

SUSTAINABILITY REPORT

2024



About the report

We are highly pleased to present Termomecanica’s Sustainability Report highlighting the main results achieved by the company throughout 2024. This edition reflects our ongoing commitment to transparency, integrity, and promotion of sustainable practices achieved through the collaborative efforts of several technical groups across various areas. Those teams played a critical role in collecting and validating information, as well as implementing the ESG (Environmental, Social, and Governance) strategy at the company.

Since the first edition of this report, we have adopted market indicators focused on sustainable and socially responsible businesses as references, in addition to following the IBASE Chart (Brazilian Institute of Social and Economic Analyses). With a focus on progress and alignment with the best global practices, this edition marks the beginning of the disclosure of specific indicators aligned with the GRI (Global Reporting Initiative) standards, an approach that will be further refined in future reports.

In the following chapters, we will present the indexes listed opposite in greater detail, as well as the projects and initiatives that stood out throughout 2024, reaffirming our commitment to sustainable development and its positive impact on the market and society.

Highlights of 2024



1,930 employees

11 years is the average tenure at the company

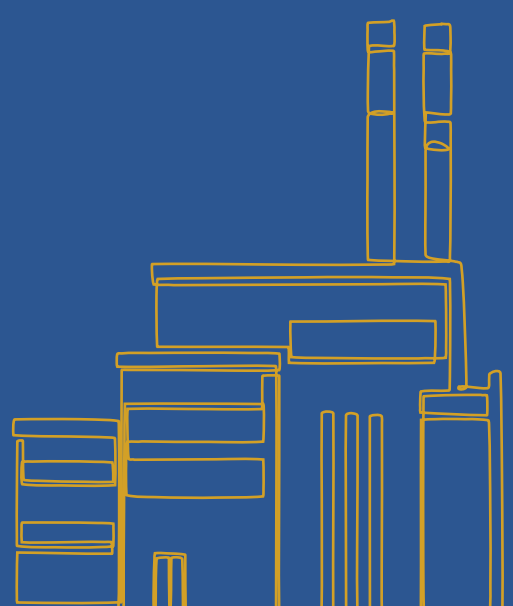
46.02 training hours per employee

1,815 clients served in brazil and abroad

4 manufacturing plants and 4 distribution centers

52% share of the domestic market

92% approval in the client satisfaction poll



926 aluminum products and 37,135 copper products in the portfolio

100% reuse of copper in production processes



5.2 million Reais in research and development

5 million Reais invested in technology projects

1.76 million Reais invested in environment-related actions

1.3 million Reais in training and development

3.3 million Reais in occupational safety

1.37 million Reais in health

Message from the Chair of the Board of Directors

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The year 2024 marked a period of extraordinary results for Termomecanica and further strengthened the alignment between our performance and the values guiding our purpose. In a scenario of favorable economic context, our operations reached new levels of efficiency and productivity, driven by the responsible use of resources and the ongoing ethical management of our businesses.

Such robust performance translated into a record production volume of 156 thousand tons, along with a significant increase in the net results compared to 2023. Undoubtedly, the positive figures continuously and systematically achieved by Termomecanica have served as inspiration for new challenges, such as the project for creation of “TM solutions” which is also established in São Bernardo do Campo. Devoted to selling semi-finished copper, brass, and aluminum products both to individuals and legal entities, this new business unit reflects the Board of Directors’ commitment to investing in initiatives that foster innovation, a defining trait existing throughout Termomecanica’s trajectory.

Another aspect worth highlighting when reflecting on our performance throughout 2024 is our commitment to sustainability which remains a strategic differentiator for Termomecanica. Once again, we reaffirm our engagement to ESG principles by adopting responsible practices that can —and should — be extended across the entire value chain, encouraging our partners to embrace actions that respect the environment, value the human capital, and uphold integrity in business relations.

It is worth pointing out that the success achieved by Termomecanica has been instrumental in driving the equity growth of our sponsoring organization and shareholder, Salvador Arena Foundation. In 2024, it completed 60 years of activities dedicated to social transformation. Termomecanica is proud to be part of such a journey and annually devotes approximately 30% of its profits to ensure that the organization continues to fulfill its mission in

service of the common good. In 2024 alone, Salvador Arena Foundation invested no less than R\$73.3 million in its own educational projects and allocated an additional R\$ 8.5 million to support social initiatives across all regions of Brazil, positively impacting approximately 120 thousand people.

There are plenty of reasons for us to keep moving forward in 2025, strongly committed to supporting Termomecanica’s Management in its pursuit of continuous growth and value creation for the business, making sure that every step is connected to our mission and core values. We will continue to fulfill our role as agents of transformation, both in the market where we operate and in society as a whole, contributing to the development of a more just and sustainable society.



Regina Celi Venâncio
Chair of the Board of Directors

Message from the CEO

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Once again, we close the year with pride in Termomecanica's performance, the result of responsible management supported by a team deeply committed to the organization's mission and values. In 2024, we maximized our operation capacity, consolidating our outstanding position in both the domestic market and international markets. The strong growth recorded in the export sector, particularly in the aluminum segment, was driven by consistent strategies aligned with both local and global market demands.

The economic scenario was rather challenging, but at the same time, promising. The growth of Brazil's GDP reflected a significant recovery in the labor market, with unemployment reaching historically low levels. Not even the economic deceleration observed in the last quarter, due to inflation exceeding the target and an unfavorable fiscal scenario, has negatively affected our teams' motivation. Despite such adversities, there were clear signs of recovery which have positively contributed to our results.

Internally, we recorded an 11% growth in commercialized volume and closed the year with a 52% market share. Regarding exports, there was an increase in the total volume invoiced, rising to 30% in 2024 from 26% in 2023. Among the operational highlights, we consolidated the production of aluminum, especially in the line of rebars and wires, recording an impressive growth of 70% in the invoiced volume.

In parallel, we restated our commitment to the responsible management of natural resources and circular economy, which are values that have always guided Termomecanica's trajectory since its foundation. To reinforce our ESG strategy, we adopted the EcoVadis platform, which has played a critical role in aligning our practices with the world's top sustainability references. In view of that, we have expanded our investments in environmental monitoring, energetic efficiency, and adequate waste destination. Our efforts have guaranteed 100% reuse of the copper used in our production processes. Such an ongoing approach strengthens

our commitment to practices that balance productivity and environmental preservation.

In the social area, we allocated approximately R\$ 1.3 million for the personal and professional development of our employees, representing a 185% increase compared to 2023. Furthermore, we invested approximately R\$3.3 million in initiatives aimed at enhancing safety and well-being at the workplace, strengthening our commitment to the sustainable improvement of quality of life within the corporate environment.

Such results reflect the strength of both our team and the strategies that permeate all of our actions. We will continue to move forward with enhanced confidence and motivation on our journey of sustainable growth and value creation for our clients, employees, and society as a whole.



Luiz Henrique Caveagna
CEO

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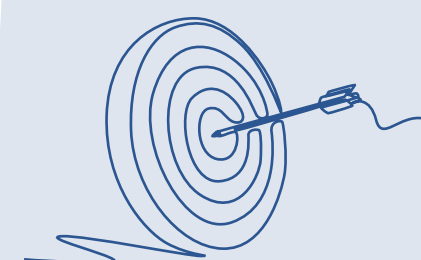
Termomecanica

Founded in 1942 by engineer Salvador Arena, Termomecanica has solidified its position as one of the largest private industries in Brazil. The company consistently invests in innovation, talent development, and modernization of its facilities, reinforcing its leadership in the nonferrous metals transformation industry, particularly in copper and its alloys, for both finished and semi-finished products. Recognized by the market for its ethical business practices, the company has also been successful in producing aluminum items since 2016.

In order to meet its clients' demands, Termomecanica operates four manufacturing plants in Brazil: a manufacturing plant in Manaus (AM) and the other three manufacturing plants located in São Bernardo do Campo (SP), where the headquarters and one of the four Distribution Centers are located. The second Distribution Center is located in Joinville (SC), and the other two are in the United States — one in North Carolina and the other in California. Under the

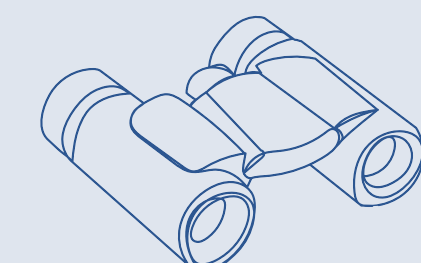
control of Salvador Arena Foundation, Termomecanica ended 2024 with a workforce of 1,930 employees, 1,815 clients served and a portfolio that grew notably, increasing from 830 to 926 aluminum product variations; and from 36,850 to 37,135 products in copper and its alloys.

Termomecanica's value creation process is integrated into its mindset and decision-making, which are especially aimed at driving social transformation. This legacy, inherited from its founder, engineer Salvador Arena, is embedded in the company's culture, strategies, and business model —generating positive outcomes not only for the company and its employees, but also for its clients, suppliers, and especially society, which remains the central focus of Salvador Arena Foundation, the company's sole shareholder with which it shares the same values.



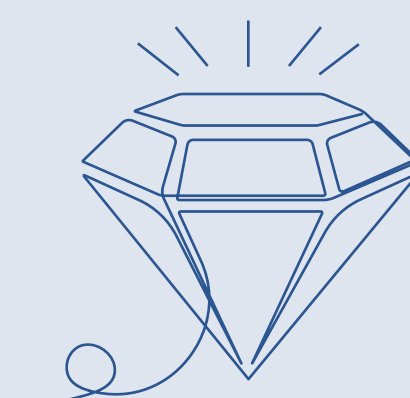
MISSION

"To operate in the copper and nonferrous metals transformation industry delivering products, services, and solutions to meet our clients' needs".



VISION

"To be a leader in the domestic market and steadily expand our share in the global market".



VALUES

In honor of the memory and teachings of our founder, we uphold the following values:

- Altruism
- Social and environmental responsibility
- Ethics and transparency
- Competence and discipline
- Valuing and respecting people
- Continuous improvement
- Commitment to equity
- Pride in belonging to the organization

Awards and acknowledgements

Tribute from CIESP:

Recognition for the contribution to the development of the industry and economy of São Bernardo do Campo

Tribute from Dufrio:

Recognition for the collaborative work in 2024;

Best and Biggest Ranking (Melhores e Maiores):

Ranked 325th in the national ranking;

Valor 1000 Ranking

Ranked 342nd in the overall ranking, and 4th among the largest companies in terms of current liquidity.

Clients and markets served

Among the various attributes that make Termomecanica a market reference, we can highlight its operation in the large-scale manufacture of products tailored to different industries, such as Civil Construction, Export, Refrigeration, Mechanical and Metallurgical Engineering, Power Generation, Transmission and Distribution (GTD),Automotive,SecurityandDefense,MachineryandEquipment, Electrical and Electronics, Apparel, among others. Firmly established in the domestic market, the brand is becoming increasingly competitive abroad year after year, with products exported to approximately 20 countries, especially throughout the Americas.

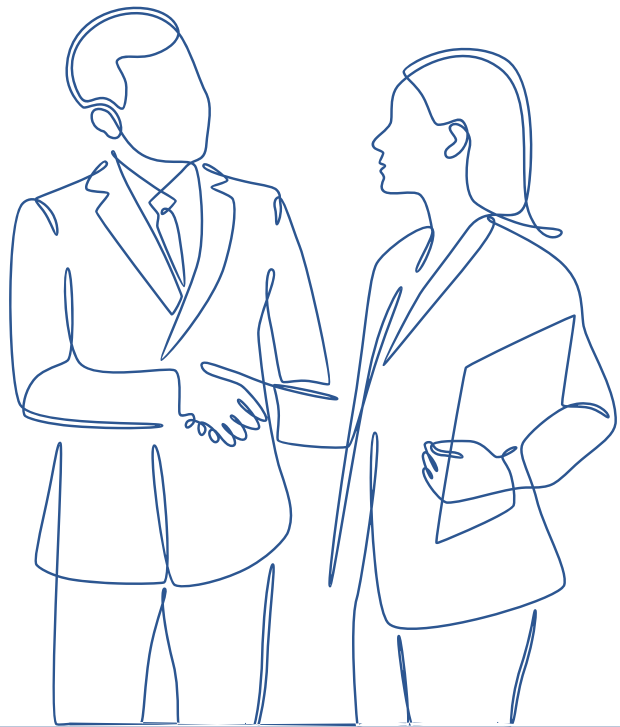
The year 2024 was positive for many economic segments in Brazil. Civil Construction, for instance, stood out with a 4.3% growth driven particularly by the resumption of housing projects supported by social programs, infrastructure projects, and favorable financing conditions. These factors have fostered employment and investments in the sector, in addition to boosting the entire chain of raw materials supplied by Termomecanica to the industries manufacturing products such as sanitary metals, fixtures, and electrical components.

The Cooling segment, in turn, was benefited by the hottest year in Brazil’s recorded history: air conditioning equipment sales increased by 38% compared to 2023, which has driven developments and

investments toward limiting the rising consumption of electrical power through the use of technologies with higher energy efficiency and more sustainable products, in which Termomecanica actively participates with copper alloys and aluminum — materials that are 100% recyclable — and its metallurgical know-how.

In the same line of sustainability, in the GTD segment, wind and solar photovoltaic generation sources are gaining increasing representativeness in the Brazilian energetic matrix, driving the expansion and renewal of transmission lines, as well as the resumption of investments aimed at increasing capacity and renewing distribution networks. In such a context, in 2024, Termomecanica achieved an 11% growth in the volume of copper products traded in the domestic market.

In the international market, there was an increase in the share of exports in relation to the total invoiced volume, rising from 26% in 2023 to 30% in 2024. It was a significant year, particularly for consolidation of the aluminum operation in the rebar and wire segments, which had a 70% growth in invoiced volume compared to 2023, mainly driven by the strong demand for aluminum wires and cables used in transmission lines and power distribution in several Latin American countries.



