

Activity **report** 2020



InterCement
Institute

For community
development



SUMMARY

1. Message from the Chair	3
2. The InterCement Institute	4
Introduction Mission, Vision, Values	
Operating Criteria	
Operating Strategy	
3. The Year 2020	10
3.1 Executive Summary	
3.2 Numbers for 2020	
4. The InterCement Institute in Brazil	12
4.1 Operating Locations	
4.2 “On the Right Track” Program	
4.3 Biomass Project	
4.4 Housingpact	
5. COVID-19 Emergency Plan	18
5.1 Strategy	
5.2 Highlights by Country	
5.3 SER+ Empreendedor (Be More Entrepreneurial)	
5.4 ReformuLAR (HOMEnhancement)	
6. Volunteer Program	24
6.1 Day of Doing Good	
6.2 Doing Good International Webinar	
6.3 Volunteer Program Study	
InterCement Board and Staff	32

MESSAGE FROM THE Chair

The unexpected year of 2020 has ended, leaving all of us with an invitation to reflect deeply on our values and attitudes. We were forced to stay at home and to learn to deal with isolation, with schools closures, with restrictions on physical contact, with the reorganisation of homes spaces and, above all, with the uncertainty of individual health conditions and the system as a whole.

Undoubtedly, it was a year that will leave its mark on the history of mankind and on all our lives. Here at the InterCement Institute, we have been asking ourselves: what legacy has been left? In our institutional operations, we quickly adapted plans to guide the business units, which worked together with communities in mitigating the social impacts caused by the pandemic, in the short, medium and long term. Immediately, a great movement of solidarity found itself echoed in the volunteer and humanitarian actions of InterCement professionals, members of the Community Development Committees (CDCs) and company partners, all of whom, working together, enabled humanitarian aid initiatives for people in socially vulnerable situations.

Volunteering is a core value at InterCement and we are very proud to have a team that shares this vision. It is gratifying to be able to recognise that almost 40% of our employees work spontaneously and continually in volunteer projects. For this reason, we ended the year celebrating this power of engagement and social responsibility by holding our first international event which enabled people from five countries to connect in a webinar to talk about this topic. We had the rich reflections of supporters like Nandi Mandela, Iman Bibars, Deedar Guerra, Carlos March, Márcia Woods and Wilson Brumer to inspire us, in their various languages and cultures, to recognise that we have a common agenda that unites South Africans, Egyptians, Mozambicans, Argentines and Brazilians, in the InterCement way of being and acting in favour of community development. At the same time, we publically launched a study on the corporate volunteering program, a document which analyses the main impact and value of the initiative in the context of the company and the communities in which it operates.

We are grateful for the united efforts of everyone at InterCement, our partners, customers, suppliers and communities; this unity is so essential when it comes to overcoming social challenges. Strengthened by the commitment to act always based on dialogue and action, we hope to contribute even more to the development of each location where we operate, improving our capacity to listen, the dissemination of good practices and trust among all stakeholders.

RENATA NASCIMENTO

Chair of the Board of the InterCement Institute

MARCH 2021

THE INTERCEMENT INSTITUTE

Responsible for defining strategies, creating and systematising methodologies and implementing private social investment for the InterCement companies, the InterCement Institute operates with the goal of contributing to communities, supporting the capabilities of the various regions to overcome social challenges.

Preferably developed in the municipalities where InterCement has a presence with its industrial and commercial activities, the initiatives aim to strengthen community ties, to enhance local assets, to bring together partners and to form collaborative networks, creating a favourable and participatory environment for sustainable development and community autonomy.

In addition to Brazil, the Institute guides InterCement's social investment in the other countries where the company has production units. Investments focus on two areas of activity: community development and social impact businesses.

This report presents noteworthy activities and projects conducted throughout 2020. All the projects developed have the goal of fully meeting the Institute's mission and vision of being a catalyst for community potential and acting as an agent of social change.

CULTURAL, SOCIAL and economic transformation ABOUT INTERCEMENT

InterCement, the main supporter of the InterCement Institute, is one of the largest international cement companies, operating in five countries, on two continents, in addition to Paraguay (where it operated until August 2020). In Brazil, the company occupies the second position among cement companies, where it operates with the cement brands Cauê, Goiás and Zebu. Its manufacturing units are located in nine states: Alagoas, Bahia, Goiás, Mato Grosso do Sul, Minas Gerais, Paraíba, Pernambuco, Rio Grande do Sul and São Paulo.

InterCement is convinced that its role alongside the communities where its installations are located goes far beyond generating value for the local economy; the company must also contribute to cultural, social and economic change, with positive results for the community and for business. This is the reason why the InterCement Institute was created and has operated.

THE INTERCEMENT INSTITUTE FOR COMMUNITY DEVELOPMENT



InterCement believes its role as a company goes beyond developing and manufacturing quality products in a responsible way.

Every InterCement professional is an agent of change who has, in the Institute, a catalyst for working together and changing reality.

We aim to **do things differently** and **make a difference**. This is the reason why we created the InterCement Institute for community development.

OPERATING CRITERIA



OPERATING STRATEGY

THE INTERCEMENT INSTITUTE

The Institute is responsible for establishing guidelines and strategies for social investment actions and leadership in InterCement's companies. It is a resource for managing knowledge, disseminating content, as well as organising information and results relating to the implementation of projects in all the countries.

As a strategy to implement social investment, three types of participation have been defined: CIVICOS, CDCs and GAIVs.

CIVICO

Committee to Encourage Volunteering and Interaction with the Community

This is a group of InterCement professionals which must be constituted in each unit of the company, whose objective is to manage, jointly with the InterCement Institute, social investment in a given region.

Each group is made up of at least five professionals and works as an extension of the Institute in the production unit. Participants undergo periodic training to develop and improve skills and competencies necessary for social mobilisation.

CDC

Community Development Committee

This is a group made up of representatives from the government, civil society organisations, community leaders, companies and CIVICO that define strategies and promote actions which contribute to community development.

The CDC has the role of guiding, planning, monitoring, mobilising partnerships and resources, as well as evaluating projects and actions that promote continual community development in its location. It must actively seek discussions and relationships with diverse sectors in the region in order to increase the impact of the actions.

GAIV

Ideal Volunteer Action Group (Grupo de Ação Ideal Voluntário)

This is a group which must be formed spontaneously by professionals, friends, family members and community representatives who are motivated to organise and carry out volunteer work. These groups must always be led by InterCement professionals.

EVERY PERSON can be an *agent of transformation!*



AREAS OF ACTIVITY

The InterCement Institute focuses on two main areas of activity:

COMMUNITY DEVELOPMENT

In partnership with civil society and public authorities, the InterCement Institute guides the implementation of initiatives aimed at generating opportunities for local development.

Priority is given to activities based on themes identified together with the communities, such as childhood, sports, culture, education, human rights and strengthening social capital.

In addition, there is great incentive to citizen action through the corporate volunteer program, which promotes the development of activities organised by the GAIVs (Ideal Volunteer Action Groups). In this way, the values generated are propagated and shared throughout the whole community.

