.A. Agroindústria	(1,928)	(906)	(469)	(602)	(713)	(357)
Juntos Somos Mais Fidelização S.A.	88	(32)	(15)	(4)	40	8
VTRM Energia Participações S.A.	4,457	59	25	308	2,361	2,076
Others			34	55	126	173
			585	727	13,691	12,698

The balances of goodwill and surplus value are shown below, which are included in investment balances:

	Goodwill		Added value	
	2021	2020	2021	2020
Citrosuco GmbH	162	145	894	879
Citrosuco S.A. Agroindústria	194	194	57	73
Cementos Avellaneda S.A.	149	193		
Jaguarica Empreendimento Imobiliário SPE S.A.				5
VTRM Energia Participações S.A.			132	136

Main consolidated companies	Percentage of total and voting capital		Headquarters	Main activity
	2021	2020		
Subsidiaries				
Acerbrag S.A.	100.00	100.00	Argentina	Steel
Votorantim FinCO GmbH	100.00	100.00	Austria	Trading
Janssen Capital B.V.	100.00	100.00	Netherlands	Holding
Companhia Brasileira de Alumínio	100.00	100.00	Brazil	Aluminum
Santa Cruz Geração de Energia S.A.	100.00	100.00	Brazil	Electric power
Silcar Empreendimentos, Comércio e Participações Ltda.	100.00	100.00	Brazil	Holding
Votener - Votorantim Comercializadora de Energia Ltda.	100.00	100.00	Brazil	Electric power
Votorantim Cimentos N/NE S.A.	100.00	100.00	Brazil	Cement
Votorantim Cimentos S.A.	100.00	100.00	Brazil	Cement
Votorantim Energia Ltda.	100.00	100.00	Brazil	Holding
Votorantim Finanças S.A.	100.00	100.00	Brazil	Finance
Votorantim Geração de Energia S.A.	100.00	100.00	Brazil	Holding
Votorantim Investimentos Latino-Americanos S.A.	100.00	100.00	Brazil	Holding
Nexa Recursos Minerais S.A.	64.67	64.67	Brazil	Zinc
Votorantim Cement North America Inc.	100.00	100.00	Canada	Holding
Acerías Paz del Río S.A.		91.20	Colombia	Steel
Votorantim Cimentos EAA Inversiones, S.L.	100.00	100.00	Spain	Holding
St. Marys Cement Inc.	83.00	100.00	USA	Cement
St. Helen Holding II B.V.		100.00	Cayman Islands	Holding

Main consolidated companies	Percentage of total and voting capital		Headquarters	Main activity
	2021	2020		
Hailstone Ltd.		100.00	British Virgin Islands	Holding
Nexa Resources S.A.	64.67	64.67	Luxembourg	Holding
Votorantim Cimentos International S.A.	100.00		Luxembourg	Holding
Votorantim RE	100.00	100.00	Luxembourg	Insurance
Compañía Minera Atacocha S.A.A.	58.85	58.85	Peru	Mining
Nexa Resources Perú S.A.A	51.77	51.77	Peru	Mining
Nexa Resources Cajamarquilla S.A.	64.61	64.61	Peru	Zinc
Cementos Artigas S.A.	51.00	51.00	Uruguay	Cement
Joint operations				
Baesa - Energética Barra Grande S.A.	15.00	15.00	Brazil	Electric power
Campos Novos Energia S.A.	44.76	44.76	Brazil	Electric power
Great Lakes Slag Inc.	50.00	50.00	Canada	Cement
Exclusive investment funds				
Fundo de Investimento Pentágono VC Multimercado - Crédito Privado	100.00	100.00	Brazil	Finance
Fundo de Investimento Pentágono CBA Multimercado - Crédito Privado	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado	94.19	94.19	Brazil	Finance
Odessa Multimercado Crédito Privado Fundo de investimento VC	100.00	100.00	Brazil	Finance
Odessa Multimercado Crédito Privado Fundo de investimento VM	100.00	100.00	Brazil	Finance



	Investing entity	Percentage of total capital		Headquarters	Main activity
		2021	2020		
Main non-consolidated companies					
Associates					
Alunorte - Alumina do Norte S.A.	Companhia Brasileira de Alumínio	3.03	3.03	Brazil	Mining
Mineração Rio do Norte S.A.	Companhia Brasileira de Alumínio	10.00	10.00	Brazil	Mining
Cementos Avellaneda S.A.	Votorantim Cimentos International S.A.	49.00	49.00	Argentina	Cement
IMIX Empreendimentos Imobiliários Ltda.	Silcar Empreendimentos e Participações Ltda.	25.00	25.00	Brazil	Mining
Supermix Concreto S.A.	Silcar Empreendimentos e Participações Ltda.	25.00	25.00	Brazil	Concrete
Cementos Especiales de las Islas S.A.	Votorantim Cimentos International S.A.	50.00	50.00	Spain	Cement

	Investing entity	Percentage of total capital		Headquarters	Main activity
		2021	2020		
Joint ventures					
Banco Votorantim S.A.	Votorantim S.A.	50.00	50.00	Brazil	Finance
Citrosuco GmbH	Votorantim S.A.	50.00	50.00	Austria	Agribusiness
Citrosuco S.A. Agroindústria	Votorantim S.A.	50.00	50.00	Brazil	Agribusiness
Juntos Somos Mais Fidelização S.A.	Votorantim Cimentos S.A.	45.00	45.00	Brazil	Services
Hutton Transport Ltda.	St. Marys	25.00	25.00	Canada	Transportation
Midway Group, LLC.	St. Marys	50.00	50.00	USA	Cement
RMC Leasing, LLC.	St. Marys	50.00	50.00	USA	Equipment leasing
VTRM Energia Participações S.A.	Votorantim Geração de Energia S.A.	50.00	50.00	Brazil	Electric power

(b) Information about the companies' investes

The following is a summary of selected financial information of the principal associates and joint ventures as at December 31, 2021:

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Net revenue	Operation results	Finance income (costs)	Profit (loss) for the year	Total and voting capital (%)
Investments accounted for based on the equity method - Associates										
Cementos Avellaneda S.A.	696	1,814	651	478	1,381	2,458	679	(87)	247	49%
Alunorte - Alumina do Norte S.A.	11,109		3,385	3,949	3,775	10,899	1,261	(578)	430	3%
IMIX Empreendimentos Imobiliários Ltda.	7	7			14	7	7		6	25%
Mineração Rio do Norte S.A.	622	2,876	921	1,677	900	1,555	174	(193)	(6)	10%
Supermix Concreto S.A.	369	419	294	211	283	1,939	99	(5)	73	25%
Cementos Especiales de las Islas S.A.	107	183	40	11	239	407	(23)	2	54	50%
Controladas em conjunto (Joint ventures)										

	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Net revenue	Operation results	Finance income (costs)	Profit (loss) for the year	Total and voting capital (%)
Citrosuco GmbH	6,426	1,078	1,143	387	5,974	4,572	275	150	368	50%
Banco Votorantim S.A. (i)	45,124	68,729	72,412	30,689	10,752	5,299	6,678		1,473	50%
Citrosuco S.A. Agroindústria	3,603	5,081	4,369	6,243	(1,928)	3,953	(628)	(291)	(906)	50%
Juntos Somos Mais Fidelização S.A.	137	47	95		89	87	(45)	2	(32)	45%
VTRM Energia Participações S.A.	555	4,749	28	818	4,457		(6)	15	59	50%
Hutton Transport Ltda.	35	32	11	16	40	78	14	(1)	12	25%
Midway Group, LLC.	39	27	15		51	142	19		19	50%
RMC Leasing LLC	4	26			30					50%

(i) As at December 31, 2021 and December 31, 2020, the investment included an adjustment to fair value in the amount of R\$ 495.

(c) Changes in investees

	2021	2020
Opening balance for the year	12,698	11,720
Equity in the results of investees	585	727
Foreign exchange variations	187	734
Increase	165	10
Dividends and interest on equity	(600)	(264)
Fair value of available-for-sale asset		(31)
Effect of acquisition of control of investee	(226)	
Cash flow hedge	377	(115)
VendaAmirys	246	192
Actuarial benefits	259	(272)
Others		(3)
Closing balance for the year	13,691	12,698



18. Property, plant, and equipment

Accounting policy

(i) Property, plant and equipment

Property, plant and equipment are stated at their historical cost of acquisition or construction, less accumulated depreciation. Historical cost also includes finance costs related to the acquisition or construction of qualifying assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with these costs will flow to the Company and they can be measured reliably. The carrying amount of the replaced items or parts is derecognized.

All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major refurbishments is included in the carrying value of the asset when future economic benefits exceed the performance initially expected for the existing asset. Refurbishment expenses are depreciated over the remaining useful life of the related asset.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to reduce their cost to their residual values over their estimated useful lives.

An asset's carrying amount is written down immediately to its recoverable amount when the asset's carrying amount is greater than its estimated recoverable amount, in accordance with the criteria adopted by the Company in order to determine the recoverable amount.

Gains and losses on disposals are determined by comparing the sales amount with the carrying amount and are recognized within Other operating income (expenses), net in the statement of income.

(ii) Impairment of non-financial assets

Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or changes in economic, operating or technological circumstances may indicate impairment or loss of book value. An impairment loss is recognized when the carrying amount of the asset or cash generating unit (CGU) exceeds its recoverable amount, adjusting the carrying amount to the recoverable amount.

The recoverable amount is the greater of an asset's fair value less costs to sell and its value-in-use. For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets, except goodwill, which have been impaired, are subsequently reviewed for the analysis of a possible reversal of impairment, at the balance sheet date.

The recoverability of the assets that are used in the activities of the Company and its subsidiaries is evaluated whenever events or changes in circumstances indicate that the book value of an asset or group of assets may not be recoverable based on future cash flows. If the carrying amount of these assets exceeds their recoverable value, the net amount is adjusted and their useful life is adjusted to new levels.

(a) Breakdown and changes

	2021									2020	
	Land and improvements	Buildings and construction	Machinery, equipment and facilities	Vehicles	Furniture and fittings	Construction in progress	Asset retirement obligation	Leasehold improvements	Other	Total	Total
Opening balance for the year											
Cost	2,396	12,753	43,573	1,739	282	4,464	1,247	742	574	67,770	57,552
Accumulated depreciation	(72)	(6,242)	(28,297)	(1,272)	(227)		(745)	(461)	(349)	(37,665)	(30,404)
Net opening balance for the year	2,324	6,511	15,276	467	55	4,464	502	281	225	30,105	27,148
Additions	46	16	134	1	1	4,790	351		7	5,346	3,516
Disposals	(241)	(14)	(553)	(6)		(2)			(3)	(819)	(136)
Depreciation	(5)	(527)	(1,878)	(113)	(14)		(43)	(34)	(41)	(2,655)	(2,467)
Depreciation		(7)	(78)				(5)			(90)	
Foreign exchange variation	28	125	103	25		49	20	15	136	501	2,664
Effect of subsidiaries included in (excluded from) consolidation (i)	(146)	1,779	1,215	81	4	(66)	(51)	3		2,819	514
Reversal (constitution) for impairment	(41)	(27)	590	1		5	72		(41)	559	(879)
Revision of estimated cash flow							(266)			(266)	96
Reclassification to assets classified as held-for-sale	(1)		(9)							(10)	(34)
Write-off by corporate transaction	(1)		(2)						(2)	(5)	(7)
Adjustments to operations in countries with a hyperinflationary economy											75
Transfers (ii)	37	411	1,637	150	2	(2,690)		25	21	(407)	(385)
Closing balance for the year	2,000	8,267	16,435	606	48	6,550	580	290	302	35,078	30,105
Cost	2,078	16,677	48,139	1,967	325	6,550	1,269	837	651	78,493	67,770
Accumulated depreciation	(78)	(8,410)	(31,704)	(1,361)	(277)		(689)	(547)	(349)	(43,415)	(37,665)
Net closing balance for the period	2,000	8,267	16,435	606	48	6,550	580	290	302	35,078	30,105
Average annual depreciation rates - %	1	4	9	20	10		5	9			

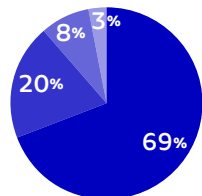
(i) Refers to the business combination operation of indirect subsidiary St. Marys, as described in Notes 1.1 (o) and 1.1 (v).

(ii) Transfers include the reclassification of works in progress in the group of property, plant, and equipment to software, rights over natural resources and other in the property, plant and equipment group.

(b) Construction in progress

The balance is composed mainly of expansion and optimization projects related to the industry.

Segment	2021	2020
Nexa Resources	4,532	2,741
Votorantim Cimentos	1,274	1,021
CBA	546	475
Long steel	42	97
Votorantim Energia	31	22
Other	125	108
	6,550	4,464



The main projects in progress by business segment are as follows:

Nexa Resources	2021	2020
Expansion and modernization projects	3,410	2,006
Sustaining	859	605
Security, health and environment projects	213	112
Information technology	19	16
Other	31	2
	4,532	2,741

Votorantim Cimentos	2021	2020
<i>Sustaining</i>	613	357
Cement grinding - Pecém - Brazil	325	135
Modernization industry	77	31
New production line in Sobral - CE	75	63
Hardware and software	70	72
Geology and mining rights	55	35
New lines of co-processing	15	41
Environment and security	2	182
Other	42	105
	1,274	1,021

CBA	2021	2020
Rondon projects	172	115
Furnace refurbishment	100	66
Alumina factory project	53	13
Casting Projects	25	28
Plastic transformation projects	23	24
Security, health and environment projects	20	33
Mining projects	11	13
Projects oven rooms	9	121
Revitalization and adequacy of the plant	2	1
Other	131	61
	546	475

Long steel	2021	2020
<i>Sustaining</i>	34	86
Security projects, health and environment projects - Colombia	5	8
Other	3	3
	42	97

Energy	2021	2020
Corumba - GO projects		21
Information technology	31	1
	31	22



19. Intangible assets

Accounting policy

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the net fair value of assets and liabilities of the acquired entity. Goodwill on acquisitions of subsidiaries is recorded as assets in the consolidated financial statements. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Annually, the Company and its subsidiaries review the net book value of goodwill, in order to assess whether there was impairment. The recoverable amounts of CGUs were determined according to the value in use, based on the discounted cash flow model. The recoverable amount is sensitive to the rate used in the discounted cash flow model, as well as the expected future cash receipts and the growth rate used for extrapolation purposes.

