

Report
SUSTAINABILITY
2026

Termomecanica

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About the Report

This report brings together Termomecanica's main results and advances in 2025, consolidating a year of work dedicated to generating positive impact in the social, environmental and governance dimensions. It is the integrated output of multidisciplinary technical groups, whose work has been decisive for collecting, validating and monitoring the implementation of the ESG strategy across the organization.

Since its first edition, the report has adopted market indicators aligned with sustainable and socially responsible business, and its initiatives are guided by the company's materiality matrix as a starting point. As part of the ongoing process of evolving and aligning with the best global practices, Termomecanica has been using GRI (Global Reporting Initiative) indicators as a basis for gathering and selecting certain information contained in this document.

The systematic disclosure of results is an essential part of Termomecanica's governance strategy. More than rendering accounts, each edition of this report demonstrates the evolution of indicators over time, enables a comparison between cycles and guides decision-making based on concrete data. Through this transparency, the company strengthens the confidence of its stakeholders, and consolidates its position as an agent of positive impact.

The chapters below detail the indicators, projects and most outstanding initiatives in 2025, reaffirming Termomecanica's commitment to sustainable development and generation of shared value for the market and society.

2025 Highlights

6 plants, **6** distribution centers and **1,827** employees

R$470 million in investments over the year

311 aluminum products and **5,310 copper** products sold

20% increase in CPDE commercial activities

1,518 customers served in Brazil and abroad

1,926 active suppliers over the year

1st place in the "metallurgy and steel" category of veja negócios top 30

90.4% approval in the customer satisfaction survey

19 areas audited by the compliance system

R$8 million invested in technology projects

47.8% increase in investments in environmental initiatives

100% reuse of copper in production processes

Opening of the new TM Soluções unit

R$60 million invested in benefits

R$786 thousand invested in training and development

45 hours of training per employee

97% enrollment in the supplementary private pension plan

R$620 thousand invested in health initiatives

4,787 lives covered by health and dental care plans

34% reduction in paper consumption

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Decisions that preserve and drive growth

We are pleased to present Termomecanica's Sustainability Report for fiscal year 2025. More than rendering accounts, this report reflects the unwavering commitment we make, day after day, to generating shared value, transparent management and the sustainable development of our business.

The year 2025 was marked by a challenging macroeconomic environment, with volatile commodity prices and protectionist pressures on the global scene. In this context, the Board of Directors kept its focus on our strategic objectives, adopting strict measures for cost control, process optimization and preservation of liquidity. The result of this work was the financial strength that enabled us not only to go through adversity, but also to maintain strategic investments and strengthen our institutional mission.

With the support of the Board of Directors, Termomecanica focused on expanding its products, materials and customers as a way to grow even in adverse scenarios. An important milestone was the launch of TM Soluções, an initiative aimed at the consumer and small business segment, broadening our reach and democratizing the access to quality products. The versatility of copper, our main input, reinforces this diversification strategy.

On the environmental, social and governance agenda, we made consistent progress. Receiving the EcoVadis Seal confirmed our compliance with international standards of transparency and sustainable management. We updated our risk matrices, with special attention to the impacts of international tariffs and climate change, strengthening our preventive approach in an increasingly dynamic and complex environment.

Our main capital, however, has been and continues to be our employees. They are directly responsible for the good results we have achieved. This is why we continue to invest not only in initiatives focused on professional development, but also in initiatives related to health, safety and well-being. We invested more than R$60 million in benefits that go beyond legal requirements. Topics such as equity and fair pay remained at the center of our attention, gaining even more strength in our everyday practices.

Termomecanica's strength is built day after day, inside our plants, in the relationship with our employees, in the trust of our partners and in the impact we generate on society through the outstanding work carried out by the Salvador Arena Foundation, Termomecanica's sole shareholder and parent company. Thanks to the company's positive performance, we give value back to society by channeling profits into social transformation projects. That is why we will always remain steadfast, with responsibility, ethics and a vision for the future.



Regina Celí Venancio
Chair of the Board of Directors

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Message from our CEO

Strength, innovation and commitment to the future

Termomecanica São Paulo S.A. closed 2025 with results that reaffirm our strength in the market and confirm our ability to overcome challenges even in an intensely competitive environment. We reached approximately 98% of the budgeted sales volume, exceeding the planned internal budget. As a result, we continue to hold our leading position in the sector, with a 49% market share.

Abroad, to where we send 30% of our production, we faced tariff barriers that required agility and strategy from Termomecanica. In response, we sought new markets and invested in products for less price-sensitive niches, such as the aerospace sector. The highlights of the year included the launch of TM Soluções, a commercial initiative aimed at the B2C segment. Designed in line with our ESG agenda, Termomecanica's new unit broadened the access to our portfolio, selling, in its first seven months of operation, a range of items such as fittings, pipe insulation, refrigerant gases and tools. During this period, it won new customers and expanded its operations to practically the entire national territory, establishing itself as an important business and relationship front with this new audience.

In this context of market diversification and expansion, aluminum also gained prominence in our commercial operations. Throughout 2025, we advanced in consolidating Termomecanica in this market, with growth in sales volume, an expanded customer base and performance in line with the expectations set in the budget. This result reinforces the strategy of expanding our operations beyond copper by leveraging the company's industrial expertise, developing new opportunities, strengthening our presence in new markets and broadening the company's business possibilities.

From an environmental standpoint, 2025 was a milestone in the maturing of our management. Environmental investments grew significantly, and we advanced in initiatives related to waste management and circular economy, through the reuse and better disposal of materials. Our energy performance was also positive: we reduced total electricity consumption by 11.5%, and natural gas consumption by 3.8%. At the same time, we launched our target for reducing Scope 2 emissions by 2035, and advanced in structuring policies and practices related to the climate agenda, which are recognized as strategic for the evolution of our social and environmental maturity.

Digital transformation remained a corporate lever to boost productivity and increase the reliability of information. Last year, we invested almost R$8 million in technology, creating more solid foundations to respond to market demands with agility and precision. Innovation, in turn, consolidated itself as a central component of our value creation strategy. Our Research, Development and Testing Center supported our business with solutions aligned with market needs, recording a 20% increase in its commercial activities.

Undoubtedly, the integration between our operational excellence and the deep social impact promoted by our parent company, the Salvador Arena Foundation, remains the central pillar of our sustainability. This integration ensures that the legacy of Engineer Salvador Arena continues to promote social transformation with efficiency and transparency. We remain confident, certain that the path we have built, based on people, innovation, business ethics, environmental responsibility and financial strength, will take us even further in 2026.



Luiz Henrique Caveagna
Chief Executive Officer



Termomecanica

CORPORATE
PROFILE

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Termomecanica

Founded in 1942 by engineer Salvador Arena, Termomecanica has established itself as one of Brazil's largest privately held companies and a leader in the non-ferrous metal processing sector, particularly copper and copper alloys. Since 2016, it has also produced and sold aluminum items. Recognized for the ethical conduct of its business, the company manufactures semi-finished and finished products, with a diversified portfolio that includes bars, rods, profiles, wires, rolled products and busbars, among others.

Committed to sustainable development, the company maintains ongoing modernization and expansion programs that reflect its traditional strategy of reinvesting profits, strengthening competitiveness and creating jobs. This business model is supported by permanent investments in innovation, people development and the improvement of facilities, ensuring its leading position and its ability to meet, with quality and efficiency, the needs of different economic sectors.

To support its operations, Termomecanica has a plant in Chile, another in Argentina and four in Brazil: one unit in Manaus (AM) and three in São Bernardo do Campo (SP), where its Headquarters and two of its five Distribution Centers are also located. The third distribution center is located in Joinville (SC), and the other three are in North America: two in the United States, one in North Carolina and another in California, and one in Mexico City. In 2025, the company ended the year with 1,827 employees, 1,518 customers served and sales of 311 different aluminum products and 5,310 copper and copper alloy products.



MISSION

"Operate in the business of processing copper and other non-ferrous metals in order to deliver products, services and solutions to meet our customers' needs."

VISION

"To be a leader in the Brazilian market, and hold a growing share of the global market."

VALORES

Out of respect for the memory and teachings of our founder, we uphold the following values:

- Philanthropy
- Social and environmental responsibility
- Ethics and transparency
- Competence and discipline
- Recognizing and respecting people
- Continuous improvement
- Diligence and stewardship
- Pride in belonging to the organization

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Awards and recognition

Last year, Termomecanica's trajectory and performance were recognized by important institutions and benchmark rankings, highlighting the strength of its management, the excellence of its products and services, and the consistent relationship it maintains with customers, suppliers and employees. The main highlights of the period include:

Friorio Tribute:

in recognition of the work carried out in 2025.

Veja TOP30:

1st place in the Metallurgy and Steel category and 259th among the 1,000 largest companies.

Valor 1000:

282nd in the overall ranking, and 4th place in the ranking of the largest companies by current liquidity.

Melhores e Maiores:

290th place in the national ranking.

EcoVadis:

Award of the EcoVadis Sustainability Seal.

Commercial operations

In 2025, Termomecanica's Commercial department maintained a consistent performance and reaffirmed its strategic role in sustaining the company's results in both, the domestic and foreign markets. Total volume sold reached 98% of the annual budget, reflecting strong adherence to commercial planning and the team's ability to adapt to changes in the different markets and segments in which the company operates.

In the domestic market, the company exceeded its target, reaching 101% of the annual budget. In the foreign market, the result corresponded to 90% of the forecast for the period. In this scenario, the tariffs imposed by the United States, one of the main destinations for the company's products on the international market, have impacted our performance in the second half of the year, especially due to their effect on competitiveness and demand, making it difficult to exceed the initially projected annual target.

BUSINESS SEGMENTS

Market	Share (%)
Domestic Market	73%
Foreign Market	27%

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New opportunities

In 2025, Termomecanica maintained its operations in the domestic and foreign markets, with its products present in around 19 countries in addition to Brazil. Throughout the year, the Commercial department also advanced in prospecting and developing new opportunities, notably the expansion into the Asian region, which became part of the portfolio of markets served by the company. This move reinforces Termomecanica's ongoing commitment to market diversification, the expansion of its international presence and the consolidation of its operations in strategic regions.

Another important milestone of the period was the first operating cycle of TM Soluções. Launched in May 2025, the initiative showed growing monthly performance, driven by the stabilization of operations and promotional initiatives. Its portfolio includes 258 items, including accessories such as fittings, pipe insulation, refrigerant gas and tools, strengthening Termomecanica's value proposition in a complementary commercial front. Throughout its first seven months of activity, it won new customers and expanded its operations to practically all Brazilian regions, establishing itself as an important business and relationship front with this new audience.



Market relations

Digital channels continued to play an important role in customer relations, and in managing the commercial journey. Throughout 2025, the B2B Portal recorded around 150 thousand visits to the quotations area, approximately 105 thousand visits to the orders area, around 90 thousand visits to the order book and 23 thousand visits to the raw material statement. At the same time, WhatsApp Business exceeded 80 thousand messages exchanged, evidencing the growing importance of digital channels in bringing agility, convenience and proximity to Termomecanica's commercial services. For 2026, a complete restructuring of the portal is being planned, aiming at improving customer experience.