SOCIAL IMPACT BUSINESSES

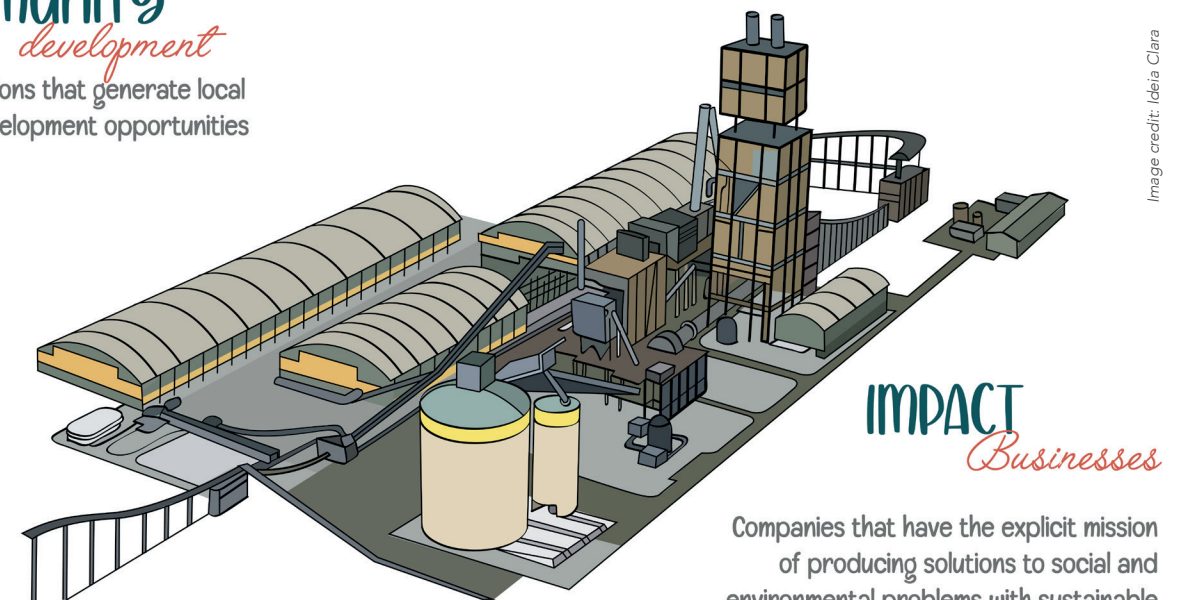
Is it possible to contribute to reducing poverty through the production and distribution of cement? The Institute and InterCement seek to answer this question based on the premise that business models can solve socio-environmental challenges, while also having positive and sustainable financial performance. In general, in keeping with the needs and opportunities in the company's value chain, the InterCement Institute works on the development and/or implementation of pilot projects in line with the business, focusing on the sustainability of the initiatives, increasing the investment capacity of the Institute itself and the economic and social impact on communities.

These trials are implemented and systematised by specialised technical partners. The focus is always on developing products and services aligned with the company's production chain and/or innovative initiatives that seek to promote broad social impact aimed at the base of the pyramid.

It is the belief of the Institute and InterCement that the ability to innovate in the social field consequently optimises the positive impact generated.

community *development*

Actions that generate local development opportunities



IMPACT *Businesses*

Companies that have the explicit mission of producing solutions to social and environmental problems with sustainable financial performance

Image credit: Ideia Clara

EXECUTIVE SUMMARY

The year 2020

In addition to demanding rapid adaptation to a new context, which was volatile, uncertain, complex and ambiguous, 2020 was a year which offered the Institute an opportunity to be closer to its Board, business units and Fundación Loma Negra (Argentina), making it possible to fulfil its greatest *raison d'être*: a company unit created to think and act in such a way as to boost the potential positive impacts of the cement operation. In this respect, as early as March, the Institute revised its work plan in order to adapt to the needs imposed by the health crisis.

Immediately, the Institute defined guidelines for developing a plan to cope with the social impacts caused by the COVID-19 pandemic, which served to guide InterCement's activities in all the countries where it operates. The first phase of this plan was dedicated to humanitarian actions, implemented from April onwards (see page 18).

In parallel, in Brazil, two other initiatives have been developed collaboratively among internal and external partners, aiming to contribute to the socioeconomic

recovery of communities in the medium and long term. In a pilot phase, the SER+ Empreendedor (Be More Entrepreneurial) project was launched in August, in the municipality of Campo Formoso/BA, and later expanded to Ijaci/MG, Cezarina/GO and São Miguel dos Campos/AL, with the purpose of providing productive microcredit for local small business owners (see page 21).

The second strategy, launched in September, in the municipality of Apiaí/SP, and later expanded to Cajati/SP, aims to enable improvements in housing conditions, especially in aspects that impact the health of residents. At the beginning, the initiative, called ReformuLAR (HOMEnhancement), focused on InterCement professionals with salaries less than or equal to three minimum wages (see page 23).

On another note, the corporate volunteer program confirmed that it has been consolidated into the company's operating strategy and, above all, that social responsibility is a core value among our professionals, their families, partner

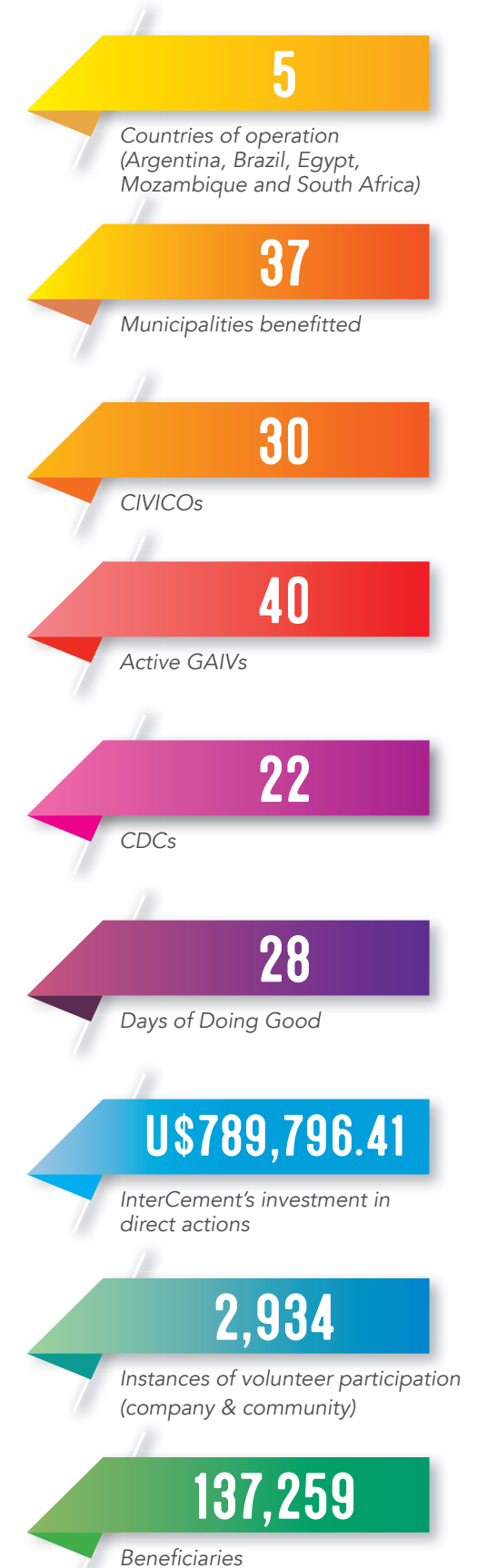
companies and communities. The Day of Doing Good, our global brand of volunteer engagement, challenged everyone to learn how to work in this new context, keeping up their spirits and an entrepreneurial attitude, which pointed to an important legacy of this pandemic for our citizen action (see page 24).

