

SP Obras

2021

Sustainability

Report



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1 MESSAGE FROM THE BOARD OF DIRECTORS

2021 Annual Sustainability Report / SPObras

GRI 102-14



Sr. Marcos Monteiro

SPObras President

In a dynamic metropolis as São Paulo, it is very important to keep the pace of development through investments in structural projects and constructions.

We believe that our interventions must be focused on the citizen and its prominence, promoting more health, better education, better mobility and, mainly, a better quality of living through our accomplishments.

In 2021, the São Paulo Obras - SPObras conquered a preponderant role in the attendance to these dormant claims of the city of São Paulo.

We delivered the constructions of the Racing Circuit of Interlagos, which was the stage of one of the most exciting Formula 1 Races of the last years and consequently warmed up the Tourism and Business sectors, bringing R\$ 549 million in return to São Paulo.

We executed inspections and maintenance works for structural recovery in the scope of the Recovery Program of Bridges and Viaducts, aiming to guarantee the quality of the structures and to mitigate the effect of depreciation caused by use and time, working for a safer and well-tended city.

Along with the City Department of Urban Infrastructure and Constructions (SIURB), we have also established technical guidelines that will be used in future inspections on the tunnels of the city.

We have signed agreements for developing significant urban mobility projects, so the population could move with more agility and safety in addition to promote a high-quality transportation service.

We have remodeled highly demanded bus stops located in the main corridors of São Paulo, to offer a more comfortable wait to the user of the public transportation.

A partnership with the City Department of Education was established for 736 interventions of different stages, including planning, renewal, recovery and maintenance of existing structures. We inspected 236 schools that will be remodeled in 2022, as well as we have begun to settle agreements for covering constructions of multi-sports courts in 95 schools, that will benefit thousand of students of city's education system.

We have advanced in the projects to upgrade the Historical Center, aiming to rescue its urban, tourist and cultural capacity.

In this context, we should specially thank our technical and administrative staff, whose knowledge and experience had been essential factors to provide a diversified and multi-disciplinary performance.

It is important to praise the work of our teams during the negotiations with financial institutions, as the World Bank and the Caixa Econômica Federal, without which many of the above mentioned actions would still be just words on paper.

For 2022, it is expected public biddings for works of great magnitude, as the BRT Aricanduva, the East Radial BRT, the Historical Center sidewalks upgrades and the resume of the works under the scope of the Urban Operations Consortium.

All these initiatives go beyond its scopes and represent more than "only" works but also a qualitative improvement in the socioeconomic development of the city, contributing for the reduction of the social inequalities, for the urban valuation and for the development of commerce and services, always in a sustainable manner.

For the next years, our challenge is great. Until 2024, SPObras along with the City Department of Urban Infrastructure and Constructions will be responsible for 43% of all the investment earmarked to the city (R\$ 20,4 billions), around R\$ 8,7 billions. Our commitment is to continue working to achieve the objectives that had been trusted on us and to fulfill our mission of build the São Paulo of the Future.

Marcos Monteiro
President of the São Paulo Obras - SPObras



2 COVID-19 AND IMPLICATIONS IN 2021 PERFORMANCE

2021 Annual Sustainability Report / SPObras

The City Hall of São Paulo specifically assumed the commitment to confront the Covid-19, implementing all measures ruled by the main national and international health authorities and has respected the Sanitary Surveillance Agency assessment since the first signs of risk presented and specially since the confirmation of the first case in Brazil.

With the announcement of the pandemic of Covid-19 by the World Health Organization (WHO) in March of 2020, inside SPObras, we strengthened ourselves to understand the measures of confrontation and the risks associated to the Sars-CoV-2 to our employees, partners, customers as well for society.

The internal communication of all measures in place occurred since the beginning with clear information about the consequences of

social isolation and lockdowns measures ruled by São Paulo City Hall along with the Government of the State of São Paulo.

We worked with rigorous safety and personal hygiene guidelines including testing all Company's employees.

We also adopted measures to guarantee the attendance to our users throughout the year, with as minimum impact as possible, at the same time we are protecting our employees who act both in administrative activities or on the building sites.

Thus, we could guarantee the operational health of the company in an extremely hard period.

Following are the main actions:

Offices:

- Reduction of about 90% of the team working on site in the headquarters redirecting these employees to a home office system;
- Employees classified as in high-risk group, older than 60 (sixty) years old and pregnant women working in a Home Office system;
- Access to the offices restricted for visitors and suppliers;
- Implementation of physical barriers on the environments where the employees acted attending the public;

- COVID-19 Serological testing of all SPObras employees;
- Providing alcohol gel and intensification of cleaning procedures on common spaces and strategical points;
- Supplying individual 70% alcohol gel packings to all SPObras employees;
- Supplying protection mask to each employee;
- Implementing the practice of virtual events, meetings and assemblies of the employees, preventing the risks of the agglomeration.

Measures of prevention and care at the administrative headquarters and on building sites:

- Reprogramming and reduction of people capacity in elevators;
- Changes on the layout of the cafeterias and restaurant considering the social distancing;
- Completion of disinfection process in all environments and equipment, including floor, work stations, machines, tables, chairs amongst others;
- Temperature Measuring;

- Preventive communication actions in all channels;
- Communication for prevention and intensified awareness, with guidance posters always using the official materials disclosed by SPObras;
- Intensification of monitoring the health conditions of the employees.
- Monitoring and controlling the vaccination of its employees.

Cases and deaths of Covid-19

There had been many and intense efforts to prevent from the propagation of Covid-19 in SPObras, involving the people and the support of our technology structure and safety processes.

We succeed keeping the control of the infection index in our activities. In 2021, only 10 (ten) cases were as positive for the illness, demonstrating that the measures in place were efficient, despite the company has resumed its activities on site on July of 2021.

Happily, we did not register any case of death for Covid-19 during this year.

SPObras has always shown special care with the health of its employees and, despite resuming its on site activities in the second semester of 2021 when teams partially returned, but keeping the employees in high-risk group, older than 60 (sixty) years old and pregnant women working in Home Office system until 14 (fourteen) days after receiving the second vaccination against COVID-19.