The department also reinforced its institutional presence through relationship initiatives and participation in strategic events. In the refrigeration segment, the company was present at the main events of the sector, strengthening its relationship with installers and market professionals through technical training, presentation of our new TM Soluções brand, aimed at B2C service, and promotion of the services offered by CPDE – Research, Development and Testing Center (Centro de Pesquisa, Desenvolvimento e Ensaios).

Termomecanica also participated in the main event of the sugar-energy segment, increasing its interaction with professionals in the sector, and promoting its brand and product portfolio. It was also present in institutional events focused on trends and transformations in the labor market, with a focus on preparing the next generation of talents and engaging with students, contributing to their education and professional development.

One of the most remarkable moments of the period, however, took place during COP30, held in Belém (PA). There, Termomecanica supported, together with the Brazilian Aluminum Association, the revitalization of Praça da Bandeira, with improvements such as landscaping, restoration of monuments, construction of a stage and installation of street furniture, lighting and a bicycle rack. These initiatives were aligned with Belém's City Government and the Brazilian Army. As part of the program of Free Zone, a parallel cultural space open to the public during the conference, the initiative combined debates, art and climate education, complementing the official COP30 negotiations and reinforcing the sector's and Termomecanica's commitment to the sustainability agenda.



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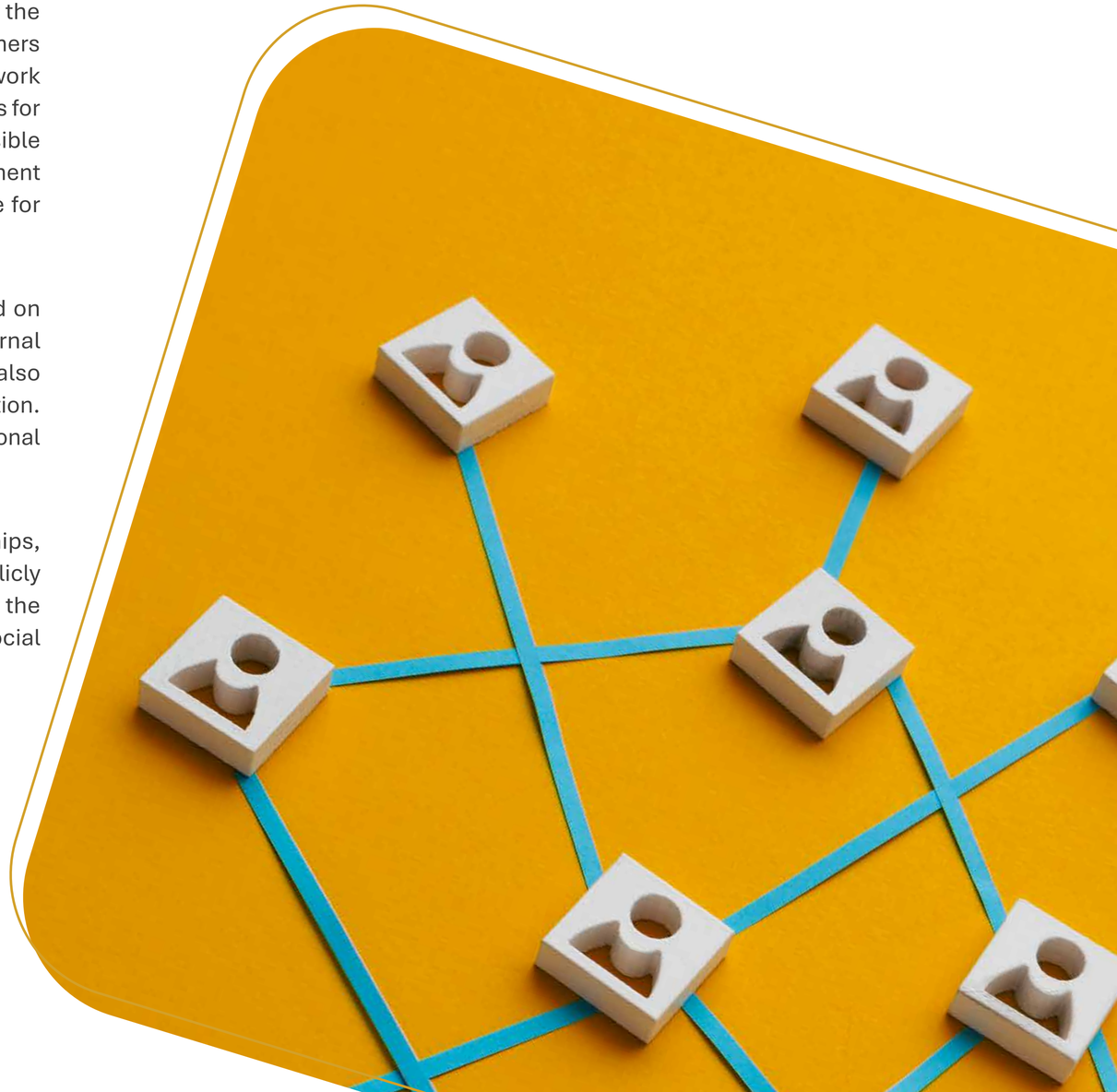
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Supply chain

Termomecanica’s supply chain management is conducted in an integrated manner by the Procurement and Supplies departments, with a focus on the ongoing qualification of partners and on mitigating risks related to health, people’s safety and the environment. This work includes careful control of the acquisition of raw materials, secondary materials, materials for recycling, direct and indirect inputs, as well as the hiring of services. By adopting responsible and ethical practices in its business relationships, Termomecanica reinforces its commitment to sustainable development, corporate governance and the generation of shared value for society.

In 2025, Termomecanica maintained an active base of 1,926 suppliers selected based on strict qualification criteria, in accordance with the “Supplier’s Manual” and other internal regulations. For the company, ‘buying well’ does not only mean optimizing costs, but also protecting its business, ensuring the continuity of operations, and strengthening its reputation. This process helps ensure the standards of quality, integrity and alignment with the institutional values of the company and its parent company, or the Salvador Arena Foundation.

As part of its commitment to transparent, secure and sustainable business relationships, Termomecanica makes the “General Conditions for Supply of Products and Services” publicly available on its corporate website. The document establishes essential guidelines for the efficient use of resources, compliance with legal requirements, and promotion of good social and environmental practices throughout the supply chain.



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Role of the teams

Last year, the Procurement team was responsible for managing 1,818 suppliers, of which 98% were domestic, and 2% international. Termomecanica's connection with local companies remained strong, with approximately 88% of suppliers based in the State of São Paulo. The ABC Paulista region stands out for concentrating a significant group of suppliers and housing the company's three main plants, reinforcing its strategic importance for integration, operational proximity and supply chain efficiency.

Business relationships were formalized through an operating system, with a focus on long-term partnerships and the development of new suppliers, which increases the organization's flexibility and responsiveness to its needs.

The Supplies department worked with a base of 108 active suppliers throughout the year, of which 24.07% were international and 75.93% domestic. Primary raw materials were purchased through long-term supply contracts, which were structured based on annual demand planning, contributing to supply security and operational predictability. Secondary raw materials and materials intended for recycling were acquired through spot purchases, adjusted according to market availability and production needs.

Strategic supply management was essential to ensure the continuity of supply, the quality of the materials used in production processes, and the use of recyclable inputs, contributing to operational efficiency and to the company's commitment to the circular economy and sustainability.

SUPPLIES



- São Paulo: 1,563 suppliers
- ABC Paulista: 492 suppliers
- Other states: 212 suppliers
- International: 43 suppliers

PROCUREMENT



International:

26 suppliers

- Americas: 15 suppliers
- Asia: 2 suppliers
- Europe: 9 suppliers



Domestic:

82 suppliers

- North: 4 suppliers
- Northeast: 3 suppliers
- Southeast: 58 suppliers
- South: 17 suppliers

To support the continuous improvement of processes in both departments, Termomecanica uses the Supply Quality Index (IQF), a tool aimed at identifying failures and opportunities for improvement, with the objective of continuously raising the quality of deliveries and strengthening the development of sustainable partnerships. In 2025, the IQF result among all monitored suppliers was 100.00%, exceeding, in both departments, the established targets of 99.00%. Failure to achieve the expected result in this indicator may lead to the disqualification of the supplier.

BUSINESS STRATEGY

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Our business vision

Based on integrated management, Termomecanica guides its operations by the continuous pursuit of excellence, competitiveness and long-term value creation. This direction supports not only the company's leading position in its segment, but also its important presence in the copper value chain, in an increasingly dynamic and challenging market context.

As a central instrument of this process, the Integrated Management System provides the basis for the permanent monitoring of processes, the coordinated definition of indicators and targets, and the alignment of the different departments around common priorities. More than an operational monitoring model, it is a structure that strengthens the company's ability to anticipate trends, respond quickly to market changes, and support decisions consistent with its business strategy.

In this context, continuous investments in innovation, research, people development and digital transformation play a decisive role in improving processes, advancing the solutions offered to the market, and ensuring the longevity of the business. Closely monitored by senior management, this movement reinforces a culture of consistent, disciplined evolution connected to the challenges of the present and the opportunities of the future.

The Integrated Management System Policy, which guides Termomecanica's operations, has served as a source of inspiration and learning for building its ESG strategy, in addition to being essential for getting and maintaining the certifications most valued by the market. More than demonstrating compliance with technical and regulatory requirements, these recognitions evidence the soundness of the company's management, the strength of its processes, and the consistency of an organizational culture guided by continuous improvement, operational discipline and permanent pursuit of excellence.

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.

Certifications

IISO 14001	ISO 45001
ISO 9001	ISO IEC 17025
ISO 50001	AS9100D

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Strategic partnerships

Strengthening Termomecanica's operations and its relevance in the copper value chain also involves building important institutional partnerships. The company's active participation in different types of institutions and industry groups helps foster strategic relationships, promote the exchange of knowledge, stimulate technological innovation, and support sustainable industrial development. In these forums, Termomecanica acts based on ethics, integrity and transparency, in line with its organizational values, human rights and its commitments related mainly to energy transition and circular economy. In 2025, partnerships with the following institutions stood out:

- State of São Paulo's Industry Center (CIESP);
- Brazilian Copper Association (ABCOBRE);
- Union of Electrical Conductors, Wire Drawing and Rolling of Non-Ferrous Metals Manufacturers of the State of São Paulo (SINDICEL);
- Brazilian Aluminum Association (ABAL);
- Federal Institute of São Paulo (IFSP);
- Federal University of ABC.

Digital transformation and evolution

Termomecanica is advancing in its digital transformation processes, guided by pillars that sustain the competitiveness and continuity of the business: people, processes, data, governance and technology. In practice, these foundations enable the company to transform technology into industrial capacity, operational integration and consistency in decision-making. All of this is supported by a long-term vision, connected to purpose, operational efficiency and the ability to better serve customers, reinforcing the role of technology as a structuring element in the evolution of the business.