(ii) Rights over natural resources

Costs for the acquisition of rights to explore and develop mineral properties and to explore wind resources are capitalized and amortized using the straight-line method over their useful lives, or, when applicable, based on the depletion of the mines in question. Once the mine or wind farm starts operating, these costs are amortized and considered a cost of production.

Depletion of mineral resources and wind farms is calculated based on extraction and utilization, respectively, taking into consideration their estimated productive lives.

(iii) Computer software

Costs associated with software maintenance are amortized over their useful lives.

(iv) Use of public assets

This represents the amounts established in the concession contracts regarding the rights to hydroelectric power generation (onerous concession) under Use of Public Assets agreements.

These transactions are accounted for at the time when the operating permit is awarded, regardless of the disbursement schedule established in the contract. Upon inception, this liability (obligation) and intangible asset (concession right) correspond to the total amount of the future obligations discounted to their present value (present value of cash flow from future payments).

The amortization of the intangible asset is calculated on a straight-line basis over the period of the authorization to use the public asset. The financial liability is updated by the effective interest method and reduced by the payments contracted.

(v) Contractual customer relationships and non-competition agreements

Contractual customer relationships and non-competition agreements acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relations and non-competition agreements have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the estimated useful lives.



(a) Breakdown and changes

	2021									2020	
	Rights over natural resources	Goodwill	Asset retirement obligation	Use of public assets	Contracts, customer relationships and agreements	Hydrological risk renegotiation (ii)	Software	Rights over trademarks and patents	Other	Total	Total
Opening balance for the year											
Cost	13,078	6,579	535	540	403		770	86	1,639	23,630	19,391
Accumulated amortization	(7,022)		(208)	(236)	(318)		(563)	(57)	(632)	(9,036)	(6,108)
Net opening balance for the year	6,056	6,579	327	304	85		207	29	1,007	14,594	13,283
Additions	179	257	4	222		448	4			1,114	22
Disposals	(1)	(11)					(2)		(2)	(16)	(25)
Amortization and depletion	(474)		(23)	(18)	(35)	(14)	(79)	(1)	(13)	(657)	(550)
Foreign exchange variation	430	382	10		3		2		62	889	3,369
Effect of subsidiaries included in consolidation (i)	245	(26)	93		257		1		37	607	6
Impairment											(1,898)
Changes in the interest rate			(32)							(32)	(13)
Reclassification of assets classified as held for sale	(1)		(5)							(6)	
Transfers (iii)	65						56		89	210	400
Closing balance for the year	6,499	7,181	374	508	310	434	189	28	1,180	16,703	14,594
Cost	15,468	7,181	611	776	711	448	847	88	1,212	27,342	23,630
Accumulated amortization	(8,969)		(237)	(268)	(401)	(14)	(658)	(60)	(32)	(10,639)	(9,036)
Net closing balance for the year	6,499	7,181	374	508	310	434	189	28	1,180	16,703	14,594
Average annual amortization and depletion rates - %	6		5	7	7		20				

(i) Refers to the business combination operation of indirect subsidiary St. Marys, as described in Notes 1.1 (o) and 1.1 (v).

(ii) As a result of the application of Law No. 14,052/2020, the Company and its subsidiaries recognized an increase in the gross amount of R\$ 448 referring to the renegotiation of risk hydrological power generation, through the extension of the term of the concession right of the plants, as detailed in note 1.1 (l).

(iii) (Transfers include the reclassification of Works in progress in the group of property, plant and equipment to Softwares, Rights over natural resources and Other in the group of intangible assets.

(b) Goodwill on acquisitions

Accounting policy

The Company and its subsidiaries use the acquisition method to account for transactions classified as a business combination. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and equity instruments. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement when applicable. Acquisition-related costs are recorded in the income statement for the year as incurred. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair values on the acquisition date. The Company and its subsidiaries recognize the non-controlling interest in the acquiree, both at fair value and at the proportional portion of the non-controlling interest in the fair value of the acquiree's net assets. The non-controlling interest to be recognized is determined on each acquisition.

	2021	2020
Votorantim Cimentos		
North America	2,494	2,163
Europe, Asia and Africa	1,953	1,831
Latin America	13	13
Brazil		
Cimento Vencemos do Amazonas Ltda.	64	64
Engemix S.A.	76	76
	4,600	4,147
Nexa Resources		
Latin America		
Nexa Resources Perú S.A.A.	1,735	1,616
Nexa Resources Cajamarquilla S.A.	516	481
Brazil		
Campos Novos Energia S.A.	26	26
Pollarix S.A.	1	1
	2,278	2,124

	2021	2020
Long steels		
Latin America		
Acergroup S.A.	149	149
Acerholding S.A.	5	5
Acerbrag S.A.	1	1
	155	155
CBA		
Brazil		
Campos Novos Energia S.A.	31	31
Metalex Ltda.	49	49
Rio Verdinho Energia S.A.	29	29
Machadinho Energética S.A.	15	15
BAESA - Energética Barra Grande S.A.	7	7
	131	131
Holding and other		
Latin America		
Votorantim Andina S.A.	16	16
Fazenda Bodoquena Ltda.	1	1
Jaguatirica Empreendimento Imobiliário SPE S.A.		5
	17	22
	7,181	6,579

(c) Impairment test for goodwill

Assets that have an indefinite useful life, for example goodwill, are not subject to amortization and are tested annually for impairment.

The Company and its subsidiaries evaluate at least annually the recoverability of the carrying value of the operating segment of each CGU. The process of estimating these values involves the use of assumptions, judgments and estimates of future cash flows that represent the best estimate of the Company and its subsidiaries.



The Company's management determined the budgeted gross margin based on past performance and its expectations of market development. The discount rates used are pre-tax and reflect specific risks related to the operating segment or the CGU being tested.

The calculations of the value in use are based on cash flow projections, before the calculation of income tax and social contribution, and based on the financial budgets approved by Management for the projected period for the next five years. The amounts referring to cash flows, for the period exceeding five years, were extrapolated based on the estimated growth rates. The growth rate does not exceed the long-term average for the sector.

	Discount rate	
	2021	2020
Cement	5.80% to 15.20%	6.50% to 15.80%
CBA	7.96%	9.19%
Nexa Resources (i)	6.22% to 7.33%	7.22% to 7.82%
Long steels	9.25% to 18.89%	9.66% to 20.03%
Holding and other	9.35% to 10.80%	9.34% to 11.14%

(i) The fair value calculations were based on the discounted cash flow model and are based on the premise that growth rates take into account independent information about projections, such as LME quotes (mainly zinc and copper).

20. Borrowing

Accounting policy

Borrowings are initially recognized at fair value, net of transaction costs incurred, and subsequently carried at amortized cost. Any difference between the proceeds (net of transaction costs) and the total amount payable is recognized in the statement of income over the period of the borrowings using the effective interest rate method.

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset that requires a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of that asset when it is probable that future economic benefits associated with the item will flow to the Company and costs can be measured reliably. The other borrowing costs are recognized as finance costs in the period in which they are incurred.

(a) Breakdown and fair value

Type	Average annual charges	Current		Non-current		Total		Fair value	
		2021	2020	2021	2020	2021	2020	2021	2020
Local currency									
Debentures	116.19% CDI / IPCA + 4,08%	93	53	2,561	2,511	2,654	2,564	2,608	3,214
Export credit notes (i)	117.61% CDI	7	267	252	1,825	259	2,092	266	2,827
BNDES	TJLP + 2.76% / 1.86% Pré BRL / SELIC + 3.10% / IPCA + 5.31%	129	66	1,305	1,037	1,434	1,103	1,216	1,829
Development promotion agency	IPCA + 1.54%	9	1	69	34	78	35	79	47
FINAME	3.74% Pré BRL	9	10	4	14	13	24	12	25
Syndicated loan/bilateral agreements			38		553		591		591
Others	6.83% Pré BRL / TJLP + 0.86%	11	18	28	13	39	31	34	34
National Total		258	453	4,219	5,987	4,477	6,440	4,215	8,567
Foreign currency									
Eurobonds - USD	6.05% Pré USD	228	231	13,801	13,315	14,029	13,546	15,980	16,225
Export credit notes	LIBOR + 1.54% / 4.71% Pré USD	18	4	2,604	697	2,622	701	2,267	725
Loans - Law 4.131/1962 (ii)	LIBOR + 0.98% / 1.90% Pré USD	2	2	1,665	1,387	1,667	1,389	1,667	1,389
Eurobonds - BOB	5.38% Pré BOB	1	1	437	407	438	408	346	408
Syndicated loan/bilateral agreements	LIBOR + 0.99% / 5.55% Pré BOB / 9.33% Pré UYU / 14.65% Pré TRY / 1.43% Pré CAD / 1.65% EUR / 2.17 EURIBOR	81	90	1,655	1,320	1,736	1,410	1,762	1,535
Export prepayments			209		312		521		530
Working capital	IBR + 2.54% / 6.16% Pré COP / 0.98% Pré PEN	8	368	2	29	10	397	220	368
Development promotion agency			40		181		221		229
Other	5.90% Pré BOB / 0.98% Pré CAD	7	9	18	23	25	32	25	34
Foreign Total		345	954	20,182	17,671	20,527	18,625	22,267	21,443
Total		603	1,407	24,401	23,658	25,004	25,065	26,482	30,010
Current portion of long-term borrowing		237	488						
Interest on borrowing		351	358						
Short-term borrowing		15	561						
		603	1,407						

(i) Some loan contracts are in the form of Export Credit Notes, which aim to finance export-related operations, and have linked swap contracts (derivative financial instrument), which aim to exchange exposure to the floating rate CDI in reais for a fixed rate in the US dollars, with the exchange of currency from reais to dollars.

(ii) Loans related to Law 4131/1962 have swaps (derivative financial instruments) aimed at both the exchange of floating rates in LIBOR and pre-fixed to floating rates in CDI, as well as the



exchange of currency, dollar to real. These swaps were contracted with the financial institution in conjunction with the loan (dollar-denominated debt + swap to reais in % of CDI). The terms and conditions of the loan and derivative are configured as a matched operation, so that economically the resulting is a debt in % of the CDI in reais. The difference in measurement between the two instruments (loan at amortized cost x derivative at fair value) generates an accounting mismatch in the result and to eliminate this effect, contracts made as of August 2015, were designated as fair value, the effect of this designation being the measurement of debt at fair value through profit or loss as per Note 25.

- (iii) The Company and its subsidiaries revised the methodology for calculating the fair value of debts for disclosure purposes, which started to use as a reference the individual credit risk rate of the Company and its subsidiaries, and no longer the rate consolidated benchmark, with the exception of the fair values of the bonds, which were calculated using as a reference unit prices published in the secondary market in all quarters.

Key:

- BNDES National Bank for Economic and Social Development.
- BRL Brazilian currency (Real).
- BOB Bolivian.
- CAD Canadian Dollar.
- CDI Interbank Deposit Certificate.
- CDOR Canadian Dollar Offered Rate.
- COP Colombian Peso.
- EUR European Union currency (Euro).
- EURIBOR . . Euro Interbank Offered Rate.
- FINAME . . . Government Agency for Machinery and Equipment Financing.
- IBR Interbank Rate (Colombia).
- INR Indian Rupee.
- IPCA Extended Consumer Price Index.
- LIBOR London Interbank Offered Rate.
- PEN Peruvian Sol.
- SELIC Special System for Clearance and Custody.
- TJLP Long-term interest rate set by the National Monetary Council.
Until December 2017, the TJLP is the BNDES basic cost of financing. As of January 2018, the Long Term Rate (TLP) became the main financial cost of BNDES financing.
- TND Tunisian Dinar.
- TRY. Turkish Lira.
- USD US Dollar.
- UYU Uruguayan Peso.



(b) Changes

	2021	2020
Opening balance for the year	25,065	19,755
New borrowing	4,414	11,772
Interest	1,395	1,314
Addition of borrowing fees, net of amortization	16	10
Fair value adjustment	(53)	26
Foreign exchange variation	1,387	4,345
Payments - interest	(1,410)	(1,263)
Payments - principal	(6,779)	(10,846)
Effect of subsidiary included in consolidation (i)	523	
Reclassification to liabilities related to assets held for sale		(55)
Adjustment through other comprehensive income (ii)	404	
Gain on debt renegotiation	42	6
Other		1
Closing balance for the year	25,004	25,065

(i) Refers to the business combination operation of indirect subsidiary St. Marys, as described in Notes 1.1 (o) and 1.1 (v).

(ii) Refers to the curve value of the combined financial instruments designated as hedge accounting.

(c) New borrowing and amortizations

Through the funding and prepayment of certain debts, the Company seeks to extend the average maturities, as well as to balance the exposure to different currencies for loans and financing against cash generation in these currencies.