To celebrate International Volunteer Day, we held a Doing Good International Webinar promoting an exchange between people from five countries, who were able to learn about the history and share the vision and experience of Nandi Mandela (South Africa), Iman Bibars (Egypt), Deedar Guerra (Mozambique), Carlos March (Argentina), Márcia Woods, Renata Nascimento and Wilson Brumer (Brazil) (see page 26). In addition, the 500+ participants who attended the live event were able to learn of the results of the study Impact and Value in Corporate Volunteering: "Learning from the InterCement Volunteer Program" (see page 28).

Flávio Aidar, CEO of InterCement Participações and current president of the Institute, believes that the teams were determined and proactive in facing the challenges of 2020, generating the most varied opportunities for action in the communities. "Based on dialogue, attentive listening and a commitment to relief in times of adversity, we were able to bring the operation's agendas even closer to the social focus. The lessons learned in this new context have been incorporated into the development of the agenda for 2021, always with the objective of having a positive impact."

At all times, we were aligned with our institutional mission of being a catalyst for potential, working so that communities may become increasingly purposeful and autonomous, maintaining our focus and vocation of supporting community development. This was only possible because we had the support and backing of the Institute's Board and the collaboration and participation of all the people who make up InterCement.

THE INTERCEMENT INSTITUTE IN NUMBERS (2020)



THE INTERCEMENT INSTITUTE IN BRAZIL

Where we are present



COMMUNITY DEVELOPMENT

PROGRAMA



Protection agents working to free children and teenagers from sexual violence

A strategy for social mobilisation which has been consolidated into the agenda of InterCement Brazil, the “On the Right Track” Program is a multi-sectorial initiative for tackling the abuse and sexual exploitation of children and adolescents. Since 2007, when the company became a signatory of the Program, there has been a commitment to joint efforts with representatives of the government and civil society to carry out activities that place the fight against sexual violence on the agenda.

Activities have been carried out in 12 cities with the goal of mobilising different parties in society to act as protection agents for children and adolescents. Using different resources, such as lectures, pamphlets, themed Daily Safety Dialogues (DSDs) and live streams with regional artists, InterCement teams have worked, along with other local partners, to highlight the impacts and different types of violence, as well as channels for reporting violence, and mainly to call for everyone to be accountable to the cause.

The programs, carried out at different times throughout the year, directly involved more than 1,700 people, with their main audience being drivers, professionals who can act as protection

agents, reporting cases of sexual violence caught on Brazilian roads. The message was also taken to schools in order to give information to students about how to defend themselves and seek help in situations of violence, as well as to guide parents and other responsible adults on how to identify behaviours associated with victims and possible referrals.

Due to its engagement, InterCement Brazil was invited to participate in the 14th Annual Meeting of the “On the Right Track” Program, promoted by Childhood Brazil, on the panel “Business Moment: Advances in Leadership with Value, ESG and the Prevention of Sexual Exploitation of Children and Adolescents”. Fabrício Azevedo, director of sustainability for operations, highlighted the importance of local partnerships in strengthening the cause. He stressed that this agenda is extremely relevant for the company, due in part to the nature of the company’s operations, recognising the responsibility and the impact of operations in the various regions. “Protection and care for everyone is a company value; it is part of the operating model and is fully integrated with our business model. This is a constant task for us and one to which we are always seeking to make improvements.”

IMPACTFUL BUSINESSES



Biomass BRAZIL PROJECT

Agricultural waste generates sustainable energy and increases income for families in Bahia and Goiás

A strengthening of partnerships and alignment with public policies marked the year for the Biomass Brazil Project. In the state of Bahia, a strategic alliance was formalised with the state government's Productive Bahia Project, carried out by the Regional Development and Action Company – CAR (Companhia de Desenvolvimento e Ação Regional), a public company linked to the Department for Rural Development – SDR (Secretaria de Desenvolvimento Rural), based on a loan agreement signed with the Inter-American Development Bank (World Bank).

This partnership covers investments of over R\$2 million in equipment and construction in the four associations benefitting directly from the Biomass Brazil Project. The goal is to strengthen the production chain of native species such as baru, licuri and babaçu and to improve working conditions for farmers and extractivists, generating and increasing income for thousands of families in the semiarid region of Bahia.

The Biomass Project, through its technical partner Extensão Amazônia (Amazon Extension), has helped associations with developing business plans and getting land paperwork in order, documents required as conditions for the establishment of agreements with the state. Another determining factor for inclusion of these groups in the Productive Bahia Project was interaction with InterCement. The relationship between public authorities, civil society and the company was evaluated as a differential that can add even more value to the initiative as it can expand commercial possibilities for the fruits.

Started in 2017, with the mapping of plant extraction, the Biomass Project works to promote the development of associations of extractivist families and small farmers through technical and managerial consulting. Through this, the initiative enables, among other things, the structuring of these groups, allowing them also to establish a commercial relationship with companies, such as InterCement, for the sale of waste



Construction of the Licuri processing unit, of the Lagoa da Roça Association, in Campo Formoso

biomass of nuts, which is then used as raw material to generate energy in factory ovens.

Co-processing is an alternative for the final disposal of waste conducted in a manner which is safe, monitored and environmentally correct, guaranteeing the final quality of the cement produced. This process allows for thermal destruction of waste as a source of fuel or raw material and the production of quality cement, saving non-renewable natural resources, with environmental and

economic advantages, generating jobs and expanding a whole new production chain for waste management.

In 2020, despite the impacts of the pandemic, Coopcerrado (Goiás) significantly increased the volume of biomass sold to InterCement Cezarina. With investments in infrastructure and equipment in the associations in Bahia, there is potential for growth in the supply of biomass in this region as early as 2021.

FACTORY	FRUIT	QUANTITY DELIVERED 2020 (T)	QUANTITY OF CO2 AVOIDED 2020 (T)	QUANTITY OF COKE REPLACED 2020 (T)
Cezarina/ GO	Baru and Babaçu	832	1,134	360
Campo Formoso/ BA	Licuri and Babaçu	34	46	15

InterCement is currently one of the global leaders in the application of this technology. In Brazil, the co-processing rate in 2020 was over 28%.