NUMBER OF CLIENTS SERVED IN 2024

International Market		205
Aluminum		14
Copper and its alloys		191
Domestic Market		1,610
Aluminum		112
Copper and its alloys		1,498
Total		1,815

MAIN PRODUCT LINES MARKETED IN 2024 (DOMESTIC AND INTERNATIONAL MARKETS)

Copper and its alloys		Aluminum
1st Rolled Products		Rebars
2nd Bars		Wires
3rd Tubes		Tubes
4th Wires		Busbars

Business Portal - Used by 63% of its clients, the B2B, Termomecanica’s Business Portal, is one of the main relationship tools with the market. Through the portal, it is possible to inquire about pending and invoiced orders, check materials ready for billing, view raw materials statements in both summarized and detailed formats, and obtain real-time quotations of materials. Termomecanica was a pioneer in making this kind of system available to its clients in the domestic market.

All transactions are recorded on TM’s Corporate Portal, in the Customer Relationship Management (CRM), and in the Enterprise Resource Planning (ERP), in addition to being informed to the people in charge so that they can act on the requests. In 2024, the Portal evolved even further, enabling each client to inquire about their own monthly price lists, improvements under the LME (London Metal Exchange) tab, and quotations of metals at the London Stock Exchange. Also, ReCAPTCHA was added to enhance data safety.

Besides the Business WhatsApp used by salespeople, in order to facilitate communication with its clients, Termomecanica also launched its Corporate WhatsApp in 2024, enabling direct contact with the company’s business analysts during all working hours. Through such a channel, it is possible to obtain product information, track orders and quotations, as well as clarify any questions. To ensure agility and real-time information updates, this tool is also integrated into the ERP system, making data access easier for all departments. Additionally, the company has been considering integrating this tool into its CRM to further improve client relationship management.

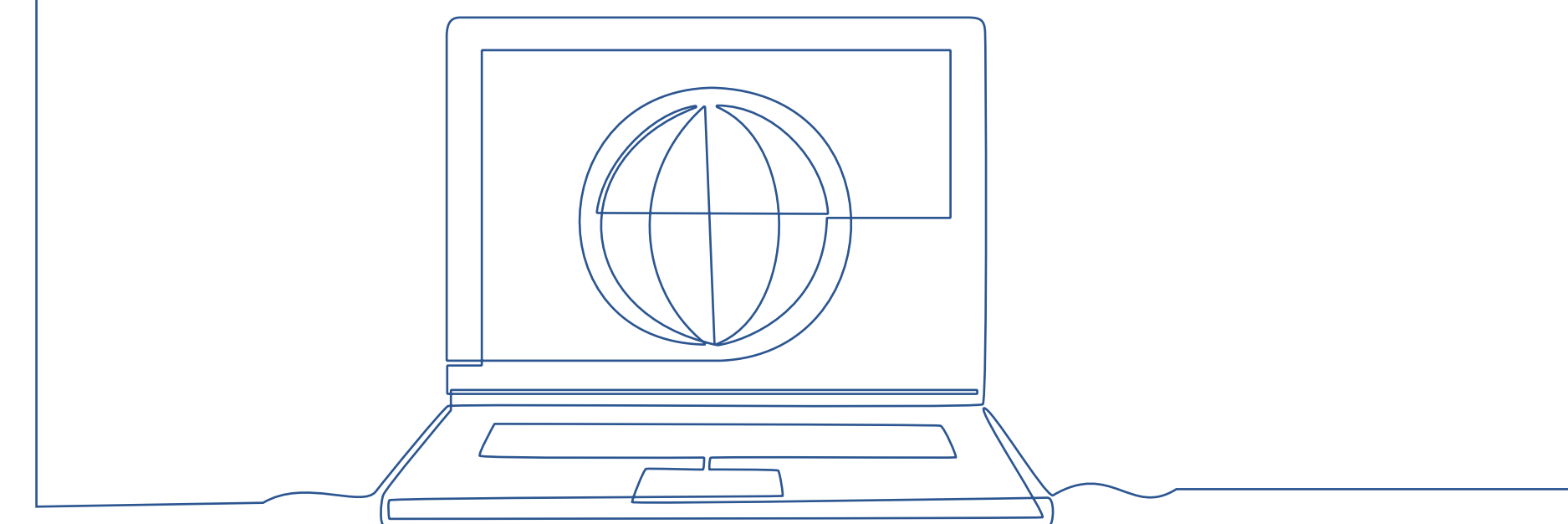
In 2024, Termomecanica also intensified its investments in exhibitions and events with aims at further strengthening its brand presence in the segment, building closer relationship with consumers who use its products, and enhancing visibility of its portfolio. We participated in important events such as Caravana Elgin, Encontro Frigelar, Conexão Dufrio, and Fenasucro, and all of them yielded extremely positive results. Overall, we reached approximately 7,000 people across 17 states in Brazil, significantly strengthening Termomecanica’s presence, sharing the company’s history, and expanding our reach in strategic sectors.

To gain insight into its market engagement process, Termomecanica usually conducts a satisfaction poll with clients on a biannual basis. The 2023 edition showed a 92% approval, i.e., 7 percentage points higher than the result achieved in the 2021 edition, while the NPS reached 73.9%, reflecting its clients’ strong willingness to recommend Termomecanica. The two main indicators were rated in the excellence zone. Product Quality, Commercial Area Service, Engineering, and Logistics were the top-rated aspects according to respondents. The next edition of the poll is expected to be conducted in mid-June 2025.

Future Projects - For 2025, the Commercial Area established a special agenda to further strengthen the relationship with its clients. Among the main purposes is the consolidation of TM Soluções (TM Solutions) operations, Termomecanica’s Service Center, to be opened in 2025, with a view to generating new business opportunities; and the rollout of the multilingual B2B Portal, which will enable even broader integration with partners and clients from distinct markets, while maintaining the personalized and consultative approach to commercial service.

In the international arena, one of the main challenges will be to preserve its growing market share in the key markets for the company, as well as to prospect new businesses in regions that offer excellent opportunities for Termomecanica’s expansion, aligned with both the company’s strategies and the geopolitical scenario.

Furthermore, Termomecanica has been operating closely to its clients as regards the ESG pillars, having also developed a Low-Lead Brass alloy, the TM-E01, the company’s first alloy, as part of its ecological series. Such a development is intended to meet the evolving demands of stakeholders in alignment with the social, environmental, and governance parameters which are growing in the international scenario and are deemed a priority by the company.



Supplier Chain

In 2024, Termomecanica maintained an active base of 1,784 suppliers, which were selected according to strict qualification criteria established by the company, in conformity with the Supplier Manual and other internal regulations. Such a process aims at ensuring high standards of quality, integrity, and alignment to the institutional values of the company and its parent company, Salvador Arena Foundation.

Committed to promoting transparent, safe, and sustainable commercial relations, Termomecanica makes the General Terms for Supply of Products and Services available to the general public on its institutional website. This document sets out the essential guidelines for the effective use of resources, compliance with legal requirements, and valuation of the good social and environmental practices throughout the supply chain.

The supply chain management is conducted through the coordinated efforts of Procurement and Supplies areas, with focus on continuous qualification of partners and mitigation of any risks related to health, safety of people, and the environment. This includes careful control over the purchase of raw materials, secondary materials, materials for recycling, direct and indirect inputs, as well as for service contracting.

By adopting responsible and ethical practices in its relationships with suppliers, Termomecanica restates its commitment to sustainable development, corporate governance, and creation of value shared with society.

Procurement Area - In 2024, the Procurement team was responsible for managing 1,722 suppliers, out of which 98% are domestic and 2% international. The geographic distribution shows its strong connection to local companies: approximately 60% of them are based in the State of São Paulo, and over half of them are located in ABC Paulista region, i.e., the region where the company's three main manufacturing plants operate. Commercial relations are formalized through an operating system with focus on long-term partnerships and development of new suppliers, enhancing flexibility and responsiveness to the company's needs.

Domestic: 1,722 suppliers

São Paulo: 1,005

ABC Paulista: 506

Other states: 172

International: 39 suppliers

Supply Area - Focused on the procurement of primary and secondary raw materials, as well as materials for recycling, the Supplies team relies on 62 active suppliers, out of which 42% are international and 58% domestic. Hirings were conducted through long-term contracts, which are based on either annual demand or spot purchases, adjusted according to seasonality and demand. The effective management of the area is key to ensure the ongoing supply and the quality of materials used in the production processes.

International: 26 suppliers

Americas: 17

Asia: 4

Europe: 5

Domestic: 36 suppliers

North Region: 4

Northeast Region: 2

Southeast Region: 26

South Region: 4

Quality Index - With a view to continuously improving the processes of both areas, Termomecanica uses the Supply Quality Index (IQF), an important tool to identify failures and points for improvement, to constantly enhance the quality in deliveries and facilitate the development of sustainable partnerships. In 2024, the IQF result in all monitored suppliers was 100%, surpassing the targets (99%) set in both areas. The failure to achieve the result expected for that indicator may cause the supplier to be disqualified.

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Strategic Vision

Termomecanica uses an Integrated Management System that has been decisively contributing to keeping the company in a leadership position within its segment of operation, while expanding its presence in the global market. Through that system, Termomecanica assesses its processes and, jointly with the relevant areas, defines the indicators and targets to be attained.

Innovation has been critical to Termomecanica, fostering the development of advanced solutions that increase competitiveness and ensure sustainability of its business. Continuous investments in research, development, and mainly in digital transformation, afford the company the opportunity to anticipate trends, enhance productive processes, and create high-performing products, while also reinforcing its commitment to social and environmental responsibility.

All such work is monitored by top management and is aligned with the Integrated Management System Policy, serving both as an inspiration and a source of learning for the development of its ESG strategy. Additionally, it is critical for obtaining and maintaining the most important certifications recognized by the market.

Certifications

ISO 14001
ISO 50001
ISO IEC 17025

ISO 9001
ISO 45001
AS9100D

Integrated Management System Policy

Operating in both domestic and international markets for copper and other nonferrous metals transformation for delivering products, services, and solutions, Termomecanica is committed to:

- Identifying, managing, and preventing risks based on social responsibility;
- Meeting the needs and requirements of clients and the stakeholders;
- Focusing on continuously improving the performance of its products and processes;
- Ensuring continuous improvement in energy performance, by providing resources and information, as well as by acquiring and/or developing energy-efficient solutions;
- Promoting the safety and health of all the people engaged, by preventing injuries and illnesses, ensuring ergonomic conditions, eliminating hazards and risks, encouraging worker participation, and fostering continuous improvement;
- Preserving the environment and preventing pollution by controlling waste generation throughout the process, as well as managing atmospheric emissions, and promoting continuous improvement;
- Complying with the legislation and the requirements applicable to the business.

Partnerships

In order to support its strategic decision making, Termomecanica uses a series of mechanisms and principles that have been critical to its evolution. Among those, we may highlight the partnerships established with various institutions and associations, not only aimed at building important relationships for evolution of the business, but also at joining forces in pursuit of shared objectives.

- Center of Industries of the State of São Paulo (CIESP)
- Brazilian Copper Association (ABCOBRE)
- Union of the Electrical Conductors, Wire Drawing, and Non-Ferrous Metal Rolling Industry of the State of São Paulo (SINDICEL)
- Brazilian Aluminum Association (ABAL)
- ABRAVA Export Program
- International Zinc Association (IZA)
- Federal Institute of São Paulo (IFSP)
- Federal University of São Paulo (UNIFESP).

Digital transformation

Termomecanica has made significant progress in its digital transformation journey through the consolidation of initiatives that reinforce the modernization of its operations and the on-going pursuit of efficiency, quality, and sustainability. This strategy is fully aligned with the company’s long-term vision, contemplating not only the adoption of new technologies and infrastructure, but especially the protagonism of people, recognizing that employee qualification and engagement are essential to the success of this process. In 2024, approximately R\$5 million was invested in physical infrastructure, acquisition of systems, qualification, and cybersecurity.

Among the most noteworthy projects is the implementation of wireless network infrastructure across all manufacturing plants, aimed at ensuring the robust and stable connectivity required by the industry 4.0. Deemed strategic to the progress of Information Technology, that initiative made feasible the implementation of advanced systems, such as MES (Manufacturing Execution System), which enables real-time monitoring and control of all production stages, ensuring traceability, greater efficiency of processes, and more agile decisions; and APS (Advanced Planning and Scheduling), which is oriented to planning and sequencing production orders, optimizing the use of resources and compliance with delivery terms contributing to higher productivity, inventory reduction, and improved client service.

Another important advancement was the robotization of the pancake packaging line through the use of 6-axis robots for repetitive task automation. This initiative afforded a 30% reduction in the production time, while reducing the physical effort used by operators and allowing the redirection of the team to higher strategic value activities. In the foundry sector, the highlights are the ongoing improvements to the system of “Optimizer of Use of Recycled Products”. This system started to intelligently integrate different materials along the productive process, increasing operational efficiency and contributing to a more rational use of resources.

Security and Prevention - Information security was also a priority in 2024. The company contracted a specialized consultancy to review its digital governance policies and implement solutions for data protection, reinforcing information confidentiality, and constantly updating cybersecurity tools. These actions reflect Termomecanica’s commitment to reliability, traceability, and security in an increasingly digitalized corporate environment.

In the field of occupational safety and health, the company digitalized the SESMT (Specialized Service in Safety Engineering and Occupational Medicine) processes. The implementation of a platform integrated into SAP enabled it to automate EPIs management, Daily Talks on Safety (DDS), and operating controls for work permits. This solution added greater agility, eliminated the use of paper, increased traceability, and strengthened the prevention culture across industrial units.

For 2025, Termomecanica intends to progress even further toward the integration of technology and operations. In-depth studies will be conducted on the use of artificial intelligence neural networks applied to production data analysis, with focus on the generation of quicker and more assertive diagnoses. The aim is to anticipate failures, reduce risks of errors, extend the equipment lifespan, and expand data-based decision making. These advances will translate directly into measurable productivity, security, and gains in sustainability.