By the end of 2021, 100% of our employees had already completed the vaccination scheme against COVID-19, meaning they had already received the first and second vaccination.

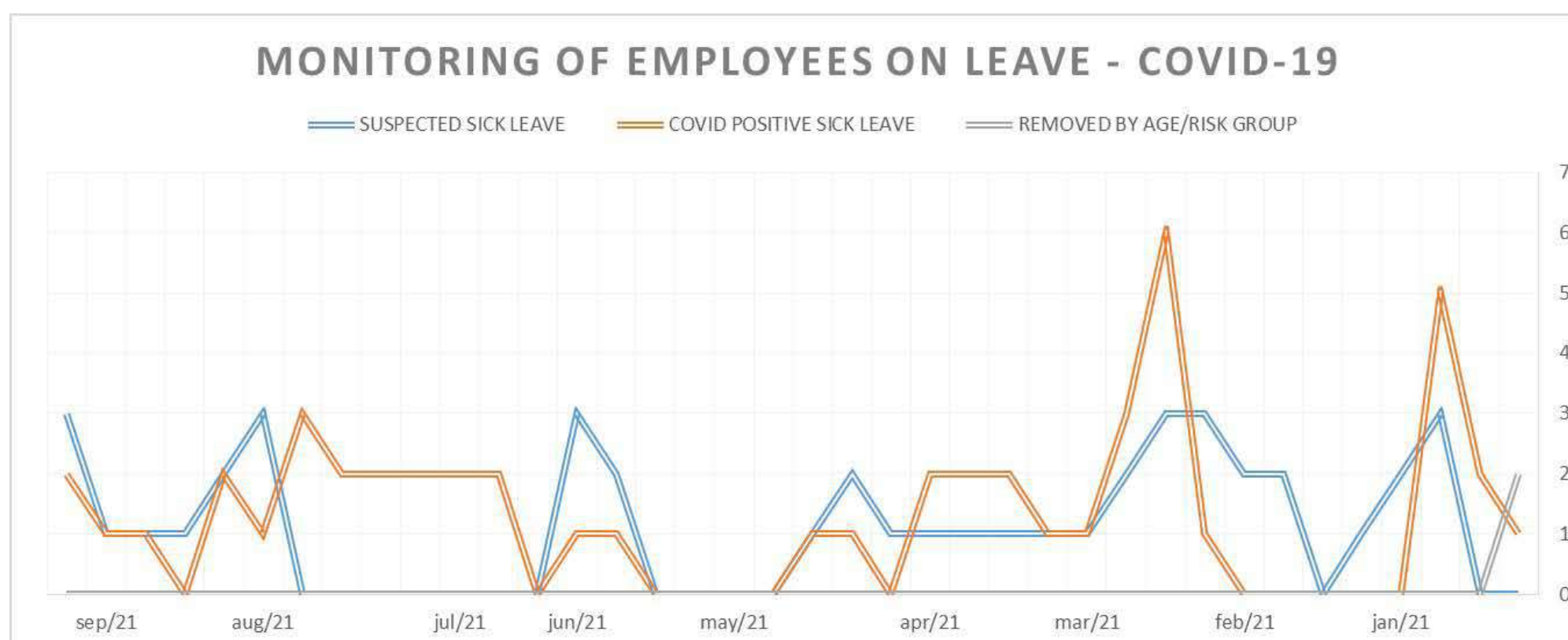
Suppliers Assessment

In 2021, suppliers had counted with a total staff varying from 350 to 550 employees. Weekly, positive cases, suspected cases and the high-risk group had been monitored to indicate how many work leaves each of the subcontracted companies had throughout the time.

As demonstrated in the picture below, the number of cases is considered low. It should be noted that this control made possible for SPObras to reduce possible contacts between its employees and the outsourced ones, contributing for the safety of all.

Monthly Chart

Total staff x Suspected sick leave x COVID Positive sick leave



3 SPObras

2021 Annual Sustainability Report / SPObras

GRI 102-1, 102-3, 102-4, 102-5, 102-6

SPObras

São Paulo Obras is a company of the City Hall of São Paulo connected to the City Department of Urban Infrastructure and Construction - SIURB.

Its creation was authorized through the Municipal Law N° 15.056, from December 8th, 2009, which ruled the split of the Municipal Company of Urbanization - EMURB.

However, its effective incorporation occurred on May 10th, 2010, when its Articles of Incorporation were registered.

SPObras performance is restricted to the municipal borders of the city of São Paulo.