IMPACTFUL BUSINESSES

HousingPACT

Network seeks to identify and promote solutions to improve affordable housing

The InterCement Institute seeks to generate a positive social impact on society, through social innovation and in alignment with the company's business. As a relevant player in the civil construction value chain, InterCement produces and distributes cement, one of the most used elements for the construction and renovation of houses. At the intersection of the Institute's and the company's agendas, we identified the opportunity and need to act to improve the quality of housing for low-income populations.

Seeking to identify solutions that can contribute to reducing the housing deficit, common to all countries in which InterCement has business units, an innovative alliance was established, which is called Housingpact. Committed to promoting positive social impact, the initiative also brought together, in phases 1 and 2, the companies ArcelorMittal, Basf, CBMM, Duratex, HM Engenharia, Fundação Tide Setubal, Tetra Pak and Vale, and aims to transform the standard

of housing of low-income populations through innovation and entrepreneurship. Networking increases the ability to expand the offer of businesses, products and services related to the housing sector to people living in socially and economically vulnerable situations.

In 2020, we were able to follow the five award-winning entrepreneurs in the first phase of Housingpact who were encouraged to implement their solutions on a pilot scale in the Jardim Ibirapuera neighbourhood, in the southern district of São Paulo.

The projects included the company Coletando (Collecting), with the installation of recycling points for waste collection, which also provided supplemental income for neighbourhood residents from micro-franchises made possible through microcredit operated by Firgun. Fachada Salubre is a solution offered by Isobloco, a start-up from Alagoas, which involves a new construction method, with benefits

in thermal and acoustic insulation, directly impacting the improvement of residents' health. In partnership with Bloco do Beco, a community association of Jardim Ibirapuera, three houses were selected for the installation and demonstration of the solution. The start-up Água V trained 25 people in social technologies for environmental impact solutions (rainwater collection, vertical gardens, self-watering vases) and installation of three community sinks in high-circulation areas. Also in partnership with Bloco do Beco, young people were trained to create and implement the solutions designed by Água V and three more community sinks were installed in partnership with Florescer. The start-up Repaginame carried out a renovation project for commercial establishments and, in the face of the pandemic, modified its business model in order to offer online courses and consulting services.

As a result of the lessons learned from Phase 1 of Housingpact and with help from Vale and Fundação Tide Setubal, the network decided to carry on with its value proposal. In greater alignment with the innovation agendas of the companies undertaking the work, three new pilot projects were identified: the ReformuLAR (HOMEenhancement) project, led by InterCement; Blend Lab, led by Fundação Tide Setubal; and Laminatus, led by ArcelorMittal and CBMM. A new partnership signed with Innovation Latam will follow in 2021 from a more assertive communication strategy designed to attract a greater number of companies, start-ups, academia and others interested in joining innovation efforts in this cause.

Read more at:

<https://innovationawardslatam.com/c/housingpact>



COLETANDO MICRO-FRANCHISES

Implementation of a Coletando micro-franchise recycling point, made possible through microcredit operated by Firgun

Photos: Alex Fisberg

RECYCLE AND WIN!

Implementation of recycling locations for waste collection, providing supplemental income for residents in Jardim Ibirapuera



COVID-19 EMERGENCY

A plan to handle social impacts caused by COVID-19 forecasts actions for the short, medium and long term

At the beginning of the COVID-19 health crisis, the InterCement Institute turned all its efforts to analysing what might be the main possible actions that could contribute to mitigating the impacts caused by the pandemic in the different areas in which InterCement operates. This movement is in keeping with the company's understanding of its responsibility to society.

Back in March, little was known about how much and how long humanity might be subjected to living with the virus, but there was already a call for action. At that time, in constant dialogue with the teams from the different business units, the Institute put together a document with guidelines for action, considering the demands and context of each region in light of the situation.

Thus, a plan to handle the social impacts caused by COVID-19 was developed, taking into consideration the company's performance in three phases: Relief (immediate humanitarian responses); Recovery (medium term); Reconstruction (long term). In all stages, the document considers the involvement of InterCement acting in concert with public and private entities in the communities in order to optimise and enhance efforts to overcome crises.

In the first phase, the main focus for action was to promote relief from suffering for those affected

and to avoid further harm. The emergency humanitarian response involved campaigns to donate groceries, personal hygiene and cleaning products, as well as items to reduce the risk of contamination (hand sanitiser, masks), among other things. The units' assets were also made available, when necessary and possible, to support the municipalities in certain actions. At the same time, the Institute's team collected information and news of opportunities that were often shared with members of CDCs in Brazilian cities with the aim of providing them with information to guide their actions in light of the situation.

Concurrently, considering medium- and long-term impacts, the InterCement Institute started to develop two initiatives that hope to contribute to the socioeconomic recovery of the municipalities. Both initiatives are characterised by the granting of microcredit, which aims at the sustainability of the model and the gradual expansion of the number of beneficiaries.

SER+ Empreendedor (Be More Entrepreneurial) is an initiative whose objective, with the availability of a productive microcredit of up to R\$2,000, is to help maintain and strengthen small businesses and, consequently, promote spending in local economies (see page 21). ReformuLAR (HOMEnhancement) aims to

enable improvements to residential conditions, especially in aspects related to safety and accessibility and/or which have an impact on the health conditions of residents (see page 23).

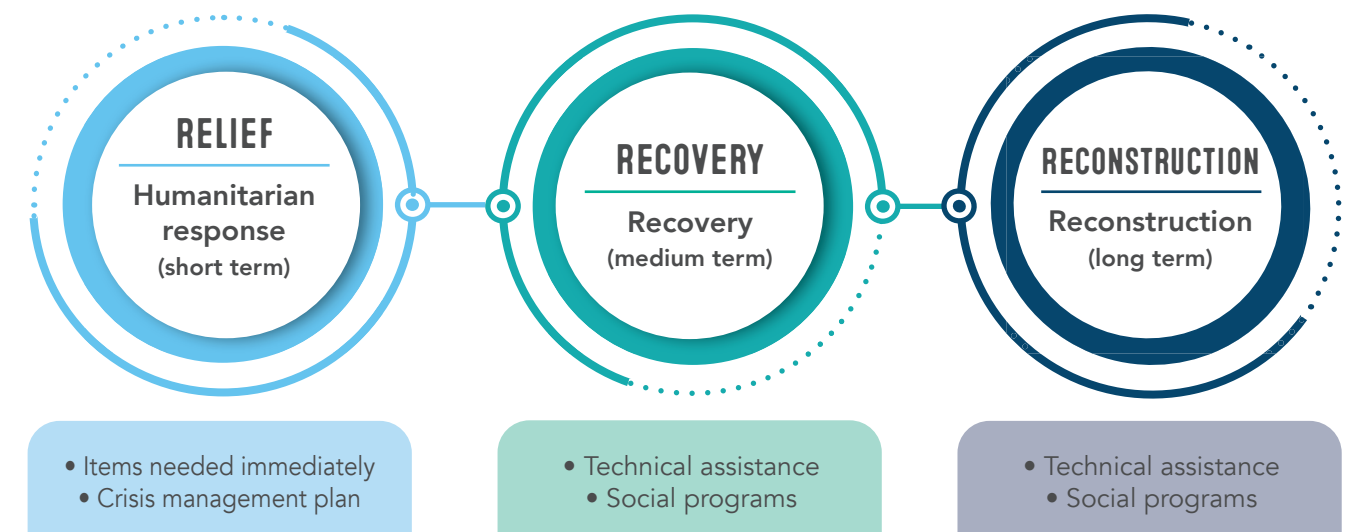
If in March little was known about the crisis, by the end of the year it was already possible to see that the COVID-19 pandemic is marked by cycles and has a high negative impact on social life. At the same time, in a scenario full of adversity throughout the world, certain behaviour stood out and highlighted, once again, the power of collective action. In several

places, we were able to witness the power of solidarity, in an unprecedented way, led by civilians, companies and governments.