MAIN PROJECTS OF 2024	INVESTMENTS
Deployment of the Corporate and Manufacturing Wi-Fi Network	R\$ 2,200,000.00
Expansion of MES (Manufacturing Execution System)	R\$ 820,000.00
Implementation of APS (Advanced Planning and Scheduling)	R\$ 400,000.00
Pancake Packaging Line Robotization	R\$ 710,000.00
Optimizer of Recycled Material Use	R\$ 150,000.00
Sentinela Project - Cybersecurity	R\$ 1,300,000.00
SESMT Digitalization	R\$ 140,000.00

Research & Development

In 2024, Termomecanica restated its commitment to innovation and sustainability by investing R\$5.21 million in Research & Development, in a continuous pursuit of solutions capable of meeting the various market demands. The team operated in close synergy with several departments across the company, providing strategical guidance for the technical and sustainable use of raw materials.

Externally to the company, Termomecanica's contribution remained as a strategic differential, especially in initiatives aimed at scientific development and spreading technical knowledge. In that regard, the launch of the book "Cobre e Suas Ligas: Tecnologia de Manufatura, Caracterização e Aplicações" [in free translation: Copper and Its Alloys: Manufacturing Technology, Characterization, and Applications] published by Edgard Blucher Publishing Company was one of the highlights of the year. The work, with over 200 pages, delivers a comprehensive analysis of copper, covering its history, manufacturing processes, and main industrial applications.

Another important highlight was the Lab renovation at Manufacturing Plant II, whose modernization enabled the expansion of the service of new smelting furnaces, strengthening even further the company's innovation capacity. Among innovative products, the highlights were the new alloys for which patent application were filed in 2024: the Nickel Aluminum Bronze Alloy with Niobium (Patent BR 10 2024 003310 8), intended to improve the mechanical properties in aerospace applications; and the Copper-Iron Alloy with Niobium (Patent BR 10 2024 003253 5), developed in order

to enhance resistance to high electrical and thermal loads, making it ideal for more demanding automotive applications.

The filing of both applications relied on the support from the Federal Institute of Education, Science, and Technology of São Paulo (IFSP) and the Presbyterian Mackenzie University (Universidade Presbiteriana Mackenzie). Termomecanica has established a partnership with IFSP since 2016, and this year the covenant was expanded to Guarulhos Campus for the development of new areas of knowledge. While with Mackenzie University, the R&D partnership has also resulted in two international scientific publications on the application of graphene in copper alloys.

In the academic area, a third important partnership has progressed significantly: this time involving the Federal University of São Paulo (Unifesp), with resources from the Brazilian Company for Research and Industrial Innovation (Embrapii). The fourth stage of that partnership proceeded with the line of research focused on zinc and copper oxides industrialization based on processes that were patented in 2023. At this stage, those processes were improved and technically deepened through the launch of a pilot chemical plant for the production of nanomaterials intended for multiple applications.

In parallel to the projects dedicated to meeting internal requirements, Termomecanica continued investing in the Center for Research, Development, and Testing (CPDE), which was created in 2020 to serve as nucleus for attracting innovation opportunities. Certified by Inmetro in accordance with ABNT

NBR ISO/IEC 17025 standard, CPDE expanded the offering of technical testing, certification, and development of materials.

In 2024, the center received a new fume hood for chemical analysis, in compliance with the occupational safety standards, as well as a new optical emission spectrometer for the analysis of brass alloys. Also, CPDE was one of Termomecanica's highlights during Fenasucro & Agrocana 2024, Brazil's largest event on bioenergy. At such an event, the company presented laboratory solutions offered by the Center, including chemical, electrical, and microstructure analysis of several metals.

For 2025, Termomecanica designed several goals focused on innovation. Among them, there is the patent filing for 430B Niobium-based Alloy and the Copper Iron patent internationalization, with the U.S. patent application US 19/055,984. They are also planning to publish the version in English of the book "Cobre e Suas Ligas" [in free translation: Copper and its Alloys], with a view to broadening the international reach of Termomecanica's technical expertise and increasing strategic alliances in order to further strengthen its R&D actions.

In 2024, Termomecanica launched one of the most comprehensive publications on copper and its alloys.



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ESG Journey

Started in 2022, the ESG Journey has been pointing to well-known challenges, as Termomecanica has always responsibly addressed the issues related to social, governance, and environment. To prepare its ESG strategy, the company engaged all of its main stakeholders, by starting with those that experience the organization's day-to-day operations, so that it may understand not only how they perceived ESG risks and opportunities, but also how they envisioned the future.

The internal diagnosis was critical for Termomecanica to proceed to the next phase, at the beginning of 2023, when it conducted benchmarks based on sustainability reports published by companies within its industry and by other organizations that serve as benchmarks across various sectors. In parallel, interviews were held with representatives of its main external stakeholders, in order to assess how the ESG themes were present in their commercial relations with Termomecanica.

The final diagnosis was presented during a workshop involving the company's main leaderships, in which the three main value levers were defined for the organization and Termomecanica's Materiality Matrix was approved.

Only during the first two stages of the ESG Journey, 39 internal documents were reviewed, as well as more than 60 studies and researches were assessed in relation to the company's operating segment.

Methodology



INTERNAL ANALYSIS

- Review of documents, reports, and internal information.
- Interviews with executives, internal leaderships, and the shareholder's representatives.



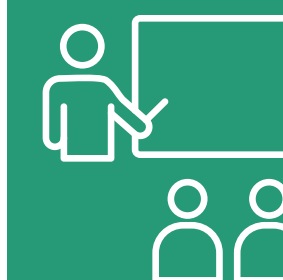
3. CONSOLIDATION OF ANALYSES

- Preparation of Termomecanica's Materiality Matrix
- Preparation of Civic Education.
- Survey of emerging themes in the copper value chain



2. EXTERNAL ANALYSIS

- Interviews with suppliers, clients, specialists, and representatives of entities within the industry.
- Benchmarking of sustainability reports produced by domestic and international companies within the copper value chain.
- Revision of studies on the future of the industry and emerging themes.
- Preparation of the Value Chain Materiality Matrix.



4. WORKSHOP FOR DEFINING THE ESG STRATEGY

- Presentation of results obtained during the previous phase.
- Identification of the main value levers for the company and its stakeholders.
- Analysis, correction, and validation of the Materiality Matrix proposed by top management and the main leaderships.

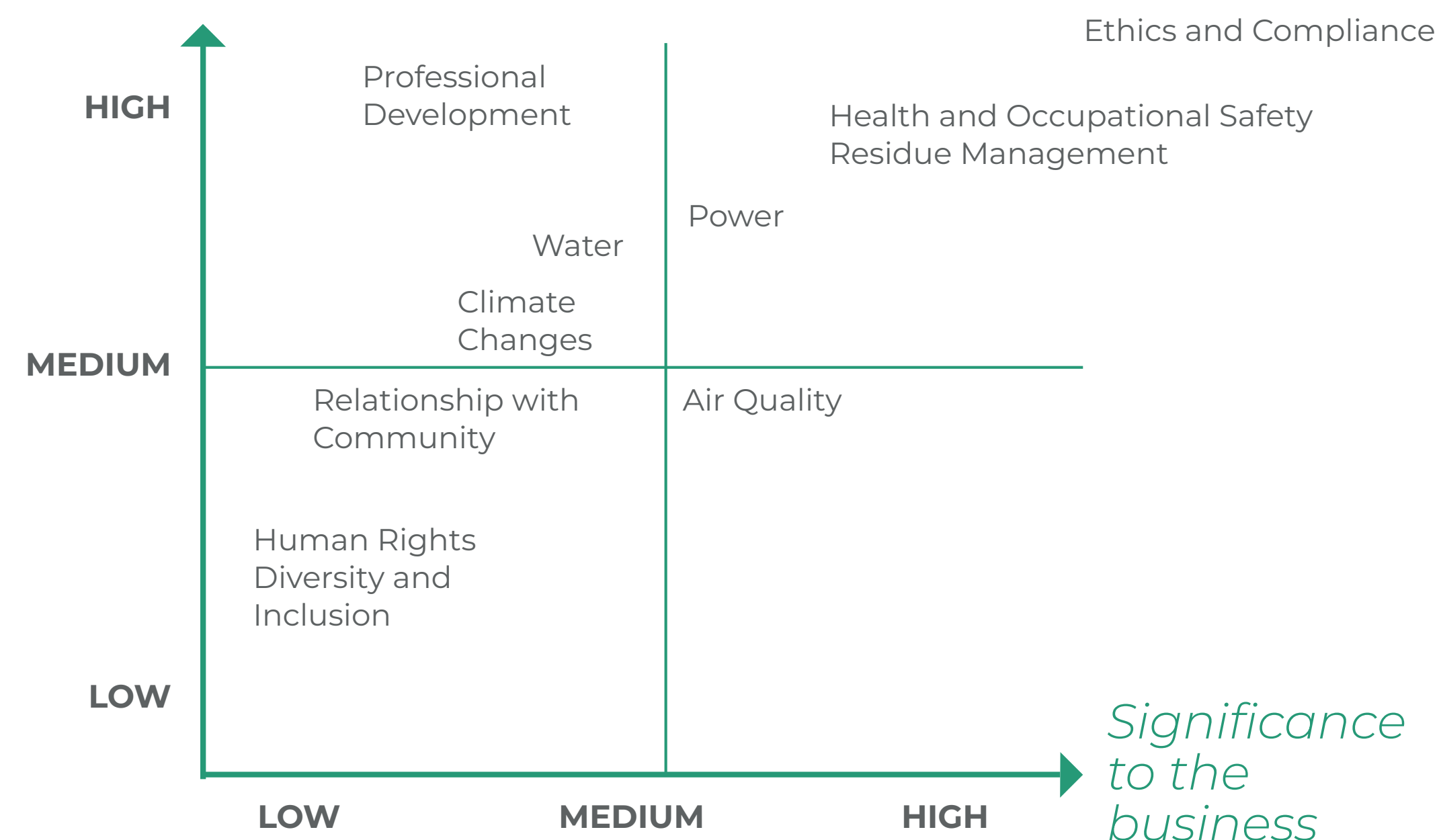


5. STRATEGIC REPORT PREPARATION

- Contextualization, definition of structural actions, and preliminary recommendations

Materiality Matrix

Significance to stakeholders



The engagement with its main stakeholders was critical to identify and prioritize the most relevant themes to make up Termomecanica’s Materiality Matrix, considering especially the financial, operating, reputational, and strategic impact that such themes may have on the company’s businesses.

There are eleven subjects that were already part of Termomecanica’s strategic actions as they were closely related to the Sustainable Development Objectives (ODS) set out by the United Nations 2030 Agenda, which is one of the indicators used by the company to guide its sustainability projects.

Termomecanica understands that materiality is not static. Therefore, the Matrix can be periodically reviewed and adjusted to any changes in the business environment or can be altered in view of new demands perceived by the organization’s stakeholders.

The material themes were defined by using as parameters their significance to the main stakeholders and to the three value levers: cost reduction, cofinancing, and risk management.

Material Theme Positive Impacts

ODS

Ethics and Integrity

We present our financial health resulting from ethical and responsible management, which is recognized by the market where we operate. We have implemented a compliance program with its main pillars established, including a code and a committee of ethics, as well as an ethical channel (whistleblowing). We fight corruption and bribery in all of their forms. We strictly comply with the laws and support non-discriminatory policies for sustainable development.



Waste Management

We are supported by an ongoing, robust monitoring process that tracks both the consumption of materials and waste generation, with efforts focused on reducing the intensity of consumption of materials in our operations. By purchasing and using scrap in our processes, we value the circular economy, generating more value in the supply chain and enabling a greater reuse of waste.



Energy

We are certified under ISO 50001. We foster the use of renewable sources and adopt more effective technologies in terms of energy consumption. We use our best efforts toward initiatives, targets, and monitoring indicators aimed at reducing energy consumption in our activities.



Air Quality

Our energetic efficiency contributes to reducing the negative environmental impact on the communities where our manufacturing plants are established, minimizing the emission of greenhouse gases, which is the leading cause of climate change.



Water

We continuously strive to reduce water consumption and improve efficiency in its reuse. We use treated wastewater, as well as we have a wastewater treatment plant for the effluents we generate. By conducting analyses, we strictly comply with all standards for disposal of the water used in our production processes.



Climate Changes

We invest in research and development and leading-edge technology not only aimed at achieving a less intensive carbon production, but also at creating innovative products made from recyclable raw materials that can be reused, optimizing the consumption of natural resources and contributing to improving quality of life for people and the planet.

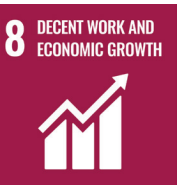


Material Theme Positive Impacts

ODS

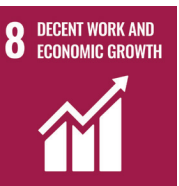
Health and Safety

We care for the human capital, our main priority. We care for our employees' safety by fostering a healthier life and promoting well-being. We are provided with an ISO 45001-certified Health Management System and Occupational Safety System with focus on performance improvement so that the company strictly complies with the legislation in effect.



Professional Development

We offer alternatives that enhance the development and training of our employees by promoting and providing financial support for learning opportunities. These actions that add value and provide qualification opportunities to our work teams are 100% funded by Salvador Arena Corporate University and are supported by our sponsoring organization.



Relationship with Community

Approximately 30% of the annual profit is allocated to our parent company and sole shareholder, Salvador Arena Foundation, a nonprofit civil institution organized under private law that funds projects focused on social transformation, benefiting not only the communities in which we operate, but also society as a whole across all states of Brazil.



Human Rights

Our merchandisesupplyagreementsand/orserviceagreements, as well as purchase orders, include clauses that prohibit the use of forced labor, slave labor, child labor, or labor under degrading conditions. Our salaries are aligned with the leading market practices, and offering an extensive range of benefits helps ensure our employees enjoy a good quality of life and have their essential needs met.



Diversity and Inclusion

We believe that equality of opportunity contributes to a more equitable society. We value the role of women, especially in strategic positions, and we hire people with disabilities and young apprentices from low-income families, promoting inclusion and fostering diversity in an industry traditionally dominated by men.