3.1 Mission, Vision, and Values

GRI 102-16



MISSION

To build the São Paulo of the Future



FUTURE VISION

Be recognized as an efficient, dynamic and transparent public company



VALUES

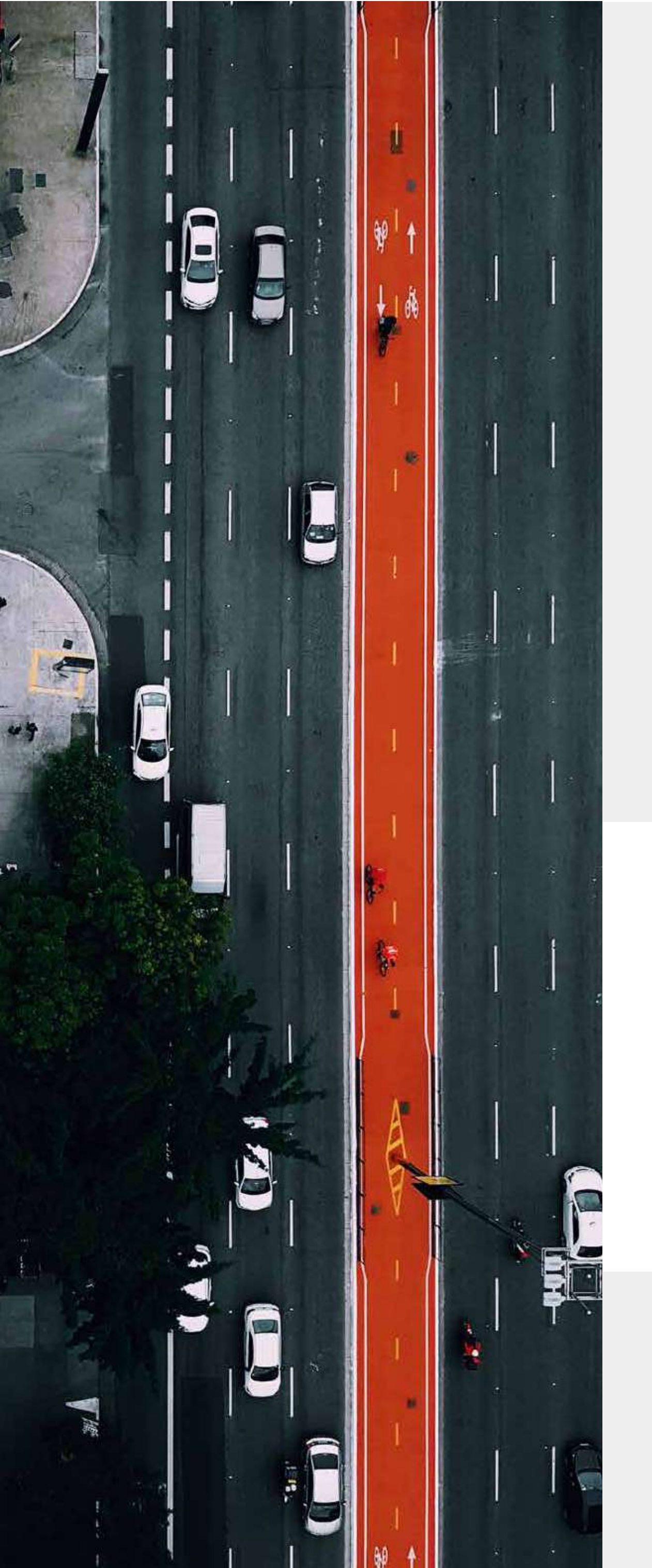
Competence, efficiency, effectiveness, commitment to society, environment, and sustainability



3.2 AREAS OF OPERATION

2021 Annual Sustainability Report / SPObras

GRI 102-2, 102-7



SPObras is an innovative company whose goal is to execute programs, projects and constructions determined by the City Administration. It seeks to balance the requests of its customers with resources from Town Treasury, public financings and the Urban Operations.

SPObras also prepares public biddings for other agencies of Town Administration and executes works ordered by the Town Department of Urbanism and Licensing, on the areas covered by Urban Operations.

The company is also responsible for granting and managing the licenses for urban furniture, aiming the creation, manufacturing, installation and maintenance of digital electronic clocks, shelters and information totems of bus stops with advertising exploitation.

SPObras is also responsible for contracting, supervising and inspecting the urban licenses, pursuant to Law No. 14,917, of May 7, 2009.

It is also responsibility of SPObras to develop all and any economic activity related to its corporate objective, being also able to acquire, to sell and to promote the dispossession of real estate property declared as of public utility by the City Hall of São Paulo.

In addition, it may carry out financing and other credit transactions and enter into agreements with public entities.

3.3 ORGANIZATIONAL STRUCTURE

2021 Annual Sustainability Report / SPObras

GRI 102-7, 102-8, 102-9, 102-10, 102-18

The staff of SPObras is composed of employees hired in accordance with the Brazilian Consolidation of Labor Laws-CLT, with effective employment relationship (submitted to public exams), free nomination (bond of trust), free appointment (board), transferred from other departments of the direct administration and interns.

Position of the Human Resources by the end of 2021/2020 years of operation.

Employees according to type of relation	2021				2020				2021/2020 (%)			
	D	P	L	T	D	P	L	T	D	P	L	T
Total				167				174				-4
Total of each type of relation	5	110	37	15	5	113	36	20	0	-3	3	-25

1 Read director, permanent, free nomination and temporary, respectively for the initials D, P, L and T.

The following tables show the hiring profiles by age group and gender.

Our Team: Profile and Hirings – GRI 102-8

Number of employees by gender and employment agreement	2021		2020		2021/2020 (%)	
	M	F	M	F	M	F
Total	167		174		-4%	
Total by gender	105	62	109	65	-4%	-5%
% by gender	63%	37%	63%	37%	0%	0%
Directors	4	1	5	0	-20%	20%
Permanent	69	41	71	42	-3%	-2%
Free nomination	25	12	21	15	19%	-20%
Temporary	7	8	12	8	-42%	0%

M= Male, F= Female

Our Team: Profile and Hirings – GRI 102-8

Employees per age GRI 102-8	2021	2020	2021/2020 (%)
Under 30 years old	14	13	8%
Between 30 and 50 years old	71	75	-5%
Older that 51 years old	82	86	-5%
Total	167	174	-4%

CORPORATE GOVERNANCE

The Company has governance policies in place aligned to rendering accounts to shareholders and society, to ethics in the relationship with our public, ensuring the compliance of our actions.

Governance Structure

According to the Bylaws, the governance structure of SPObras is organized as follows:

Executive Board

Composed of 5 members, including the president and 4 other directors and one of those directors is elected by the employees of SPObras in accordance to Law 10.731 of June 6th, 1989, and the others freely appointed by the majority partner through act of the Chief Executive of the Town or by whom this power shall be delegated.