The main funding operations carried out during the year were as follows:

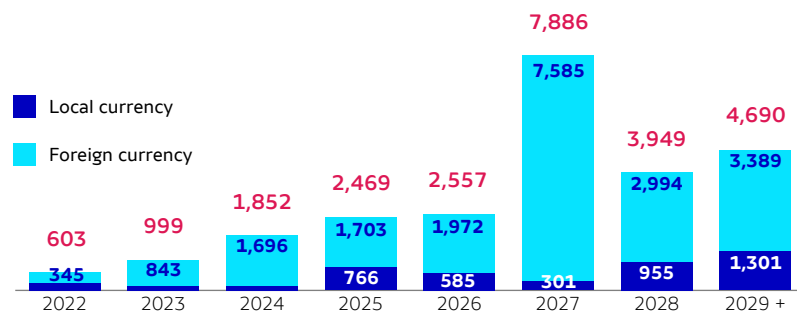
Date	Company	Type	Currency	Principal	Principal BRL	Maturity	Cost
Feb-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	(25)	(107)	2024	CDOR 03M + 0.99%
Mar-21	Votorantim Cimentos S.A.	Debentures	BRL	(450)	(450)	2026	CDI + 1.45%
Mar-21	Votorantim Cimentos N/NE S.A.	Debentures CRI	BRL	(136)	(136)	2033	IPCA + 4.4657%
Mar-21	Votorantim Cimentos S.A.	Debentures CRI	BRL	(264)	(264)	2033	IPCA + 4.4657%
Apr-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	(60)	(265)	2024	CDOR 03M + 0.99%
Apr-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	(80)	(432)	2024	LIBOR 03M + 0.99%
May-21	Mineração Dardanelos Ltda	BNDES	BRL	(160)	(160)	2040	IPCA + 5.52%
Jun-21	Mineração Dardanelos Ltda	BNDES	BRL	(101)	(101)	2040	IPCA + 5.52%
Jun-21	Votorantim Cimentos S.A.	Loans - Law 4.131/1962	USD	(50)	(267)	2026	CDI + 1.50%
Jul-21	Votorantim Cimentos S.A.	Loans - Law 4.131/1962	USD	(50)	(249)	2026	CDI + 1.50%
Jul-21	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	(35)	(215)	2026	EURIBOR 03M + 1.65%
Aug-21	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	(40)	(246)	2026	EURIBOR 06M + 1.70%
Aug-21	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	(50)	(307)	2026	1.65% pré
Oct-21	Votorantim Cimentos S.A.	Debentures	BRL	(500)	(500)	2028	CDI + 1.55%
Dec-21	Companhia Brasileira de Alumínio	Debentures	BRL	(230)	(230)	2029	CDI + 1.55%



The main amortizations made during the year were as follows:

Date	Company	Type	Currency	Principal	Principal BRL	Maturity	Observation
Jan-21	Nexa Recursos Minerais S.A.	Export Credit Note	BRL	(250)	(250)	2022	Pre payment
Mar-21	Votorantim Cimentos N/NE S.A.	Debentures	BRL	(450)	(450)	2023	Pre payment
Mar-21	Votorantim Cimentos S.A.	Debentures	BRL	(120)	(120)	2025	Pre payment
Mar-21	Votorantim Cimentos S.A.	Debentures	BRL	(280)	(280)	2023	Pre payment
Apr-21	Acerías Paz Del Río, S.A.	Working capital	COP	(86,000)	(129)	2022	Pre payment
Apr-21	McInnis Cement Inc	Syndicated loan/bilateral agreements	CAD	(37)	(162)	2022	Pre payment
Apr-21	McInnis Cement Inc	Syndicated loan/bilateral agreements	USD	(106)	(570)	2022	Pre payment
May-21	Nexa Resources	Pre payment export	USD	(20)	(106)	2023	
May-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	(25)	(109)	2024	Pre payment
Jun-21	Nexa Recursos Minerais S.A.	Export Credit Note	BRL	(245)	(245)	2022	Pre payment
Jun-21	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	(45)	(264)	2025	Pre payment
Jun-21	Votorantim Cimentos S.A.	Debentures	BRL	(267)	(267)	2023	Pre payment
Jun-21	Nexa Resources	Development promotion agency	USD	(43)	(212)	2026	Pre payment
Jul-21	Nexa Resources	Pre payment export	USD	(80)	(412)	2023	Pre payment
Jul-21	Nexa Resources Perú S.A.A.	Syndicated loan/bilateral agreements	BRL	(477)	(477)	2025	Pre payment
Jul-21	Votorantim Cimentos S.A.	Debentures	BRL	(253)	(253)	2023	Pre payment
Sep-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	(25)	(105)	2024	Pre payment
Oct-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	CAD	(25)	(114)	2024	Pre payment
Oct-21	St Marys Cement Inc.	Syndicated loan/bilateral agreements	USD	(35)	(198)	2024	Pre payment
Oct-21	Votorantim Cimentos N/NE S.A.		USD	(75)	(409)	2024	Pre payment
Oct-21	Votorantim Cimentos S.A.	Debentures	BRL	(113)	(113)	2025	Pre payment
44501	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	(25)	(154)	2027	Pre payment
44501	Votorantim Cimentos Internacional	Eurobonds	USD	(29)	(165)	2041	Pre payment
Dec-21	Companhia Brasileira de Alumínio	Eurobonds	USD	(50)	(285)	2024	Pre payment
Dec-21	Votorantim Cimentos EAA Inversiones S.L.	Syndicated loan/bilateral agreements	EUR	(20)	(128)	2026	Pre payment

(d) Maturity



(e) Breakdown by currency

	Current		Non-current		Total	
	2021	2020	2021	2020	2021	2020
USD	248	488	18,237	15,892	18,485	16,380
Real	258	453	4,219	5,987	4,477	6,440
Euro	(2)	3	1,147	954	1,145	957
Boliviano	35	26	600	577	635	603
Colombian peso		364		19		383
Turkish lira	9	22	8	29	17	51
Other	55	51	190	200	245	251
	603	1,407	24,401	23,658	25,004	25,065



(f) Breakdown by index

	Current		Non-current		Total	
	2021	2020	2021	2020	2021	2020
Local currency						
CDI	93	321	1,791	3,796	1,884	4,117
TJLP	28	19	98	99	126	118
TLP	68	48	1,100	795	1,168	843
Fixed rate	18	54	11	575	29	629
SELIC	37	11	129	148	166	159
IPCA	14		1,090	574	1,104	574
	258	453	4,219	5,987	4,477	6,440
Foreign currency						
Fixed rate	340	565	17,559	14,621	17,899	15,186
LIBOR	2	252	1,772	2,077	1,774	2,329
Euribor	3	3	850	954	853	957
Other		134	1	19	1	153
	345	954	20,182	17,671	20,527	18,625
	603	1,407	24,401	23,658	25,004	25,065

(g) Collateral

On December 31, 2021, the Company guaranteed or provided guarantees for the following balance of loans and financing.

Company	2021	2020
Votorantim Cimentos International S.A.	3,246	3,226
Companhia Brasileira de Alumínio	722	907
Other	12	13
	3,980	4,146

In addition to these guarantees, the Company provides a guarantee for the R\$ 1,293 debt balance of the joint venture VTRM (December 31, 2020, R\$ 1,344).

On December 31, 2021, the amount of R\$ 1,111 was guaranteed by fixed assets due to the chattel mortgage (December 31, 2020, R\$ 879).

(h) Covenants/financial ratios

Certain borrowing items are subject to compliance with certain financial ratios (covenants). Where applicable, such obligations are standardized for all loan and financing agreements.

The Company and its subsidiaries complied with all of these covenants, as applicable.

21. Lease

(a) Changes in rights of use - IFRS 16

							2021	2020
	Land and improvements	Property, buildings and commercial rooms	Machinery, equipment and facilities	IT equipment	Vehicles	Vessels	Total	Total
Opening balance for the year								
Cost	122	235	340	40	291	321	1,349	1,050
Accumulated amortization	(30)	(103)	(147)	(33)	(164)	(75)	(552)	(237)
Net opening balance for the year	92	132	193	7	127	246	797	813
Remeasurement of principal		(2)					(2)	(1)
New contracts	13	51	105	3	48	47	267	118
Amortization	(15)	(43)	(97)	(1)	(92)	(77)	(325)	(276)
Disposals					(5)		(5)	(3)
Renegotiation of contracts		(1)			1			(8)
Effect of subsidiaries excluded in consolidation (i)	214	(3)	34		53	518	816	1
Reclassification to assets held for sale		(25)	(101)				(126)	
Foreign exchange variation	5	2	6		7	50	70	154
Constitution for impairment								(1)
	309	111	140	9	139	784	1,492	797
Cost	377	247	409	41	388	1,050	2,512	1,349
Accumulated amortization	(68)	(136)	(269)	(32)	(249)	(266)	(1,020)	(552)
Net closing balance for the year	309	111	140	9	139	784	1,492	797

(i) Refers to the business combination operation of indirect subsidiary St. Marys, as described in Notes 1.1 (o) and 1.1 (v).

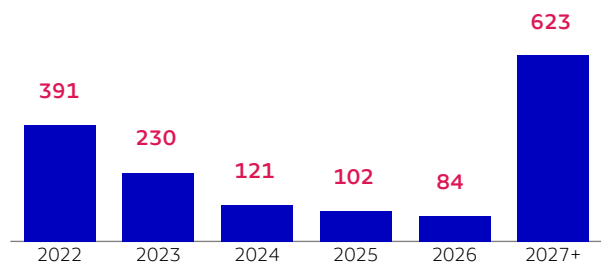


(b) Change in lease obligations - IFRS 16

	2021	2020
Opening balance for the year	858	841
Remeasurement of principal	(1)	7
New contracts	263	112
Amortization	(363)	(251)
Fair value adjustment	(18)	(7)
Renegotiation of contracts	2	(8)
Effect of subsidiaries included in consolidation (i)	820	1
Foreign exchange variation	(10)	163
Closing balance for the year	1,551	858
Current	330	235
Non-current	1,221	623
	1,551	858

(i) Refers to the business combination operation of the indirect subsidiary St. Marys, as described in Notes 1.1 (o) and 1.1 (v).

(c) Maturity profile



22. Confirming payables

The Company and its subsidiaries signed contracts with financial institutions, intending to allow suppliers in the domestic and foreign markets to anticipate their receipts. In these operations, suppliers transfer the right to receive the securities from the sale of goods to financial institutions.

Operations - Confirming payables	2021	2020
Domestic market	483	540
Foreign market	2,922	1,840
	3,405	2,380

23. Current and deferred income tax and social contribution

Accounting policy

The income tax and social contribution expense for the period comprises current and deferred taxes. Taxes on profit are recognized in the statement of income, except to the extent that they relate to items recognized directly in equity. In such cases, the taxes are also recognized in comprehensive income or directly in equity.

The current and deferred income tax and social contribution is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the entities operate and generate taxable income. Management periodically evaluates positions taken by the Company in income tax returns with respect to situations in which the applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax and current social contribution are shown net, by taxpayer entity, in liabilities when there are amounts to be paid, or in assets when the amounts paid in advance exceed the total due on the balance sheet date.

Deferred tax assets are recognized only to the extent it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilized.

Deferred income tax assets and liabilities are presented net in the balance sheet when there is a legal right and the intention to offset them upon the calculation of current taxes, generally related to the same legal entity and the same taxation authority. Thus, deferred tax assets and liabilities in different entities or in different countries are presented separately, and not net.

The Company and its subsidiaries are subject to income taxes in all countries in which it operates. The provision for income tax is calculated individually by the entity based on tax rates and rules effective at the entity's location. The Company and its subsidiaries also recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will have an impact on the current and deferred tax assets and liabilities in the period in which the determination is made.

(a) Reconciliation of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) expenses

The amounts of income tax and social contribution shown in the result for the periods ended on December 31 show the following reconciliation based on the Brazilian nominal rate:

	2021	2020
Profit (loss) before income tax and social contribution	10,317	(1,467)
Standard rates	34%	34%
Income tax and social contribution at standard rates	(3,508)	499
Adjustments for the calculation of income tax and social contribution at effective rates		
Credit referring to the non-levy of income tax and social contribution on undue payment (i)	252	
Equity	199	247
Difference related to the rate of companies abroad	181	(45)
Tax loss and negative basis without deferred tax constitution	(607)	(607)
Impairment of goodwill without deferred constitution		(351)
Impairment of fixed assets without deferred tax constitution (ii)	105	(524)
Recognition of deferred charges on exchange variation of fixed assets	(157)	(356)
Addition of Profit abroad IN 1520/14	(288)	(381)
IR credit non-external payment IN 1520/14	189	280
Deferred tax impairment	(42)	(98)
Permanent, net additions (exclusions)	244	(249)
IRPJ and CSLL calculated	(3,432)	(1,585)

	2021	2020
Current	(1,801)	(900)
Deferred	(1,631)	(685)
IRPJ and CSLL on result	(3,432)	(1,585)
Effective rate - %	33%	-108%

- (i) During 2021, the subsidiary VCSA and the indirect subsidiary VCNNE recorded in accordance with accounting standards IAS 12/CPC 32 - Taxes on income and Technical Interpretation IFRIC 23/ICPC 22 - Uncertainty on treatment of taxes on profit, provision of credits referring to the non-levy of IRPJ and CSLL on the amounts related to the SELIC rate received due to the repetition of tax overdue. VCSA clarifies that this provision refers only to the repetition of the tax overdue of actions that dealt with the exclusion of ICMS from the PIS and COFINS calculation basis. The decision of the Extraordinary Appeal (RE) judged by the Supreme Federal Court (STF) on September 24, 2021, has not yet become final and is pending a possible appeal. VCSA and VCNNE have filed lawsuits on the matter and considered it likely that these would have a favorable outcome.
- (ii) In the third quarter of 2021, with the total liquidation of Votorantim Cement Corporation Limited, located in Hong Kong, the impairment cost previously recorded became tax deductible, on which the deferred income tax had not been constituted.