At InterCement, where volunteering is a corporate value, it couldn't be any different. In the 30+ communities, in five countries, where the company maintains its industrial activities, we have seen, once again, the power of volunteering in action and we have confirmed that strengthened and empowered communities are more resilient in overcoming their challenges.

Responding to disasters – CORONAVIRUS (COVID-19)

STAGES AND STRATEGIES FOR ACTION

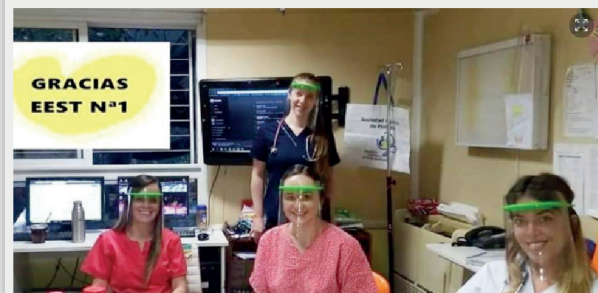


During the impact, the main focus for action is to save lives, promote relief from suffering for those affected and prevent further harm. The emergency humanitarian response takes place through the provision of supplies and services.

SOME EXAMPLES OF INITIATIVES FROM THE RELIEF PHASE

Fuerte apoyo de Fundación Loma Negra para la confección de sábanas y máscaras

La ONG donó insumos a la Escuela Técnica y 170 m2 de tela para el Hospital Ángel Marzetti.



In Argentina, joint initiatives with local businesses made it possible to produce and distribute protective masks and sheets for hospital beds, as well as food.



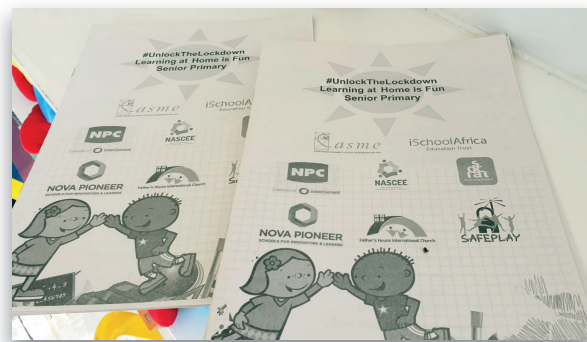
In Mozambique, besides donations, activities were carried out to improve the structure of hygiene at health centres and schools.



In Brazil, the SER+ Solidário (Be More Solidary) campaign made available food, personal hygiene items, cleaning products and masks to people in socially vulnerable situations in 14 municipalities.



In Egypt, disinfected cabins were installed in the Library of Alexandria.



In South Africa, along with food and masks, partnerships enabled the production of informational materials for students.

COMMUNITY DEVELOPMENT



Productive microcredit promotes the maintenance and strengthening of small businesses

What is the best contribution that a company can offer to society in a context of crisis? Based on this line of questioning and an analysis of the socioeconomic impacts caused by the COVID-19 pandemic, the InterCement Institute structured the SER+ Empreendedor initiative, whose main objective is to contribute to the sustainability of small businesses and, consequently, to stimulate spending in local economies.

Social isolation measures imposed to curb the spread and contamination of the coronavirus have directly affected the global economy. In Brazil, when we look at the profile of nano and small business owners, we perceive an immediate impact with many consequences, since they are a group of people that in general do not have working capital and/or savings, and that live day-to-day from their business.

Analysing the different Brazilian municipalities where InterCement has its industrial activities, we found that the majority of the population operates autonomously and informally. According to data from the Brazilian Institute of Geography and Statistics – IBGE (Instituto Brasileiro de Geografia e Estatística), considering a group of 12 cities, in 2017, the average employed population (formal employment) was 17%. The percentage of the population with per capita monthly income of up to half the minimum wage was approximately 34%.

In light of this context, and seeking to develop innovative social investment strategies that are sustainable and, at the same time, have great potential for positive impact on society, SER+ Empreendedor was designed to make available productive microcredit to individuals who own and/or manage a small business that has been economically affected by the pandemic. Amounts of R\$1,000 (which can be repaid over 12 months) or R\$2,000 (which can be repaid over 24 months) were made available, with a grace period of 90 days, with no interest and/or other fees. In this way, the initiative SER+ Empreendedor seeks to contribute to people's non-indebtedness, to encourage financial education and to collaborate for the sustainability and maintenance of a self-employed source of income.

Unlike consumer credit, microcredit in its definition is a productive resource geared to the nano and small business owner. The allocation of this capital to the business allows the entire community to benefit, since the business is able to serve more people, offer new products and even generate jobs. SER+ Empreendedor hopes to create an

SUSTAINABILITY
Strengthening LOCAL ECONOMIES

infinite virtuous cycle in which, as the resources return, the amounts can be made available to other business owners who share the same profile.

The initiative should be implemented gradually (following the Municipal Vulnerability Index¹) in the Brazilian municipalities where InterCement's plants are located. In 2020, in a technical partnership with Firgun, SER+ Empreendedor was made available to business owners in the municipalities of Campo Formoso/BA, São Miguel dos Campos/AL, Ijaci/MG and Cezarina/GO.

Based on a process of local mobilisation and dissemination, carried out by the members of the CIVICOs (Committees to Encourage Volunteering and Interaction with the Community) in conjunction with the CDCs (Community Development Committees) and other partners, the opportunity was disclosed to business owners of each of the four municipalities. In all, 164 people applied for microcredit. Of all the business owners who sought microcredit, 27% work in the food sector.

In order to have access to the available amounts, the registered business owner must meet the criteria established in the SER+ Empreendedor regulation [available at: www.sermaiseempreendedor.com.br] and follow the steps in the process: registration, psychometric questionnaire² and document analysis.

In this pilot phase of the project, the InterCement Institute was able to confirm that there is demand in the regions for this type of microcredit, which was verified by the number of registered business owners. In addition, other factors could be observed that indicate other needs on the part of business owners.