More than modernizing tools, Termomecanica has been treating digital transformation as a corporate lever to boost productivity, increase the reliability of information and create more solid foundations to respond to market demands with agility and precision. To this end, around R$8 million were invested in 2025 in physical infrastructure, acquisition of systems, training and cybersecurity, among others. At the same time, the company deepened its reflection on technology architecture, considering aspects such as flexibility, scalability, control and cost discipline.

Part of this investment was directed to the evolution of manufacturing processes. The importance of th
is initiative lies precisely in its ability to make operational management more agile, improve real-time recording of information, and strengthen the traceability of production processes. As part of a broader agenda of integration between systems and departments, this advance illustrates an important characteristic of Termomecanica: the pursuit of greater consistency in corporate data and reduction of the risk of parallel or divergent readings of the operation.

Another highlight of 2025 was the adoption of artificial intelligence to support efficiency, analysis and the automation of company routines. Termomecanica has been structuring this topic gradually, because it understands that innovation only generates consistent results when it is supported by reliable data, clear usage criteria and an organizational culture prepared to incorporate new solutions responsibly and safely.

The main initiatives carried out in the period include projects related to the expansion of MES (Manufacturing Execution System), implementation of APS (Advanced Planning & Scheduling), robotization of production lines, B2B platform, resilience and cybersecurity, and the recycled material use optimizer, as well as to corporate mobility and value chain digitalization projects.

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Innovation, knowledge and competitiveness

Supported by pillars such as the development of solutions with industrial-scale application, adding value to the business, optimization of co-products and strengthening of technical knowledge, Termomecanica's Research and Development department translates the concept of 'innovation' as the ability to transform expertise into concrete responses to technological, regulatory and market needs.

Throughout Termomecanica's trajectory, innovation has become a central component of the strategy for value creation, strengthening competitiveness and adapting to transformations in the industrial sector. This direction materializes in the work of the Research, Development and Testing Center, which is structured to support the business through solutions aligned with market needs capable of combining industrial scale, performance and differentiation. In 2025 alone, CPDE's commercial activities grew 20% compared to 2024.

To achieve impressive results like this, Termomecanica's innovation management coordinates short- and long-term fronts, promoting the continuous improvement of the product portfolio through the creation of new alloys, applications and technical knowledge. At the same time, this work allows the company to reinforce attributes such as quality, reliability and operational resilience. The main highlights of 2025 include the development of alloy 676 (Manganese Bronze with Tin), aimed at the foreign market, and the consolidation of the E-01 brand, a lead-free machining brass solution.

Strengthening our infrastructure also played an important role in 2025. The incorporation of new equipment, such as a microwave digester and an automatic cutting machine, increased analytical precision, testing capacity and support for the development of materials and processes. At the same time, the conduction of works, with collective assessment of risks and impacts, reinforced the consistency of our innovation processes and their adherence to the company's governance practices.

The connection with academic centers of excellence was another factor directly associated with Termomecanica's advances last year. Partnerships with institutions such as the Federal University of ABC and the Federal Institute of São Paulo contributed not only to the production of applied knowledge, but also to strengthening the competences required to develop more complex solutions.

Although being already considered a benchmark in Termomecanica's segment, in 2025, CPDE further increased its visibility by acting as sponsor and exhibitor at the Brazilian Congress of Manufacturing Engineering (COBEF), in line with the strategy of expanding the brand's presence among the academic and research community in the country. The company was also present at the Fenasucro and Febrava trade fairs, focusing on meeting the analytical needs of the industrial sector.

The qualification of the team, made up of 42 employees, has been a key factor in the excellence of the work carried out by CPDE. The team includes university-educated professionals and specialists at different postgraduate levels, including a master's student, and holders of master's degrees and PhDs. Their years of service at the company – 21% have worked at Termomecanica for more than 20 years – also contributes to these results, by favoring knowledge retention and qualified support for innovation processes.



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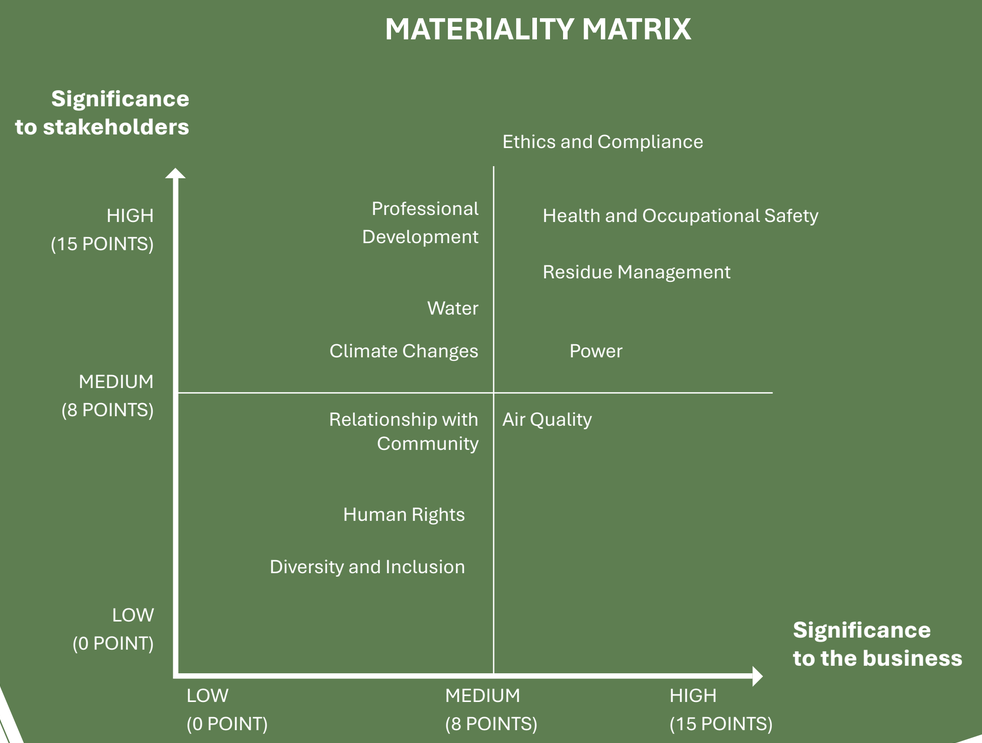
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A journey of achievements

The construction of Termomecanica's ESG strategy arose from the formalization of a commitment that, in practice, was already part of the company's trajectory. Although having begun in 2022, topics related to environment, social responsibility and governance were already part of the organization's way of operating. The challenge, therefore, was not to introduce an entirely new agenda, but to consolidate these fronts into a strategic, structured vision aligned with the future of the business.

To this end, the company conducted a process of listening and analysis with internal and external stakeholders, mapping risks, opportunities and perceptions about the ESG agenda. In 2023, this assessment was deepened through benchmarks and interviews with strategic stakeholders, broadening understanding of the topic in the value chain and in the company's relationships with the market. The conclusions of this process were discussed with the leadership, resulting in the definition of the organization's main value levers and the consolidation of Termomecanica's Materiality Matrix, which brings together eleven topics considered priorities for the business, based on their financial, operational, reputational and strategic impacts.



These topics are aligned with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, one of the references that guide its sustainability projects. Due to its dynamic nature, the matrix may be reviewed periodically, in order to keep up with changes in the business environment and the evolution of the organization's priorities.

MATERIAL THEME	POSITIVE IMPACTS	SDG
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 having 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	SDG
Health and Safety	We care for 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 are actions carried out internally, through Salvador Arena Corporate University, or developed by competent institutions that add value and qualification to our work teams.	
Relationship with Community	The annual profit is allocated to our parent company and sole shareholder, 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 merchandise supply agreements and/or service agreements, 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.	

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Ongoing and transparent dialogue

Termomecanica maintains an ongoing, transparent and structured relationship with its stakeholders, thereby helping to broaden understanding of expectations and requirements, strengthen bonds of trust and give visibility to its initiatives. This process supports the identification of risks and opportunities related to environmental, social and governance topics, while also enabling the company to anticipate needs, prevent potential operational, labor and social and environmental conflicts, and keep up with cultural, regulatory and market changes.



EMPLOYEES

- Corporate WhatsApp
- Telephone and e-mail
- Corporate TV
- Corporate Portal
- Digital Bulletin
- Website and social media
- Endomarketing campaigns
- Climate research
- Ethics channel



CLIENTS

- Corporate WhatsApp
- Telephone and e-mail
- B2B Business Portal
- In-person and online meetings/visits
- Events/ Fairs /Exhibitions
- Promotional material
- Customer Service (SAC) and opinion polls
- Website and social media



SUPPLIERS

- Corporate WhatsApp
- Telephone and e-mail
- In-person and online meetings/visits
- Quality Index Research
- E-procurement
- Sustainability Report
- Website and social media
- Ethics channel



SHAREHOLDER

- Telephone and e-mail
- In-person and online meetings
- Sustainability Report
- Website and social media



UNIVERSITIES/ SCIENTIFIC COMMUNITY

- Telephone and e-mail
- In-person and online meetings/visits
- Partnerships in projects
- Support to scholarships
- Publication of scientific articles
- Website and social media
- Equipment and resource donation



PRESS

- Telephone and e-mail
- Articles and press releases
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- Website and social media
- Sustainability Report



SOCIETY

- Financial statements
- Website and social media
- Ombudsman channel
- Ethics channel



SECTORIAL ENTITIES

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EcoVadis, an important advance in our trajectory

In 2025, Termomecanica received the EcoVadis Committed Badge, a result that evidences the company's progress in managing environmental, social and governance indicators, based on criteria related to policies, actions, monitoring and transparency. More than an external recognition, the assessment represented an important milestone in the process of consolidating sustainability at Termomecanica, based on benchmarks widely recognized on the international scene.

Since 2024, the platform has been contributing to the structuring of a more comprehensive monitoring system, supported by metrics comparable to global benchmarks and aimed at a more consistent reading of the company's performance and opportunities for improvement. In this context, receiving the EcoVadis Committed Badge reflects not only Termomecanica's adherence to internationally used sustainability assessment parameters, but also the maturing of its internal ESG monitoring, reporting and management mechanisms.



Sustainable industrial modernization

Throughout 2025, Termomecanica remained focused on industrial modernization, increasing operational efficiency, and improving practices related to the sustainability and reliability of processes. In this context, the company developed projects aimed at upgrading equipment, improving production conditions, and strengthening operational management, with significant impacts on performance, quality, safety and more efficient use of resources.

The main highlights of the period include investments in the modernization of furnaces, the overhaul of equipment in the aluminum operation, the installation of a heat treatment furnace, and the improvements made to the production of round copper wire, with advances in safety, speed and quality. At the same time, the ongoing migration to SAP was an important front supporting the modernization of internal processes and the strengthening of operational management. These initiatives aimed not only at expanding production capacity, but also at improving the industrial process. The modernization of equipment, especially furnaces, helps raise operational efficiency, with potential to increase production without a proportional increase in energy consumption, as well as reducing waste.

Advances in automation and electronic monitoring, using more sophisticated sensors and controls, also favored greater operational stability, traceability and standardization, while reducing the exposure of professionals to more critical manual activities. At the same time, the company continued to monitor indicators such as overall efficiency, customer complaints, scrap rates and process losses, with a focus on improving results.