(b) Breakdown of deferred tax balances

	2021	2020
Tax credits on tax losses	2,437	1,843
Credit referring to the non-occurrence of IRCS on SELIC of undue payments (i)	252	
Tax credits on temporary differences		
Estimation for losses on investments, fixed and intangible assets	1,178	990
Tax, civil and labor provision	475	640
Tax benefit on goodwill	503	503
Deferred of gains on derivative instruments	282	814
Asset retirement obligation	181	228
Foreign exchange	25	318
Use of public assets	134	143
PPR - Provision for profit sharing	250	197
Estimation for inventory losses	117	118
Environmental liabilities	127	98
Provision for energy charges	67	57
Provision for social security obligations	111	57
Provision for loans	36	67
Financial instruments - firm commitment	19	77
Estimated asset disposals	14	14
Other tax credit	223	236
Tax debts on temporary differences		
Adjustment of useful lives of PP&E (depreciation)	(2,976)	(2,472)
Market value assets	(1,896)	(1,728)
Deferred of loss on derivative instruments	(1,122)	(88)
Adjustment to fair value - financial instruments	(358)	(623)
Goodwill amortization	(346)	(343)
Capitalized interest	(126)	(136)
Adjustment to present value	(121)	(151)
Fair value adjustments	(42)	(50)
Hydrological risk renegotiation (ii)	(133)	
Other tax debts	(439)	(451)
Net	(1,128)	358
Net deferred tax assets related to the same legal entity	2,696	2,731
Net deferred tax liabilities related to the same legal entity	(3,824)	(2,373)

(i) Refers to credit recognition, as described in Note 23 (a) (i).

(ii) Refers to the recognition of the renegotiation of the hydrological risk, according to the operation described in Note 1.1 (l).



(c) Effect of deferred income tax and social contribution on the result for the semester and on the result

	2021	2020
Opening balance for the year	358	1,254
Effects on the results for the year – continuing operations	(1,631)	(686)
Effect on other components of comprehensive income	(329)	(210)
Deferred income tax from subsidiary included in consolidation (i)	474	
Closing balance for the year	(1,128)	358

(i) It refers to the tax included in the consolidation for the business combination with Mclnnis, as described in Notes 1.1(o) and 1.1 (v).

(d) Realization of deferred income tax and social contribution on tax losses

	2021	Percentage
In 2022	18	1%
In 2023	12	0%
In 2024	77	3%
In 2025	167	7%
In 2026	586	24%
After 2027	1,577	65%
	2,437	100%

24. Provision

Accounting policy

The Company and its subsidiaries are party to tax, civil, labor and other legal claims in progress at different Court levels. Provision against potentially unfavorable outcomes of litigation in progress is established and updated based on management evaluation, as supported by external legal counsel, and requires a high level of judgment regarding the matters involved.

The judicial deposits are monetarily restated and when they have a corresponding provision they are presented net in Provision. Judicial deposits that do not have a corresponding provision are presented in non-current assets.

(i) Provision for tax, civil, labor, environmental and other legal claims

The provision for tax, civil, labor, environmental and other legal claims is recognized when: (i) the Company has a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount can be reliably estimated. Losses classified as possible are not recognized for accounting purposes, and are disclosed in the notes. Contingencies with probability of loss classified as remote are not provisioned or disclosed, except when the Company and its subsidiaries consider their disclosure justified. The classification of losses between possible, probable and remote is based on Management’s assessment, based on the opinion of its legal advisors.

Provision is measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to time elapsing is recognized as interest expense. Provision does not include future operating losses.



(ii) Asset retirement obligations

The calculation of asset retirement obligations involves judgment about certain assumptions. In environmental terms, they refer to the future obligation to restore the ecological conditions similar to those existing before the beginning of the project or activity, or to carry out compensatory measures, agreed upon with the applicable bodies, as a result of it being impossible to return the areas to the pre-existing condition. These obligations arise from the beginning of the environmental degradation of the area occupied by the operation or from formal commitments made to the environmental body, under which the degradation must be compensated. The dismantling and removal of an asset from an operation occurs when it is permanently retired, through the interruption of its activities, or by its sale or disposal.

Expenditures relating to mine retirement is recorded as asset retirement obligations. The asset retirement cost, equivalent to the present value of the obligation (liability), is capitalized as part of the carrying amount of the asset, which is depreciated over its useful life. These liabilities are recorded as provisions.

The Company and its subsidiaries recognize a liability based on the fair value for the demobilization of assets in the period in which they occur, against the corresponding intangible asset.

The Company and its subsidiaries consider the accounting estimates related to the recovery of degraded areas and the costs of closing a mine as a critical accounting practice because it involves expressive amounts of provisions and these are estimates that involve several assumptions such as interest rates, inflation, useful life of the assets considering the current stage of exhaustion, the costs involved and the projected depletion dates of each mine. These estimates are reviewed annually by the Company and its subsidiaries.

(iii) Obligation for environmental liabilities

The environmental liability must be recognized when there is an obligation on the part of the Company and its subsidiaries through having incurred an environmental cost which is not yet disbursed.

(a) Breakdown and changes

		2021				2020	
	Asset retirement obligation	Legal claims				Total	Total
		Tax	Labor	Civil	Other		
Opening balance for the year	2,185	766	311	264	60	3,586	3,137
Additions	356	153	210	52	53	824	512
Reversals	(10)	(96)	(125)	(34)	(23)	(288)	(319)
Judicial deposits, net of write-offs			3	(1)		2	(3)
Settlement in cash	(183)	(65)	(62)	(34)	(3)	(347)	(146)
Settlements with judicial deposits			(11)			(11)	(34)
Effect of subsidiaries included in consolidation (i)	30	(17)	(15)	(14)		(16)	
Present value adjustment	107					107	117
Monetary restatement	(5)	41	28	21	(1)	84	(19)
Foreign exchange variation	88		(1)	(2)	(2)	83	265
Revision of estimated cash flow	(273)					(273)	76
Closing balance for the year	2,295	782	338	252	84	3,751	3,586

(i) Refers to the business combination operation of the indirect subsidiary St. Marys, as described in Notes 1.1 (o) and 1.1 (v) and the sale of the investee APDR, as detailed in Note 1.1 (jj).



(b) Provision for tax, civil, labor, other contingencies, and outstanding judicial deposits

	2021			2020				
	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)	Judicial deposits	Provision	Net amount	Outstanding judicial deposits (i)
Tax	(123)	905	782	172	(123)	889	766	145
Labor	(120)	458	338	23	(123)	434	311	22
Civil	(18)	270	252	4	(17)	281	264	3
Other	(1)	85	84	15	(1)	61	60	23
	(262)	1,718	1,456	214	(264)	1,665	1,401	193

(i) The Company and its subsidiaries have balances deposited in lawsuits classified by Management, following the indications of the legal advisors of the Company and its subsidiaries as of remote or possible loss, therefore, without the respective provision.

(c) Litigation in process with a likelihood of loss considered possible

The Company and its subsidiaries were party to litigations representing a risk of possible losses, for which no provision has been made, as detailed below.

	2021	2020
Tax	12,311	12,581
Civil	8,770	7,988
Environmental	606	527
Labor and social security	366	367
	22,053	21,463

Nature	2021	2020
Compensation for exploration for mineral resources (CFEM)	501	385
Collection of ICMS due to divergences regarding the destination of the property	267	262
ICMS on electricity charges	234	226
IRPJ/CSLL – Transfer costs	195	191
Error in fiscal classification - Importation	191	186
IRPJ/CSLL – Deduction of expenses	7	78
Other lawsuits	5,570	6,553
	12,311	12,581

(c.1) Comments on contingent tax and public rights liabilities with likelihood of loss considered possible

The following are the main contingent liabilities related to tax proceedings in progress with the likelihood of possible loss, for which there is no provision recorded. In the table below we present an analysis of the relevance of these processes:

Nature	2021	2020
Tax assessment notice – IRPJ/CSLL	1,784	1,729
IRPJ/CSLL – Profits abroad	1,445	1,061
ICMS – Credit	837	833
Disallowances of PIS/COFINS credits	709	692
Disallowance of IRPJ/CSLL negative balance	571	385

(i) Tax assessment notice – IRPJ / CSLL

In December 2016, the subsidiary VCSA was assessed by the Brazilian Federal Revenue Office in the historical amount of R\$ 470 demanding the collection of IRPJ and CSLL relating to the period of 2011, due to the alleged undue deduction of operating expenses and costs. In January 2018, the VCSA became aware of the Lower Court decision from the Federal Revenue's Judgment Office, which judged the appeal partially with grounds, reducing the lawsuit by approximately R\$ 114. In December 2018, the Appeal of the Administrative Board of Tax Appeals was dismissed and the Voluntary Appeal was partially accepted for the VCSA. At this moment we await the formalization of the Court Decision. As at December 31, 2020,



the restated amount of the contingency was R\$ 580, of which R\$ 54 was assessed as probable and has a properly constituted provision, the amount of R\$ 224 was assessed as possible and the remainder as remote totaling the amount of R\$ 316.

In December 2017, the VCSA received a tax assessment notice from the Brazilian Federal Revenue Office in the amount of R\$ 1,295 for alleged non-payment or underpayment of IRPJ and CSLL relating to the period from 2012 to 2013, due to: (i) capital gain allegedly obtained due to a barter made by the VCSA; and (ii) supposedly incorrect amortization of goodwill.

In October 2018, the Company became aware of the lower court decision, which considered the challenge unfavorable. At the moment, the case awaits the judgment of the Voluntary Appeal by CARF. On December 31, 2021, the updated contingency amount was R\$ 1,562 and was assessed as possible.

(ii) Profits abroad – IRPJ/CSLL

The Company and its subsidiaries have assessments drawn up by the Brazilian Federal Revenue Office, for alleged nonpayment of IRPJ and CSLL on profits earned abroad by its subsidiaries or affiliates, in the periods of 2007, 2008, 2010, 2012, 2013 and 2014.

The balance substantially composed by the Company, amounted to R\$ 1,445 at December 31, 2021 (R\$ 1,061 as at December 31, 2020). All cases are awaiting judgment at the administrative level.

(iii) ICMS credit

Between 2011 and 2013, eight notices of infringement and fines were filed against the Company's subsidiary Citrovita Agro Industrial Ltda. (CAI), mainly aimed at the collection of ICMS credited, as highlighted in invoices for the transfer of other subsidiaries, with the specific purpose of non taxable export. The tax assessment notices totaled R\$ 836 as at December 31, 2021.

(iv) PIS / COFINS credit statement

Substantially comprised by the subsidiary CBA, which has Decisional Orders and tax assessments relating to the PIS and COFINS credits, referring to the items applied in the production process, which, in the opinion of the Brazilian Federal Revenue Office, would not generate the right to credit of the said contributions. The amount restated as at December 31, 2021 was R\$ 709. Currently, all the processes await administrative decisions.

In the opinion of Management and in the opinion of its independent legal advisors, in light of precedents and case law, the likelihood of loss of the process is considered possible.

(v) Financial Compensation for the Exploration of Mineral Resources - CFEM

The subsidiaries Nexa BR, CBA and VCSA had several assessments drawn up by the National Department of Mineral Production - DNPM for alleged failure to pay or lower collection of CFEM from 1991 to 2015. On December 31, 2020, the amount of possible loss amounted to R\$ 501.

(vi) IRPJ/CSLL negative balance credit

VSA and its subsidiaries CBA received decisions regarding the gloss of negative balance of IRPJ credits, totaling the updated amount of R\$ 571 as at December 31, 2021.

Currently, the cases are awaiting an administrative decision due to the presentation of a challenge by the Company and its Subsidiaries.

In the opinion of Management and in the opinion of its independent legal advisors, it appears that there was a misconception on the part of RFB when assessing the amounts presented by the Company and its subsidiaries, which is why the likelihood of loss in the lawsuits is considered possible.



(vii) Tax assessment notice – ICMS

In the fourth quarter of 2016, the subsidiary CAI received a tax assessment notice whose value up to December 31, 2021 amounts to R\$ 180. The process currently awaits judgment of the special appeal filed by the company before the Tax and Taxes Court of São Paulo.

ICMS on electricity charges

The subsidiary CBA has judicial and administrative discussions regarding the incidence of ICMS on the sector charges levied on the electricity tariff. As of December 31, 2021, the amount in controversy of these discussions amounts to R\$ 234.

In the opinion of Management and in the opinion of its independent legal advisors, the assessment is unfounded, which is why the likelihood of loss of the process is considered possible.

(viii) IRPJ/CSLL – Transfer Price

Between 2007 and 2010, four tax assessments were filed against its subsidiary CAI, aiming at the collection of IRPJ and CSLL, and the adjustment in the basis of tax losses and the negative basis of CSLL, due to the losses made in the adjustments made by the Company in this transfer pricing calculations in 2003 and 2004. In October 2018, one of the cases was closed in a favorable to the CAI, with the amount of R\$ 195 remaining under administrative discussion, restated up to December 31, 2021.

The active processes await judgment of appeals by the Administrative Council of Tax Appeals.

(ix) Tax classification mismatch – Import

In March 2017, the subsidiary CBA was assessed on account of a supposed error in the tax classification on the importation of inputs, resulting in the tax requirement (IPI, PIS, COFINS E II), whose value in December 2021 amounts to R\$ 191.

Because the undisputed legal counsel wrongly understood the complaint, the subsidiary CBA filed a challenge that was favorably judged in the first administrative instance. Currently, the case awaits judgment by the CARF of the voluntary appeal filed by the Attorney General of the National Treasury.

In the opinion of Management and in the opinion of its independent legal advisors, the likelihood of loss of said process is considered possible.

(x) Collection of ICMS due to divergences regarding the destination of the item

The subsidiary CBA was assessed for alleged failure to pay ICMS. As at December 31, 2021, the value of these assessments was R\$ 267.

In the opinion of Management and in the opinion of its independent legal advisors, the criteria adopted in relation to the destination of the assets are in accordance with the pertinent legislation and the probability of loss of the process is considered possible.

(xi) IRPJ/CSLL - Expense Deduction

In December 2016, the subsidiary CAI was assessed by the RFB for the collection of IRPJ and CSLL, due to the gloss of exclusions from the calculation base of said taxes in the 2011 calendar year. The amounts required by the tax assessment notice total R\$ 78. In the last quarter of 2018, a partial cancellation of the tax assessment notice was filed by the Regional Judgment Office (DRJ), and judgment on the Voluntary Appeal filed is currently awaited.