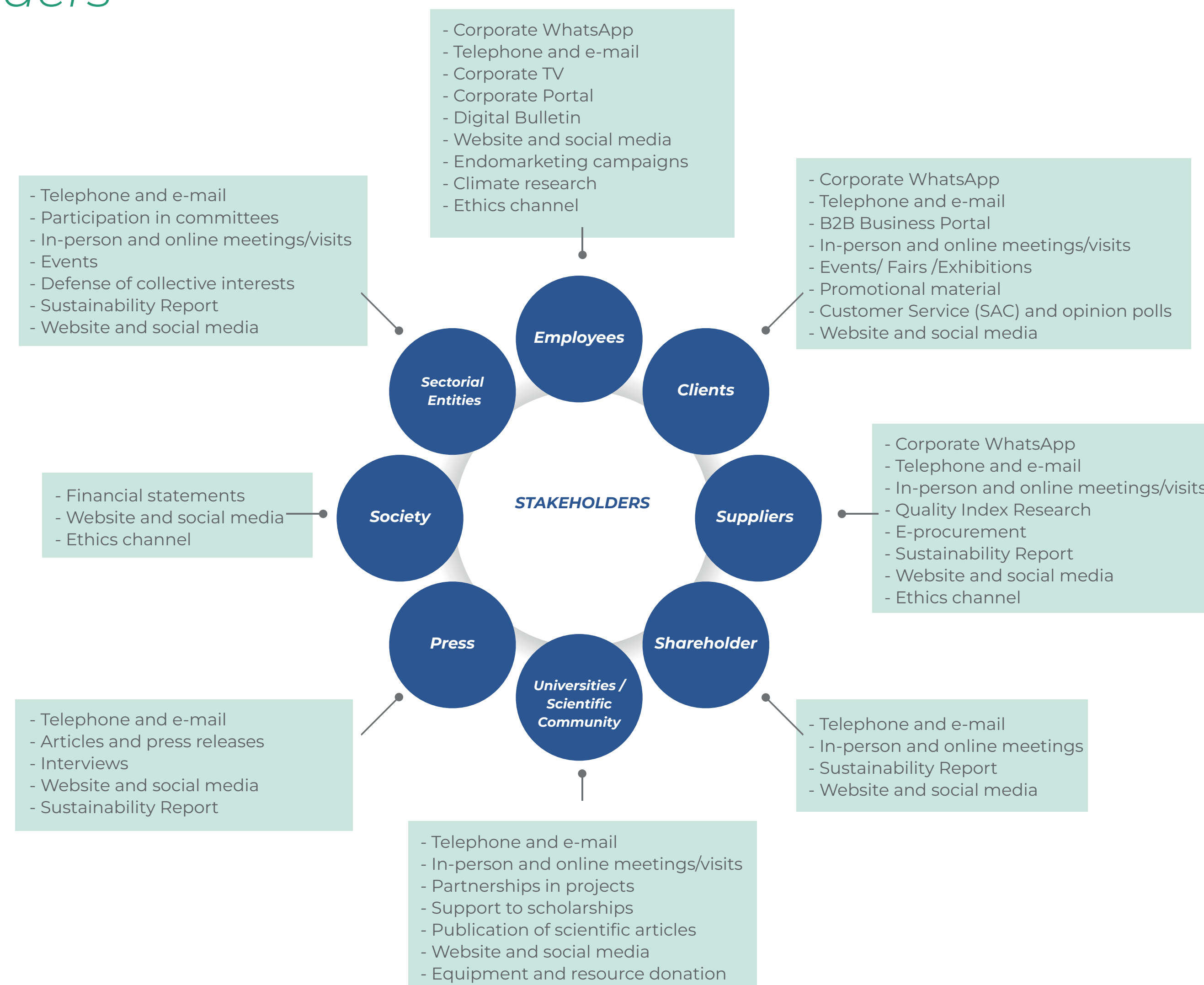


Engagement with stakeholders

Termomecanica's value creation process is embedded in the company's mindset and decision-making, which are consistently guided by ethical and responsible practices primarily focused on driving social transformation, a legacy inherited from its founder, engineer Salvador Arena. That purpose is ingrained in the company's culture, strategies, and business model, generating positive results not only for the company and its employees, but also for clients, suppliers, and especially society as a whole through Salvador Arena Foundation, our sole shareholder.

In that regard, the company endeavors to build and maintain an ongoing, honest, and transparent dialogue with groups and individuals who may be affected by, or who in some way influence, its activities, either directly or indirectly. Several areas are engaged in managing this process, which contributes to the development of a relationship of trust and legitimacy for the organization.

In addition to identifying potential environmental, social, and governance-related risks, the contact with its stakeholders helps Termomecanica take more robust actions, as well as gain a deeper understanding of any cultural and regulatory changes, adjusting its activities to meet evolving expectations and emerging demands.



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This initiative was undertaken not only to meet clients' demands, but also to establish a guiding reference for Termomecanica's positioning on key topics such as environment, sustainable procurement, ethics, labor practices, and human rights, enabling a significant progress in the company's ESG strategy.

in overcoming this challenge, Termomecanica completed EcoVadis' questionnaire and subsequently implemented significant actions, particularly in the Human Resources and Procurement areas, in addition to preparing a detailed report on carbon emissions covering three different products.

Environmental issues were also among the company's main challenges, particularly regarding the management and control of CO₂ and other greenhouse gas emissions (GHG). This stage highlighted the need for continuous improvement of environmental indicators and the establishment of clear carbon reduction targets aligned with the Global Reporting Initiative (GRI) guidelines.

For 2025, the goal is to complete the questionnaire and submit it to EcoVadis once again. It is expected that the improvements implemented over the past year will be positively reflected in the next assessment.

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Our purpose

The basic principles of Termomecanica’s Corporate Governance System include transparency, equality, accountability, and corporate responsibility. This system was established in 2010 and has ensured the adoption of good practices for ethical economic development, as well as it has contributed to fostering transparent relationships based on trust with various stakeholders. Since then, Termomecanica has been focused on strengthening its structure.

Termomecanica’s main governance body, the Board of Directors, is composed of six members, four of whom are women. Assisted by four Committees, in 2024 it held 56 meetings aimed at addressing relevant and necessary topics for better business management. In addition to the succession process and the strengthening of the ESG project, subjects that were also priorities in 2023, a third topic also gained relevance last year: data governance.

It is an essential process for driving sustainable development, as it ensures that the information guiding strategic decisions is reliable, secure, traceable, and transparent. Relying on a structured data governance framework, the top management can access up-to-date and consistent information to plan actions, define goals, and monitor results, which provides the company with greater credibility in the eyes of the market, society, and regulatory bodies.



Committees supporting the Board

Strategy - Composed of two members of the Board of Directors (BoD), this committee provides the Board with in-depth analysis of themes related to strategies, new businesses, and innovation, recommending policies and attributions that contemplate issues related to Termomecanica’s Strategic Plan and annual Business Plan, guiding the decision making as regards resolutions of the Board of Directors on such themes.

Audit, Risks and Compliance - Composed of two members of the BoD, this committee recommends policies contemplating themes related to audit, tax aspects, and exposure, as well as risk taking and mitigation, promoting transparency and reliability in the processes. It is also incumbent upon this committee to analyze and define corrective actions based on the assessment of control indicators and submit them to resolution by the Board of Curators of Salvador Arena Foundation, its sole shareholder, or Termomecanica’s Board of Directors, according to the relevance of the issue.

Governance, People, and Compensation - Composed of two members of the BoD, this committee proposes policies related to Termomecanica’s management systems and the Human Resources area, addressing topics such as values, internal communication, ethics, and personal conduct, as well as matters related to the company’s relationship with its employees. It also proposes policies on matters related to the deployment of Corporate Governance practices that are adequate to Termomecanica’s reality, always submitting its proposals to resolution by the Board of Directors.

Ethics and Integrity - Composed of two members of the BoD and three employees from the Audit, Tax and Legal departments, this committee monitors compliance with the Code of Ethical Conduct, striving to ensure that its principles and standards are considered and observed throughout all business processes and activities carried out by the institution. It also guides and advises on ethics and conduct, responds to inquiries from any of our stakeholders, and discloses guidance and interpretations that may contribute to the effective enforcement of the Code.



Risk Management

Termomecanica implements a corporate risk management policy that addresses themes such as operational and strategic risks, opportunities, risk appetite, and fraud. This policy is critical to ensuring an effective governance model, reducing the probability and impact of risks, and enhancing reliability of processes beyond legal and regulatory conformity, also aiming to communicate the benefits of risk management to all stakeholders.

In the extent of ESG, it mapped the risks of atmospheric contamination, environmental responsibility, environmental responsibility for soil contamination, soil and water contamination, fines and revocation of the Environmental Operation License, noise generation, health, and ergonomics at the workplace, as well as social responsibility and corporate governance. Through mapping the company is able to take both preventive and corrective actions, reducing the probability and the impact of any negative events, such as accidents, fraud, financial losses, regulatory problems, or reputational damage.

In 2024, for instance, Termomecanica completed the study for the implementation of NR-1 which establishes the guidelines, fundamental concepts, rights, and duties related to Health and Occupational Safety applicable to all companies and workers, both urban and rural, which are governed by the Brazilian Consolidation of Labor (CLT) laws. Such an implementation is important to foster a safer and healthier workplace for everyone, as it promotes the mapping of psychosocial risks, among others.

Compliance System

Created to identify, manage, and mitigate risks, as well as to reduce operational losses Termomecanica's Compliance System was implemented in 2016 under Anticorruption Law (Law No. 12,846/13) and its specifying decree. Aligned with the world's strictest legislations, it enforces compliance with laws and regulations in effect, becoming the main parameter for decision making and actions undertaken by the company, ensuring its legal and statutory conformity, as well as compliance with other applicable standards and policies.

Among the tools used to strengthen such a process is the Whistleblower Channel. It was created in 2023 to receive reports of any irregularities at the workplace and can be accessed by employees, suppliers, clients, and other stakeholders, ensuring anonymity and handling the information received with confidentiality. In 2024, 100 reports were handled and submitted for verification.

The Internal Audit area has been decisively contributing to the good progress of processes, by conducting audits across all business areas and processes at the organization and its associate companies. In 2024, 27 audits were conducted, as well as 56 continuous risk monitoring processes, involving 62 areas of the company. Termomecanica also relies on the support from independent audit companies contracted to validate any records made internally, including financial and accounting statements.



Code of Ethical Conduct

Termomecanica believes that ethics in conducting its business is the driving force behind its sustainable development. For that reason, it is aligned with the legal requirements, regardless of inspection, further reinforcing the positive reputation built throughout the company's history. Mutual respect and a high level of trust are essential and must serve as the foundation for all relationships, as stated in the organization's Code of Ethical Conduct.

In addition to reinforcing the company's core principles, the Code also addresses practices that are strictly prohibited, such as bribery and kickbacks, in interactions with external audiences, whether the community, government, suppliers, or partners. The guidance contained in such a document should serve as a foundational pillar for Termomecanica's management and actions as a company committed to social responsibility.

Themes related to human rights are also in evidence in the Company's Code of Ethical Conduct, as they are a non-negotiable and indispensable principle for building a more just society, which should be extended to its entire value chain. In that regard, the document provides that Termomecanica, its employees, and business partners shall comply with the laws and political systems of the countries in which they operate, especially focusing on issues related to use of child labor, forced labor, and discrimination. These attitudes are strictly prohibited.

The Code also highlights the importance of the workday being in compliance with the legislation and compensation being compatible with the market practices. It further addresses quality, health, and safety standards, among other topics directly related to human rights.



General Data Protection Law

Termomecanica's Personal Data Protection Policy establishes guidelines for personal data treatment in compliance with the General Data Protection Law (LGPD). It is available on the company's website and ensures that the collection, usage, storage, and sharing of personal information is conducted safely, transparently, and only for legitimate purposes.

Termomecanica also ensures the rights of data subjects, such as access, correction, and deletion of information, in addition to taking technical and administrative actions in order to prevent unauthorized access, data loss or leaking. Any data treatment is guided by respect for privacy, ethics, and compliance with the legislation in effect.

In 2024, Termomecanica revised its digital governance policies and implemented data protection-oriented solutions, reinforcing the confidentiality of information and promoting the constant update of cybersecurity tools. With aims at improving personal data management, this initiative intends to eliminate, whenever possible, any collection, usage, storage and sharing of personal information.

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Environmental Management

Commitments and practices

Commitment to the environment is a core value of the Integrated Management approach adopted by Termomecanica. For that reason, the company continuously endeavors to pursue results that are aligned with the sustainable principles guiding its trajectory.

In 2024, a year that was characterized by a significant increase in its production, Termomecanica increased by 40.63% the investments in monitoring, energetic efficiency, and the appropriate waste destination, in order to effectively integrate its operations, balancing both productivity and practices promoting the responsible use of natural resources.

One of the main highlights for the period was the analysis of the inventory of emissions of Greenhouse Gases (GHG) conducted in 2023, focused on Scopes 1 and 2. The work group in charge of proceeding with the project strategically selected a product per manufacturing plant in order to perform specific inventories.

With a portfolio comprising thousands of items, such a decision made it possible for Termomecanica to concentrate efforts on products and processes posing higher potential of environmental impacts, identifying thus the main sources of emissions throughout the life cycle of each process. For 2025, the challenge is to implement concrete solutions to minimize CO2 emission across all areas of its plants.

Internally, the contribution from employees has been critical, especially through Inovar Program. The initiative awards actions that contribute to achieving more efficient operational

and administrative results, and the environment has become one of the highlights among the ideas presented. In 2024, 248 suggestions addressing such a theme were enrolled, i.e. 69.86% more than in 2023.

In addition to addressing the environment theme in internal communication actions, Termomecanica conducts different kinds of training courses pertaining to the employee's activity and its environmental impact. In parallel, it uses Selective Collection across all of its business units and holds the Environment Week program on an annual basis. In 2024, this program included activities on climate change, circular economy, as well as a campaign for recycling electronic trash.

INVESTMENTS	2023	2024
Total	R\$ 1,254,106.88	R\$ 1,762,723.40
Monitoring	R\$ 377,125.25	R\$ 537,656.98
Energetic Efficiency	R\$ 100,000.00	R\$ 100,000.00
Waste Destination	R\$ 776,981.63	R\$ 1,125,066.42

In 2024, 248 suggestions for environmental improvements were submitted internally, almost 70% more than in 2023.