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Strengthening the supply chain

In 2025, Termomecanica advanced in the discussion on adopting environmental and social criteria in the management of its supply chain, reinforcing the strategic role of the Procurement and Supplies departments in the evolution of the company's ESG agenda. The period was marked by the assessment of initiatives aimed at supplier qualification, incorporation of social and environmental commitments into business relationships, and improvement of mechanisms for monitoring and engaging the chain. This work reflects the understanding that the sustainability of the business also depends on the ability to positively influence partners and promote greater alignment with ethical, environmental and social standards throughout the value chain.

The main advances of the year include the drafting of ESG clauses for supplier contracts and the development of specific instruments to support the consolidation of this agenda, such as the structuring of a Supplier's Code of Conduct, the need to review the Supplier's Manual and the preparation of a sustainability-focused self-assessment questionnaire. From a Governance standpoint, efforts to map and engage the chain also advanced, with visits to partners aimed at validating good practices. This movement has been important to support the gradual awarenes-s-raising of suppliers that still have low maturity in ESG topics.

From an environmental standpoint, we advanced in studies on adopting criteria related to sustainable procurement and the management of materials with circularity potential, with emphasis on prioritizing recyclable products and scrap of verified origin. The traceability of the origin of these materials remained a central aspect of management, including the monitoring of the controls applicable to import processes, reinforcing Termomecanica's commitment to responsible procurement practices.

Simultaneously, the integration of the Procurement and Supplies departments with different areas of the company contributed to progress in the industrial waste management process, reducing disposal to landfills and increasing the reuse of waste such as refractories, used oils, sludge and other by-products, generating environmental and economic gains. In addition, important foundations were laid for the coming cycles, such as progress in building a sustainable procurement policy, expected to be drawn up in 2026.



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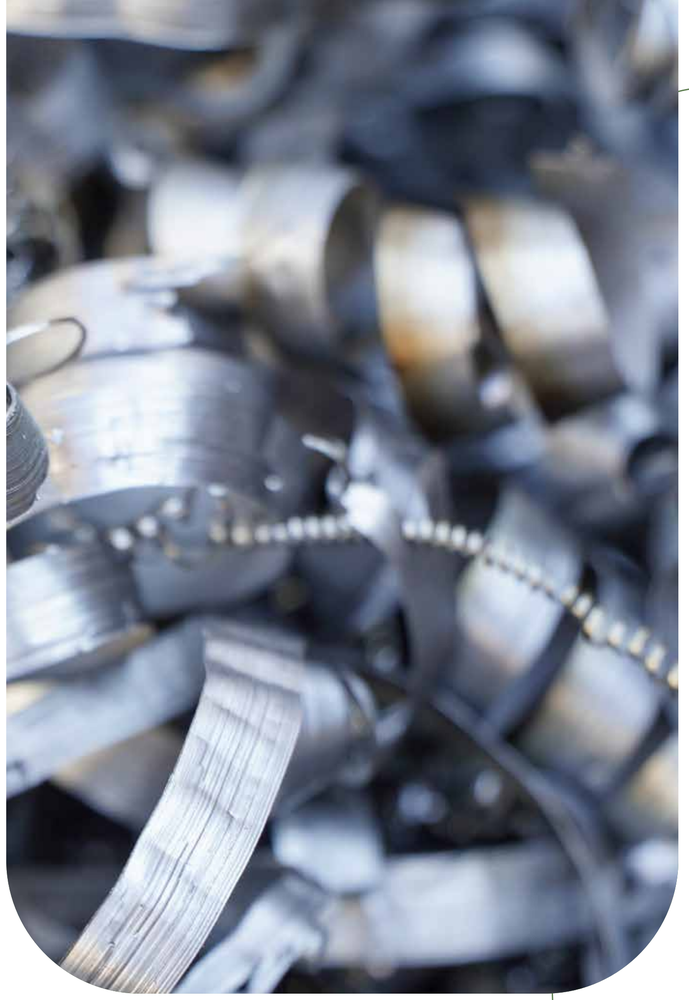
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TM Soluções: responsible origin and local development

TM Soluções, in operation since 2025, was developed in line with the principles that guide Termomecanica's ESG agenda, broadening access to products of sustainable origin, manufactured under strict social, environmental and governance standards, that is, maintaining Termomecanica's standard of excellence. With this initiative, the company reinforces its presence in the domestic market through a model that combines proximity to the customer, availability, quality control and better use of materials.

With an initial focus on the sale of rods, bronze, copper and brass tubes and accessories, TM Soluções was structured to gradually expand its portfolio, later incorporating copper and brass rolled products, busbars, aluminum tubes and other related products. This structure expands the capacity to serve segments such as refrigeration, machining, general installations, civil construction, mechanics, metallurgy and accessories, as well as distributors, reinforcing a value proposition based on access, reliability and proximity to the market.

Strategically located in São Bernardo do Campo, close to the company's three plants, the new unit helps expand the brand's commercial reach, facilitate access for customers from the capital, the ABC Paulista region and the Baixada Santista region, and favor logistics efficiency, with products available for immediate delivery. The operation also broadens access to high-quality materials for small professionals and businesses, such as air-conditioning installers, self-employed machinists and neighborhood workshops, contributing to the strengthening of local economic activity. Despite this strong local character, TM Soluções' operations reached more than 20 Brazilian states in 2025.

In a segment in which the distribution of metals and scrap often coexists with informality, TM Soluções stands out by assuring consumers about the sustainable origin of the materials, and by strictly auditing all operations carried out in person with the public. Proximity to the plants also favors closer integration with the production process, helping ensure that the products offered in the B2C sphere follow the same strict quality and reliability standards that characterize Termomecanica's operations in the B2B market.

For 2026, our plans are even more ambitious. The idea is to begin buying back scrap generated by customers. Thus, all offcuts, cutting leftovers and chips generated when cutting metals to size will return entirely to the plants, ensuring a zero-waste model at the point of sale. As a result, the operation will incorporate practices of circularity, control and responsible origin into its commercial dynamics, while contributing to strengthening economic activity in its surroundings and to a closer and more structured relationship with the consumer market.



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Ongoing evolution

The year 2025 was a milestone in the maturing of Termomecanica's environmental management processes. The period was characterized by the strengthening of indicator monitoring and formalization of guidelines that go beyond operational compliance, positioning sustainability as an important pillar of competitiveness. The volume of investments reflects this commitment, with significant growth of 47.8%.

Decarbonization strategy

Termomecanica's climate agenda reached a new level in 2025, with the preparation and validation of the Greenhouse Gas (GHG) Emissions Management Policy. The document establishes the strategic direction for the company's decarbonization, promoting progressive targets for a significant reduction in its emissions over a horizon up to 2035, using 2024 as the base year. To ensure data integrity, the emissions inventory underwent specialized technical verification based on the requirements of NBR ISO 14064 standard.

Although 2025 was an year of regulatory structuring and planning, Termomecanica projects progressive developments with targets starting in 2026, evidencing that the robustness of the current policy will serve as the foundation for tangible operational results in the coming cycles.

Energy management

Electricity consumption (kWh) fell 11.5% compared to 2024. One factor that contributed to this was the solar photovoltaic generation installed at one of our units. The site, which already used incentivized energy in its processes, became a model for the other plants, especially with regard to projects based on low-carbon management. Natural gas consumption (m^3), in turn, fell 3.8% compared to 2024. Efficiency work in the production process has been contributing to better use of resources.

Water resources management

Termomecanica also advanced in initiatives aimed at preserving water resources, combining operational discipline, awareness campaigns and investments in infrastructure, such as the new rainwater intake system installed at Plant I.

The 2025 indicators reveal a positive trajectory: total water intake fell 8.6%, while water intensity improved by 2.9%. As important as the reduction in intake was the efficiency at the outlet, with water discharge falling 14.1%. These results prove the importance of consolidating an operation that is increasingly resilient and less dependent on external and underground sources.

Waste management

In 2025, Termomecanica invested in initiatives aimed at reducing waste generation and increasing the use of materials. The total volume fell 10.5% compared to 2024, in both hazardous waste (8.4%) and non-hazardous waste (12.1%). There was also an improvement in disposal: the volume sent for recycling increased 20.7%, while the amount sent to landfill was reduced by 62.8%.

These results show a consistent evolution in the way waste is handled, with greater emphasis on reuse alternatives and less dependence on final disposal. In this context, the 42.9% drop in disposal costs accompanies more efficient management aligned with adding value to materials.

Other fronts

Certified to ISO 50001, Termomecanica carries out selective waste collection at all units and addresses environmental issues on an ongoing and multidimensional basis. In addition to promoting internal communication initiatives and training that connect employees' activities to the environmental impacts associated with them, it also holds the Environment Week every year. In 2025, the program included topics such as Carbon Footprint and Sustainability.

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Circularity and eco-efficiency

At Termomecanica, innovation also advances with a focus on initiatives related to circularity, efficient use of resources and development of materials with lower environmental impact. This movement keeps pace with the evolution of market needs and strengthens the portfolio's adherence to technical, regulatory, and social and environmental requirements that are increasingly important to industry.

The search for solutions aligned with the zero-landfill concept, through the reuse, reprocessing and better disposal of materials, resulted in innovative initiatives. In this context, the treatment given to oxide stood out, as it is now recognized as a product in the operating license, contributing to the improvement of environmental management practices.

Termomecanica also continued to strengthen its management system, notably with the ISO 14001 certification obtained by the Manaus Unit, in addition to advance in the preparation of the other plants for future certification cycles.



Green IT and responsible use of resources

The incorporation of more sustainable practices into technology management was another highlight for Termomecanica in 2025, proving that ESG practices extend beyond operational issues, also involving the way the company organizes its processes, directs its resources and improves its internal routines.

In this context, initiatives aimed at digitalizing workflows, rationalizing technology infrastructure and making more judicious use of corporate assets gained relevance. The 34% reduction in paper consumption through the digitalization of processes, the optimization of infrastructure and the proper disposal of electronic equipment illustrate an approach guided not only by efficiency, but also by the adoption of more responsible practices aligned with conscious management of resources.

By incorporating these advances into the routine of the technology department, Termomecanica reinforces that its ESG agenda also materializes in day-to-day management decisions, in the ongoing review of processes and in the search for greater consistency between operations, responsibility and long-term vision. More than one-off initiatives, these fronts reflect a gradual evolution of our corporate culture, in which sustainability and efficiency become increasingly integrated.

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In-house packaging production and rationalization of inputs

Another area that gained depth in 2025 was the in-house manufacture of packaging, which was addressed by Termomecanica from the perspective of recycling, circular economy and responsible use of resources. By bringing part of this process in-house, the company increased its control over materials, specifications and flows, while opening up room to review solutions from an environmental and production standpoint.

This topic goes beyond logistics: it involves process design, waste reduction, rationalization of input consumption, and the possibility of incorporating materials with greater potential for recycling and reuse. In an industrial context, this decision reflects a more strategic vision of sustainability, in which efficiency and environmental responsibility go hand in hand.