(c.2) Comments on contingent civil liabilities with likelihood of loss considered possible

Nature	2021	2020
Public civil suit – Violation of the economic order	5,670	4,332
Administrative investigations carried out by the Secretariat of Economic Law	2,167	2,131
Other lawsuits	933	1,525
	8,770	7,988



(i) Civil class action – Violation of economic order

In January 2012, the State Public Ministry of Rio Grande do Norte (MPE/RN) filed a Public Civil Action (ACP) against the subsidiary VCSA, five other cement companies and entities representing the cement and concrete industry, for alleged violation of Brazilian competition law, based on a technical note from the Secretariat of Economic Law (SDE) of 2011.

MPE/RN made the following generic requests: (1) collective pain and suffering of R\$5,600 (corrected until January 2012), with solidarity between the defendants, to the National Fund for Diffuse Rights; (2) homogeneous individual property damage to consumers equivalent to 10% of the amounts paid for cement or concrete purchased by consumers of brands negotiated by the defendants between 2002 and 2006, for settlement and individual collection by each consumer; (3) a fine of 1% to 30% of the gross income of the last fiscal year, not less than the supposed benefits (art. 23, I, Law nº 8,884/1994); and (4) other requests, including: (4.i) prohibition, for a period of at least five years, from obtaining financing from governmental financial institutions or from participating in bidding processes by the federal, state or municipal, government entities or agencies; and (4.ii) determination not to grant federal taxes in installments and cancellation of tax incentives or public subsidies.

In September 2021, the preliminaries raised by the defendants were rejected. The production of expertise was also determined, establishing that the burden of proving the damage is on the MPE/RN. At the moment, the appeals against the decision that rejected the preliminaries are awaiting judgment. There has not yet been an appointment of a judicial expert.

(ii) Administrative Proceedings by SDE, currently CADE (Brazilian antitrust agency)

In 2006, SDE initiated an investigation that culminated in the initiation of an administrative proceeding (PA) against several companies in the cement sector in Brazil, including the subsidiary VCSA, based on alleged anti-competitive practices, including the formation of a cartel with other compa-

nies to fix prices and quantities of products. In January 2011, a technical note was issued by SDE and after the investigation phase was completed, in July 2015, CADE reached the final terms of its decision, determining the following sanctions, among others, to the subsidiary VCSA: (1) fine of approximately BRL 1,564 (20% of gross annual sales in 2016, based on Law No. 12,529/11); (2) several structural penalties, in short: (2.i) sale of all its equity interests in other cement companies and concrete companies in Brazil, (2.ii) sale of 20% of its installed capacity of concreting services in the Brazil, in relevant markets where subsidiary VCSA has more than one concrete plant and (2.iii) sale of a specific cement asset, which, in CADE's opinion, was directly related to the alleged anti-competitive practice; (3) other penalties which, in summary, include: (3.i) the prohibition of carrying out acts of concentration for a period of five years in the cement (among the convicted companies) and concrete (any act) markets and association (among the condemned companies) for greenfield projects in the cement, slag and concrete sectors; (3.ii) the prohibition of contracting with official financial institutions in the case of lines of credit subsidized by public programs or resources; (3.iii) recommendation to the Federal Revenue not to grant federal tax installments or cancel, in whole or in part, tax incentives or public subsidies already granted.

In October 2015, the subsidiary VCSA filed an ordinary action to annul (annulment action) the decision under the PA or, at least, to reduce the penalties applied. At the end of November 2015, an injunction was granted to suspend the effects of the decision in the PA, preventing CADE from demanding compliance with the obligations until judgment on the merits of the annulment action. CADE was summoned and presented its defense, while the subsidiary VCSA presented its reply in November 2016. Expert economic evidence was granted and, in May 2021, the judicial expert's report was presented.

In November 2021, the parties presented their manifestation and technical opinion in relation to the expert report. At the moment, the decision of the court of first degree is awaited. The subsidiary VCSA classified the probabi-



lity of loss in the annulment action as possible and, therefore, there are no amounts provisioned.

As at December 31, 2021, the updated amount of the possible contingency estimate (comprising exclusively of the fine) of the subsidiary VCSA was R\$2,167. The subsidiary VCSA emphasizes that this estimate does not represent any agreement with CADE's conviction and any of the penalties imposed in the PA, but a mere estimate for purposes of possible contingency reporting.

25. Use of public assets

Accounting policy

The amount is originally recognized as a financial liability (obligation) and as an intangible asset (right to use a public asset) which corresponds to the amount of the total annual charges over the period of the agreement discounted to present value (present value of the future payment cash flows).

The subsidiaries own or participate in companies that hold concession contracts in the electrical energy industry. Most of these contracts provide for annual payments from the commencement of operations and are adjusted by the General Market Price Index for the Use of Public Assets.

The contracts have an average duration of 35 years, and the amounts to be paid annually are as follows:



Plants/Companies	Investor	Concession start date	Concession end date	Payment start date	Ownership interest	2021		2020		
						Intangible assets (Note 18)	Liabilities	Ownership interest	Intangible assets (Note 18)	Liabilities
Salto Pilão	Companhia Brasileira de Alumínio	nov.-01	dec-36	jan.-10	60%	157	695	60%	163	661
Salto do Rio Verdinho	Companhia Brasileira de Alumínio	aug-02	sep-37	oct-10	100%	6	31	100%	7	27
Itupararanga	Companhia Brasileira de Alumínio	nov.-03	dec-23	jan.-04	100%		1	100%		2
Piraju	Companhia Brasileira de Alumínio	dec-98	jan.-34	feb-03	100%	1	8	100%	1	8
Ourinhos	Companhia Brasileira de Alumínio	jul.-00	aug-35	sep-05	100%	1	7	100%	1	6
Baesa – Energética Barra Grande	Companhia Brasileira de Alumínio	jun.-01	may-36	jun.-07	15%	20	72	15%	11	54
Fumaça	Companhia Brasileira de Alumínio	jun.-96	jun.-16	(i)	100%	55	55			
França	Companhia Brasileira de Alumínio	jun.-96	jun.-16	(i)	100%	42	42			
Porto Raso	Companhia Brasileira de Alumínio	jun.-96	jun.-16	(i)	100%	27	27			
Serraria	Companhia Brasileira de Alumínio	jun.-96	jun.-16	(i)	100%	18	18			
Barra	Companhia Brasileira de Alumínio	jun.-96	jun.-16	(i)	100%	51	51			
Capim Branco I e Capim Branco II	Pollarix S.A.	aug-01	sep-36	oct-07	13%	2	16	13%	2	14
Picada	Pollarix S.A.	may-01	jun.-36	jul.-06	100%	27	111	100%	16	85
Enercan – Campos Novos Energia S.A	CBA Energia Participações S.A.	apr-00	may-35	jun.-06	24%	3	11	24%	2	8
Enercan – Campos Novos Energia S.A	Pollarix S.A.	apr-00	may-35	jun.-06	21%	3	9	21%	2	7
Pedra do Cavalo	Votorantim Cimentos N/NE S.A.	mar.-02	apr-37	apr-06	100%	95	713	100%	99	625
						508	1,867		304	1,497
Current							175			97
Non-current						508	1,692		304	1,400
						508	1,867		304	1,497

(i) Concession extension process not concluded.

26. Pension plan and post-employment health care benefits

Accounting policy

The Company, through its subsidiaries abroad (VCNA, VCEAA, and Artigas) and in Brazil (VCNNE) and Votocel Investimentos Ltda. (Votocel), participates in pension plans managed by a private pension entity, which provide post-employment benefits to employees.

The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date minus the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market interest rates that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension obligation. In countries where there is no active market related to such obligations, market rates for government securities are used.

Actuarial gains and losses arising from changes in actuarial assumptions are recognized within Carrying value adjustments in the period in which they arise.

Past-service costs are recognized immediately in the statement of income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past-service costs are amortized on a straight-line basis over the vesting period.

For defined contribution plans, the Company pays contributions to the pension plan administrators on a compulsory, contractual or voluntary ba-

sis. The Company no longer has payment obligations once the contributions are paid. Contributions are recognized as employee benefit expense when due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company's subsidiaries have a defined contribution plan for employees. Certain subsidiaries, however, have a defined benefit plan.

The table below shows where the balances and activities related to post-employment benefit are allocated in the consolidated financial statements.

	2021	2020
Rights recorded in the balance sheet with:		
Pension plan benefits	215	139
Assets recorded in the balance sheet	215	139
Obligations recorded in the balance sheet with:		
Pension plan benefits	272	240
Post-employment healthcare benefits	291	284
Liabilities recorded in the balance sheet	563	524
Expenses recognized in the statement of income with:		
Pension plan benefits	7	40
Post-employment healthcare benefits	16	16
	23	56
Remeasurement with:		
Pension plan benefits - gross amount	(42)	(20)
Deferred income tax and social contribution	(23)	
Deferred income tax and social contribution	12	11
Pension plan benefits - net amount	(53)	(9)

(a) Defined contribution pension plan

The Company and its Brazilian subsidiaries sponsor private pension plans available to all employees administered by Fundação Senador José Ermírio de Moraes (FUNSEJEM), a private, not for profit, pension fund. Under the

terms of the regulations of the fund, the contributions of the employees to FUNSEJEM are matched by the sponsors in accordance with the level of remuneration of the employee. For employees whose remuneration is lower than the threshold established by the regulations, the Company matches the contributions that represent up to 1.5% of their monthly remuneration. For employees whose remuneration exceeds the threshold, the Company matches the contributions of employees that represent up to 6% of their monthly remuneration. Voluntary contributions can also be made to FUNSEJEM. Once the plan contributions are made, no additional contributions are required.

(b) Defined benefit pension plan

The Company has subsidiaries with defined pension plans in North America, South America and Europe, which follow similar regulatory standards. The defined benefit pension plans also offer health care and life insurance, among other benefits. The cost of the retirement benefits and the other benefits of the plan granted to employees are determined by the projected benefit method on a pro rata basis considering the length of service and the best expectations of management regarding the return on plan assets, salary adjustments, costs and mortality trends, and the age of retirement of employees.

The amounts recognized in the balance sheet are determined as follows:

	2021	2020
Present value of funded obligations	1,017	1,266
Fair value of plan assets	(1,079)	(1,238)
Deficit of funded plans	-62	28
Present value of non-funded obligations	383	348
Total deficit of defined benefit pension plans	321	376
Impact of the minimum funding requirement/assets ceiling	27	9
Assets and liabilities in the balance sheet	348	385

The changes in the defined benefit obligation and the fair value of the plan assets during the year were as follows:

	2021		2020			
	Present value of funded and unfunded obligations	Fair value of plan assets	Total	Impact of the minimum requirement of the funds/asset ceiling	Total	Total
Opening balance for the year	1,612	(1,237)	375	10	385	327
Current service cost	11		11		11	11
Finance cost (income)	38	(28)	10	1	11	30
Past service cost and curtailments	1		1		1	(3)
	50	(28)	22	1	23	38
Re-measurements:						
Return on assets, excluding the amount included as finance income		16	16		16	(62)
Losses (gains) arising from changes in demographic assumptions						(5)
Losses (gains) arising from changes in financial assumptions	(96)		(96)		(96)	108
Losses arising from experience	(2)		(1)		(1)	(19)
Changes in the asset ceiling, excluding the amount included as finance cost				17	17	(6)
	(98)	16	(81)	17	(64)	16
Foreign exchange gains (losses)	99	(82)	17		17	64
Contributions:						
Employer		6	6		6	(10)
Payments of the plans:						
Payment of benefits	(94)	75	(19)		(19)	(50)
	0	0	0	0	0	0
Closing balance for the year	1,569	(1,250)	320	28	348	385



The defined benefit obligation and the plan assets, by country, are as follows:

	2021					2020					
	Brazil	Europe	North America	Uruguai	Total	Brazil	Europe	North America	South America	Colombia	Total
Present value of the obligation	202	16	798		1,016	48	17	869		357	1,291
Fair value of plan assets	(68)		(1,011)		(1,079)	(59)		(1,006)		(199)	(1,264)
	134	16	(213)		(63)	(11)	17	(137)		158	27
Present value of non-financial obligations		78	302	4	384		77	267	4		348
Impact of the minimum requirement of the funds/asset ceiling	27				27	10					10
	161	94	89	4	348	(1)	94	130	4	158	385

The actuarial assumptions used were as follows:

	2021					2020					
	Brazil	Europe	North America	South America	Total	Brazil	Europe	North America	South America	Colombia	Total
Discount rate	8.55%	12.55%	2.50%	10.02%	8.41%	6.88%	8.40%	2.50%	12.28%	6.50%	7.31%
Inflation rate	3.25%	9.93%	2.00%		5.06%	4.00%	3.90%	2.50%	0.00%	0.00%	2.60%
Future salary increases	2.82%	8.00%	0.00%	0.00%	5.41%	2.77%	8.00%	2.50%	8.28%		4.31%
Increases in future pension plans	3.25%				3.92%	4.00%				3.50%	3.75%

(c) Post-employment benefits (pension and health care)

The Company operates post-employment health care plans through indirect subsidiaries in North America, VCNA, and in Europe, VCEAA. The accounting method, assumptions and frequency of evaluations are similar to those used for the defined benefit pension plans. Most of these plans are not funded.

The obligations relating to these plans are included in the movement of the defined benefit obligations previously presented.



27. Equity

Accounting policy

(i) Share capital

Share capital is represented exclusively by common shares classified as equity.

(ii) Dividends

This is recognized as a liability in the Company's financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required, 25% of the profit for the year, is only recognized on the date it is approved by the stockholders at a General Meeting. When a Company presents a loss in the year, there is no dividend.