The figure of 13% of applicants who managed to fulfil all the criteria and gain access to the microcredit, for example, allows us to conclude that business owners need financial resources, but that is not all they need. It is evident, as the criteria are met, that factors such as business informality prevent even minimal documentary evidence, such as organised cash flow, which directly impacts access to credit.

As intended, in addition to providing financial assistance to maintain the income source of small business owners, this first cycle of implementation of the pilot process allowed for access to information that will be used to guide adjustments to the initiative's methodology and, above all, that indicates possibilities for involvement of other parties who might contribute to the socioeconomic development of the communities through work on several fronts.



SER+ empreendedor

Está precisando de um extra para investir no seu negócio e manter sua fonte de renda?

O SER+ Empreendedor é um microcrédito criado para apoiar pessoas que trabalham por conta própria ou microempresas que tiveram as atividades prejudicadas pela Covid-19.

Crédito de até R\$ 2.000,00, SEM JUROS (DE VERDADE!), parcelamento em até 24 vezes e 90 dias para pagar a 1ª parcela.

Inscrições no site: www.sermaiseempreendedor.com.br

Idealização: Instituto InterCement Realização: Firgun

¹The Municipal Vulnerability Index – IVM (Índice de Vulnerabilidade Municipal) was developed by the Votorantim Institute in order to indicate the degree of vulnerability of each Brazilian municipality in relation to the impacts caused by the COVID-19 pandemic. The IVM uses secondary public data obtained from official sources. The IVM is made up of 18 indicators distributed among five thematic pillars that cover data related to: vulnerable population, local economy, structure of the health system, organisation of the health system, and fiscal capacity of the public administration.

²The psychometric questionnaire is a tool developed based on studies carried out by the CDE Plan, in partnership with Fundação Getúlio Vargas, which assists in risk assessment based on behavioural analysis, family profile and consumption habits, among other indicators.

COMMUNITY DEVELOPMENT

ReformuLAR

Initiative enables improvements in residential environments with the aim of positively impacting the health conditions of residents

Among so many vulnerabilities, the pandemic has also shown that, with people being forced to stay at home more due to social isolation measures, an adequate space for living well is even more necessary. A survey released by the Brazilian Institute of Geography and Statistics (IBGE), in May 2020, points out that there are more than 5.1 million households in precarious conditions in Brazil.

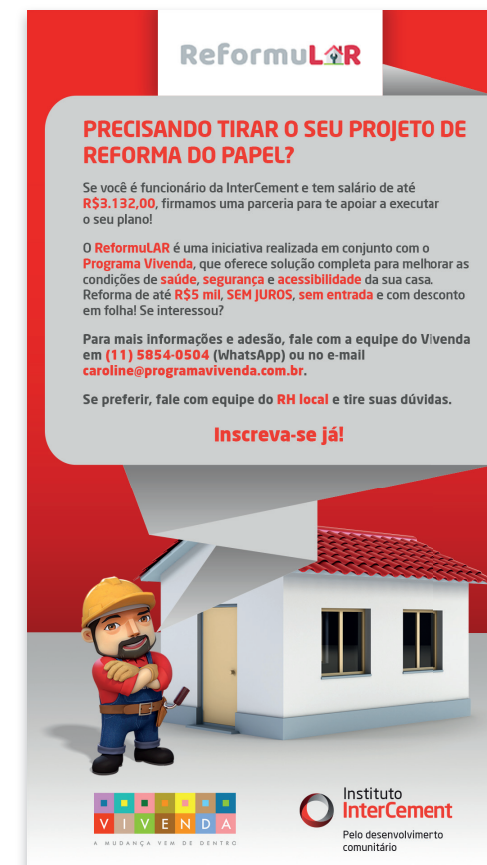
With this in mind, ReformuLAR was conceived, an initiative aligned with the company's business, whose main objective is to enable adaptations to home environments, especially in aspects that impact the health of residents and ensure better conditions of safety and accessibility.

In the quest to offer a solution that was in accordance with the purpose of the initiative and that attended to the sense of urgency required by the times, the Institute concluded that the most effective way would be to provide a comprehensive solution which would guarantee not only access to credit, but also to the fulfilment of the renovation project with speed, quality and safety.

To this end, a partnership was established with Vivenda, a social impact business, started in 2014, with a focus on carrying out home renovations aimed at low-income populations. With a solution that goes from the elaboration of the project to the conclusion of the work, the initiative is materialised in the renovation of homes which have already been built, but which need to be completed or adapted.

Based on this partnership, ReformuLAR was started, on a pilot basis, in the municipalities of Apiaí and Cajati, in Vale do Ribeira, in São Paulo. Initially, the opportunity was made available, with easy payment conditions and no interest, to professionals from InterCement itself whose salary was equal to or less than 3 minimum wages.

In addition to the direct benefit for those who make improvements to their homes, ReformuLAR intends to leave a legacy for communities as a whole, by purchasing from local businesses and training and hiring professionals from the area where the initiative takes place. Based on the experience and lessons learned in the two municipalities, the hope is to establish partnerships that enable the expansion of the initiative to other locations, rolling out the opportunity also to other residents of the communities.



ReformuLAR

PRECISANDO TIRAR O SEU PROJETO DE REFORMA DO PAPEL?

Se você é funcionário da InterCement e tem salário de até R\$3.132,00, firmamos uma parceria para te apoiar a executar o seu plano!

O ReformuLAR é uma iniciativa realizada em conjunto com o Programa Vivenda, que oferece solução completa para melhorar as condições de saúde, segurança e acessibilidade da sua casa. Reforma de até R\$5 mil, SEM JUROS, sem entrada e com desconto em folha! Se interessou?

Para mais informações e adesão, fale com a equipe do Vivenda em (11) 5854-0504 (WhatsApp) ou no e-mail caroline@programavivenda.com.br.

Se preferir, fale com equipe do RH local e tire suas dúvidas.

Inscriva-se já!

VIVENDA
A MUDANÇA VEM DE DENTRO

Instituto InterCement
Pelo desenvolvimento comunitário

COMMUNITY DEVELOPMENT

Day of Doing Good

Your participation is our strength



During the pandemic, volunteers adapt and innovate in celebrating the Day of Doing Good

The willingness to put into practice the spirit of solidarity, promoting the good of others, proved to be, once again, greater than the challenges imposed by the measures of social distancing. This was confirmed in the 12th edition of the Day of Doing Good, a social mobilisation agenda for the practice of volunteering that is part of InterCement's social investment strategy. Volunteers went to great lengths to innovate when it came to the way of doing things and incorporating measures to protect the health of those involved in order to ensure the initiative took place.

With the engagement of company professionals, their families, partner companies and communities, joining forces for society as a whole, hundreds of activities were carried out with the goal of contributing to the mitigation of the impacts of the pandemic in several locations.