Focus on ecological materials and products

The highlights for 2025 also include the consolidation of the E-01 brand, a lead-free solution that expands the company's portfolio with an alternative aligned with the transition to safer materials compatible with environmental and regulatory requirements. The initiative evidences Termomecanica's ability to incorporate sustainability attributes into product development, without sacrificing technical performance, quality and competitiveness.

This direction also connects with important trends in the sector, such as the advance of urban mining and the growing use of recycled raw materials. In this context, the company reinforces a historical trajectory focused on a more efficient use of resources and on expanding solutions capable of responding to the new requirements of customers and markets in areas such as recycled content, traceability and environmental attributes.

Eco-efficiency is also reflected in the way Termomecanica conducts the development of materials. Strict control of chemical composition and attention to performance throughout the product application cycle contribute to solutions that are more reliable, durable and compatible with the environmental criteria that are increasingly present in the sectors served. This same logic guides the assessment of the replacement of raw materials and inputs with lower-impact alternatives, considering aspects such as quality, availability, cost and security of supply.

Another central aspect of this work is the use of recycled raw materials as part of the company's technological and operational logic. This direction reinforces circularity, favors efficiency gains and broadens Termomecanica's inclusion in production chains that value sustainability attributes, especially in segments such as automotive and energy. The dissemination of these solutions also involves the relationship with customers. In this regard, the company has supported the adoption of new alloys, helping to broaden technical knowledge about materials with better environmental performance and favoring their application in different industrial contexts.

Sustainability-oriented innovation produces positive effects on the organization of internal knowledge. The restructuring of the raw material department, another important advance in 2025, helped strengthen the transfer of knowledge to new professionals, increasing technical continuity and support for the development of more robust solutions suited to the current challenges.

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Our main capital

Termomecanica's reputation as a company committed to social impact is no accident: it is built day after day, at the plants, and in the relationship with each employee. Topics such as diversity, professional development, fair pay, benefits, health and safety remained at the center of attention, gaining even more strength and consistency in everyday practices. All the initiatives put into practice are based on three pillars that have been guiding the company's social management work.

The first is the "Employee Experience," which seeks to promote an environment that values people through practices for attracting, onboarding, compensating, providing benefits, recognizing, ensuring quality of life and retaining talent. The second is "People and Leadership Development," focused on technical and behavioral training, supporting professional growth, preparing successors and encouraging a culture of continuous learning. The third is "Culture, Strategy and Organizational Transformation," which strengthens the company's culture, supports the execution of the strategy and drives internal communication, innovation and transformation, aligning people and business.

In 2025, these pillars translated into concrete initiatives that marked the year. One of them was the expansion of digital learning through Udemy Business. Termomecanica expanded the use of the platform to democratize access to knowledge and encourage employees to take the lead in their own development. With updated content in a variety of areas, the initiative enabled each professional to develop skills aligned with the organization's current and future demands, from technical to behavioral knowledge, including leadership. The result was the strengthening of the learning culture, an increase in internal employability, and the training of professionals better prepared to support the strategy and transformation of the business.

Another notable movement was the review of the salary structure, carried out in partnership with one of the largest global consulting firms specializing in people management and compensation. The project involved analyzing market practices, evaluating positions and updating salary ranges, ensuring greater alignment between job responsibilities, organizational strategy and industry trends. The initiative reinforced the transparency of compensation processes, promoted internal equity, and contributed to attracting, retaining and developing talent, strengthening people management governance and reaffirming the commitment to sustainable practices that value employees.

The results of these efforts are also shown in the numbers: 99.18% of performance appraisals were carried out with feedback to the teams, and 80% of the PDIs proposed for the year were achieved. These indicators show not only engagement, but the consistency of management committed to the growth of each professional.

In each move, we seek to ensure that all applicants and employees have the same conditions to develop their skills and build their careers, regardless of gender, race, ethnicity, religion or any other characteristic. More than following a principle, this is about recognizing what is unique in each person and creating an environment where this can strive.



Balanced renewal

Termomecanica ended 2025 with 1,827 employees, including permanent and temporary employees, interns and apprentices, a workforce made up almost entirely of professionals with permanent, full-time contracts. The vast majority (98.63%) remains concentrated in São Bernardo do Campo, where three of our four Brazilian plants are located. The year was marked by consistent advances in diversity: women's participation increased for the third consecutive year, reaching 9.14% of the workforce. In terms of age, the 30-to-50 age group continued to be the core of our workforce, but the major highlight was the increase in professionals over 50, who reached their highest share in the last three years, a movement also driven by hiring, since a significant portion of new hires belongs to this age group, indicating a concrete appreciation of experience and age diversity.

GENERAL DATA	2023		2024		2025	
Total	**1,791**	**100%**	**1,930**	**100%**	**1,827**	**100%**
By gender						
Men	1,646	91.90	1,766	91.50	1,660	90.86
Women	145	8.10	164	8.50	167	9.14

The length-of-service profile reinforces the strength of retention at Termomecanica. The most experienced brackets account for most of the workforce, particularly employees with 10 to 20 years with the company (33.6%) and those with more than 20 years (13.9%). On the other hand, professionals with less than one year with the company represent 7.8% of the total. The predominance of employees with longer careers evidences the organization's ability to retain talent and preserve knowledge. At the same time, the workforce is renewed mainly through entry-level positions, with emphasis on apprenticeship and internship programs that contribute to the training of new professionals and to the long-term sustainability of our business.

TEMPO DE EMPRESA	2023	2024	2025
Total de empregados	**1,791**	**1,930**	**1,827**
Tempo médio:	**10 years**	**11 years**	**9 years**

Staff turnover, considering hires and terminations, shows that the team is renewing itself in a balanced way, while the retention of the most experienced professionals is strengthened. The most significant figure came from new hires: practically one out of five people hired in 2025 was a woman, reinforcing our commitment to gender diversity and consolidating an organizational environment that is increasingly mature, diverse and committed to the long term.

MOVEMENT OF PEOPLE	2023		2024		2025	
Total hirings	**214**	**100%**	**410**	**100%**	**208**	**100%**
Por gênero						
Men	172	80.37	353	86.10	168	80.77
Women	42	19.63	57	13.90	40	19.23
Total terminations						
By gender	**272**	**100%**	**276**	**100%**	**311**	**100%**
Men	242	88.97	237	85.87	274	88.10
Women	30	11.03	39	14.13	37	11.90

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Plural, diverse and inclusive

Plurality is not just a value at Termomecanica, but also a driver of innovation and growth. When different generations, perspectives and experiences come together, the result is a richer, more creative environment that is better prepared for the challenges of the future. Several 2025 indicators illustrate how the company has been evolving in this regard.

Last year, Termomecanica had 89 people with disabilities integrated into its teams. The inclusion of these professionals begins long before the first day of work: everything starts with a risk mapping report, which enables the company to prepare the environment, adjust the necessary conditions and ensure that each person has the right tools to develop their full potential. This same attentive approach to plurality was reflected on other fronts throughout 2025. Age diversity, for example, was one of the highlights for the period. The number of professionals over 50 grew significantly in the workforce, and the advance was even more remarkable in Supervision and Coordination positions, which rose from 4.57% to 9.96% among employees over 50. In this same category, a significant increase was also recorded in the number of employees between 30 and 50. Among the youngest, the number of interns more than doubled, rising from 8 to 19. These figures show how different generations can find space and build careers in our company.

Driven by hiring, women's participation continued to advance, with growth mainly in Supervision and Coordination positions and in the Technical/Administrative staff. In a historically male-dominated sector, each step in this direction represents not just a number, but the building of a more balanced and representative environment.

WOMEN'S PARTICIPATION IN THE ORGANIZATION	2023		2024		2025	
Total of women	**144**	**100.0%**	**164**	**100,0%**	**168**	**100%**
Board, Presidency	4	2.76	4	2.44	4	2.38
Executive Board/Management	3	2.07	3	1.83	3	1.78
Supervision/Coordination	4	2.76	5	3.05	7	4.17
Technical/Administrative	89	61.38	90	54.88	96	57.14
Operational	40	27.59	55	33.54	47	27.98
Interns	4	2.76	7	4.27	11	6.55

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Talent management

Valuing those who are already in the company, while opening doors to newcomers: this is the balance that guides talent management at Termomecanica. In 2025, the company gave priority to filling vacancies through internal mobility, a model in which opportunities are first offered to its own employees, enabling promotions and transfers between different departments and career levels. Of the 195 vacancies opened during the year, 76 were filled internally, a figure that reflects the recognition of our employees' potential and dedication.

This practice generates a virtuous cycle: by moving internal talent, new entry-level positions are opened and often filled by former apprentices and new professionals, strengthening talent development and employability. More than filling vacancies, this model contributes to knowledge retention, team engagement and building a culture of continuous development.

Two other initiatives have been essential in the search for new talent. The Internship Program combines practical experience with a digital platform of technical and behavioral content, preparing young people for the next steps in their careers. In 2025, 10 interns were recruited for 10 different areas, including Administration and Production, and 4 were hired as permanent employees.

Equally important, the Apprentice Program benefited 87 young people aged 16 to 23 in 2025, 17 for administrative areas and 60 for Production. All of them come from families with per capita income of up to one and a half minimum wage. Run in partnership with the Salvador Arena Foundation and Senai, the program focuses on guiding and developing those taking their first steps in the labor market.

By investing in internal progression and integration of young professionals, Termomecanica not only reinforces its commitment to sustainable people management, but also promotes growth, inclusion and career opportunities at all levels of the organization.

Training and Development

Termomecanica maintained an intense pace of initiatives related to training and corporate education. Investments totaled R$780 thousand in 2025, with training carried out both internally and with external providers. Continuous learning is treated as a determining factor for business success, and this is also reflected in strategic topics such as sustainability: 686 employees participated in the "Nossa Bússola" (Our Compass) development track, which addresses ESG from the moment of hiring, reaching Termomecanica's employees and suppliers.

Overall, there were more than 97 thousand hours of training in 2025, a figure that remains close to the record level of 2024, a clear sign that the learning culture remains solid. Each employee accumulated, on average, 45 hours of training over the year, practically the same level as the previous year and more than four times the figure recorded in 2023. These data show consistency: this is not a one-off effort, but an ongoing commitment to team development.

From a quantitative standpoint, the highlights for the year were the training hours among women, which jumped significantly from 17.8 thousand to 26.5 thousand, a growth that accompanies the advance of women's participation in the company and reinforces the commitment to equity. At the Manaus unit, training hours almost tripled, rising from 679 to 1,883 hours, also broadening access to knowledge outside the headquarters.

Also noteworthy is the significant growth among interns and apprentices: together, they jumped from 469 hours in 2024 to almost 16 thousand in 2025, showing that the training of new talent gained even greater priority.

Overall, the profile of employees in terms of formal education also evolved. The number of professionals with higher education rose from 288 to 362, and those with a postgraduate degree or MBA went from 158 to 191. In 2025, Termomecanica expanded its education classification to include master's and doctor's degrees, something that had not been previously recorded separately. These data reflect an increasingly qualified workforce prepared for the challenges of our business.