(iii) Earnings per share

Earnings per share are calculated by dividing the profit attributable to the controlling stockholders by the weighted average number of common shares during the year. The weighted average number of shares is calculated based on the periods in which the shares were outstanding.

(iv) Statutory reserve and retained earnings reserve

The statutory reserve is constituted by the appropriation of 5% of the net income for the fiscal year or remaining balance, limited to 20% of the capital stock. Its purpose is to ensure the integrity of social capital. It can only be used to offset losses and increase capital. When the Company presents a loss in the year, there will be no legal reserve.

The retained earnings reserve refers to the retention of the remaining balance of retained earnings in order to meet the business growth plan established in the Company's investment plan.

(v) Government grants

The tax incentive reserve is credited with tax incentive benefits, which are recognized in the income statement for the year and allocated to retained earnings for this reserve. These incentives are not included in the calculation of the mandatory minimum dividend.

(vi) Equity valuation adjustments

The equity valuation adjustments include:

- (a) The effective portion of the cumulative net change in fair value of hedge instruments used in hedge of cash flow until the recognition of the cash flows that were hedged.
- (b) Cumulative translation adjustments with the exchange differences arising from the translation of the financial statements of foreign operations.
- (c) Effective portion with exchange differences of hedge of the Company's net investments in a foreign operation.
- (d) Actuarial losses (gains) and measures with retirement benefits.

(a) Share capital

On December 31, 2021 and December 31, 2020, the fully subscribed and paid-up capital of the Company was R\$ 28,656, consisting of 18,278,789 thousand common shares.

(b) Dividends

During the one-year period ended December 31, 2021, the Company decided to pay its parent company Hejoassu Administração S.A. the amount of BRL 1,016 corresponding to dividends related to part of the balance of the Profit reserves account accumulated until December 31, 2021 and also resolved on the mandatory minimum dividends for the year 2021, in the amount of BRL 1,520 as detailed in the chart below.

	2021	2020
Net income (loss) attributable to controlling shareholders	6,400	(1,636)
Legal reserve	(320)	
Dividend calculation basis	6,080	
Mandatory dividends distributed	1,520	
Reversed dividends		(40)
Dividends distributed based on profits from prior years	1,016	800
Total distributions	1,016	760
Percentage of mandatory minimum dividend on net income for the year	25%	25%

(c) Carrying value adjustments

	Note	Attributable to the owners of the Company								
		Currency translation of investees located abroad	Hedge accounting for net investments abroad, net of taxes	Hedge accounting for the operations of subsidiaries, net of taxes	Fair value of available-for-sale financial assets	Shares fair value	Remeasurement of retirement benefits, net of taxes	Adjustment for hyperinflationary economies	Other comprehensive income	Total
At January 1, 2020		6,430	(4,992)	(15)	235	(121)	(187)	759	(161)	1,948
Currency translation of investees located abroad		3,062								3,062
Hedge accounting for net investments abroad, net of taxes			(289)							(289)
Hedge accounting for the operations of subsidiaries, net of taxes				(636)						(636)
Remeasurement of retirement benefits, net of taxes						(169)				(169)
Fair value of financial assets through other comprehensive income					(25)					(25)
Adjustment for hyperinflationary economies							426			426
Adjustment to the fair value of shares, net of taxes						712				712
Realization of other comprehensive results on the sale of investments						(173)				(173)
Participation in other comprehensive results of investees									(2)	(2)
Fair value - measurement of the credit risk of investees									25	25
At December 31, 2020		9,492	(5,281)	(651)	210	418	(356)	1,185	(138)	4,879



	Note	Attributable to the owners of the Company								
		Currency translation of investees located abroad	Hedge accounting for net investments abroad, net of taxes	Hedge accounting for the operations of subsidiaries, net of taxes	Fair value of available-for-sale financial assets	Shares fair value	Remeasurement of retirement benefits, net of taxes	Adjustment for hyperinflationary economies	Other comprehensive income	Total
At January 1, 2021		9,492	(5,281)	(651)	210	418	(356)	1,185	(138)	4,879
Currency translation of investees located abroad		621								621
Hedge accounting for net investments abroad, net of taxes			(12)							(12)
Hedge accounting for the operations of subsidiaries, net of taxes				601						601
Adjust the fair value of the shares, net of the tax						144				144
Remeasurement of retirement benefits, net of taxes							37			37
					(3)					(3)
Adjustment for hyperinflationary economies								583		583
Fair value - measurement of the credit risk of investees									(9)	(9)
Realization of other comprehensive results on the sale of investments						(265)				(265)
Participation in other comprehensive results of investees									(58)	(58)
At December 31, 2021		10,113	(5,293)	(50)	207	297	(319)	1,768	(205)	6,518

(d) Non-controlling interests

	2021	2020
Nexa Resources S.A.	2.788	2.604
St Marys Cement Inc.	1.544	
Companhia Brasileira de Alumínio	1.040	
Nexa CJM	731	717
Nexa Perú	435	332
Cementos Artigas S.A.	261	240
Yacuces, S.L.	162	130
Itacamba Cemento S.A.	130	100
Acerías Paz Del Rio S.A.		78
Outros	283	254
	7.374	4,455



28. Net revenue from products sold and services rendered

Accounting policy

Revenue represents the fair value of the consideration received or receivable from the sale of goods in the ordinary course of business of the subsidiaries. Revenue is shown net of value added tax, rebates and discounts after elimination of sales among consolidated companies.

The subsidiaries recognize revenue when: (i) the amount of revenue can be measured reliably; (ii) is probable that future economic benefits will flow to the entity; and (iii) specific criteria have been met for each of the Company's and its subsidiaries' activities.

Revenue will not be reliably measured if all terms of sale are not resolved. The subsidiaries bases their estimates on historical results, taking into account the type of customer, the type of transaction and the specificities of each agreement.

Revenue recognition is based on the following principles:

(i) Sales of products and service

Revenue is shown net of value added tax, returns, rebates and discounts, after eliminating sales within the consolidated companies.

(ii) Sale of surplus energy

The Company's energy sales contracts are carried out in the free and regulated environments of Brazilian commercialization, being fully registered with CCEE, the agent responsible for accounting and settlement of the entire national integrated system (SIN).

The accounting recognition of revenue results from the amounts to be billed to customers in accordance with the methodology and prices established in each contract, adjusted to the amounts of energy actually generated, when applicable. These adjustments result from the CCEE mechanism that verifies the net exposure of the subsidiary Votener (sales, generation, purchases and consumption), called energy balance.

The mechanisms explained above result in the recognition of gross revenue, at its fair value, presented net of any sales tax, to the extent that it is probable that economic benefits will flow to the indirect subsidiary Votener.

(a) Reconciliation of revenue

	2021	2020
Gross revenue		
Sales of products - domestic market	26,810	17,300
Sales of products - foreign market	26,009	19,571
Supply of electrical energy	3,131	3,140
Services provided	853	668
	56,803	40,679
Taxes on sales, services and other deductions	(7,795)	(5,296)
Net revenue	49,008	35,383

(b) Information on geographical areas in which the Company operates

The geographical areas are determined based on the location of the customers. The net revenue of the subsidiaries classified by currency and destination, is as follows:

(i) Revenue by destination

	2021	2020
Brazil	23,905	17,508
United States	5,760	4,740
Peru	4,182	2,537
Argentina	2,668	1,491



	2021	2020
Canada	2,549	1,789
Spain	1,117	789
Switzerland	902	540
Turkey	780	480
Morocco	702	546
Uruguay	585	513
Luxembourg	526	388
Bolivia	455	357
Tunisia	387	337
Japan	315	242
Singapore	309	399
Chile	307	259
Colombia	301	187
Taiwan	289	148
Austria	241	180
Italia	122	78
Equador	84	46
Belgium	74	157
Alemanha	59	185
Other countries	2,389	1,487
	49,008	35,383

(ii) Revenue by currency

	2021	2020
Real	22,867	17,052
US dollar	17,563	12,372
Canadian Dollar	2,545	1,788
Argentine pesos	2,119	1,186
Euro	1,174	922
Moroccan Dirham	701	546
Turkish lira	594	351
Uruguayan peso	545	470
Bolivian	432	355
Dinars tunisia	386	337
Other currencies	82	4
	49,008	35,383

29. Expenses by nature

	2021			
	Cost of products sold and services rendered	Selling	General and administrative	Total
Raw materials, inputs and consumables	24,301	32	6	24,339
Employee benefit expenses (a)	3,257	481	1,523	5,261
Depreciation, amortization and depletion	3,466	48	123	3,637
Transportation expenses	3,157	67	5	3,229
Outsourced services	1,928	83	797	2,808
Other expenses	1,825	190	387	2,402
	37,934	901	2,841	41,676
				2020
	Cost of products sold and services rendered	Selling	General and administrative	Total
Raw materials, inputs and consumables	16,393	25	1	16,419
Employee benefit expenses (a)	3,072	436	1,196	4,704
Depreciation, amortization and depletion	3,114	47	132	3,293
Transportation expenses	2,518	48	2	2,568
Outsourced services	1,617	83	747	2,447
Other expenses	1,710	250	425	2,385
	28,424	889	2,503	31,816



(a) Employee benefit expenses

	2021	2020
Salaries and bonuses	3,373	2,873
Payroll charges	1,151	1,122
Benefits	737	709
	5,261	4,704

(i) Health care (post-retirement)

The liability related to the health care plan for retired employees is stated at the present value of the obligation, less the market value of the plan assets, adjusted by actuarial gains and losses and past-service costs, in a manner similar to the accounting methodology used for defined benefit pension plans. The post-retirement health care obligation is calculated annually by independent actuaries. The present value of the post-retirement health care obligation is determined based on an estimate of the future cash outflow.

Actuarial gains and losses arising from changes in actuarial assumptions are fully recognized within Carrying value adjustments in the period in which they arise.

(ii) Employee profit sharing

Provision is recorded to recognize the expenses related to employee profit sharing. This provision is calculated based on qualitative and quantitative targets established by management and recorded in the statement of income as Employee benefits.

30. Other operating expenses, net

	Note	2021	2020
Gain on investment sale	1.1 (b)	629	427
Loss on sale of fixed and intangible assets, net		(104)	(74)
Electric power futures contracts		171	(54)
Gain on purchase of investee		243	366
Tax benefits		551	175
Income from rentals and leasing		76	59
Net income from waste sale		32	60
Hedge gain		42	11
Tax recovery		219	174
Expenses on not activatable projects		(647)	(320)
Judicial provisions, net		(232)	(191)
Reversal (constitution) of impairment of property, plant and equipment and intangible assets	18, 19 and 21	559	(2,778)
Royalties on natural resources		(45)	(55)
Impairment of investments	1.1 (jj)	(827)	
Other expenses, net		(62)	(94)
		605	(2,294)

31. Finance results, net

Accounting policy

(i) Financial income (expenses)

These comprise interest rates on loans and financial investments, monetary and exchange variation on assets and liabilities, linked to loans with a swap instrument, as a result of the exchange variation net of gains and losses on derivative financial instruments (swap contracts) and various discounts that are recognized in the income for the year on the accrual basis.

(ii) Foreign exchange variations

A foreign currency transaction will be initially recognized in the functional currency by applying the spot exchange rate between the functional currency and the foreign currency on the transaction date to the amount in foreign currency.

At the end of each reporting period, monetary items in foreign currency must be converted using the closing exchange rate.

Foreign exchange variations arising from the settlement of monetary items or the translation of monetary items at rates different from those for which they were converted at the initial measurement during the period or in previous financial statements will be recognized in the statement of income in the year in which they arise.

	2021	2020
Finance income		
Interest on financial assets	70	211
Income from financial investments	299	211
Fair value of borrowing and financing	163	72
Monetary updating of assets	52	27
Reversal of monetary restatement of provision	144	75
Discounts obtained	33	18
Other finance income	147	46
	908	660
Finance costs		
Interest on borrowing	(1,546)	(1,386)
Capitalization of borrowing costs	110	7
Award paid in bond buyback (tender offer)	(70)	(190)
Monetary restatement of provision	(326)	(228)
Fair value of borrowing and financing	(127)	(167)
Borrowing fees	(48)	(58)
Interest and monetary restatement - Use of public assets	(227)	(324)
Adjustment to present value CPC 12	(161)	(135)
Commissions on financial operations	(82)	(147)
Debt renegotiation charges	(42)	(17)
Charges on discount transactions	(70)	(47)
Interest on silver streaming	(37)	(32)
PIS/COFINS on financial results	(76)	(38)
Income tax on remittances of interest abroad	(28)	(42)
Other finance costs	(284)	(175)
	(3,014)	(2,979)
Results of derivative financial instruments	4,386	(121)
	4,386	(121)
Foreign exchange variation, net	(505)	(1,027)
Finance results, net	1,775	(3,467)



32. Tax benefits

The Company and its subsidiaries have tax incentives within certain state and federal industrial development programs. The state programs are aimed at attracting industrial investments seeking regional decentralization, promoting employment and income generation, besides complementing and diversifying the industrial matrix of the states. These fiscal incentives are approved by the states in the form of percentage financing of up to 75%, presumed credit with a percentage of up to 95% and deferral of the payment of taxes or partial reductions of the amount due for imports of assets and inputs.

33. Insurance

The Company and its subsidiaries maintain civil liability policies for executives and directors, in addition to insurance coverage for equity risks and loss of profits. Such policies have coverage, conditions and limits, considered by Management to be adequate to the inherent risks of the operation.

34. Assets and liabilities classified as held for sale

Accounting policy

Assets are classified as assets held for sale when their carrying amount is recovered, mainly through sale, and when the sale is considered highly probable.

The asset or group of assets to be classified as held for sale shall be measured on initial recognition at the lower of what its carrying amount would have been had it not been so classified and the fair value less costs to sell. If the asset or group of assets is acquired as part of a business combination, it must be measured at fair value less costs to sell. When the sale is expected to occur after one year, the entity shall measure the selling expenses at present value. Any increase in the present value of selling expenses that results from the passage of time must be presented in profit or loss as a financial expense.