Energy management

Being ISO 50 001-certified Termomecanica upheld the commitment to continuously invest in new technologies and modernization of equipment, not only seeking to strengthen its Energy Management System, but also to comply with various market demands in a more sustainable way.

Driven by the high demand of the market, in 2024 the company consumed 11.19% more electrical power. However, the priority was to use renewable sources on a larger scale, whose usage tripled in comparison to 2023. Such an indicator makes evident Termomecanica’s efforts toward reducing its dependency on finite resources in situations in which the increase of power consumption is inevitable to keep its manufacturing units running.

The search for a cleaner and more diversified energetic matrix has also been one of the main challenges faced by the company. In that regard, in 2024, the energy and utilities team completed a feasibility study for installation of solar panels, which is expected to take place in 2025 at first at Manufacturing Plant III. The site, which already uses incentivized energy sources in its processes, has become a role model for the other units, especially regarding projects based on low-carbon management.

This initiative will be critical for the development of more ambitious projects, such as self-generation of clean energy.



ENERGY	2023	2024
Electric power consumption (kWh)	142,782,271	159,207,819
By source (kWh)		
Renewable sources	2,251,511	7,085,999
Non-renewable sources	140,530,760	152,121,820
By plant (kWh)		
Manufacturing Plant I	97,768,141	104,575,320
Manufacturing Plant II	39,333,226	47,604,636
Manufacturing Plant III	4,923,822	5,905,860
TMA Manaus	757,082	1,122,003
Natural Gas Consumption by Manufacturing Plant (m³)	4,265,572	5,462,383
Manufacturing Plant I	1,341,869	1,566,826
Manufacturing Plant II	1,228,496	1,355,342
Manufacturing Plant III	1,695,207	2,540,215
TMA Manaus	Not applicable	Not applicable

Water Management

Even with the expressive increase of its production activity, which required higher consumption of water at the manufacturing plants, Termomecanica’s hydric resources management presented significant results in 2024, highlighting the efficiency of the company’s commitment to the sustainable use of that resource.

The hydric intensity kept a positive trajectory, with a reduction from 1.77 m3/t in 2023 to 1.70 m3/t in 2024, which indicates greater efficiency in water usage per ton produced.

The water disposal practices also showed evolution in the sustainable use of such a resource. In 2024, deliveries of water to sanitation concessionaires grew by 14.81%, ensuring the appropriate and responsible return of the water used for treatment, in conformity with the environmental standards in effect.

WATER	2023	2024
Water-use Intensity	1.77	1.70
Collection by source (ML) (m³)	191,402	227,727
Sanitation concessionaire	46,157	28,148
Groundwater /wel	145,245	199,579
Disposal of water by destination (m³)	101,611	116,669
Water consumption by manufacturing plant (m³)	191,402	227,727
Manufacturing Plant I	93,537	105,195
Manufacturing Plant II	79,502	95,986
Manufacturing Plant III	16,998	24,120
TMA Manaus	1,365	2,426

Waste management

Waste management will always be strategic to the company, which continuously operates in compliance with the environmental laws in effect. Additionally, Termomecanica understands that the appropriate waste treatment can generate new business opportunities. Therefore, it is not by chance that the company reuses 100% of copper in its production processes and uses the best practices in the search for solutions that guarantee the appropriate destination for the waste generated at its facilities.

In 2024, for instance, Termomecanica invested more than R\$1.1 million in initiatives focused on waste destination, an amount 45% higher than that recorded in 2023. Out of the total waste generated, almost 57% were not hazardous and approximately 80% were sent for recycling while the material classified as hazardous was sent for incineration in compliance with the legal procedures in order to prevent any chemical or biological risk.

WASTE	2024
Waste generated in metric tons	2,536.57
Hazardous waste	1,092.28
Non-hazardous waste	1,444.29
Waste generated by manufacturing plan	
Manufacturing Plant I	1,231.46
Manufacturing Plant II	873.06
Manufacturing Plant III	432.06
Waste destination, in tons	
Hazardous waste	
Incineration	0.0289
Non-hazardous waste	
Recycling	1,148.78
Landfill	925

In 2024, investments in initiatives focused on waste destination exceeded R\$1.1 million.

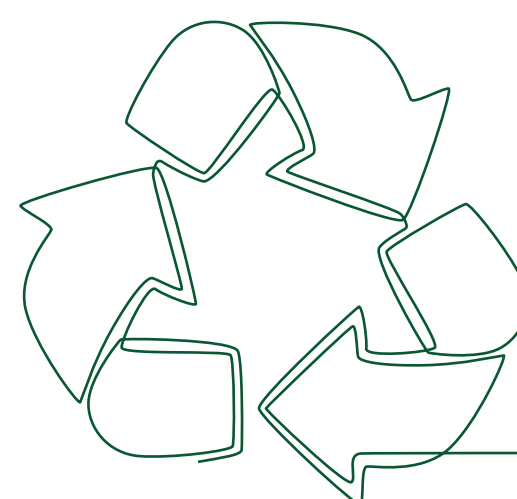
Eco-friendly solutions

Recycling, which has always been a priority at Termomecanica, gained strength in 2024 thanks to the structuring of the Raw Materials Development and Application Group, which is related to the Research and Development Management. Through such a group, new projects were created to optimize the continuous use of renewable resources without losing quality and productivity. In synergy with the Commercial area, professionals started operating with focus on identifying opportunities to optimize the classification cycle and processing of raw materials, with a view to reducing energy consumption and emissions.

In order to meet the air conditioning installation market demand, for instance, in 2024 Termomecanica launched the small coils, which are flexible copper tubes with a length greater than 15 meters (market standard) and with an ergonomically appropriate average weight. Such new actions enable the installers - the people making the decision to purchase and use the product - to use copper at the required lengths, without splices, resulting in a better handling and use of material, avoiding leftovers or unnecessary waste.

Another good example was the launch of TM E-01 Alloy for the segment of lead-free machinable alloys. The product is intended to serve industries that manufacture machined components requiring such specification, such as the industry of sanitary metals.

The partnership established with Unifesp also progressed significantly throughout 2024, with focus on the use of copper chain by-products in nanotechnology solutions for application in industries, agriculture, livestock farming, cosmetics, and the paint industry.



Circular economy

Termomecanica adopts a strategic and responsible approach in the use of resources, based on the principles of circular economy. Its productive model prioritizes efficiency in the reuse of raw materials, integrating both primary inputs and internally-generated recycled input into its industrial processes.

Furthermore, through partnerships with clients and a well-structured reverse logistics chain, the company receives back recyclable materials, which are reprocessed and reinserted into the production cycle. This practice contributes to the reduction in usage of natural resources, minimizes waste generation, and reinforces Termomecanica's commitment to environmental sustainability, industrial innovation, and creation of shared value.

To supplement such a responsible operation, Termomecanica has in place a strict registration and homologation process for suppliers, ensuring integrity and conformity of the supply chain. All materials purchased must present a proof of origin and be fully compliant with the technical, legal, tax, and physical requirements in effect. This policy reinforces the company's principles of transparency, social and environmental responsibility, as well as its operational excellence.

The use of recyclable materials is Termomecanica's central strategy to promote industrial sustainability. This practice has significantly contributed to preservation of natural resources, reduction of operating costs, and mitigation of environmental impacts associated with mining activities. In 2024, around 50% of all the raw material used at the company's manufacturing units were materials resulting from recycling.

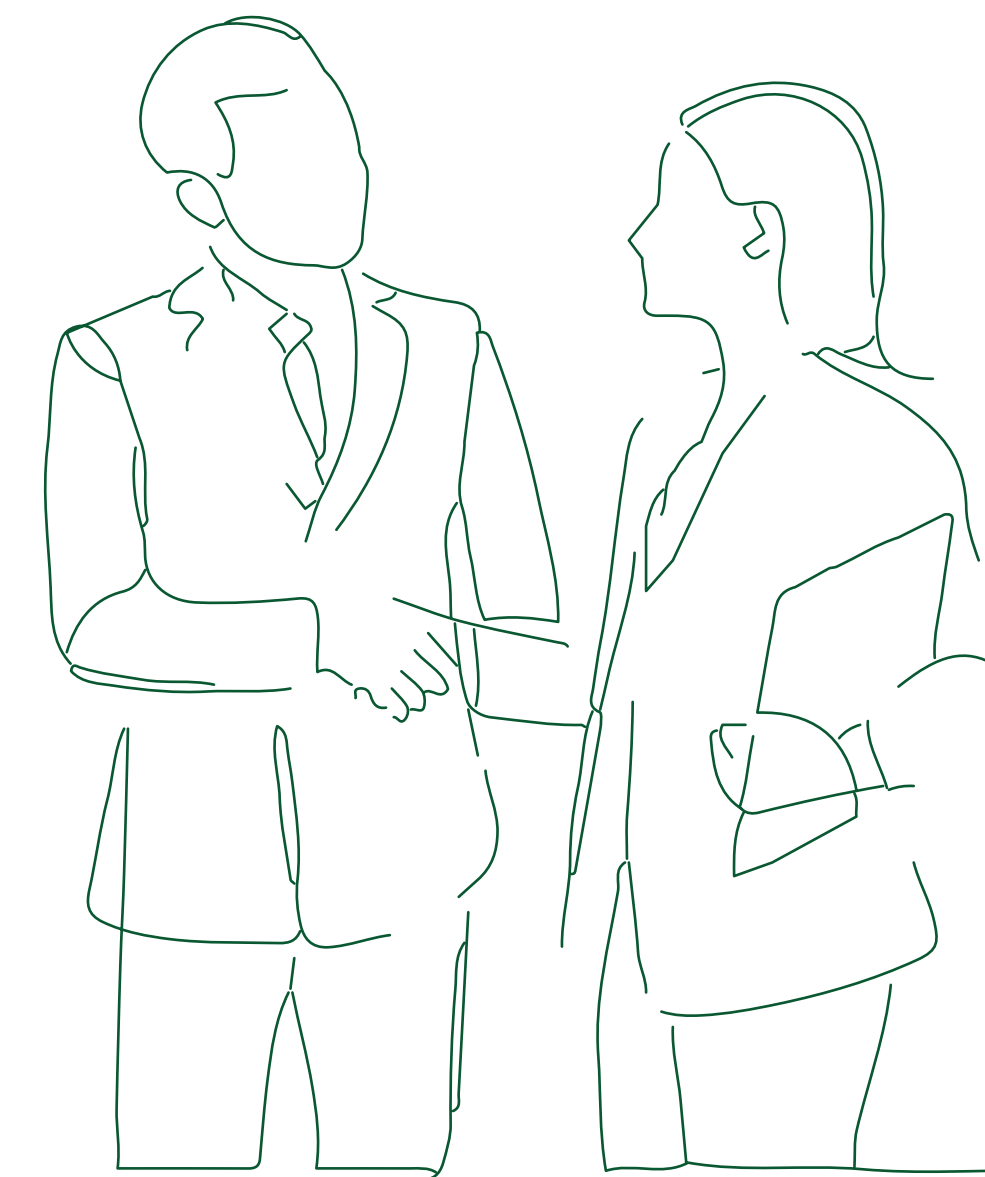
Those results make evident Termomecanica's protagonism in the transition to a circular economy-based industrial model, restating its commitment to sustainable innovation, environmental responsibility, and efficient use of resources.

Innovative solutions - Through the continuous implementation of innovative solutions that promote efficiency and reduce the environmental impact of its operations, Termomecanica has been restating, year after year, its commitment to sustainability. In 2024, one of the highlights of such an advancement was the expansion of its “scrapback” program, which is oriented to the import of recyclable materials originating from production processes of its clients based abroad. Those materials are reintegrated into the company’s productive chain, contributing to circular economy and preservation of natural resources.

With focus on generation of shared value and strengthening sustainable partnerships, Termomecanica also entered into strategic agreements for collection of copper cables from disabled or modernized telephony networks which are replaced by optical fiber. The copper recovered is fully reused internally, being transformed into new products through effective and environmentally responsible industrial processes.

Additionally, the waste generated in the opening of such cables is sent to companies specializing in reuse and is used as a source of energy in combustion processes at cement producing companies or in other modalities of industrial co-processing. Such a practice directly contributes to the attainment of the zero-landfill goal, consolidating Termomecanica’s commitment to responsible waste management and minimization of impacts on the environment.

Termomecanica also adopts strict controls over the use and destination of the lubricating oil used on its equipment. A good part of the waste oil generated is sent exclusively to certified companies specializing in the re-refining process, which allows the full regeneration of the oil for reuse in several industrial applications. Such an initiative ensures the full reuse of the material, prevents inappropriate disposal, and reinforces the company’s commitment to circular economy and mitigation of environmental impacts.



Engagement with the value chain -Reinforcing its continuous commitment to the ESG principles, Termomecanica adopts responsible and sustainable practices across its value chain. For that, it actively encourages its partners to incorporate standards that respect the environment, value the human capital, and ensure integrity in business relations.

With aims at strengthening the ethical and sustainable management of its supply chain, the company operates an Integrated Supplier Management System focused on ethical, social, and environmental standards. In 2024, as part of its continuous improvement strategy, employees from the Supplies and Procurement areas attended workshops and qualification courses on ESG, expanding their vision of risks, opportunities, and the best practices related to corporate sustainability.

Such an engagement reinforces Termomecanica’s role as a responsible agent of transformation and leadership role in its area of operation.

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Social Management

Human Capital

Investments in initiatives of social impact are attributes that contribute to Termomecanica's excellent reputation. Observance of labor rights, valuation of diversity, fostering professional development, and promotion of health and safety are relevant themes that are constantly part of the day-to-day of our manufacturing plants.

In 2024, the Human Resources area reaped the fruits of the strategic changes that have been implemented in the past few years, when its purpose was aligned with Termomecanica's strategic objectives and the best market practices. Through the redefinition of its structure and the Business Partner function, it started operating more closely to the manufacturing plants, strengthening its ability to solve challenges faced by managers regarding personnel management, promoting a closer integration between the HR department and all areas within the organization.