Currently, the Executive Board is composed by:



MARCOS MONTEIRO
Secretary of Urban Infrastructure and
Constructions and Chief Executive
Officer of São Paulo Obras



JORGE BAYERLEIN*
Director of Special Programs*



RICARDO DE MENEZES DIAS
Chief of Staff



PAULO HENRIQUE BISPO OLIVEIRA
Chief Financial and Managing Officer



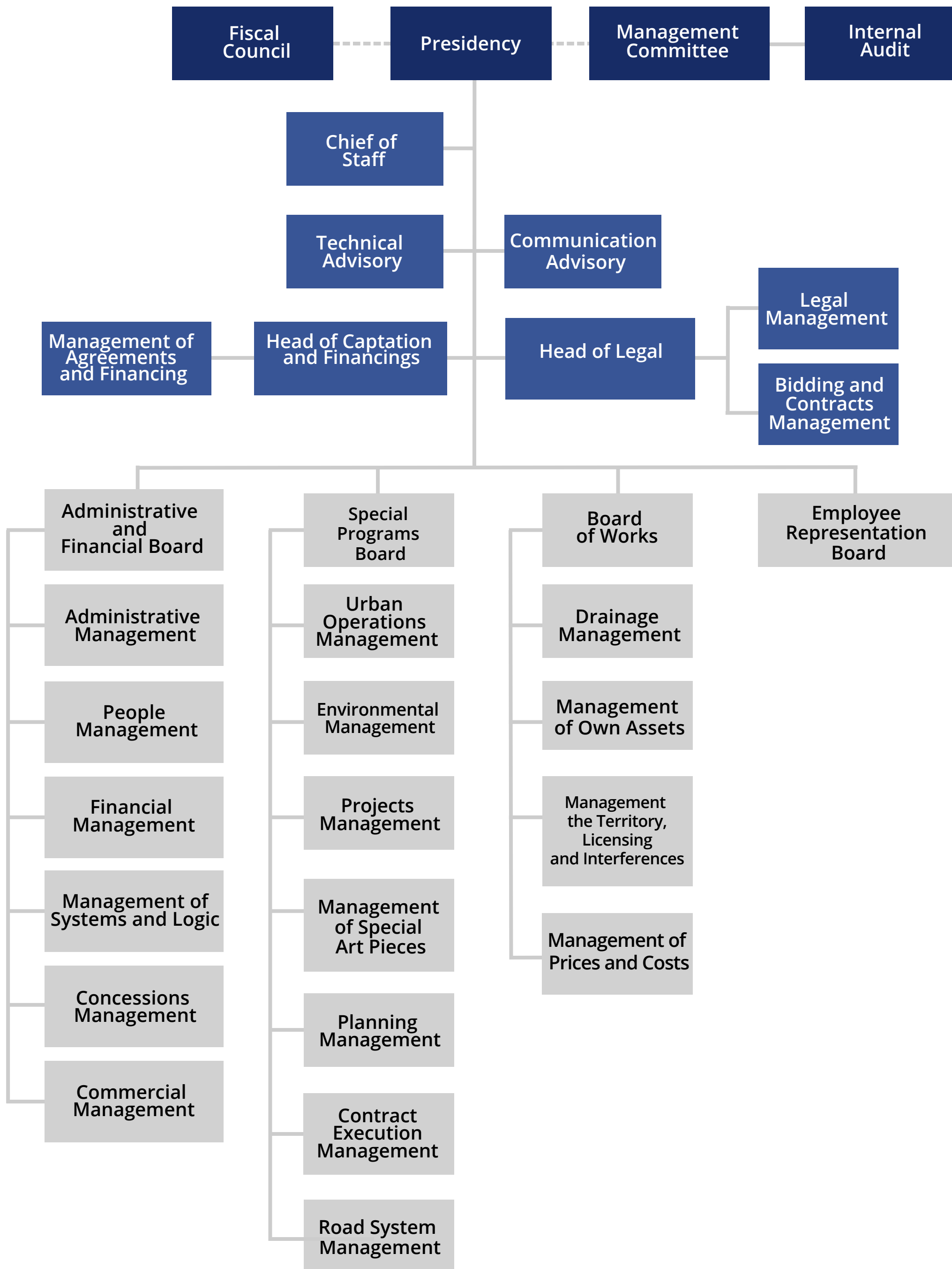
ADRIANA SIANO BOGGIO BIAZZI
Director of Works



MATHEUS SABADIN BUENO
Director for Employee Representation

*Note: Since 2022 fiscal year

ORGANIZATION CHART



Management Committee

SPObras has a Management Committee compound by at least, 7 and a maximum of 9 Members. One of the Members is elected by SPObras employees, in accordance with the propositions of Law 10.731, of June 6th, 1989, and the others freely appointed by the majority shareholder, by an order from the Chief Executive of the Town or by whom this power shall be delegated.

In 31 of December of 2021, the committee was composed for the following members:

FERNANDO PADULA NOVAES
JOSÉ RICARDO ALVARENGA TRIPOLI
MARCOS MONTEIRO
PEDRO PAULO GARCIA PAGNOZZI
REBECA VIEIRA POLICASTRO (employee representative)
RODRIGO IGLESIAS ARENAS
VALDEMAR GOMES DE MELO
VIVIAN SATIRO DE OLIVEIRA
WILSON SERGIO PEDROSO JUNIOR (Chairman of the Committee)

Corporate Governance Policy

SPObras, through its Corporative Governance Policy, incorporates principles seeking to preserve and to optimize its economic value, contributing for the quality of the organization management, its continuity and the achievement of its goals.

Following OECD Guidelines (Organization for Economic Cooperation and Development) regarding to Corporate Governance for State Controlled Companies, any obligations and responsibilities required from SPObras related to services that extrapolates the standards of its relevant market, will only be accepted if they are ordered by laws or regulations, with its disclosure to the public.

Company's governance is guided by the principle of transparency, promoting the disclosure of results, transactions and other information that are not confidential.

Fiscal Council

The Fiscal Council consists of at least 3, and a maximum of 5 full members and substitutes in equal number.

On December 31st, 2021, the council was composed by the following members:

MARCIA REGINA MORALES
THIAGO RUBIO SALVIONI
THIAGO DEMETRIO SOUZA (Substitute)
RADYR LLAMAS PAPINI
RENATA ANDREA PIETRO PEREIRA VIANA

Compliance Policy

The SPObras Compliance Program, in force since 2018, is designed to ensure that SPObras is able to comply with the commitment that our activities are in accordance with Brazilian legislation, regulations and meet the principles of transparency, ethics and probity.

SPObras was the first state-owned company of the city of São Paulo to hire through public bidding, a specialized consultancy for the implementation of a Compliance Program.