EDUCATIONAL PROFILE	2023		2024		2025	
Total of permanent employees	**1,628**	**100%**	**1,804**	**100%**	**1,827**	**100%**
Middle school diploma	10	0.6	11	0.6	10	0.55
High school diploma	957	58.8	1,120	62.0	1,079	59.06
Technical education diploma	219	13.5	227	12.6	178	9.74
Higher Education	296	18.2	288	16.0	362	19.81
Postgraduate Degree /MBA	146	9.0	158	8.8	191	10.45
Master's degree	-	0.0	-	0.0	4	0.22
Doctoral degree	-	0.0	-	0.0	3	0.16



To keep its workforce increasingly qualified, Termomecanica encourages the pursuit of knowledge through programs ranging from language learning to academic education, including internally created technical tracks. In 2025, these benefits remained pillars of the company's development strategy.

FOREIGN LANGUAGE COURSES – They benefit employees who use the foreign language in their activities, with an expected reimbursement of 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 reimbursement ranging from 40% to 100% of the cost of the college, postgraduate degree, MBA or master's degree program is granted, as of the first year of undergraduate studies, to employees who have been working for the company for at least one year and meet the following requirements: correlation between the course 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.

Corporate University and Cultural Space

Termomecanica's training and development processes are strongly supported by the Salvador Arena Corporate University (UCSA). Maintained by Termomecanica's sole shareholder, UCSA brings together four schools focused on developing essential competences for Termomecanica's employees, partners, customers and suppliers. In 2025, they accounted for 97,292 training hours and totaled 16,620 attendances, figures that reflect the reach and capillarity of corporate education in the company.

Taught by internal or external instructors, the courses are always aligned with the Individual Development Plan (PDI) and Termomecanica's Annual Training Program, with the objective of strengthening behavioral competences and boosting performance in activities. This is not only an important contribution to employees' professional training, but also a means of aligning business strategy with team training, as well as ensuring access to a quality educational structure, tailored to Termomecanica's reality.

OBJECTIVES	RESULTS FOR 2025
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.	1,980 training hours 588 attendances
MANAGEMENT SCHOOL: It develops process and people management competencies (practices, tools, and innovation), to consolidate the management model adopted by Salvador Arena Foundation in accordance with the core activities of each institution.	53,457 training hours 2,034 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.	39,537 training hours 13,505 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.	2,318 training hours 493 attendances

More than just numbers, our 2025 indicators reveal the consolidation of a culture in which learning is part of the routine and where every employee, regardless of position, gender or region, has access to the knowledge needed to grow. In this regard, our Cultural Space has played a key role, precisely because it is an environment designed for learning, leisure and meeting.

With an infrastructure prepared for the distance learning courses offered by UCSA online, Termomecanica's Cultural Space (ECTM) brings together areas for socialization, study and projection rooms, as well as physical libraries totaling 3,343 titles, 45 games, 100 media items and a film library. In 2025, the space recorded 2,536 visits, an average of 15 per day. The major highlight of the year was the "Férias no ECTM" (Vacation at ECTM) project, a recreational initiative aimed at the children of Termomecanica's employees. The initiative had a purpose that goes beyond fun: bringing families closer to the workplace, showing the structure and materials available for use and lending, and creating a bond that makes everyone feel part of the company. This is a way of valuing not only those who work at Termomecanica, but also those who stand by their side.

For 2026, the program was designed with even greater ambitions. Themed campaigns are planned, such as Blue April, Yellow September, Blue September, Pink October and Blue November, as well as projects such as the World Café at ECTM and a new edition of "Férias no ECTM." Also planned are exhibitions linked to current events, such as the World Cup Exhibition, with photo murals and swapping of album stickers, as well as raffles of museum tickets and distribution of book vouchers, in order to encourage reading, access to culture and ever greater use of the space.

Compensation and Benefits

Termomecanica has its own compensation policy, which does not follow the pay scales set by the unions. More than an administrative choice, this strategic decision reinforces the commitment to valuing its human capital: from the beginning of employment, including the probationary period, pay already exceeds the minimum amounts required. In practice, this means that the company's lowest starting salary is equivalent to 144% of the local minimum wage in São Bernardo do Campo, for both men and women, and 129% in Manaus, a concrete indicator that recognition starts right at the entrance door.

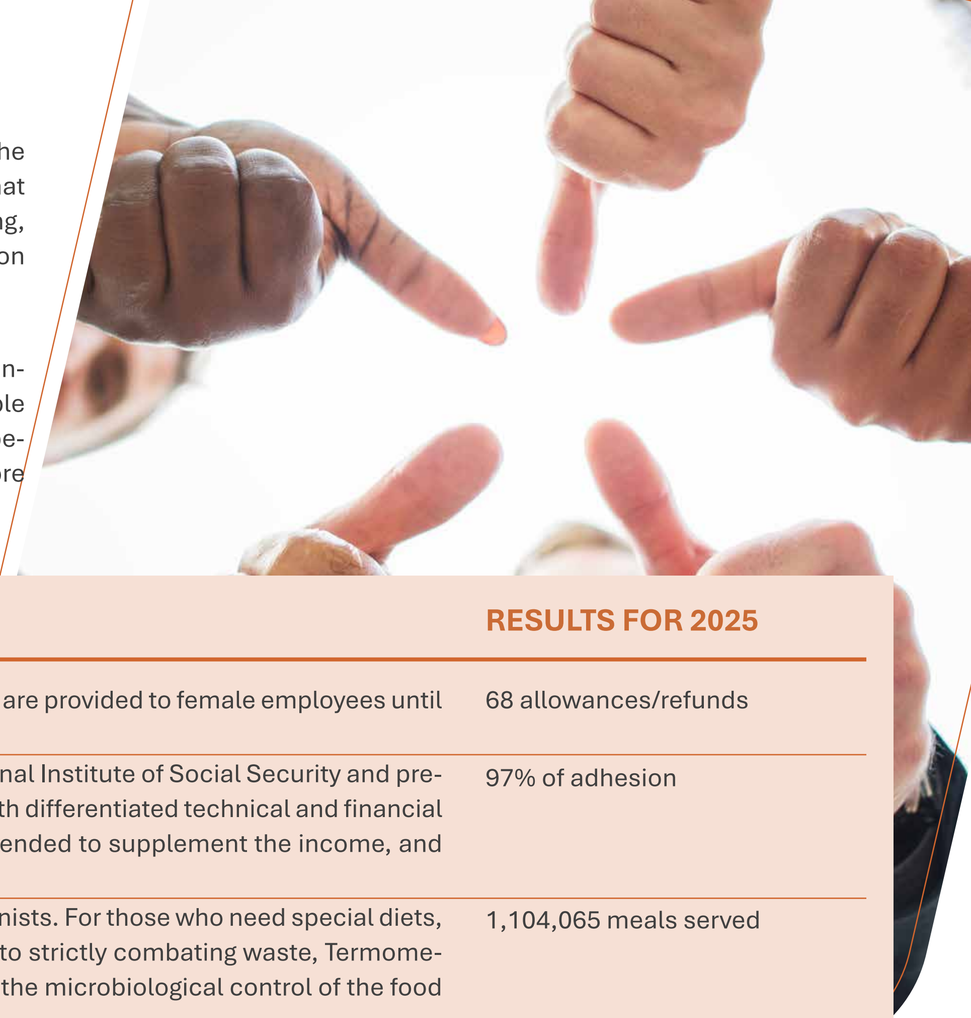
The company also promotes regular discussions on reducing inequalities between the lowest and highest salaries, increasingly seeking equity. Over the last three years, strategies such as the application of salary caps and inflation adjustments to all salaries have been implemented, protecting employees' purchasing power regardless of position. Another pillar of this policy is equal pay for men and women in all positions and functions, a principle that reflects the recognition of skills and qualifications, without discrimination. To ensure that salaries remain attractive and compatible with well-structured career plans, the company frequently benchmarks against the market and regularly participates in salary surveys, ensuring internal and external balance in its compensation policy.

By Plant	Gender	Ratio of Standard Starting Salary to Local Minimum Wage (%)
Manufacturing Plant I| SBC	Male	144%
	Female	144%
Manufacturing Plant II | SBC	Male	144%
	Female	144%
TMA Plant | Manaus	Male	129%
	Female	129%



When it comes to benefits, Termomecanica also stands out. Reinforcing its commitment to valuing people, the company invested more than R$60 million in employee benefits, offering a set of programs and initiatives that go beyond the requirements of labor legislation. This investment covers benefits related to health, well-being, food, professional development and social support, contributing to the security, development and satisfaction of employees and their families.

Most of the benefits are offered voluntarily and at no cost to employees, aiming at attracting, retaining and engaging talent, as well as improving the team's quality of life and well-being. For the company, caring for people is an essential factor for the sustainability of its business. Therefore, by maintaining a differentiated and competitive benefits package above the minimum practices required by law, the company promotes a healthier, more engaged work environment aligned with its organizational values.



BENEFITS OFFERED BY TERMOMECANICA	RESULTS FOR 2025
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.	68 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.	97% of adhesion
MEALS - Provides self-service restaurants that operate 24 hours a day with permanent monitoring by nutritionists. For those who need special diets, such as diabetics, people with hypertension and people with obesity, there is a special menu. In addition to strictly combating waste, Termomecanica monitors the quality of services, and periodically carries out tests in an independent laboratory for the microbiological control of the food served.	1,104,065 meals served
FOOD VOUCHER - Has a differentiated value in relation to market practices and to the value of the Basic Food Basket published monthly by Diese [Inter-Union Department of Statistics, and Social & Economic Studies]. To contribute to year-end festivities, as a courtesy, the amount of the benefit is doubled in December.	21,170 meal vouchers granted
TRANSPORTATION - Several chartered bus routes are 100% subsidized by the company, and transportation vouchers are provided at a reduced discount rate. The company also provides several free parking lots near the plants.	86% of employees served

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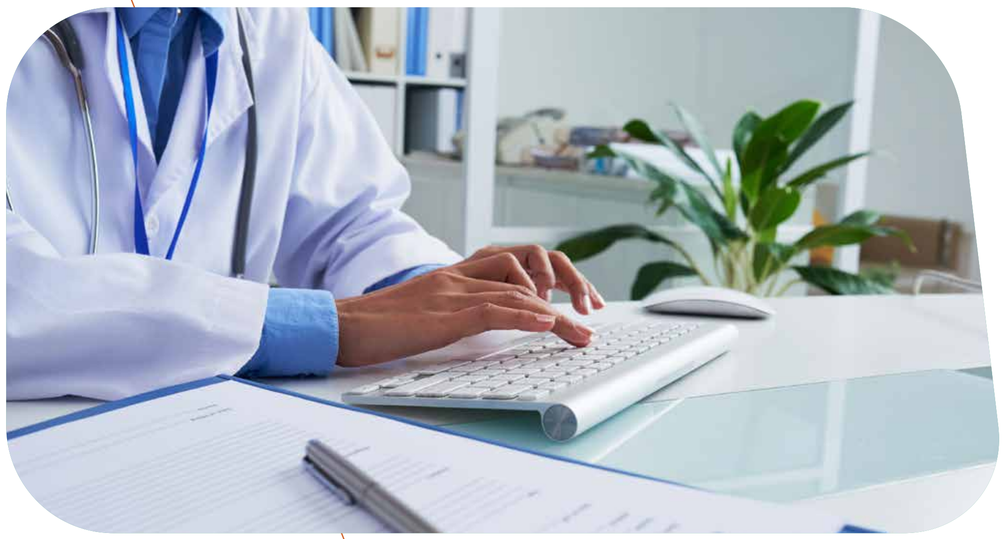
Health and Well-being