Depreciation of assets held for trading ceases when a group of assets is designated as held for sale. The assets and liabilities of the group of discontinued assets are presented in single lines in assets and liabilities.

The breakdown by company of assets (related liabilities) held for sale is shown below:

	December 31, 2021	
	Assets	Liabilities
Acerias Paz del Rio	1,251	1,153
Votorantim Cimentos S.A.	25	10
Companhia Nexa Resources Peru S.A.A	5	0
	1,281	1,163

The result of subsidiary Acerias Paz del Rio, for the year ended December 31, 2021, in the amount of R\$235, was reclassified from Continuing operations to Discontinued operations according to the following table:

	2021
Continuing operations	
Net revenue from products sold and services rendered	1,995
Cost of products sold and services rendered	(1,520)
Gross profit	475
Operating expenses (income)	
Selling	(53)
General and administrative	(113)
Other operating income (expenses), net	70
	(96)
Operating profit before equity results and finance results	379
Finance results, net	
Finance income	25
Finance costs	(101)
	(76)
Profit before income tax and social contribution	303
Income tax and social contribution	
Current	(3)
Deferred	(65)
Profit from continuing operations	235

35. Supplementary information – Business segments

To provide a higher level of information, the Company opted to disclose financial information by business segments, considering the elimination of balances and transactions between companies in the same segment, before: (i) the eliminations between business segments; and (ii) the elimination of investments held by holding companies.

Additionally, the eliminations and reclassifications between the companies are highlighted, so that the net result corresponds to the consolidated financial information of the VSA, disclosed as supplementary information. This supplementary information is not intended to be in accordance and is not required by accounting practices adopted in Brazil or by IFRS.

(a) Capital management

The financial leverage ratios are calculated according to the information of the industrial segments, considering the accumulated results for 12 months, as loan covenants, and are summarized as follow:

Adjusted EBITDA	Industrial segments		
	Note	2021	2020
Net income (loss) for the year		7,120	(3,066)
Plus (less):			
Continuing operations			
Equity in the results of investees		(460)	(715)
Net financial results		(1,803)	3,462
Income and social contribution taxes		3,326	1,593
Depreciation, amortization and depletion		3,637	3,180
EBITDA before other additions and exceptional items		11,820	4,454
Plus :			
Dividends received		189	142
Extraordinary items			
Discontinued operations		(235)	13
Gain on sale of investments, net		(629)	(427)
Impairment of property, plant, equipment and intangible assets		(36)	2,802
Provision for impairment of investments		827	
Net gain from the advantageous purchase of an investee		(243)	(366)
Other		(234)	119
Adjusted annualized EBITDA (A)		11,459	6,737
Net debt			
Borrowing	20	25,004	25,065
Lease liabilities		1,551	858
Cash and cash equivalents, financial investments and derivative financial instruments		(16,601)	(14,662)
Net debt (B)		9,954	11,261
Gearing ratio (B/A)		0.87	1.67

(b) Balance sheet - business segments

	2021										
Assets	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Current											
Cash and cash equivalents, financial investments and derivative financial instruments	5,399	4,349	1,797	132	79	5,080		16,836	82		16,918
Derivative financial instruments - put option						4,704		4,704			4,704
Trade receivables	1,344	1,326	698	87	380	70	(226)	3,679			3,679
Inventory	2,862	2,079	1,592	366		268		7,167			7,167
Taxes recoverable	1,038	446	294	10	29	785		2,602	107		2,709
Dividends receivable			1		72	955	(1,020)	8	297		305
Electric power futures contracts					845			845			845
Other assets	285	185	72	86	4	356	(44)	944			944
	10,928	8,385	4,454	681	1,409	12,218	(1,290)	36,785	486		37,271
Assets classified as held-for-sale	25	5		1,151		100		1,281			1,281
	10,953	8,390	4,454	1,832	1,409	12,318	(1,290)	38,066	486		38,552
Non-current assets											
Long-term receivables											
Financial investments and derivative financial instruments	818	1	28					847			847
Financial instruments - Shares		21				2,780		2,801			2,801
Taxes recoverable	767	339	685	14	1	227		2,033			2,033
Related parties	4	25	57			152	(13)	225			225
Deferred income tax and social contribution	912	939	254	26		564		2,695	1		2,696
Judicial deposits	147	30	17			20		214			214
Electric power futures contracts					2,962			2,962			2,962
Other assets	691	40	50			115	20	916			916
	3,339	1,395	1,091	40	2,963	3,858	7	12,693	1		12,694



	2021										
Assets	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Investments	1,085	1	205		3,376	37,808	(28,607)	13,868	6,510	(6,687)	13,691
Advance for investment property						58		58			58
Property, plant and equipment	18,244	10,728	5,151	496	33	426		35,078			35,078
Intangible assets	9,706	6,995	998	6	27	4	(1,033)	16,703			16,703
Right to use assets arising from leases	1,352	71	43	12	2	12		1,492			1,492
Biological assets			1			89		90			90
	33,726	19,190	7,489	554	6,401	42,255	(29,633)	79,982	6,511	(6,687)	79,806
Total assets	44,679	27,580	11,943	2,386	7,810	54,573	(30,923)	118,048	6,997	(6,687)	118,358

(*) Relates to long steel operations in Argentina.

	2021										
Liabilities and equity	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Current liabilities											
Borrowing	262	261	69			11		603			603
Lease liabilities	201	91	27	5	2	4		330			330
Derivative financial instruments	198	127	231					556			556
Confirming payable	1,546	1,301	558					3,405			3,405
Trade payables	3,606	2,298	656	204	377	19	(246)	6,914			6,914
Salaries and payroll charges	629	424	162	27	27	108		1,377			1,377
Taxes payable	349	360	78	111	9	603		1,510	117		1,627
Advances from customers	40	33	48	41	9	17		188			188
Dividends payable	844	100	142		74	1,520	(1,056)	1,624			1,624
Use of public assets	50	51	74					175			175
Electric power futures contracts	22		11		767			800			800
Deferred revenue - silver streaming		185						185			185
Other	1,103	209	73	4		139	(1)	1,527	2		1,529
	8,850	5,440	2,129	392	1,265	2,421	(1,303)	19,194	119		19,313
Liabilities related to assets held-for-sale	12			1,151				1,163			1,163
	8,862	5,440	2,129	1,543	1,265	2,421	(1,303)	20,357	119		20,476



2021

Liabilities and equity	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Non-current liabilities											
Borrowing	12,132	9,222	3,037			10		24,401			24,401
Lease liabilities	1,167	19	18	7		10		1,221			1,221
Derivative financial instruments	415	1	110					526			526
Deferred income tax and social contribution	1,365	1,135	40	26	52	1,038		3,656	168		3,824
Related parties	23		62		2	3	(15)	75			75
Provision	1,292	1,444	820	5	2	188		3,751			3,751
Use of public assets	662	86	944					1,692			1,692
Pension plan	399			1		163		563			563
Electric power futures contracts	46		24		2,993			3,063			3,063
Deferred revenue - silver streaming		637						637			637
Other	433	220	43	2	25	107	11	841			841
	17,934	12,764	5,098	41	3,074	1,519	(4)	40,426	168		40,594
Total liabilities	26,796	18,204	7,227	1,584	4,339	3,940	(1,307)	60,783	287		61,070
Equity											
Total equity attributable to owners of the Company	15,587	7,523	4,501	499	3,471	50,633	(32,324)	49,890	6,710	(6,686)	49,914
Non-controlling interests	2,296	1,853	215	303			2,708	7,375		(1)	7,374
Total equity	17,883	9,376	4,716	802	3,471	50,633	(29,616)	57,265	6,710	(6,687)	57,288
Total liabilities and equity	44,679	27,580	11,943	2,386	7,810	54,573	(30,923)	118,048	6,997	(6,687)	118,358

(*) Relates to long steel operations in Argentina.

(c) Statement of income – business segments

	2021										
	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	22,296	14,140	8,423	2,119	4,010	117	(2,097)**	49,008			49,008
Cost of products sold and services rendered	(17,084)	(10,616)	(6,799)	(1,516)	(3,960)	(56)	2,097**	(37,934)			(37,934)
Gross profit	5,212	3,524	1,624	603	50	61		11,074			11,074
Operating income (expenses)											
Selling	(700)	(132)	(42)	(21)		(6)		(901)			(901)
General and administrative	(1,243)	(757)	(338)	(45)	(117)	(329)		(2,829)	(12)		(2,841)
Other operating income (expenses), net	365	(238)	98		(11)	391		605			605
	(1,578)	(1,127)	(282)	(66)	(128)	56		(3,125)	(12)		(3,137)
Operating profit (loss) before equity results and finance results	3,634	2,397	1,342	537	(78)	117		7,949	(12)		7,937
Result from equity investments											
Equity in the results of investees	62		13		268	3,409	(3,312)	440	817	(672)	585
Realization of comprehensive results on the sale of investments						20		20			20
	62		13		268	3,429	(3,312)	460	817	(672)	605
Finance results, net											
Finance income	429	191	110	25	14	134		903	5		908
Finance costs	(1,565)	(789)	(462)	(90)	(21)	(54)		(2,981)	(33)		(3,014)
Results of derivative financial instruments	37	(31)	(70)			4,450		4,386			4,386
Foreign exchange gains (losses), net	(398)	(116)	(75)	27		57		(505)			(505)
	(1,497)	(745)	(497)	(38)	(7)	4,587		1,803	(28)		1,775
Profit (loss) before income tax and social contribution	2,199	1,652	858	499	183	8,133	(3,312)	10,212	777	(672)	10,317



2021

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Income tax and social contribution											
Current	(167)	(658)	(68)	(213)		(611)		(1,717)	(84)		(1,801)
Deferred	(406)	(155)	48	17	1	(1,114)		(1,609)	(21)	(1)	(1,631)
Profit (loss) from continuing operations	1,626	839	838	303	184	6,408	(3,312)	6,886	672	(673)	6,885
Discontinued operations											
Loss from continuing operations				235				235			235
Profit (loss) for the period from continuing operations	1,626	839	838	538	184	6,408	(3,312)	7,121	672	(673)	7,120
Profit (loss) attributable to the owners of the Company	1,343	682	743	383	184	6,408	(3,341)	6,402	671	(673)	6,400
Profit (loss) attributable to non-controlling interests	283	157	95	155			29	719	1		720
Profit (loss) for the period	1,626	839	838	538	184	6,408	(3,312)	7,121	672	(673)	7,120

(*) Relates to long steel operations in Argentina.

(**) Relates substantially to the net revenue from electric energy operations from Votener to CBA and VCSA.

2020

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Continuing operations											
Net revenue from products sold and services rendered	16,740	10,097	5,411	1,180	3,588	76	(1,710)**	35,382		1	35,383
Cost of products sold and services rendered	(12,816)	(8,059)	(4,831)	(809)	(3,571)	(48)	1,710**	(28,424)			(28,424)
Gross profit	3,924	2,038	580	371	17	28		6,958		1	6,959
Operating income (expenses)											
Selling	(708)	(129)	(37)	(12)		(3)		(889)			(889)
General and administrative	(1,061)	(673)	(284)	(35)	(101)	(335)		(2,489)	(14)		(2,503)
Other operating income (expenses), net	(113)	(2,906)	175	(3)	84	469		(2,294)			(2,294)
	(1,882)	(3,708)	(146)	(50)	(17)	131		(5,672)	(14)		(5,686)



2020

	Votorantim Cimentos	Nexa Resources	CBA	Long steels (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Eliminations	Total, consolidated
Operating profit (loss) before equity results and finance results	2,042	(1,670)	434	321		159		1,286	(14)	1	1,273
Result from equity investments											
Equity in the results of investees	51		(3)		445	(1,411)	1,633	715	719	(707)	727
Finance results, net											
Finance income	281	80	136	17	12	143	(11)	658	3	(1)	660
Finance costs	(1,349)	(880)	(415)	(131)	(20)	(188)	11	(2,972)	(7)		(2,979)
Results of derivative financial instruments	279	2	1			(403)		(121)			(121)
Foreign exchange gains (losses), net	(277)	(545)	(215)	7		3		(1,027)			(1,027)
	(1,066)	(1,343)	(493)	(107)	(8)	(445)		(3,462)	(4)	(1)	(3,467)
Profit (loss) before income tax and social contribution	1,027	(3,013)	(62)	214	437	(1,697)	1,633	(1,461)	701	(707)	(1,467)
Income tax and social contribution											
Current	(375)	(321)	(52)	(108)	(1)	(43)		(900)			(900)
Deferred	(215)	213	(766)	(7)	(19)	101		(693)	7		(686)
Profit (loss) for the year from continuing operations	437	(3,121)	(880)	99	417	(1,639)	1,633	(3,054)	708	(707)	(3,053)
Continued operations											
Loss from discontinued operations	1			(13)				(12)			(12)
Profit (loss) for the semester attributed to shareholders	438	(3,121)	(880)	86	417	(1,639)	1,633	(3,066)	708	(707)	(3,065)
Profit (loss) attributable to the owners of the Company	393	(2,646)	(927)	56	425	(1,639)	2,702	(1,636)	707	(707)	(1,636)
Profit (loss) attributable to non-controlling interests	45	(475)	47	30	(8)		(1,069)	(1,430)	1		(1,429)
Profit (loss) for the year	438	(3,121)	(880)	86	417	(1,639)	1,633	(3,066)	708	(707)	(3,065)

(*) Relates to long steel operations in Argentina.

(**) Relates substantially to the net revenue from electric energy operations from Votener to CBA and VCSA.