Internal Audit

The internal audit of SPObras is responsible for carrying out periodic assessments of the good standing of the processes, procedures and risk strategies adopted by SPObras.

SPObras internal audit unit is composed of 03 (three) professionals, with compatible training and professional experience.

The Internal Audit is responsible for verifying the regular functioning of the structures of the SPObras Compliance Program, as well focusing in a transparent relationship between SPObras regularity control departments and its Board of Directors.



Transparency Policy

Regarding to information treatment, as a town public company, SPObras must be in compliance with the Municipal Decree nº 53.623/2012.

In this regard, in order to implement the principles of Disclosure and Morality, established by the Federal Constitution in the art. 37, caput, and guiding principles of the Federal Law about Data Access, Law nº 12.527/2011, SPObras should always be guided by the disclosure as rule and secrecy as an exception; disclose information of public interest regardless requests; promote the culture of transparency and develop the social control of Public Administration.

For this purpose, the company makes its information available in a Transparency Portal on the Internet, ensuring broad access to information.

Risk Management and Internal Control Policy

Through its Risk Management and Internal Controls policy, SPObras ensures that its processes are properly executed within the expected parameters of safety, efficiency and effectiveness.

According to this policy, SPObras establishes risk scenarios, providing prior planning to face incidents and reducing their impacts. This policy allows to analyze the existing risks in process that permeate different areas of the company and that are common and/or related to different enterprises. This analysis allows SPObras to establish responses in an integrated way to these risks.

Policy of Related Parties Transactions

The objective of this policy is to preserve the interests of SPObras over transactions that involve related parties and transactions that represent potential conflict of interests. Related party is any and all individuals or legal persons, with which SPObras could contract without the conditions of independency that are typically present in transactions with third parties.

Transactions with related parties must follow the guiding principles of this Code of Conduct and must have traceable information to support their effective control. The Management Committee is the ultimate responsible body for the supervision of transactions with related parties, ensuring that they observe regular market standards regarding to prices, compliance, competitiveness, transparency, fairness and commuting, and should be free from conflict of interests.

Following the principle of equity, SPObras promotes its relations with stakeholders, in an isonomic way, taking into account their rights, duties, needs and expectations.



Income Destination Policy

In accordance with current corporate law, the company's net income for the year must be destined as follows:

- 5% (five per cent) shall be applied, before any other allocation, on the constitution of the legal reserve, which shall not exceed 20% (twenty percent) of the share capital.
- A portion, according to a proposal from the administrative bodies, may be allocated to the formation of contingency reserves, pursuant to Article 195 of Law nº 6.404/76;
- In the fiscal year in which the amount of the mandatory dividend exceeds the accomplished portion of the profit for the year, the General Meeting may, by proposal of the management bodies, allocate the excess for the constitution of a reserve of profits to carry through, in accordance with the provisions of Article 197 of Law nº 6.404/76;
- A portion will be allocated to the payment of the mandatory dividend to shareholders, in accordance with the provisions of the Company's Bylaws and Dividend Policy.

The General Assembly shall deliberate about the proposal of Company's Management related to the destination of the net income for the year in a different manner from what is ruled in Title II of this Policy, in accordance with of the applicable legislation.

3.4 FINANCIAL STATEMENTS

GRI 102-7, 102-45

This section provides information about planning and monitoring instruments of public policies execution under the responsibility of SPObras.

Budget Execution consists in the compliance with the rules for use of tax expenditure, according to the financial availability of the City Of São Paulo (PMSP). Thus, budget execution can be understood as the trajectory of public expenditure, with identification of the conditions of its beginning to its end.

The schedule of budget execution should follow the provisions of the Budget Guidelines Law (LDO), respecting the goals and objectives of the City Hall of São Paulo (PMSP). In addition, the budget execution must meet the revenues linked to the specific purposes, regardless of the fiscal year in which occurred its entry.

The LDO, which is ruled in art. 165, II of the Federal Constitution, is the Executive Power instrument to establish goals and priorities for the fiscal year of the City Hall of São Paulo (PMSP) for a period of one year.

In this regard, it enables the execution of capital expenditures for the following year, implementing the Multiannual Plan (PPA), thereto, LDO allows the accomplishment of the PPA more immediately.

The Multiannual Plan (PPA), described on art. 165, I of the Federal Constitution, is the main public planning instrument for strategic guidance and definition of priorities and goals. PPA is materialized through Programs and Actions of City Hall of São Paulo (PMSP) and it presents the capital expenditures and funding resulting from all areas of the government, providing transparency to the application of the resources and the results obtained.

The Bill containing the Multiannual Plan (PPA) must be sent to the Legislative Power no later than September 30 of the first year of the term and must be voted by the City Council by the end of that same year. Thus, the Multiannual Plan (PPA) is valid for the last three years of the term and for the first year of the following term.

In addition, the Budget Guidelines Law (LDO) has the purpose of guiding the preparation of the Annual Budget Law (LOA), which rules the changes in tax legislation, the definition of the policy about the official financial development agencies application and the maintenance of balance between revenues and expenses.

The LOA also defines criteria and forms to limit the commitment, the determination of rules related to cost control and to evaluation of the results from programs financed by budget resources, indicating the conditions and requirements to direct resources to public and private entities.

The Budget Guidelines Bill, prepared with support from Town Finance Department, must be sent to the Legislative Power by April 15th of each year, to be voted by June 30 of that same year. It must be submitted to two public hearings before the voting date.

Further information regarding the budget instruments can be found on the page of the Town Finance Department.

Company's Gross Operating Revenue, in 2021, was R\$39.47 million, the taxes levied on revenue (payment to the government) were around 10.19% corresponding to R\$ 4.07 million.

The Operating Revenue was due to services rendered under the Technical Cooperation Agreement with PMSP/SIURB, which income reached R\$ 21.40 million, with a 54.23% share on Total Revenue.

The fees charged for the management of interventions financed with resources from Urban Operations summed R\$1.89 million, corresponding to 4.79% of the total revenue.

The taxes charged for the inspection of the Urban Furniture corresponded to 40.99% of the total revenues, equivalent to R\$ 16.18 million.