BENEFITS OFFERED BY TERMOMECANICA	RESULTS FOR 2025
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.	4,787 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%.	1,048 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.	156 participating employees
CONTE COMIGO PROGRAM (Rely on Me) - Oferece gratuitamente orientação e apoio realizado por profissionais especializados nos assuntos de origem psicológica, financeira, nutricional, orientação para atividades físicas e fisioterapia.	14 people served

PROGRAMS OFFERED IN PARTNERSHIP WITH THE HEALTH PLAN OPERATOR	RESULTS FOR 2025
PGS - SAFE PREGNANCY PROGRAM - A program that promotes the health of pregnant women with monitoring during pregnancy and the postpartum period, with a specialized team for high-risk cases.	Average of 13 pregnant women/month (plan holders and dependents)
PAC - CHRONIC PATIENT’s SUPPORT PROGRAM - The program manages the health of patients with chronic diseases and assists them with treatments in general and any complications, providing guidance and support by phone.	Average of 178 chronic patients treated
CASE/MULTIDISCIPLINARY MONITORING OF HIGHLY COMPLEX CASES - A program that supports patients with severe chronic diseases, with the aim of reducing their limitations and improving their quality of life.	Average of 59 chronic patients treated

In 2025, Termomecanica maintained its commitment to strengthening occupational health management, with a focus on prevention, clinical monitoring, regulatory compliance and process improvement. In addition to its own benefits and the programs offered in partnership with the health plan operator, the company invested around R$620 thousand both in continuing the established initiatives, and in incorporating initiatives aligned with new legal requirements.

Highlights for the period included the influenza vaccination campaign, which was part of the company's preventive agenda throughout the year. The area also advanced in the digitalization of processes, with the launch of an online platform for submitting medical certificates, thus replacing the physical flow with a digital one, a measure that contributes to greater agility, traceability and organization of occupational health information. This action reinforces the company's effort to modernize administrative routines and make management more efficient, without losing sight of safety and the proper monitoring of records.



In the regulatory field, the development of the psychosocial risk assessment project carried out in partnership with SESI [Social Service of Industry] stood out. The initiative included the application of a specific questionnaire, and the review of the safety and health diagnosis at all plants, preparing Termomecanica for the implementation of the developments of NR-1 (Regulatory Standard No. 1), which come into force in May 2026. This movement represents another important effort by the company to broaden its view of occupational health, incorporating in a more structured way aspects related to psychosocial well-being and integrated risk management.

Another important topic in 2025 was the monitoring of programs linked to the Occupational Health Medical Control Program (PCMSO), which guides the performance of periodic, pre-employment, termination, return-to-work and change-of-occupational-risk examinations. In 2025, 2,729 examinations were performed, in addition to 2,122 health care appointments. For employees exposed to noise, annual audiometric tests were maintained, and ergonomic assessments remained integrated into periodic clinical monitoring, with on-site visits by the health team to workstations whenever necessary.

TYPES OF APPOINTMENTS	2023	2024	2023
Occupational Health Tests	**2,874**	**2,807**	**2,729**
• Pre-employment	427	472	291
• Dismissal	247	189	216
• Change of Occupational Risk	91	163	149
• Periodical	2,001	1,887	1,948
• Return to Work	108	96	125
Health Care Appointments	**1,724**	**1,674**	**2,122**

Prevention and monitoring

To promote initiatives focused on awareness, well-being and quality of life, the White January (mental health), Yellow September (suicide prevention), Pink October and Blue November campaigns were held, reinforcing our commitment to employees' comprehensive health. Simultaneously, Termomecanica continued to carry out scheduled examinations, and to monitor chronic diseases and those with a more critical prognosis. Employees over 45 or with a family history of prostate cancer were referred for the Prostate-Specific Antigen (PSA) test. For women, preventive examinations were recommended.

CHRONIC DISEASE TESTS	2023	2024	2025
• Screening for dyslipidemia and diabetes	666	616	549
• Monitoring of cancer cases	100%	100%	100%
WOMEN'S HEALTH TESTS	**2023**	**2024**	**2025**
• Pap smear	141	144	159
• Mammography	124	96	106
• Breast ultrasound	236	247	269
• Transvaginal/pelvic ultrasound	241	251	285
MEN'S HEALTH TESTS	**2023**	**2024**	**2025**
• Eligible employees who underwent prostate examination	626	611	688

Termomecanica's health profile assessment processes also included guiding and referring employees to specific programs that are part of the care provided by the Occupational Medicine area.

HEALTH PROGRAMS	2024	2025
Health Promotion Program – total tests performed	271	233
Anti-Smoking Program – No. of participants	2	2
Vaccination coverage rate for first-aider employees	90%	93
Persons enrolled in the Special Diet Program	433	559

The management of outpatient clinic waste was also monitored throughout the year, with the generation of 3.63 kg of infectious waste, 0.88 kg of sharps, and 13 g and 638 mL of chemical waste, all disposed of in accordance with current regulations.

AMBULATORY WASTE GENERATION	2023	2024	2025
Infectant	2.99	3.02	3.63
Perfurocortante	0.34	0.58	0,88
Chemical (g)	0.05	15	13
Chemical (mL)	369	99	638

To maintain the quality of services provided, 83% of the occupational health team have higher education and specialization in the field. This team is made up of four nursing professionals (one technician and three nurses), an occupational physician responsible for coordinating the PCMSO and an examining physician. To ensure that the outpatient clinic operates 24 hours a day, Termomecanica has a contract with a company specializing in occupational medicine, which covers night and weekend shifts. It is also important to note that all health services provided by Termomecanica comply not only with the institutional Code of Ethical Conduct, but also with the requirements of the Codes of Ethics of the Professional Councils and the General Data Protection Law (LGPD), maintaining absolute confidentiality of information.

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Occupational Safety

In 2025, Termomecanica continued its policy of investing in initiatives related to occupational safety, with a focus on risk prevention, legal compliance and the consolidation of an organizational culture oriented toward caring for people. The period was marked by the end of important cycles of machinery and equipment adaptation started in previous years, which resulted in lower investments in this challenge; and by an increase of approximately 70% in training and qualification initiatives.

The projects initiated in 2019 for adapting machines to NR12 (Regulatory Standard No. 12) remained among the area's priorities. Conducted in an integrated manner by the safety, maintenance, operations and leadership teams, this process reinforces Termomecanica's guidelines on treating operational safety as a permanent element of continuous improvement.

In addition to the technical adaptations, Termomecanica continued its traditional permanent safety programs (on the side), which include training, emergency systems, internal committees and engagement initiatives already incorporated into the company's routine. Safety onboarding continued to be applied to all new hires, including permanent and temporary employees, apprentices and service providers, strengthening the dissemination of guidance from the moment they join the organization. The company also continued the targeted monitoring of professionals with less time with the company in order to check, in practice, the assimilation of the procedures and behaviors expected in the operational environment.

ERGONOMICS COMMITTEE - Seeking to meet the requests of the Ergonomics Committee, Termomecanica invested in continuing workstation adaptation projects based on data obtained from the 2025 Ergonomics Census, which brings together the history of employee reports, and analyzes production methods and working conditions. The main advances include: the installation of a calender system in the Foundry Furnaces, facilitating the preparation and strapping of processed materials; the adaptation of the process at the 7000T Press, with the installation of a conveyor belt to direct the scrap generated in the process directly to the storage boxes; and the installation of zero-weight articulated arms in the Rotary Drawing sector.

SAFETY DIALOGUES - Direct communication is one of the main strengths of the "Safety Dialogues" initiative, which in 2025 covered 156 topics, applied via tablet, serving most of the production sectors, modernizing the process and eliminating the consumption of natural resources. Held three times a week, all of their content is sent in e-book format to the leaders, who are responsible for applying the DDSs in their sectors.

SAFETY AT THE MACHINE - Focused on raising awareness and providing guidance regarding procedures, safety items, standards of behavior and rules that must be followed to ensure everyone's safety during the production process, "Safety at the Machine" totaled 729 training sessions last year, amounting to 256 hours of short-duration training.

SAFETY CHAIN – With the purpose of encouraging the active participation of Administrative and Production employees in identifying risks, behaviors and suggesting corrections at workstations, the "Safety Chain" is a spontaneous initiative, coming from the employees themselves when they proactively point out conditions they consider unsafe or that hinder the performance of their activities. The Occupational Safety area receives the form with the information and, together with the technical staff of the maintenance and engineering areas, assesses the feasibility of the suggested actions. Feedback is always given to the employee who prepared the Safety Chain, with the appropriate justifications and measures to resolve the risks identified.

Paralelamente, a empresa avançou em duas frentes importantes. A meta de ergonomia estabelecida para o período foi atingida, alcançando 90%, a partir do uso da metodologia de panorama ergonômico e do acompanhamento contínuo de informações provenientes de relatos de empregados e exames ocupacionais. De forma complementar, a gestão dos riscos manteve acompanhamento sistemático em 2025, o que possibilitou obter a resolução dos itens considerados prioritários, identificados e apontados pelos próprios empregados.

Outro tema de destaque em 2025 foi a ênfase dada aos riscos psicossociais, escolhidos como foco principal das campanhas do ano, em linha com a preparação para os desdobramentos regulatórios associados à NR1. O assunto passou a integrar de forma mais consistente as ações de conscientização e os esforços de preparação interna, ao lado de iniciativas tradicionais, como a SIPAT. Esse movimento sinaliza uma ampliação do olhar da empresa sobre saúde e segurança, incorporando de forma mais clara aspectos relacionados ao bem-estar, à prevenção e ao suporte aos empregados.

Os números, inclusive, comprovam a importância da conscientização no cotidiano da Termomecanica. Ao longo de 2025, foram registradas 7.980 horas de treinamentos voltados para temas como: manuseio e movimentação segura de cargas, atenção e concentração no trabalho, postura preventiva e comportamento e importância do autocuidado, além de gestão de estresse, ansiedade e doenças psicossomáticas, entre outros, realizados junto à equipe de Saúde. O aplicativo para registro digital de presença em treinamentos foi implementado, eliminando listas impressas.

Risk identification and assessment

To ensure the integrity of employees, compliance with legal requirements, and longevity of the business, Termomecanica maintains a structured process for hazard identification and risk assessment, whose starting point is the preparation of the “OHS Hazards, Harm and Risk Assessment” spreadsheet, built with direct participation of the workers involved in each activity.

Mapping the hazards inherent to process activities enables Termomecanica to define the measures to be adopted, as well as to indicate, analyze, record and communicate the emergence of new hazards.