(d) Adjusted EBITDA - business segments

	2021									
	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	22,296	14,140	8,423	2,119	4,010	117	(2,097) (**)	49,008		49,008
Cost of products sold and services rendered	(17,084)	(10,616)	(6,799)	(1,516)	(3,960)	(56)	2,097 (**)	(37,934)		(37,934)
Gross profit	5,212	3,524	1,624	603	50	61		11,074		11,074
Operating income (expenses)										
Selling	(700)	(132)	(42)	(21)		(6)		(901)		(901)
General and administrative	(1,243)	(757)	(338)	(45)	(117)	(329)		(2,829)	(12)	(2,841)
Other operating income (expenses), net	365	(238)	98		(11)	391		605		605
	(1,578)	(1,127)	(282)	(66)	(128)	56		(3,125)	(12)	(3,137)
Operating profit (loss) before equity results and finance results	3,634	2,397	1,342	537	(78)	117		7,949	(12)	7,937
Plus:										
Depreciation, amortization and depletion - continuing operations	1,666	1,385	496	58	5	26	1	3,637		3,637
EBITDA	5,300	3,782	1,838	595	(73)	143	1	11,586	(12)	11,574
Plus:										
Dividends received	181				81	8	(81)	189		189
Exceptional items										
Impairment of property, plant and equipment and intangible assets	33	2	(71)			827		791		791
Net gain on sale of investments						(625)		(625)		(625)
Gain from the advantageous purchase of an investee	(243)							(243)		(243)
Other	(24)		(46)			(169)		(239)		(239)
Adjusted EBITDA	5,247	3,784	1,721	595	8	184	(80)	11,459	(12)	11,447

(*) Relates to long steel operations in Argentina.

(**) Relates substantially to the net revenue from electric energy operations from Votener to CBA and VCSA.



2020

	Votorantim Cimentos	Nexa Resources	CBA	Long steel (*)	Votorantim Energia	Holding and other	Eliminations	Total, industrial segments	Votorantim Finanças	Total, consolidated
Net revenue from products sold and services rendered	16,740	10,097	5,411	1,180	3,588	76	(1,710) (**)	35,382		35,383
Cost of products sold and services rendered	(12,816)	(8,059)	(4,831)	(809)	(3,571)	(48)	1,710 (**)	(28,424)		(28,424)
Gross profit	3,924	2,038	580	371	17	28		6,958		6,959
Operating income (expenses)										
Selling	(708)	(129)	(37)	(12)		(3)		(889)		(889)
General and administrative	(1,061)	(673)	(284)	(35)	(101)	(335)		(2,489)	(14)	(2,503)
Other operating income (expenses), net	(113)	(2,906)	175	(3)	84	469		(2,294)		(2,294)
	(1,882)	(3,708)	(146)	(50)	(17)	131		(5,672)	(14)	(5,686)
Operating profit (loss) before equity results and finance results	2,042	(1,670)	434	321		159		1,286	(14)	1,273
Plus:										
Depreciation, amortization and depletion - continuing operations	1,420	1,248	431	44	5	31	1	3,180		3,180
EBITDA	3,462	(422)	865	365	5	190	1	4,466	(14)	4,453
Plus										
Dividends received	129		11		38	2	(38)	142	111	253
Exceptional items										
Impairment of property, plant and equipment and intangible assets	215	2,561	26					2,802		2,802
Gain from the advantageous purchase of an investee			(366)					(366)		(366)
						(427)		(427)		(427)
Other	29					91		120		120
Adjusted EBITDA	3,835	2,139	536	365	43	(144)	(37)	6,737	97	6,835

(*) Relates to long steel operations in Argentina.

(**) Relates substantially to the net revenue from electric energy operations from Votener to CBA and VCSA.

36. Subsequent events

(a) Settlement of the CO2 emission rights loan - VCSA

In January 2022, the short-term loan for CO2 emission rights in the amount of USD 45 million (R\$ 268) was settled with CO2 emission rights.

(b) Sale of investment - APDR

In January 20, 2022, the Company concluded the sale of subsidiary APDR, in accordance with the intention agreement signed in November 2021 (Note 1.1 (jj)).

This sale resulted in a net income of R\$ 69 in the Company's results in 2022, mainly as a result of the realization of the exchange rate variation, previously recognized directly in the comprehensive income of shareholders' equity.

(c) Future sale agreement - Nexa

In January 21, 2022, subsidiary Nexa signed an Offtake Agreement (future sale agreement), in which it undertakes to sell 100% of the copper concentrate that will be produced by the Aripuanã mine for a period of five years, at the market price, but subject to a price cap.

(d) Acquisition of 80% of Alux

In January 6, 2022, after complying with the respective conditions precedent, CADE's approval was obtained, without restrictions. On January 31, 2022, the acquisition of 80% of the share capital of Alux was completed.

The following is a summary of Alux's book balances on the transaction completion date:

	<u>On January 31, 2022</u>
Cash and cash equivalents	16
Accounts receivable	38
Inventories	27
Other assets	27
Property, plant and equipment	7
Trade payables	(33)
Other liabilities assumed	(8)
Acquired identifiable net assets	<u>74</u>

Alux had shareholders' equity at fair value of R\$134, due to net assets plus adjustments, resulting from the valuation and identification of assets and liabilities in accordance with IFRS 3 / CPC 15 (R1) – Business combination. The net assets at fair value and recognized on the acquisition date are shown below:

	<u>On January 31, 2022</u>
Equity value of Alux	74
Adjustments of purchase price allocation	
Purchase price allocation of property, plant and equipment	31
Purchase price allocation of account receivable	60
Deferred taxes on business combinations	(31)
Equity value of Alux, at fair value	<u>134</u>

The acquisition cost included goodwill of R\$25 related to the control premium, as shown in the table below:

	<u>On January 31, 2022</u>
Consideration transferred	
Cash paid on acquisition of Alux	133
Value of the acquired 80% portion of Alux's shareholders' equity, at fair value	(108)
Goodwill on expected future profitability	<u>25</u>



As a result of the business combination carried out on January 31, 2022, we present below the balance sheet items at fair value:

	Carrying amount	Adjustment	Fair value
Cash and cash equivalents	16		16
Accounts receivable	38	60	98
Inventories	27		27
Other assets	27		27
Property, plant and equipment	7	31	38
Trade payables	(33)		(33)
Other liabilities assumed	(8)		(8)
Deferred taxes on business combinations		(31)	(31)
Total equity	74	60	134

(e) Repurchase of Voto 41 bonds through VCI - VCSA

In 2022, the indirect subsidiary VCI repurchased and canceled the balance of USD 16 million of principal related to its bonds maturing in 2041.

(f) Use of a Committed Credit Revolving - VCSA

During January and February 2022, the indirect subsidiary St. Marys made further withdrawals from the available Committed Credit Facility in the amount of USD 57 million, due in August 2024.

The approximate amount of USD 187 million remains available to VCSA's subsidiaries for further withdrawals, if necessary.

(g) Capital increase in subsidiary VCI - VCSA

During January and February 2022, the direct subsidiary VCSA carried out capital increases in the indirect subsidiary VCI in the total amount of R\$100 (USD 19 million).

(h) Reverse merge - VGE

On February 3, 2022, indirect subsidiary VTRM was merged into subsidiary VGE. VTRM now holds the following assets in its equity at the time of the merger:

- (i) Interest of 66.6667% in the capital stock of CBA Energia, whose generation assets include UHE Campos Novos and UHE Barra Grande, corresponding to 100% of its preferred shares;
- (ii) Interest of 66.6667% in Pollarix's capital stock, whose generation assets include UHE Amador Aguiar I and II (Consórcio Capim Branco), UHE Picada, UHE Igarapava (Consórcio Igarapava) and UHE Campos Novos, corresponding to 100% of the preferred shares issued by it;
- (iii) Interest of 100% in Votener's capital stock, corresponding to 16,438,442 shares issued by it.

As a result of the reverse merger, the amount of 992,547 shares that VGE owned, issued by VTRM, was canceled and replaced by an equal number of shares of VTRM and were attributed to VSA. In addition, as a result of the assets merged into VTRM, 612,874,904 new VTRM common shares were issued, which were also assigned to VSA. The equity value attributed to VGE's assets (excluding the value of the interest held by VGE in VTRM) was R\$2.8 billion.

(i) Approval of the distribution of dividends through the VSA

On February 10, 2022, the Company resolved to its parent company Hejoassu Administração S.A., the amount of R\$ 734 corresponding to dividends related to part of the balance of the Profit Reserves account, accumulated from previous years. The amount was fully paid on February 24, 2022.



(j) Distribution of dividends – Nexa

On February 15, 2022, the Board of Directors of subsidiary Nexa approved, subject to ratification by the Company's Shareholders, at the 2023 annual shareholders' meeting in accordance with Luxembourg laws, a distribution in dividends to the Company's shareholders of approximately R\$ 279 to be paid on March 25, 2022.

(k) Redemption of total Senior Notes – Nexa Resources Perú S.A.A. (Nexa Peru)

On February 24, 2022, indirect subsidiary Nexa Peru announced the early redemption and cancellation of all 4.625% Senior Notes due in 2023. The aggregate principal amount of the Notes is USD 128 million.

The Notes will be redeemed on March 28, 2022 at a price equal to the greater of (i) 100% of the outstanding principal amount of the Notes, and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes. Notes to be redeemed discounted to the redemption date semi-annually at the applicable Treasury Rate plus 45 basis points, in each case plus accrued and unpaid interest and additional amounts, if any, but excluding the redemption date, in accordance with the provisions of the deed that governs the Notes.

(l) Proposal for potential acquisition of CCR shares

On March 23, 2022, the Company, together with Itaúsa S.A., formalized the terms of the proposal for the potential acquisition of the entire stake of Andrade Gutierrez Participações S.A. (AG) in CCR S.A. (CCR).

The offer, already accepted by AG, contemplates the acquisition of 14.9% of the capital of CCR, representing an amount of R\$ 4.1 billion, of which VSA will invest R\$ 1.3 billion. In the end, considering VSA's current interest of 5.8% in CCR, the Company will have approximately 10.3% of CCR's capital.

(m) Merger of CESP Shares by VTRM

On March 25, 2022, at the conclusion of the corporate restructuring described in Note 1.1 (hh), VTRM merged all of CESP's shares, excluding its own shares and CESP's treasury shares. As a result, VTRM issued new shares, which were attributed to CESP's shareholders, replacing the merged shares issued by it. With the conclusion of the transaction, the Company now holds a 37.74% interest in the capital stock of VTRM.

On March 28, 2022, VTRM changed its corporate name to Auren Energia S.A., and its shares are traded on the stock market under the ticker AURE3.



Independent auditor's limited assurance report on the non-financial information included in the 2021 Annual Report

To the Board of Directors and Stockholders
Votorantim S.A.

São Paulo- SP

Introduction

We have been engaged by Votorantim S.A. ("Company" or "Votorantim") to present our limited assurance report on the non-financial information included in the 2021 Annual Report of Votorantim for the year ended December 31, 2021.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2021 Annual Report, including any incorporated images, audio files or videos.

Responsibilities of the management of Votorantim

The management of Votorantim is responsible for:

- ▶ selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2021 Annual Report;
- ▶ preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards) and with the basis of preparation developed by the Company;

- ▶ designing, implementing and maintaining internal controls over the significant information for the preparation of the information included in the Annual Report, which is free from material misstatement, whether due to fraud or error.

Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2021 Annual Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 – Issuance of Assurance Reports related to Sustainability and Social Responsibility, issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance engagements other than audits or reviews of historical financial information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor complies with ethical requirements, independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2021 Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of Votorantim involved in the prepa-



ration of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Annual Report taken as a whole might present significant misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the 2021 Annual Report, other circumstances of the engagement and our analysis of the activities and processes associated with the significant information disclosed in the 2021 Annual Report in which significant misstatements might exist. The procedures comprised, among others:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2021 Annual Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2021 Annual Report; and
- (d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria of the Global Reporting Initiative (GRI-Standards) and the provisions established in the basis of preparation developed by the Company.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2021 Annual Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and, therefore, the information included in the 2021 Annual Report does not have the objective of providing assurance with regard to the compliance with social, economic, environmental or engineering laws and regulations. However, the aforementioned standards establish the presentation and disclosure of possible cases of non-compliance with such regulations when sanctions or significant fines are applied. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.



Conclusion

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2021 Annual Report of Votorantim has not been prepared, in all material respects, in accordance with the criteria of the basis of preparation and guidelines of the Global Reporting Initiative (GRI-Standards).

São Paulo, April 5, 2022

PricewaterhouseCoopers

Auditores Independentes Ltda.

CRC 2SP000160/O-5

Maurício Colombari

Contador CRC 1SP195838/O-3



Credits and Corporate information

Credits

General Coordination

Finance and Investor

Relations Department

Débora Oliveira

Mariana Mayumi Oyakawa

Nicolle Amorim

Sergio Malacrida

Technical adviser

Resultante Consultoria

Writing, editing and proofreading

KMZ Conteúdo

Graphic design

Pierre Design Editorial

Microsite

blendON

External Assurance

PricewaterhouseCoopers

Images

Bruno Mooca (Votorantim S.A.,
Altre and CoE)

Portfolio companies's
image library

Translation (english)

Claudia Gustavsen

Typeface

Votorantim Sans

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Corporate Information

Votorantim S.A.

Rua Amauri, 255 – 13th floor

São Paulo (SP) – Brazil

Zip code: 01448-000

Phone: + 55 11 3704-3300



[Visit the
Votorantim website](#)

CoE

Av. Manuel Bandeira, 291 |

1st floor, Conjunto 21B, bloco B

São Paulo (SP) – Brazil

Zip code: 05317-020

Rodovia Curitiba/Rio Branco do
Sul, 1.303

Curitiba (PR) – Brazil

Zip code: 82130-570

Phone: + 55 41 3388-5150

Jirón Vittore Scarpazza

Carpaccio, 250 – int. 305

San Borja (Lima) – Peru

Phone: + 51 715-7600