Thus, the Annual Net Revenue was R\$35.24 million, the costs for rendering the services summed R\$24.09 million and, therefore, the Gross Operating Income was R\$11.15 million.

Administrative expenses plus balances of other income and expenses summed R\$11.30 million and, therefore, the result for the year was negative at R\$143.66 thousand.

In the composition of the costs for rendering the services there are expenses with staff around R\$ 20.10 million, what represents 83.45% of the total cost. The remaining 16.55% were related to costs with third parties hired.

Likewise, the administrative expenditures included the costs with staff what represented 94.6% of the total expenses in the period.

Considering the total cost with staff around R\$ 30.88 million the real rate corresponding to Indirect Benefits and Expenses (BDI) was 21.77%.

Given the figures presented, it is possible to verify that the company's cash generation in the year was sufficient only to maintain its operating activities, without generating excess cash for payment to capital providers as dividend distribution.



Urban Furniture Concessions

SPObras is responsible for managing and supervising the concession agreements for bus stops and digital street clocks in the city of São Paulo. The concessions allow relieving the city's expenses with these services, enabling the allocation of resources to priority matters such as health, education and safety.

Bus stops

With the agreement signed with the City Hall in December 2012, Otima Concessionária de Exploração de Mobiliário Urbano assumed responsibility for manufacturing, replacement and maintenance of 6,500 bus shelters and 12,500 signing totems of bus stops existing in the City of São Paulo, a goal already surpassed.

Over the course of the concession, that reaches 25 years old, another 1,000 shelters and 2,200 totems will be installed by the concessionary at locations indicated by the City Hall, reaching the total amount of 7,500 shelters and 14,700 totems, which makes this one of the greater urban furniture concession agreement in the world.

With the new equipment, the urban scene gained beauty and a more contemporary urban landscape what demonstrates a better care by the public authorities with the citizens.

In this category of onerous concession agreement, the concessionaire is fully responsible for the production, installation and maintenance of the equipment, without any responsibility for the City Hall.



The company also paid R\$ 172.5 million to the City Hall, referred to the grant value, which is the remuneration paid to the government to obtain authorization to provide the service. On the other hand, the concessionaire has the right to explore the advertising on the bus stops.

SPObras is responsible for supervising and enforcing the agreement terms.



Street Digital Clocks

The concessionaire A Hora de São Paulo took responsibility for the implementation and maintenance of 1,000 digital street clocks, which are already installed. The equipment were designed by two important Brazilian architects - Ruy Ohtake and Carlos Bratke - and brought functionality and beauty to the city; each equipment requires about 40,000 pieces to be manufactured.

As in bus stops, this is also an onerous concession agreement, with 25 years of duration, through which the concessionaire assumed responsibility to manufacturing, replacement and maintenance of 1,000 digital street clocks, without burden to the City Hall. The company paid R\$ 71 million to the City Hall, referred to the grant value, which is the remuneration paid to the government to obtain authorization to provide the service.

On the other hand, the concessionaire can explore the advertising in the clocks. The management and supervision of the agreement are made by the SPObras.

São Paulo's digital clocks have offered services to the population while giving an elegant look to the metropolis. The equipment bring resources to meet some needs of the population. In addition to inform the hours, the climate and the temperature, the street digital clocks have also rendered services while informing people about flooding areas, vaccination campaigns, places with traffic diversions etc.

With almost a million of m² of urban spot and altitude of more than 700 meters above of the sea, the city has important climatic variations, even with variations of three degrees comparing one point to another one in the city. The information exposed on the displays of the clocks come directly from Cetesb, that always uses the closer measurement source.

The nomenclature adopted by Cetesb, as recommended by World Health Organization – WHO, established standards for measurement pollutants emission such as sulfur dioxide, nitrogen dioxide, ozone, inhaleable particulate matter (MP10), fine particles (MP 2.5) and lead. They are information that bring citizens to more refined understanding about the problem of air in São Paulo.



The digital clocks show the following information about the air quality that São Paulo citizen breathes:

N1 = GOOD

N2 = MOD (corresponds to moderate)

N3 = BAD

N4 = M.R (corresponds to very bad)

N5 = PESS (corresponds to terrible)

The City Hall can also pass information only to a neighborhood or region where a relevant fact is occurring. As the information is released on the devices on real time the City Hall is able to participate more effectively on the daily life of the city . This was the case during 2021, when, due to the covid-19 pandemic, the City Hall had to intensify communications regarding safety and vaccination protocols in São Paulo.

Public toilets and drinking fountains

In 2021, together with SP Parcerias, SPObras developed the concession notice, launched in February 2022, for 200 fixed public toilets and 200 drinking fountains, to be implemented in all regions of the city.

The winner of the bidding will be responsible for the installation, cleaning, maintenance and operation of these structures throughout the concession, which will be for 15 years. On the other hand, advertising exploration will be allowed as already occurs on street clocks and bus stops.

The use of these equipment will be completely free for the population.

All toilets will have universal accessibility, baby changing rooms, monitoring by security cameras, presence and safety sensors, as well as anti-vandalism items such as sanitary parts and mirrors in stainless steel, embedded trash cans and paper and soap dispensers and sensors to turn on water and light drives.

Beyond offering sanitary installations of quality and drinking water to all, it is expected that project will also bring economic benefits to the city around R\$ 191 million throughout the 15 years of concession considering the investments and the grant received, the collection of taxes and the relieving for the delegation of the service.



3.5 OBJECTIVE OF THE SERVICES RENDERED

2021 Annual Sustainability Report / SPObras

GRI 102-7, 102-45

The 17 UN SDGs

The services rendered by SPObras in 2021 are based on the Strategic Planning, on the Institutional Performance Commitment (CDI) and on the Goals Program of the City of São Paulo.

While strategic planning defines the organization's overall objectives and goals and how they can be achieved, DCI aims to establish metrics that allow the objective assessment of the company's performance.

The Goals Program defines the government's priorities, strategic actions, metrics and quantitative targets for each of the sectors of the administration.

It is important to highlight that the goals seek alignment with the Sustainable Development Goals (SDGs) of the United Nations (UN).