This process also includes calculating the NPR (Risk Priority Level), recording the action plan and reassessing exposure, which is an essential step to recalculate the NPR and keep the hazard identification spreadsheets always up to date. This review takes place whenever necessary, in view of new indications of hazards or risks, the occurrence of work accidents, or the introduction of new machinery and equipment in the sector.

Effective measures

To ensure efficient process management, the Occupational Safety area has a team made up of safety technicians assigned to each plant, all with technical training and extensive experience in Termomecanica’s own operations. This structure is complemented by a safety engineer heading the department, and an administrative assistant undergoing technical training, forming an experienced team with practical knowledge of the routine and needs of the areas, which favors dialogue, negotiation between sectors and the effective implementation of the planned improvements.

For 2026, the team intends to further reduce the number of accidents, increase the Risk Items Resolution Index and consolidate the adaptation of processes to the requirements of NR-01, especially with regard to the management of psychosocial risks. This action represents an opportunity to strengthen integrated work between Occupational Safety, Medicine and Human Resources, increasing the company’s ability to prevent risks, support its employees, and sustain an increasingly mature safety culture.

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Support for communities

Controlled by the Salvador Arena Foundation, Termomecanica allocates a significant portion of its results to it. Its value creation process is integrated into the way the company thinks, decides and operates, with a focus on generating positive results for employees, customers, suppliers and, above all, for society, which is the main objective of its sole shareholder.

The Salvador Arena Foundation, a private, nonprofit civil institution, was created in 1964 to transform into social commitment what its founder built with work, vision and responsibility. It represents the concrete continuity of a legacy that keeps alive values such as human dignity, education and citizenship, the foundations for a better society. This same spirit is still present in Termomecanica's culture, strategies and business model, reflecting a consistent commitment to sustainability, social responsibility and longevity.

For this reason, the positive impact of the social initiatives subsidized by Termomecanica is not limited to internal stakeholders and their families. The profit obtained annually by the company is directed to the social transformation initiatives of the Salvador Arena Foundation, which has acquired, throughout its history, high-level know-how in projects that benefit not only the communities where Termomecanica operates, but also society as a whole, in all Brazilian states.

R$78.3 million invested in own educational projects

3,212 students served with 100% tuition grants, most of them from families with per capita income of up to 3 minimum wages

R$12.4 million allocated to programs

R$8.1 million invested in social assistance programs and projects linked to the Social Assistance Policy

26 states served, in addition to the Federal District

220 social projects supported

687 leaders and specialists from social organizations trained

51 thousand people directly benefited, and 121.9 thousand indirectly

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CORPORATE GOVERNANCE



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Adopting good practices

Termomecanica's governance is expressed in the way the company structures its relationships, faces ethical challenges and seeks the continuous improvement of its management instruments. The strength of the committees, the rigor in investigating reports, progress in risk management and the commitment to reviewing the Code of Ethical Conduct evidence the company's institutional maturity and reaffirm its commitment to responsible, consistent conduct aligned with the best sustainability practices.

Termomecanica's Corporate Governance System is based on the fundamental pillars of ethics, integrity, compliance, accountability and risk management, which guide decision-making and the conduct of business. Its principles – transparency, equity, accountability and corporate responsibility – permeate the organization's culture and the company's relationships with its stakeholders, contributing to building solid and lasting bonds of trust.

Established in 2010, this system has been promoting the adoption of good practices focused on economic, ethical and sustainable development. Since then, Termomecanica has reiterated its commitment to continuous improvement of its governance structure. The company's main governance body, the Board of Directors is made up of six members, four of whom are women. With the support of four Committees, the board held 62 meetings in 2025 dedicated to discussing strategic and relevant topics for the conduct of business.

GOVERNANCE STRUCTURE

Regina Celí Venancio - Chair of the Board of Directors
Nelson da Silva Leme – Vice-chair of the Board of Directors
Luis Carlos Rabello - Member of the Board of Directors
Márcia Thiemi Uemura - Member of the Board of Directors
Maria Luzia de Almeida - Member of the Board of Directors
Iara Satoco F. Yamada - Member of the Board of Directors

Board support committees

STRATEGY - Made up of two members of the Board of Directors, it supports the Board with in-depth analyses of topics related to strategies, new business and innovation, recommending policies and attributions covering issues related to Termomecanica's Strategic Plan and annual Business Plan, supporting decision-making regarding the Board of Directors' resolutions on these topics.

AUDIT, RISK AND COMPLIANCE - Made up of two members of the Board of Directors and one employee from the Audit area, it recommends policies covering issues related to auditing, tax aspects, risk exposure, and risk taking and mitigation, promoting transparency and credibility in processes. It is also responsible for analyzing and defining corrective actions in the assessment of control indicators, and for submitting them for resolution by the Board of Trustees of the Salvador Arena Foundation, which is its sole shareholder, or by Termomecanica's Board of Directors, depending on the importance of the case.

GOVERNANCE, PEOPLE AND COMPENSATION - Made up of two members of the Board of Directors and one employee from the Legal department, it proposes policies relating to Termomecanica's management systems and to the Human Resources area, with regard to values, internal communication, ethics and personal conduct issues, as well as the company's relationship with its employees. It also proposes policies covering issues related to the implementation of Corporate Governance practices suited to Termomecanica's reality, always submitting its proposals for resolution by the Board of Directors.

ETHICS AND INTEGRITY - Made up of two members of the Board of Directors and three employees from the Audit, Tax and Legal areas, it ensures compliance with the Code of Ethical Conduct, striving to ensure that its principles and rules are considered and respected in all business processes and activities of the Institution. It also guides and advises on ethics and conduct, responding to inquiries made by any of our stakeholders, and disseminating guidance and interpretations that may contribute to the effective application of the Code.

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Risk management policy

As part of its governance model, Termomecanica maintains a corporate risk management policy that guides the identification, assessment and treatment of operational and strategic risks, while also considering opportunities, risk appetite and fraud prevention. This approach helps strengthen the reliability of processes, ensure legal and regulatory compliance, and reduce both the probability and the impacts of any occurrences, while reinforcing, among stakeholders, the importance of risk management for the sustainability of the business.

In the ESG sphere, the company has already mapped risks related to air pollution, environmental liability, soil and water contamination, loss of the Environmental Operating License and the imposition of fines, as well as noise generation, occupational health and ergonomics, social responsibility and corporate governance. Based on this mapping, it became possible to adopt preventive and corrective measures that help reduce the probability and impact of negative events, such as accidents, fraud, financial losses, regulatory problems and damage to the company's image.

In 2025, the channel recorded 50 submissions, of which 47 were classified as reports, two as suggestions and one as a question. All occurrences were handled in accordance with the standard five-step procedure, which comprises receipt and recording of the submission, screening and classification by an impartial team, internal investigation with collection of evidence, adoption of corrective measures in validated cases, and feedback to the whistleblower on the final position, always preserving confidentiality.

Compliance Program

Implemented in 2016 in accordance with the Anti-Corruption Law (Law 12.846/13) and its regulatory decree, Termomecanica's Compliance System structures the company's work in identifying, managing and mitigating risks, with a focus on reducing operational losses. In line with some of the strictest legislation in the world, the system reinforces the company's commitment to complying with the applicable laws, regulations, statutory rules and internal policies, establishing itself as a reference for decision-making and for the conduct of its activities.

As part of this structure, the company has a Whistleblower Channel, established in 2023 to receive reports of irregularities in the workplace. Available to employees, suppliers, customers and other stakeholders, the channel ensures anonymity, confidentiality and protection against retaliation, reinforcing the integrity of the process and the trust of users.

In 2025, the risk matrices related to the export process were updated, with emphasis on the impacts of international tariffs, as well as the environmental risk matrices, especially from the perspective of climate change. This evolution reinforces the company's preventive approach, increasing its ability to respond to an increasingly complex, dynamic and challenging environment.

It is important to highlight the contribution of the Internal Audit area, which has been decisive for the smooth running of processes, carrying out audits in all sectors. In 2025, 51 audits and 84 continuous risk monitoring activities were carried out, involving 19 areas of the company. Termomecanica also has the support of independent audit firms, hired to validate its internal records, including the financial and accounting statements.

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Code of Ethical Conduct

Ethics is one of the foundations that guide Termomecanica's operations and sustains its vision of responsible and lasting development. This commitment translates into the company's permanent alignment with legal and regulatory requirements, regardless of inspection, strengthening the reputation for integrity built throughout its history. In this context, mutual respect and trust are central values and guide the way the company relates to its various stakeholders.

These values and commitments are reflected in the Code of Ethical Conduct, which guides decision-making and the conduct of the organization's activities. More than reaffirming the company's principles, the document defines expected behaviors and prohibits practices that are incompatible with its values, such as bribery and kickbacks in relationships with the community, government, suppliers, partners and other stakeholders. Thus, the Code serves as the basis for conduct that is upright, responsible and in compliance with the applicable rules.

Human rights also play a central role in this instrument, as they are understood to be essential to building fair and responsible relationships throughout the value chain. The document establishes that Termomecanica, its employees and business partners must observe the laws and political systems of the countries in which they operate, paying permanent attention to issues such as child labor, forced labor and discrimination, which are practices expressly prohibited by the company. It also reinforces the guidelines related to working hours in compliance with legislation, compensation compatible with the market, and standards of quality, health and safety.

In line with the continuous improvement of its governance, the company plans to update the Code of Ethical Conduct in 2026, with a focus on strengthening the mechanisms for prevention, support and assistance to victims of harassment, as well as strengthening support for employees' mental health. This initiative reflects the evolution of the code of ethical conduct in the face of increasingly relevant topics for the organizational culture and reinforces Termomecanica's commitment to promoting a respectful, safe and healthy work environment.

Conflict of interest

Within the scope of its Code of Ethical Conduct, Termomecanica establishes guidelines for the prevention, identification and handling of conflicts of interest. Employees and associates must carry out their activities independently of commercial, financial or personal interests that could compromise the impartiality of their decisions or the interests of the company.

To preserve integrity and impartiality in professional relationships, the company prohibits practices incompatible with this principle, such as selling products on the organization's premises, making financial loans between colleagues for profit, and situations in which employees provide services to third parties or participate in companies whose activities conflict with Termomecanica's operations or compete directly with its business.

In cases of hiring suppliers or service providers with family ties to employees, the contracting may take place, provided that there is no direct negotiation between the related parties, in order to safeguard the transparency and fairness of the processes.

General Data Protection Law

Termomecanica's Personal Data Protection Policy, available on the company's website, brings together the guidelines for processing personal data in compliance with Brazil's General Data Protection Law (LGPD). Based on these guidelines, the collection, use, storage and sharing of personal information must take place securely, transparently and exclusively for legitimate purposes.

In this context, the company ensures data subjects' rights such as access, correction and deletion of information, while adopting technical and administrative measures designed to prevent unauthorized access, loss and leakage of data. Thus, all data processing is conducted based on respect for privacy, ethics and current legislation.

In 2024, Termomecanica reviewed its digital governance policies and implemented data protection solutions, reinforcing the confidentiality of information and constantly updating cybersecurity tools. The next update is scheduled for 2026.

Termomecanica

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