Among the news implemented in 2024, there is the implementation of an application that brings updated information on the itineraries and routes of the charter buses contracted by Termomecanica for transportation of its employees, the greater number of spaces and activities devoted to physical and mental health care, available through a chain of gyms and supplementary well-being practices, as well the strengthening of our health assistance program through the expansion of the list of medicines fully subsidized by the company.

From an operating standpoint, the company closed the period with 77.2% of PDIs (Individual Development Plans) completed and 100% of employees assessed according to performance. The leadership engagement in such processes was also one of the big highlights for the year.

It is worth pointing out that until the edition of 2023, the social indicators in this Report contemplated only the Units connected to Termomecanica São Paulo. As of this year, data related to Termomecanica from Amazônia, whose manufacturing plant is located in Manaus, was also included.



Professional profile

In Brazil, Termomecanica ended 2024 with 1,930 employees including permanent employees, temporary employees, interns, and apprentices. Almost all of them have an employment contract (93.47%) and work full time (99.12%). The largest concentration (98.65%) is based in the city of São Bernardo do Campo, where three out of the four Brazilian manufacturing plants operate.

In 2024, the percentage of women increased from 8.10% to 8.50%. Also, there was an increase in the percentage of employees aged under 30 years old (19.59%), but the largest representative group (71.14%) was aged from 30 to 50 years old.

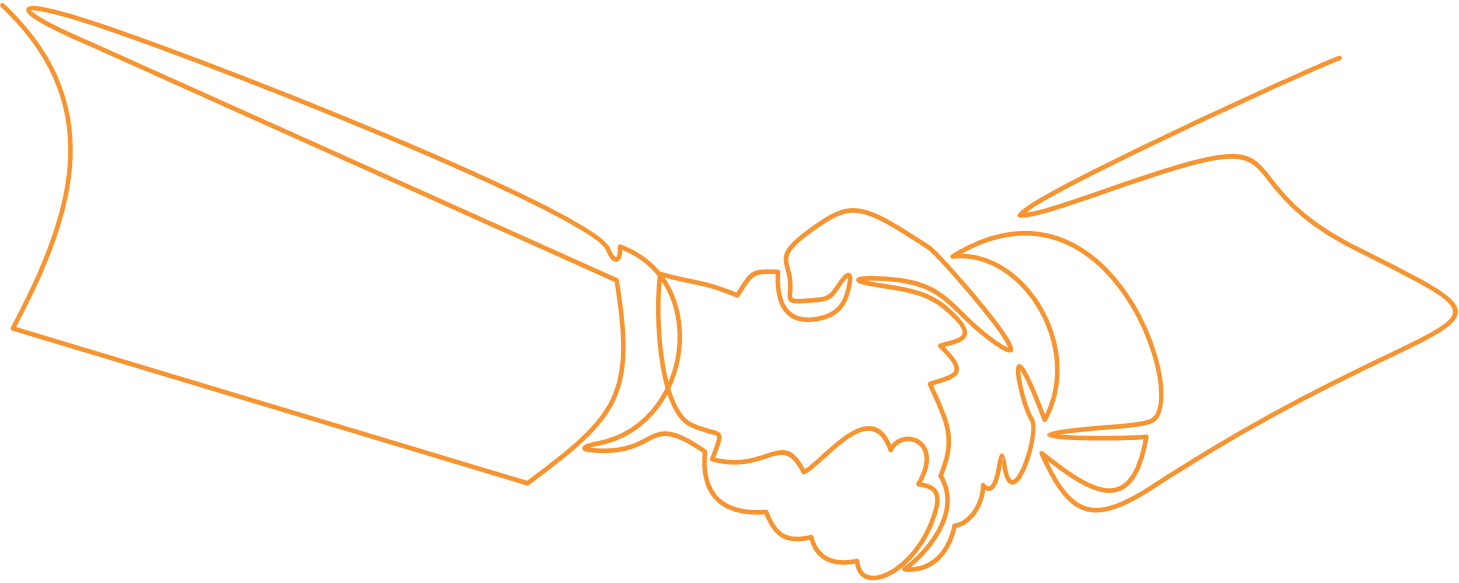
In relation to length of service at Termomecanica, there was an increase in the percentage of employees with less than one year of experience at the company, which increased from 8.32% to 14.09%, indicating a higher volume of new talents. A similar movement happened with age groups involving hired employees with length of service ranging between 20 and 40 years at the company, which are indexes with a slight increase in 2024.

The charts showing hiring and terminations, published on the next page, better illustrate how this scenario is formed, indicating that the team is undergoing a healthy renewal process and the retention rate is positive at both medium and long terms, as the average length of service at the company increased from 10 to 11 years.

LENGTH OF SERVICE AT THE COMPANY	2023		2024	
Total Employees	1,791	100%	1,930	100%
Less than 1 year at the company	149	8.32%	272	14.09%
From 1 to 5 years at the company	461	25.74%	430	22.28%
From 5 to 10 years at the company	476	26.58%	482	24.97%
From 10 to 20 years at the company	563	31.43%	575	29.79%
From 20 to 30 years at the company	132	7.37%	155	8.03%
From 30 to 40 years at the company	8	0.45%	14	0.73%
From 40 to 50 years at the compan	2	0.11%	2	0.10%
Above 50 years at the company	-		-	
Average time	10		11	

GENERAL DATA	2023		2024	
Total	1,791	100%	1,930	100%
By region				
São Bernardo do Campo	1,775	99.11%	1,904	98.65%
Manaus	16	0.89%	26	1.35%
By contract type				
Permanent employees	1,763	98.44%	1,804	93.47%
Temporary employees	18	1.01%	109	5.65%
Apprentice/Intern	10	0.56%	17	0.88%
By period				
Full time	1,775	99.11%	1,913	99.12%
Part time	16	0.89%	17	0.88%
No guarantees	0	0.00%	0	0.00%
By gender				
Men	1,646	91.90%	1,766	91.50%
Women	145	8.10%	164	8.50%
By age				
Under 30	324	18.09%	378	19.59%
Between 30 and 50	1,270	70.91%	1,373	71.14%
Over 50	97	11.00%	179	9.27%

MOVEMENT OF PEOPLE	2023		2024	
Total hirings	214	100%	410	100%
By gender				
Men	172	80.37%	353	86.10%
Women	42	19.63%	57	13.90%
By age				
Under 30	120	56.07%	191	46.59%
Between 30 and 50	94	43.93%	216	52.68%
Over 50	0	0	3	0.73%
Total terminations	272	100%	276	100%
By gender				
Men	242	88.97%	237	85.87%
Women	30	11.03%	39	14.13%
By age				
Under 30	95	34.93%	99	35.87%
Between 30 and 50	138	50.74%	157	56.88%
Over 50	39	14.34%	20	7.25%



Plurality, diversity, and inclusion

To Termomecanica plurality goes beyond a social value; it is also a strategic pillar that drives actual competitive advantages. A diverse and inclusive workplace favors the exchange of experiences, fosters creativity, and promotes collective learning, making the workplace environment more dynamic and innovative. Additionally, professionals who feel respected and included tend to stay longer with the company, reducing turnover and fostering talent retention. This is reflected in the turnover rate which was at 0.68% in 2024.

These principles guide both the hiring process and the preparation of position descriptions, always aligned with strict technical criteria. Hence, Termomecanica ensures equality of opportunity for the development and professional growth of all applicants and employees, without discrimination based on gender, race, ethnics, religion, or any other characteristic. The purpose is to enhance each person’s skills, acknowledging and respecting their individuality.

Even operating in an industry that is traditionally known for being male-dominated, in view of various structural and social-cultural aspects, gender diversity has been a factor undergoing constant evolution at Termomecanica. From 2023 to 2024, for instance, the percentage of women at the company increased from 8.10% to 8.50%. However, it is at the Board of Directors that such a ratio is even more striking, as 50% of the board consists of women.

SHARE OF WOMEN IN THE ORGANIZATION	2023		2024	
Total women	145	100%	164	100%
Board of Directors and CEO	3	2.07%	3	1.83%
Board of Officers/Management	4	2.76%	4	2.44%
Supervision/Coordination	4	2.76%	5	3.05%
Technical/Administrative areas	89	61.38%	90	54.88%
Operating area	40	27.59%	55	33.54%
Interns	4	2.76%	7	4.27%
Apprentices	1	0.69%	0	0.00%

Age diversity also deserves special attention, showing that at Termomecanica there are opportunities and space both for young professionals and more experienced people. In the Technical/Administrative and Operating areas (which also continued growing and remained as the supporting pillar of Termomecanica’s workforce), employees under the age of 30 are majority; while strategic positions were concentrated in more seasoned professionals, as preserving the company’s core values is a priority to Termomecanica.

PROFESSIONAL CATEGORY BY AGE GROUP

Total Employees	2023			2024					
	Under 30		30 and 50	Over 50		Under 30		30 and 50	Over 50
	324	100%	1270 100%	197 100%		378 100%	373 100%	179 100%	
Board of Directors and CEO	0	0.00%	0 0.00%	3 1.52%		0 0.00%	0 0.00%	3 1.68%	
Board of Officers /Management	0	0.00%	11 0.87%	12 6.09%		0 0.00%	12 0.87%	11 6.15%	
Supervision/Coordination	2	0.62%	34 2.68%	9 4.57%		3 0.79%	37 2.69%	9 5.03%	
Operating area	112	34.57%	226 17.80%	35 17.77%		106 28.04%	239 17.41%	30 16.76%	
Operacional	200	61.73%	999 78.66%	138 70.05%		253 66.93%	1,084 78.95%	126 70.39%	
Interns	8	2.47%	0 0.00%	0 0.00%		8 2.12%	1 0.07%	0 0.00%	
Apprentices	2	0.62%	0 0.00%	0 0.00%		8 2.12%	0 0.00%	0 0.00%	

Another important indicator compared to 2023: in 2024, 87 people with disabilities were part of Termomecanica’s workforce. This inclusion process particularly has as starting point the preparation of a risk mapping report, so that the company may value each person’s potential.

Talent management

In order to tap into all its internal potential and offer career growth options, maintaining its team always motivated, Termomecanica prioritizes its own employees when filling new vacancies. The selection system uses a data collection software that enables accurate analysis of each employee’s performance and potential, grounding the Human Resources’ decisions across all of processes in the area. In 2024, out of the 242 open vacancies, 86 were filled by internal people through promotion or reassignment of activity /area.

In order to develop and retain the best professionals, the Human Resources area created an initiative that uses methodologies such as Nine-box Grid and Leadership Profiler to map strategic successors and develop individual plans. Such an approach promotes growth, retention, and organizational alignment, while strengthening the company’s culture focused on learning and high performance. The Performance, Potential, and Succession Program is the base for continuous development cycles. With careful assessments, structured feedback, and planned development, Termomecanica strengthens its leadership and promotes business sustainability, while ensuring that the right talents are prepared for future challenges.

Other two initiatives have been important in the search for new talents. The first of them is the Internship Program, which in addition to practical experience, uses a digital platform containing technical contents oriented to the intern’s area of operation, as well as behavioral contents in order to prepare new talents for the next steps in their careers. In 2024, nine young people were recruited for nine distinct areas ranging from Administrative to Production, and other four young people were permanently hired.

Equally important, in 2024 the Apprenticeship Program benefited 87 young people aged between 16 and 23 who came from families earning a per capita income of up to one and a half minimum wages. Conducted in partnership with Salvador Arena Foundation and Senai, this initiative was focused on guiding and developing the young people seeking to enter the labor market. In 2024, 80% of the 69 apprentices were permanently hired.

Training and development

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In 2024, through Salvador Arena Corporate University (UCSA), approximately R\$1.3 million were invested in initiatives oriented to personal and professional development of Termomecanica’s employees, aligning them to the company’s strategic objectives. This represented an increase of approximately 185% compared to 2023.

To the company, continuous learning is a determining factor to successful businesses. Conducted both internally and with external suppliers, either in person or remotely, these initiatives resulted in 103,518 training hours, the equivalent to an average of 46.02 training hours per employee, representing an increase of 345% compared to 2023.

TRAINING HOURS	2023	2024
Total	24,627	103,518
By region		
São Bernardo do Campo	24,432	102,839
Manaus	195	679
By gender		
Men	22,499	85,651
Women	2,128	17,867
By professional category		
Board of Directors and CEO	436	17,628
Board of Officers/Management	2,556	25,548
Operating	21,309	59,873
Interns	55	128
Apprentices	271	341
General Average	10.34h	46.02h

The educational profile of Termomecanica’s employees portrays very well the significance of such a topic to the company. In 2024, 62.04% of the employees had a high school diploma, while 12.60% had technical education diploma and 15.98% had completed higher education. The ESG theme was one of the highlights among the topics addressed in internal training courses conducted in 2024.

EDUCATIONAL PROFILE	2023		2024	
Total of permanent employees	1,628	100%	1,804	100%
Middle school diploma	10	0.61%	11	0.61%
High school diploma	957	58.78%	1,120	62.04%
Technical education diploma	219	13.45%	227	12.60%
Higher Education	296	18.18%	288	15.98%
Postgraduate Degree /MBA	146	8.97%	158	8.77%

Besides being a recurrent topic in Fábrica de Líderes Program (Leader Incubator Program) and in Inova Vendas Program (Innovative Sales Program), it was also a highlight during the 108 training hours on Sustainable Procurement, which was intended for 27 professionals from the Supplies and Procurement area. In parallel to such internal actions, Termomecanica maintained the support to traditional alternatives focused on professional development such as:

Foreign language courses - they benefit employees who use the foreign language in their activities, with an expected refund from 80% to 100%, depending on the level of complexity of their positions and the cost of the course, for two years.

Higher Education, Postgraduate Degree, MBA and Master’s Degree - A refund ranging from 40% to 100% of the tuition expenses is granted for university, postgraduate degree, MBA or master’s degree programs, as of the first year of the course, to those employees who have been working for the company for at least one year and meet the following requirements: correlation between the major and the company’s strategies and the professional development of the interested party’s current position or career.

Learning Paths (Trilhas de Conhecimento)- Conducted remotely, they are programs intended for employees from the Production areas and cover work procedures, instructions, as well as operating documents, safety instructions and documents. The hands-on portion is personally approved by the manager triggering an automatic update of the polyvalence matrix.