The main SDG linked to the area of operation of SPObras are:

9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

11. Make cities and human settlements inclusive, safe, resilient and sustainable.

PROGRAM OF GOALS 2021-2024

GRI 102-48



The Program of Goals 2021-2024 Final-Participatory Version represents the combination between the city's strategic vision over the current management and the proposals and contributions made by civil society during its process of elaboration.

The result is a document containing the settlement of :

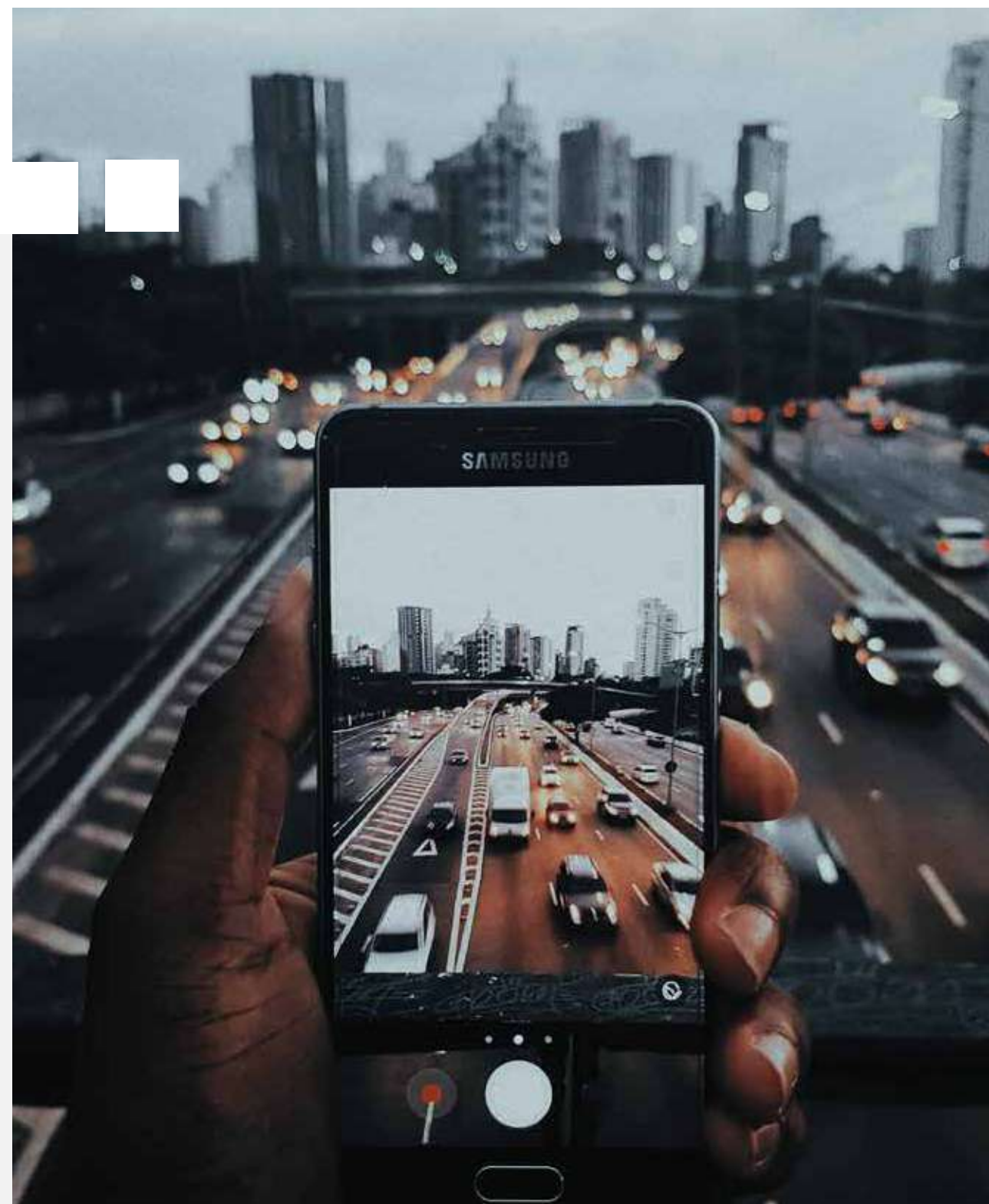
- 6** topics
- 27** strategic objectives
- 77** goals and their relevant indicators and
- 306** initiatives

The full content of the program and the development follow-up of the goals can be accessed on page:



https://www.prefeitura.sp.gov.br/cidade/secretarias/governo/planejamento/programa_de_metas_20212024/

SPObras supports the Town Departments of Urban Infrastructure and Constructions (SIURB), Mobility and Transit (SMT), Innovation and Technology (SMIT), Education (SME) and Housing (SEHAB) in the accomplishment of 8 specific goals participating in their execution.



The goals related to the performance of SPObras are listed below, as well as the main related SDGs:

11 SUSTAINABLE CITIES AND COMMUNITIES



GOAL 12 - TO PROVIDE 49,000 HOUSINGS WITH SOCIAL INTEREST

Topic: SP more Inclusive and Fairer
Strategic Objective: Promote access to housing, urbanization, and land regularization for low-income families.
Indicator: Sum of the number of housing units of social interest, delivered and contracted by the government.
Responsible Department: SEHAB

Participation of the SPObras in the goal: In 2021, SPObras prepared a Term of Reference for providing the remaining constructions of HIS 27 (54 houses of social interest) and HIS 41 (119 houses of social interest), within the scope of the Urban Consortium Operation Água Espraiada, which the public bidding for the constructions is scheduled to be held in 2022. The houses will be destined to families from the following communities: Guian Corruias, Americanópolis, Souza Dantas, Rocinha Paulistana, Beira Rio, Alba, Babilônia, Taquaritiba, Henrique Mindlin, Vietnã, Ponte de Fonte São Bento and Muzambinho.