In Brazil alone, more than 1,030 volunteers mobilised to carry out a local action plan in 18 municipalities, benefitting more than 35,000 people (directly and indirectly). The actions were planned in partnership with the Community Development Committees (CDCs) in each locality and, in order to ensure safety during the pandemic, the InterCement Institute partnered with the Awá Desperta consultancy to assist them with planning. Initially, a live stream was held (Is Volunteering Possible during a Pandemic?), which aimed to raise awareness and show volunteers opportunities to act even in the face of restrictions, an event that included more than 200 participants, in real time.

In order to define the actions to be implemented, the InterCement Institute recommended that the following be done: take quality information from safe sources; support beneficiaries in digital inclusion; provide well-being for communities; and strengthen regional culture and public policies.

"The Day of Doing Good is already a firmly established initiative on the agendas of the municipalities in which it takes place and aims to sensitise people to act on community problems by practising active citizenship", highlights Carla Duprat, director of the InterCement Institute. "The unity of the volunteers has a strength that is contagious and transformative, something which became even more evident during this time of crisis that we have been experiencing."

Like the volunteers in Brazil, volunteers from South Africa, Egypt and Mozambique organised activities that could be carried out remotely or following the protocols recommended by the World Health Organisation (WHO) to prevent contamination by the coronavirus.

They organised motorcades and drive-in and drive-through services for donations of food and hygiene items for people in socially vulnerable situations. They put on free virtual lectures on entrepreneurship, the job market and health, among other themes; they enabled live streams with local artists who promoted the cultures of these regions, while at the same time encouraging donations. In addition, in some cities, sinks were installed to collaborate with hand hygiene in public spaces, and other improvements were made in the infrastructure of schools and health units to serve the community better.

Given all this, we reaffirm that there are no barriers when you genuinely intend to do good. Limitations drove new learning, and the use of digital media made it possible to go beyond municipal boundaries and connect people by promoting a great exchange of experiences and learning, inspiring and strengthening volunteering.



"We are certainly reflecting on the need we have for behavioural change for all of us. We perceive and I hope that the population will think and do more good for the benefit of humanity itself. After all, we are seeing that if we don't help each other, if we don't hold hands, we will certainly suffer the consequences."

Wilson Brumer, Chair of the Board
of Directors of InterCement
Participações

DODG illustrations: logo, live-stream calls,
community sinks

COMMUNITY DEVELOPMENT



DOING GOOD INTERNATIONAL WEBINAR

Event brought together participants from five countries to talk about volunteer practice

To celebrate International Volunteer Day, commemorated on December 5th, the InterCement Institute held the Doing Good International Webinar on December 3rd. The goal was to share experience acquired in over a decade of InterCement's corporate volunteering program and to promote qualified reflection on the transforming power of volunteering for individuals, communities and companies.

The initial presentation highlighted data from the study "Impact and Value in Corporate Volunteering", the result of interviews and research carried out with professionals and representatives of communities in six countries (see page 28). "It is very gratifying to be able to recognise that almost 40% of our employees participate spontaneously and continually in volunteer actions. We are extremely proud to have professionals who align their personal values with their work and bring that energy to be closer to the communities in which we undertake our industrial activity. I can only say: thank you very much", said Renata Nascimento, shareholder of InterCement Participações. Carla Duprat, executive director of the InterCement Institute, highlighted the power of overcoming in the face of difficulties. "During this challenging year, we were able to maintain engagement and find new ways of accomplishing things. We want to thank everyone for their resilience and solidarity."

EXCHANGE of practices and KNOWLEDGE

The event presented an international perspective of volunteering with the participation of speakers Nandi Mandela (South Africa), Carlos March (Argentina), Márcia Woods (Brazil), Iman Bibars (Egypt) and Deedar Guerra (Mozambique). The four overseas guests addressed aspects related to: the importance of collective action in promoting activities that have an impact and contribute to the empowerment of communities; the challenges and the need to establish joint efforts with public and private entities; opportunities to promote innovation and the fundamental role that companies have of contributing in this regard; and, finally, the benefits and transformations that volunteer practice yields for individuals, institutions and communities. Brazil's guest, Márcia Woods, addressed the issue of fundraising, highlighting the main opportunities and strategies that can favour the mobilisation of different types and sources of funds.

After the presentations, the 500+ participants connected via Zoom were invited to participate in small group discussions, based on the question: "What moves you as a volunteer?" For Flávio Aida, CEO of InterCement Participações, "being a volunteer is undoubtedly being an agent of change. It is a chance that we have to make a difference in people's lives, in our lives, no matter where, no matter how!"

Concluding the event, Wilson Brumer, Chair of the Board of Directors of InterCement Participações, reinforced the company's commitment to the agenda and issued an invitation: "I would like to motivate everyone to participate in this process, seeing in it a way to help people, but more than that, a way to help ourselves. As a company, we will certainly be committed and seeking to contribute to overcoming the social problems, which are many, in all the regions where InterCement operates".

Corporate VOLUNTEERING

Publication presents results of study on the impact and value of corporate volunteering

As a basis for operating strategies in the field of social investment, the InterCement Institute is always looking for examples in studies and experiments from different places. There is also always a looking within, seeking to identify the best practices carried out in the regions where the company

operates directly, in order to foster the sharing of knowledge and to analyse the opportunities for innovation and improvement of the model. In keeping with this, a study was carried out in 2020 on the impact and value of the corporate volunteering program, which has been part of the company's agenda since 2009.