An important support to Termomecanica’s training and development processes is provided by the four schools maintained by Corporate University Salvador Arena (UCSA), which fund a number of in-person and remotely held courses. Aligned with the company’s strategic guidelines, these courses are conducted by internal or external instructors and are consistent with Termomecanica’s Individual Development Plan (PDI) and Annual Training Program, with aims at strengthening behavioral competences and enhancing performance at work.

In 2024, UCSA started the activities of the Leadership School (Escola de Liderança) which, jointly with the Culture, Management, and Operations Schools (Escolas de Cultura, Gestão e Operações) recorded a total of 41,328 training hours and 3,739 attendances.

OBJECTIVES	RESULTS FOR 2024
CULTURE SCHOOL: It promotes the valuation of culture and its influence on the day-to-day practices with aims at strengthening postures grounded on the philosophy, principles, and values shared by Salvador Arena Foundation and its controlled companies.	2,270 training hours 375 attendances
MANAGEMENT SCHOOL: It develops process and people management competencies (practices, tools, and innovation), in order to consolidate the management model adopted by Salvador Arena Foundation in accordance with the core activities of each institution.	7,997 training hours 1,505 attendances
OPERATIONS SCHOOL: It develops the expertise of professionals at Salvador Arena Foundation and those at its controlled companies, so that they can perform effectively the core activities of such institutions within the context of their areas of operation, generating the expected value.	26,723 training hours 1,709 attendances
LEADERSHIP SCHOOL: It prepares individuals to take on leadership positions effectively and ethically, equipping them with skills, knowledge, and the mindset needed to overcome challenges and seize opportunities that come up in their careers and within the organization.	4,338 training hours 150 attendances

Another important support deserving highlight is TM Cultural Space (ECTM), which operates in two manufacturing plants in São Bernardo do Campo. It was planned to foster integration among employees, through encouraging the search for knowledge and promoting access to culture. The site offers multidisciplinary development through its rich collection and periodical cultural exhibitions.

Provided with an appropriate infrastructure for holding remote courses offered by UCSA online, the ECTM offers lounge areas, study rooms, and projection rooms, in addition to physical libraries comprising 3,930 titles (93 of the new acquisitions were made in 2024), 35 games, 626 media and a film library. On a daily basis, Termomecanica also makes available newspapers and magazines, in addition to TVs that can be used at break times on workdays.

In 2024, ECTM recorded 3,896 visits, i.e., an average of 15 visits per day. Among the main projects and campaigns conducted at the site, it is worth highlighting the bimonthly exhibitions that address themes such as: 15 years of ECTM, Afro-Brazilian culture, Brazilian Cuisine, 2024 Paris Olympics, Occupational Safety, and Christmas movies.

One of the main achievements, however, was the climate control upgrade which included the installation of air conditioning and placement of curtains, making the space more comfortable. For 2025, in addition to proceeding with cultural activities, the beginning of “TM Memories” project is expected to take place, with aims at documenting Termomecanica’s former employees’ stories.



Compensation and benefits

Termomecanica values and is proud of its human capital, recognizing that the excellence in the quality of its products and services is the direct result of its employees’ commitment and professionalism. For that reason, the company endeavors to offer competitive compensation and a distinctive benefits policy.

When determining the salary ranges for positions, the company conducts frequent comparisons to the marketplace, so as to ensure both internal and external balance in its compensation policy. It also promotes or regularly participates in salary surveys to guarantee that its compensation is competitive and aligned with well-structured career plans.

In a constant pursuit of attracting, retaining, and engaging its employees, Termomecanica’s benefits policy stands out as reference among organizations that prioritize people. More than complying with the legal requirements, the company goes beyond by offering benefits that are mostly granted voluntarily and at no cost to employees.

In 2024, Termomecanica made even greater investments in its package of benefits, such as the expanding the options of spaces and activities dedicated to physical and mental health care, access to a chain of gyms, and supplementary practices. The company offers a wide range of benefits that are essential to ensure the well-being and quality of life of its employees, as shown in greater detail below and in the chapter on Health, Safety, and Well-Being.

BENEFITS OFFERED BY TERMOMECANICA		2024
DAYCARE ALLOWANCE/REFUND - The collective labor laws for the category provide for these benefits. They are provided to female employees until their children turn 24 months old.		90 allowances/refunds
SUPPLEMENTARY PRIVATE PENSION PLAN – With aims at supplementing the benefit provided by the National Institute of Social Security and preserving of the standard of living during retirement, Termomecanica offers an open multiple employer plan with differentiated technical and financial terms in the marketplace and featuring a contribution option ranging from 50% to 80% of the amounts intended to supplement the income, and 100% of insurance coverage for claims occurring before retirement.		93% of adhesion
MEALS - It offers self-service restaurants working 24 hours a day and permanently monitored by nutritionists. For those who need special diets, such as, for instance, diabetics, hypertensive individuals, and obese individuals, a special menu is offered. In addition to strictly fighting food waste, Termomecanica monitors the quality of services it provides and periodically conducts independent laboratorial tests to ensure microbiological control of the food served.		1,207,613 meals served
BASIC FOOD BASKET - It has a differentiated value compared to the market practices and the value of the basic food basket disclosed on a monthly basis by Dieese (the Inter-Union Department of Statistics and Socioeconomic Studies). With aims at contributing to the holiday parties, by mere liberality, the value of such an allowance is doubled in December.		21,170 basic food baskets granted
TRANSPORTATION -The company funds 100% of several charter bus itineraries and for those employees who live farther than 1 kilometer from the charter bus itineraries, it provides transportation vouchers at a reduced discount fee. The company also makes available at no cost several parking lots in the surrounding area of the manufacturing plants.		86% of employees served

Health, Safety, and Well-being

Termomecanica has not spared efforts to ensure compliance with health and occupational safety standards, legislations, and procedures with a view to promoting the well-being and the quality of life of its employees. ISO 45001 certification formally proves the efficiency of a very well-structured Health Management and Occupational Safety System aligned with international standards.

Furthermore, the policy adopted by Termomecanica, in addition to integration to the environment, it provides for that the company, in its copper and other nonferrous metals transformation activities into products, solutions, and services, shall act responsibly in terms of management of its employees' safety and health. This further restates the company's commitment to a series of principles that go beyond the legal aspects, also considering that such a topic is an integral part of its Strategic People Management and ensuring that its indicators are aligned with the company's strategy.

To Termomecanica, all employees are responsible for complying with the Safety and Occupational Health standards, either for their own sake or for that of third parties, regardless of their hierarchical level. Additionally, the company reinforces that no work should be performed without compliance with the requirements set forth, either due to urgency, importance, or based on any other allegations.

Quality of Life

Medical and dental health care plans, program for purchase of subsidized medicines, partnership for access to centers of quality of life and specialized guidance for different types of problems are some of the differentiating benefits offered by Termomecanica when the issue is health. In addition to these initiatives that are directly managed by the company's benefits area, in 2024 other important programs offered in partnership with the healthcare carrier were made available to employees and their dependents.

BENEFITS OFFERED BY TERMOMECANICA		2024
MEDICAL AND DENTAL HEALTHCARE – They are made available to all employees and their legal dependents, with their monthly fees 100% funded by the company, and offer nationally accredited medical chains and reimbursement systems for use outside the accredited chains. In order to make the use of such benefits easier and faster, Termomecanica, in partnership with the healthcare broker and carrier makes available a medical and dental care post of service equipped with an employee from the broker and another from the healthcare carrier, who are available to serve all beneficiaries for scheduling appointments and health tests, requesting reimbursements, in addition to providing preauthorization for surgeries, health tests, and other therapies.		4,823 lives covered
PROGRAMS OF BENEFITS IN MEDICINES (PBM) - It allows the purchase of medicines from the “Donation List” 100% funded by the company or at discounts of up to 60%.		900 medicines donated
SESI'S CENTERS OF QUALITY OF LIFE – The result of a partnership that offers moments of leisure, entertainment, and integration at more than 55 centers of quality of life spread throughout the State of São Paulo, everything for at least 20% off.		167 participating employees
CONTE COMIGO PROGRAM (Rely on Me) – The program offers, at no cost, guidance and specialized support by professionals specializing in psychological, financial, and nutritional topics, as well as guidance for physical activities and physical therapy.		12 people served
PROGRAMS OFFERED IN PARTNERSHIP WITH THE HEALTHCARE CARRIER		2024
PGS - SAFE PREGNANCY PROGRAM - A program promoting pregnant women's health with follow-up actions throughout pregnancy and in the postpartum period and which relies on a specialized team for high-risk patients.		Average of 31 pregnant women/month
PAC - CHRONIC PATIENT SUPPORT PROGRAM - The program manages the health of patients suffering from chronic diseases and aids them in treatments in general and any possible complications, also providing further guidance and support by telephone.		Average of 481 chronic disease sufferers/month
CASE/MULTIDISCIPLINARY MONITORING OF HIGH-COMPLEXITY CASES - A program that supports patients suffering from severe chronic diseases with aims at reducing their limitations and improving their quality of life.		Average of 35 severe chronic disease sufferers/month

In 2024, the Occupational Medicine area conducted several initiatives internally aimed at promoting a healthier, safer, and more inclusive workplace. Among the highlights is the completion of the renovation of the medical ambulatory of Manufacturing Plant 1, which had its structure expanded and modernized, offering greater comfort and better capacity for service; and the beginning of the project for creation of its own software for receiving online medical certificates, which represents an advancement in terms of agility, practicality, and sustainability. In general, around R\$1.37 million were invested in health-related initiatives in 2024.

Aligned with the best ESG practices, Termomecanica also expanded its focus on mental health. In this context, it promoted the online training called “Respecting” (Respeitando) which reinforced the culture of respect and valuation at the workplace, and the “Multi-generational Diversity” program, intended to guide the leadership on how to engage and inspire different generations.

Additionally, it also conducted virtual speeches on “Stress Management and Quality of Life” and “Professional Relations: teamwork and emotional balance”. Sipat 2024, held in partnership with the Occupational Safety area, had as its main theme “Cognitive Ergonomics and Stress at Work”, deepening even further the discussion and awareness about mental health and well-being.

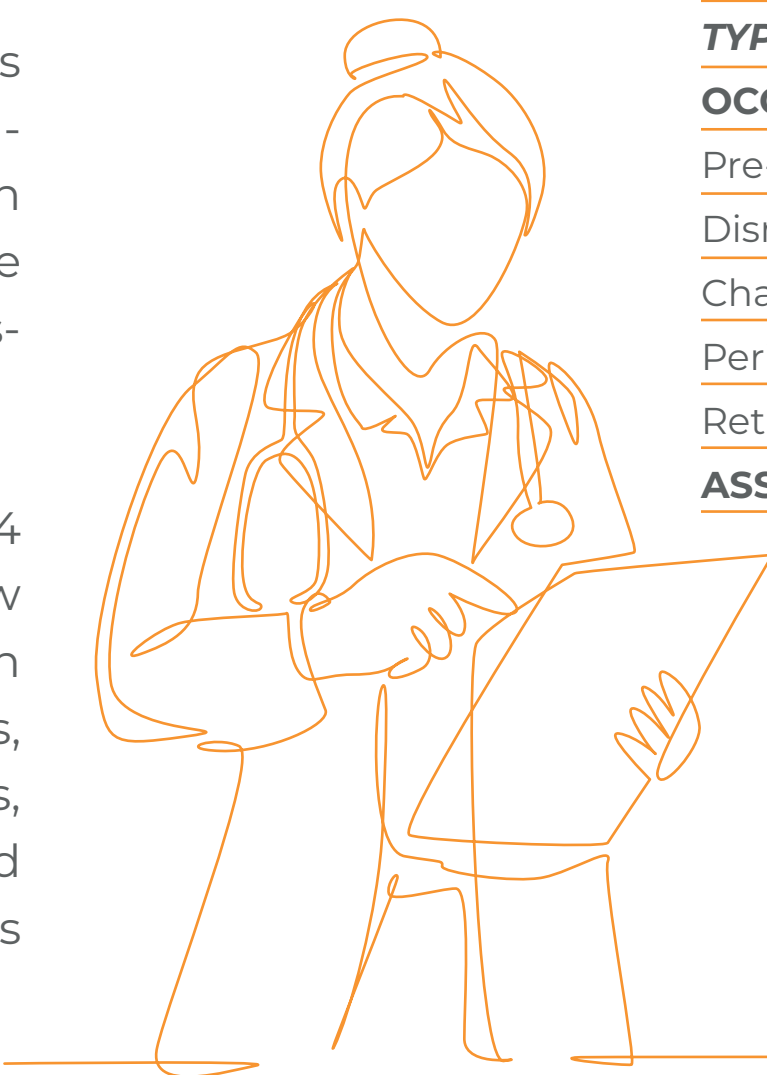
In the field of health promotion and prevention, throughout 2024 Termomecanica conducted relevant campaigns such as Yellow September, with focus on suicide prevention and mental health promotion; as well as Pink October and Blue November campaigns, which included in the program the provision of medical requests, exemption of healthcare coverage for preventive health tests and informative speeches reinforcing its concern about full care with its employees during their different stages in life.

Occupational Health

In the extent of occupational health, results were expressive in 2024 with 100% of mandatory periodical tests performed, inclusion of bioimpedancemetry in health assessments, conduction of an audiometry campaign for expanding health test coverage, and attainment of 82% of the annual target established, which was not higher only because one of the criteria initially established was postponed to the next cycle.

To ensure the good quality of services provided, 83% of the team devoted to occupational health have higher education and specialization in the health area: there are four nursing professionals (one technician and three nurses), one occupational physician in charge of coordinating the PCMSO (Occupational Health Medical Control Program) and an examining physician.

To guarantee the operation of the 24-hour ambulatory, Termomecanica has a contract in place with a company specializing in occupational medicine, which operates on night shifts and weekends. Overall, the team conducted 4,481 appointments and 2,807 occupational health tests.



TYPES OF APPOINTMENTS	2023	2024
OCCUPATIONAL HEALTH TESTS	2,874	2,807
Pre-employment medical test	427	472
Dismissal medical test	247	189
Change of Occupational Risk	91	163
Periodical health test	2,001	1,887
Return to Work	108	96
ASSISTANCE APPOINTMENTS	4,598	4,481

The actions under the Occupational Health Medical Control Program (PCMSO) were maintained, prioritizing prevention and follow-up of chronic diseases, as well as of those having critical prognosis. Employees over 45 years old or with a family history of prostate neoplasia were forwarded to Specific Prostatic Antigen (PSA) testing. For women, preventive health tests were advised.

CHRONIC DISEASE TESTING	2023	2024
Tracking of dyslipidemias and diabetes	666	616
Monitoring of cases of neoplasias	100%	100%
WOMEN'S HEALTH TESTS	2023	2024
Oncotic colpocytology	141	144
Mammogram	124	96
Breast ultrasound	236	247
Transvaginal/pelvic ultrasound	241	251
MEN'S HEALTH TESTS	2023	2024
Total of PSA tests performed	185	197
Eligible employees who presented PSA test	31.50%	33.27%

Termomecanica’s health profile assessment processes also included the guidance and forwarding of employees to specific health programs that are part of the appointments performed by the Occupational Medicine area. It is worth highlighting that not only those, but all healthcare services carried out by Termomecanica meet not only the institutional Code of Ethical Conduct, but also the requirements of Codes of Ethics for Class Councils, the General Data Protection Law, keeping strictest secrecy over such information.

HEALTH PROGRAMS	2024
Health Promotion Program - total health tests performed	271
Anti-smoking Program - number of participants	2
Ratio of appointments for vaccines for first responders	90%
Employees enrolled in the Differentiated Food Program	433

Aligned with the ESG agenda, the Occupational Medicine Area continued reinforcing the management actions of ambulatory waste, with aims at ensuring their proper and safe destination.

AMBULATORY WASTE GENERATION	2023	2024
Infectant	2.99	3.02
Sharp-pointed and cutting instruments	0.34	0.58
Chemical (g)	0.05	15
Chemical (mL)	369	99

For 2025, the Health area will be focused on overcoming important challenges and progressing in strategic actions oriented to ensuring the well-being of employees. Among the main points of attention there is the implementation of a project for submission of medical certificates online, which will provide greater agility, safety, and confidentiality for submission of such information. Additionally, the planning of new health campaigns is expected, which are aimed at enhancing awareness and fostering preventive practices at the workplace.

Another relevant challenge will be developing a questionnaire for assessing the employees’ level of well-being, so as to allow a closer and more personalized care of their needs and perceptions. The implementation of changes proposed by NR-01 is also part of the agenda, with focus on mapping psychosocial risks, reinforcing the company’s commitment to mental health promotion, and improvement of working conditions. These initiatives are an important step toward strengthening the culture of care, prevention, and valuation of all employees.

Occupational Safety

In 2024, Termomecanica reinforced its commitment to employees’ safety by continuously improving the company’s processes to sustainably enhance quality of life at work. For that, approximately R\$3.3 million were invested in various initiatives. The continuity of machinery and equipment adequacy according to NR-12 was the project deserving greatest highlight throughout the year.

INVESTMENTS IN OCCUPATIONAL SAFETY	2023	2024
Machinery and Equipment Adequacy	R\$ 2,669,373.75	R\$ 2,535,776.14
Training/Qualification	R\$ 79,680.00	R\$ 104,593.44
Implementation of control and monitoring actions	R\$ 35,773.83	R\$ 58,385.85
Safety equipment development	R\$ 4,000.00	R\$ 6,834.82
Ergonomic adequacies at work posts	R\$ 476,356.00	R\$ 533,425.00
Total	R\$ 3,265,183.58	R\$ 3,303,015.25

Once again, the data recorded in 2024 showed a positive evolution toward reducing the frequency rate of accidents, despite the higher number of hours worked; in addition to the reduction by approximately 39% in the number of missed work days and 4.76% reduction in absenteeism. Another extremely positive aspect was the maintenance of an environment free from fatal or disabling accidents.

GENERAL DATA	2023	2024
Total number of hours worked	3,331,813.48	3,398,528.54
Number of missed workdays due to work-related accidents	1,999	1,214
Ratio of Absenteeism	2.1	2.0

WORK-RELATED ACCIDENTS	2023	2024
Accidents with severe consequences	17	17
Accidents triggering mandatory communication	0	0
Ratio of frequency of work-related accidents	5.1	5
Percentage of work-related accidents resulting in death of employees and/or permanent disability	0%	0%

Risk Identification and Assessment

In order to ensure workers’ integrity, compliance with legal obligations, and business sustainability, Termomecanica has deployed a hazard identification and risk assessment process that has been promoting a safer, healthier, and more productive workplace. The starting point was the preparation of a spreadsheet on Hazards, Damages and Risk Assessment of Occupational Health and Safety, which was made with the participation of the workers engaged in the activity.

Then, the mapping of hazards inherent to the activities in the process is made, contemplating the following aspects: “Triggering Event”, “Hazard Identification”, “History of Accidents”, “Level of Significance before the implementation of controls”, “Existing controls”, “Reassessment of Frequency of People’s Exposure” and “Level of Significance after the implementation of controls”. The detailing of each of these aspects enables Termomecanica to assess the actions to be taken, in addition to indicating, analyzing, recording, and informing the site of any new hazards.

The process also includes the NPR calculation, action plan registration, and exposure re-assessment, which is critical to recalculate the NPR and update the hazard identification spreadsheets, which are updated three times a year or as required in case of new indication of hazards or risks, occupational accidents, or inclusion of new machinery and equipment in the sector.

Supporting Activities

With a view to assessing compliance with the legal requirements and internal safety rules, the Occupational Safety team conducts audits and inspections in several working areas within the company. In 2024, it was possible to solve 91% of all risk situations deemed critical, which had been identified and personally point out by employees. In order to expedite such processes, the area started developing an application to make those processes more agile and modern.

Throughout 2024, the development and testing of various pieces of personal protective equipment was also carried out. The highlight was the creation of special clothing, by using new technologies in thermal-resistant fabrics, with aims at enhancing the level of protection and simultaneously providing greater comfort to workers in the Foundry area.

The company frequently conducts training courses that address mandatory themes for compliance with the legislation, in addition to other subject matters focused on the continuous improvement of the system and specific themes on risk processes and areas. In 2024, for instance, 2,796 training hours were devoted for Safe Behavior, Proper Use of Personal Protective Equipment (PPE), Accident Prevention, and Risk Perception, in addition to other actions performed jointly with the Health area, which were previously mentioned.

Employee engagement has been critical to the evolution of data related to the workers' safety, which is fostered through several initiatives put into practice by Termomecanica:

Ergonomics Committee - In an attempt to meet the demands of the Ergonomics Committee, Termomecanica invested approximately R\$534 thousand in the continuation of projects for adequacy of work posts based on data obtained in 2023 Ergonomics Census, which gathers the history of workers' complaints and analyzes production methods and working conditions. Among the main advancements there is the improvement performed on the Divimec Slitter machine with the installation of a servo motor that controls the axis opening and closing, eliminating ergonomic risks as the activity was performed manually until then.

Daily Talks on Safety - Direct communication is one of the main positive points of Daily Talks on Safety (DDS) which, in 2024, addressed 156 themes and started being used on tablets as well, serving most of the productive sectors, streamlining the process, and eliminating the consumption of natural resources. Conducted three times a week, all the contents of DDS are subsequently submitted in the format of eBooks to the leadership in charge of the application of the Daily Talks on Safety in their departments.

Operator Safety at the Machine (Segurança ao Pé da Máquina) — It is focused on awareness and guidance regarding procedures, safety items, standard of behavior, and rules that should be observed to ensure everyone's safety during the production process. In 2024, the Segurança ao Pé da Máquina Program recorded a total of 511 qualifications and 213 short-term training hours, completing then a cycle started in 2021, contemplating 100% of the employees.

Chain for Safety (Corrente pela Segurança) - With a view to fostering active participation by employees from the Administrative and Production departments in identifying risks and behaviors and making suggestions for corrections at the work posts, the Chain for Safety is a spontaneous initiative originating from the employees themselves by proactively pointing out the conditions they consider to be unsafe or which hinder the performance of their activities. The Occupational Safety area receives the card containing the information and, jointly with the area's technical body, maintenance, and engineering, assesses the feasibility of the actions suggested. The feedback is always given to the employee who prepared the Chain for Safety card, with the due justifications and actions for solutions of the risks identified.

To ensure greater efficiency in process management, the Occupational Safety area is supported by a team of seven technicians - three assigned to each manufacturing plant, along with a supervisor. All of them possess in-depth technical education and extensive experience in operations at Termomecanica. The team also includes a safety engineer who leads the management efforts, as well as an administrative assistant, currently undergoing technical training, to compose an experienced team with practical knowledge of both the daily operations and the specific needs of the areas—an aspect that fosters dialogue, cross-sector negotiation, and the effective implementation of expected improvements.

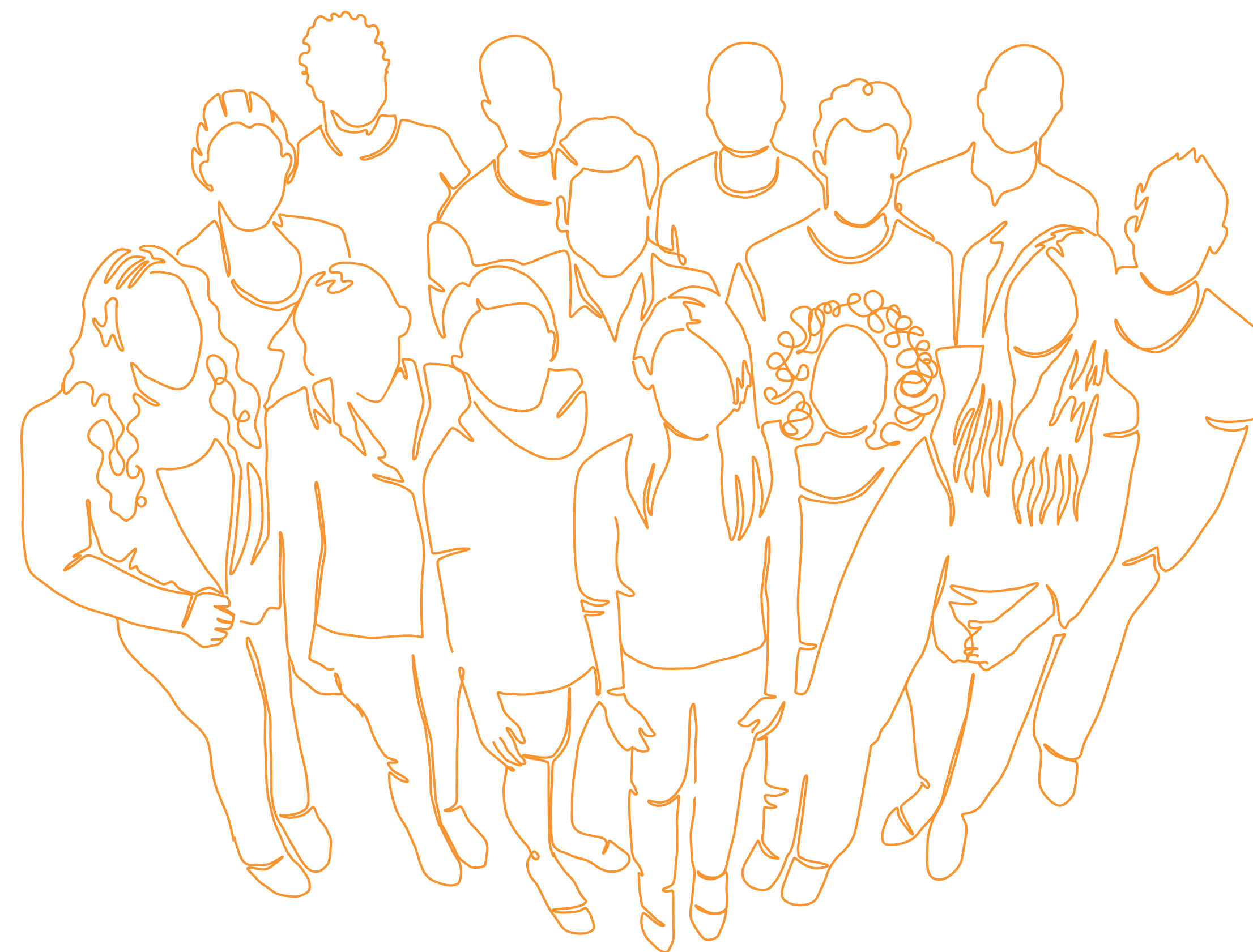
For 2025, in addition to continuing with the project for modernization of machinery in compliance with NR-12, the area will continue using efforts in the pursuit of a behavior-based safety culture, especially by using technological resources in order to further reduce the occurrence of accidents. The intention is to develop other two applications for management of this area, facilitating the performance by Safety technicians.

Support to Communities

The positive impact of social actions funded by Termomecanica is not only restricted to internal personnel and their relatives. Around 30% of the profit obtained annually by the company is directed to its parent company and sole shareholder, Salvador Arena Foundation, a nonprofit civil institution organized under private law that was created in 1964 with a view to conducting activities oriented to social transformation in the education and social areas. In view of its profile, the institution has acquired throughout its trajectory a high level of know-how in projects benefiting not only the communities in which the company is inserted, but also society as a whole across all states of Brazil.

The results attained by Salvador Arena Foundation through the performance of its activities and the direct contribution from Termomecanica have significantly collaborated to social transformation. In 2024, for instance, Salvador Arena Foundation (FSA) invested R\$73.3 million in its own educational projects, funding 100% scholarships for no fewer than 3,231 students from Salvador Arena Foundation Educational Center, 88.7% of them coming from families earning a per capita income of up to three minimum wages.

Another R\$18.5 million was intended for 178 social projects, benefiting 176 nonprofit entities located across all Brazilian states. In parallel, throughout the year, Salvador Arena Foundation provided qualification in management courses, sustainability, and projects to 1,087 managers from social entities. In 2024, overall, 30,987 individuals were directly impacted, while an additional 80,157 were indirectly impacted.





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