THEORY OF CHANGE FOR THE VOLUNTEER PROGRAM



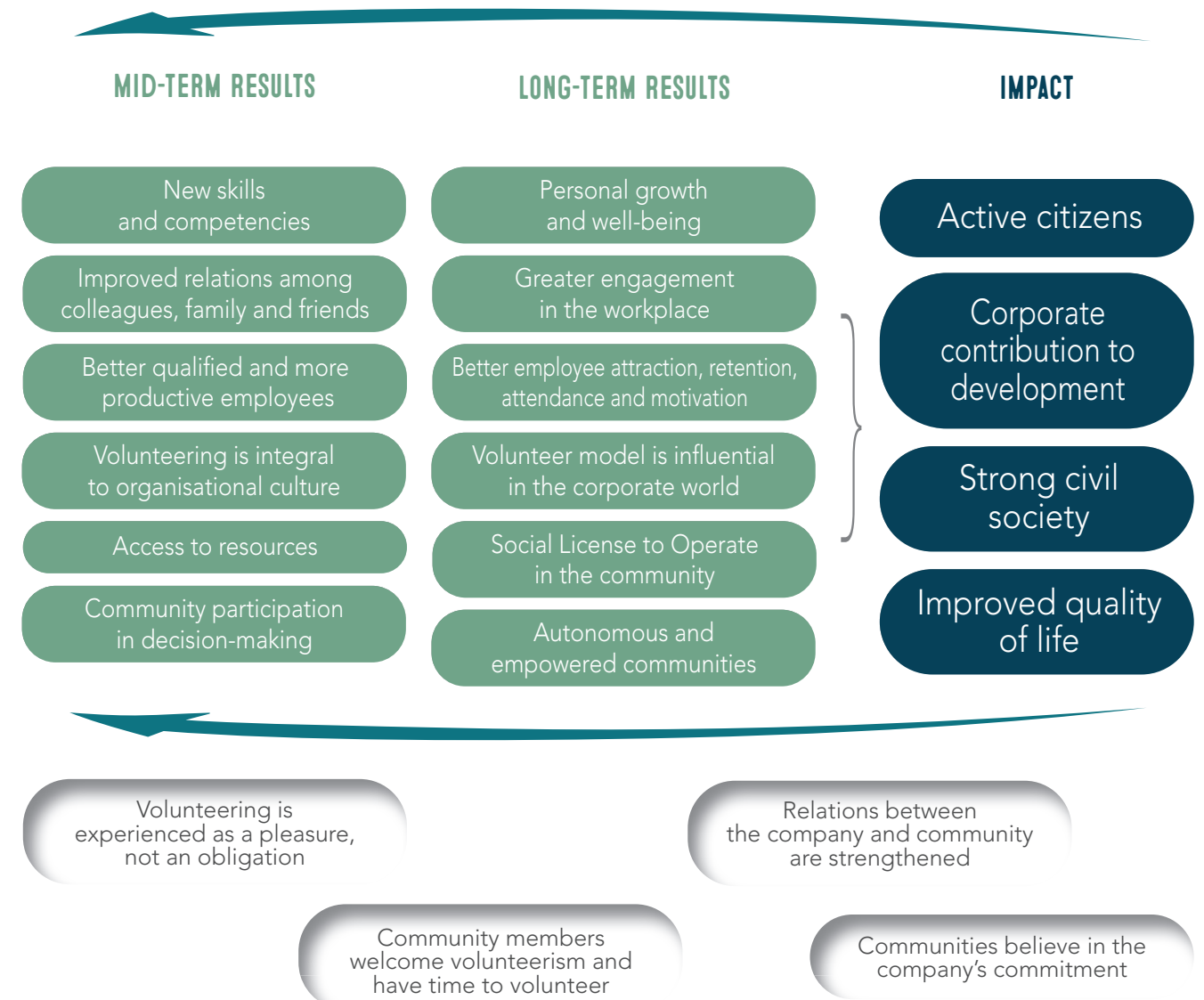
KEY ASSUMPTIONS

The business continues to provide sufficient resources to support evolution of the program

The program continues to give autonomy in project selection

Employees and residents are motivated to volunteer

Directors and shareholders participate in volunteer activities



Coordinated by Frances Hansford, a researcher specialised in impact assessment, the study, launched publicly in December, was carried out in collaboration with and involving participation from InterCement employees and partners in six³ countries. The methodology included: interviews with people who currently work,

have previously worked or have never worked as volunteers in the activities included in the corporate program; an online survey; and relevant documentary sources. The total number of interviewees was 174 and the total number of survey respondents was 1,543 (24% of all employees).

PROPORTION OF SURVEY RESPONDENTS THAT HAVE BEEN AN INTERCEMENT COMPANY VOLUNTEER



*Note that some respondents skipped some questions in the survey.

The Institute believes in and values the transforming power of volunteering, especially because it has been shown that its practice generates mutual impact, promoting changes not only for the beneficiaries, but also for the volunteers themselves. Thus, the study's main guiding question sought to understand the principal impacts generated by voluntary action on individual volunteers, communities and companies.

The majority of interviewees and 87% of respondents to the online survey stated that they learned new skills and abilities while carrying out some voluntary activity.

These include technical and personal skills that they indicated were useful to them in work and family environments.

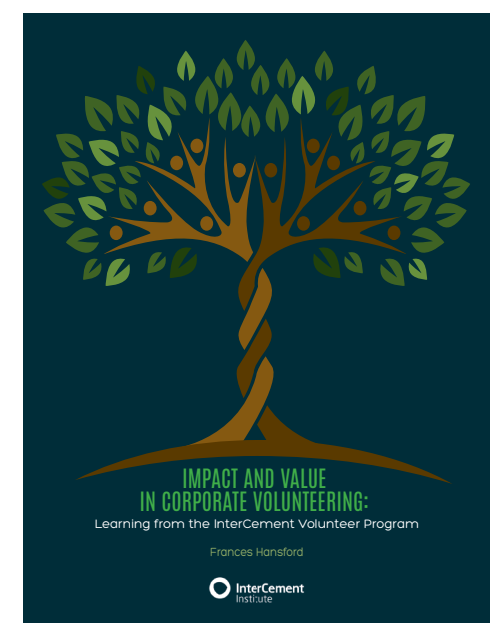
Of survey respondents, 90% said that their self-confidence had improved and 75% indicated that their mental health was better (meaning less anxiety, depression and/or stress), as a result of volunteering.

Also, 82% of survey respondents said the volunteer program had helped the community to become more autonomous and empowered to determine its own future. Many respondents agreed with this opinion, indicating that participation in

volunteer activities provided community residents with a sense of ownership and a belief in their own ability to improve life in their community.

Many survey respondents indicated their belief that the volunteer program had helped to improve employee motivation (80%), productivity (69%) and attendance (i.e., taking less sick leave) (49%). Many respondents agreed that employees who participate in volunteering have greater job satisfaction, are more motivated at work and tend to be more productive. They indicated that this is due to the better relationships between colleagues who volunteer together and the perception that the company cares about them and their community.

In addition to the results highlighted here, the publication presents many other indicators, as well as an analysis of the challenges and opportunities for improving the corporate volunteering program. The InterCement Institute will use this information to guide its activities and it will make the document public with the hope that its contents will inspire people and institutions (public and private) to engage in promoting activities that contribute to community problem solving aimed at sustainable development and the reduction of social inequalities.



The document may be read and downloaded at:

https://intercement.com/wp-content/uploads/2020/12/IMPACT_VALOR_VOLUNT_CORPOR_INGLES.pdf



INTERCEMENT BOARD AND STAFF

BOARD

CHAIR

Renata de Camargo Nascimento

VICE-CHAIR

Rosana Camargo de Arruda Botelho

BOARD MEMBERS

Catarina Teixeira Pires Oliveira Dias
Daniela Camargo Botelho de Abreu Pereira
Elisa Camargo de Arruda Botelho Condé
Franklin Feder
José Caires
Luiza Maria de Camargo Nascimento
Luiz Klecz
Marco Zangari
Paulo Diniz
Ricardo Barbosa
Ricardo Congro

STAFF

EXECUTIVE PRESIDENT

Flávio Aidar

EXECUTIVE DIRECTOR

Carla Duprat

TECHNICAL TEAM

Jordânia Furbino
Kleber Eduardo da Silva
Rafael Guisso

SUMMARY REPORT OF ANNUAL ACTIVITY 2020

Coordinator: Jordânia Furbino
Graphic Design and Layout: Duet Bureau
Photos: Arquivo Instituto InterCement

CONTACT INFORMATION

Avenida das Nações Unidas, 12.495 | São Paulo-SP
CEP 04578-000 Tel: (11) 2766-4519
institutointercement@intercement.com



InterCement
Institute

For community
development