4 QUALITY EDUCATION



GOAL 25 - TO IMPLANT 12 NEW CEUS (Unified Educational Centers)

Topic: SP more Inclusive and Fairer
Objective: Ensure inclusive and equitable access to quality education for all school-age population, assuring full educational development in a community-integrated manner.
Indicator: Number of implanted units and in functioning.
Responsible Department: SME

Participation of SPObras in the goal: In 2021 the SPObras inspected 236 municipal schools that will pass through renovation and maintenance in 2022, among them there will be constructions in 4 CEUs.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



GOAL 37 - PERFORM 160 RECOVERY OR REINFORCEMENT WORKS ON BRIDGES, VIADUCTS OR TUNNELS

Topic: SP Safe and Well-tendered

Strategic Objective: To guarantee the quality and safety of the public ways and the road infrastructure.

Indicator: Structural units of bridges, viaducts or tunnels that have received recovery or reinforcement constructions.

Responsible Department: SIURB

Participation of SPObras in the goal: SPObras is in charge of the city's Bridge and Viaduct Recovery Program. One of the priorities of the City is the development and perpetuation of a maintenance culture and permanent evaluation of the bridges and viaducts situation under responsibility of the City hall of São Paulo. For this, in 2018 the Program of Recovery of Bridges and Viaducts was instituted through which SPObras acts in two fronts:

- 1) Inspections and surveys and
- 2) Structural recovery, reinforcement and maintenance of structures.

Since the beginning of the Program of Recovery of Bridges and Viaducts, launched by the end of 2018, SPObras carried through visual inspections in 245 places (or 375 structural units) and urgent or special inspections in 127 places (or 226 structural units). In 2021, we conducted visual inspections on 132 structures and special inspections on 57 structures.

Special inspections have a decisive role in assessing the current conditions of the structures that deserve more attention from the City Hall. Through them, it is possible to obtain reports for further verification of the structures, which allow an extended knowledge of the disorders resulting from the deterioration process, in addition to present recommendations for actions to be taken based on technical criteria, such as the execution of maintenance constructions or more complex constructions such as structural recovery ones.

In constructions front, in 2021 SPObras completed works in 19 structures and the structural recovery of the Bresser viaduct is ongoing.

For 2022, it is scheduled the closure of the Bresser Viaduct Recovery Construction, started in 2021, and the public bidding and execution of recovery works (partial or total) of 44 other structural units.



13 CLIMATE ACTION



GOAL 43 - TO IMPLEMENT 300 KILOMETERS OF CICLEWAY STRUCTURES

Topic: Agile SP

Strategic Objective: Stimulate active mobility of the population, with priority for walking and cycling in a safe way.

Indicator: Extension, in kilometers, of bicycle paths, bicycle lanes and implanted cycle routes.

Responsible Department: SMT

Participation of SPObras in the goal: In 2021, SPObras managed, within the scope of the Urban Operation Faria Lima, the development of the Bernardo Goldfarb cycle way project and the public bidding for hiring the Panorama cycle way project, which will be built over the Pinheiros river and will be intended for cyclists and pedestrians.

Other projects under the company's management include the construction of new bike lanes, such as the BRTs Radial Leste and Aricanduva, the Graúna Gaivotas road link, and the extension of Av. Auro Soares de Moura Andrade.

Extension of Bicycle Routes:

BRT Radial 1 and 2: 19.5 km (11 km for Section 1 and 8.5 km for Section 2);

BRT Aricanduva: 13.6 km;

Graúna-Gaivotas: 6.9 km (considering the 3 segments);

Auro Soares de Moura Andrade, currently Mário de Andrade: 5.2 km (2.2 km for the existing road and 3 km for the extension).

GOAL 45 - IMPLEMENT BUS CORRIDORS IN THE BRT MODEL (BUS RAPID TRANSIT) ON AVENIDA ARICANDUVA AND ON RADIAL LESTE

Topic: Agile SP

Strategic Objective: Ensure access to the Municipal Transport System, in a safe, accessible and sustainable way.

Indicator: Corridors implanted and in operation.

Responsible Department: SMT

Participation of SPObras in the goal:

SPObras has direct participation in the achievement of this goal, considering that it is responsible for the implementation of both BRTs: Aricanduva and Radial Leste.

11 SUSTAINABLE CITIES AND COMMUNITIES



BRT Aricanduva

In the development phase of executive projects, BRT Aricanduva is a fast bus system, with 13.6 kilometers, which will start at the intersection of the avenues Radial Leste and Aricanduva, connecting the avenues Aricanduva and Ragueb Chohfi, to the Terminal São Mateus of EMTU, in the Zona Leste.

Counting on a segregated and exclusive route for buses, the BRT system has advantages because it is considered a faster, safer and less polluting mean of transportation when compared to the conventional one. It will be a fundamental part for the expansion of the transport system, considering that Avenida Aricanduva is inserted in the metropolitan ring road and facilitates the interconnection with the southeast region of the city.

Passing through the neighborhoods of Carrão, Vila Matilde, Aricanduva, Cidade Líder, São Mateus, Parque do Carmo, São Rafael, Iguatemi, José Bonifácio and Cidade Tiradentes, 1.25 million of paulistanos will be potential benefited by this enterprise.

BRT East Radial

Sections 1 and 2 of the BRT Radial Leste total 18.1 kilometers in length and are in the process of preparing for the public bidding of executive projects and environmental studies. Its route goes from Parque Dom Pedro to the Subway Station Arthur Alvim (Line 3 - Red).

The project will benefit 185 thousand people per business day.



11 SUSTAINABLE CITIES AND COMMUNITIES



GOAL 46 - ENABLE 40 KILOMETERS OF NEW BUS CORRIDORS

Topic: Agile SP

Strategic Objective: Ensure access to the Municipal Transport System, in a safe, accessible and sustainable way.

Indicator: Extension, in kilometers, of segments with constructions started in new corridors.

Responsible Department: SMT

Participation of SPObras in the goal: SPObras is responsible for the implementation of the Itaim – São Mateus Corridor, currently under review of environmental projects and studies.

GOAL 47 - IMPLANT FOUR NEW BUS TERMINALS

Topic: Agile SP

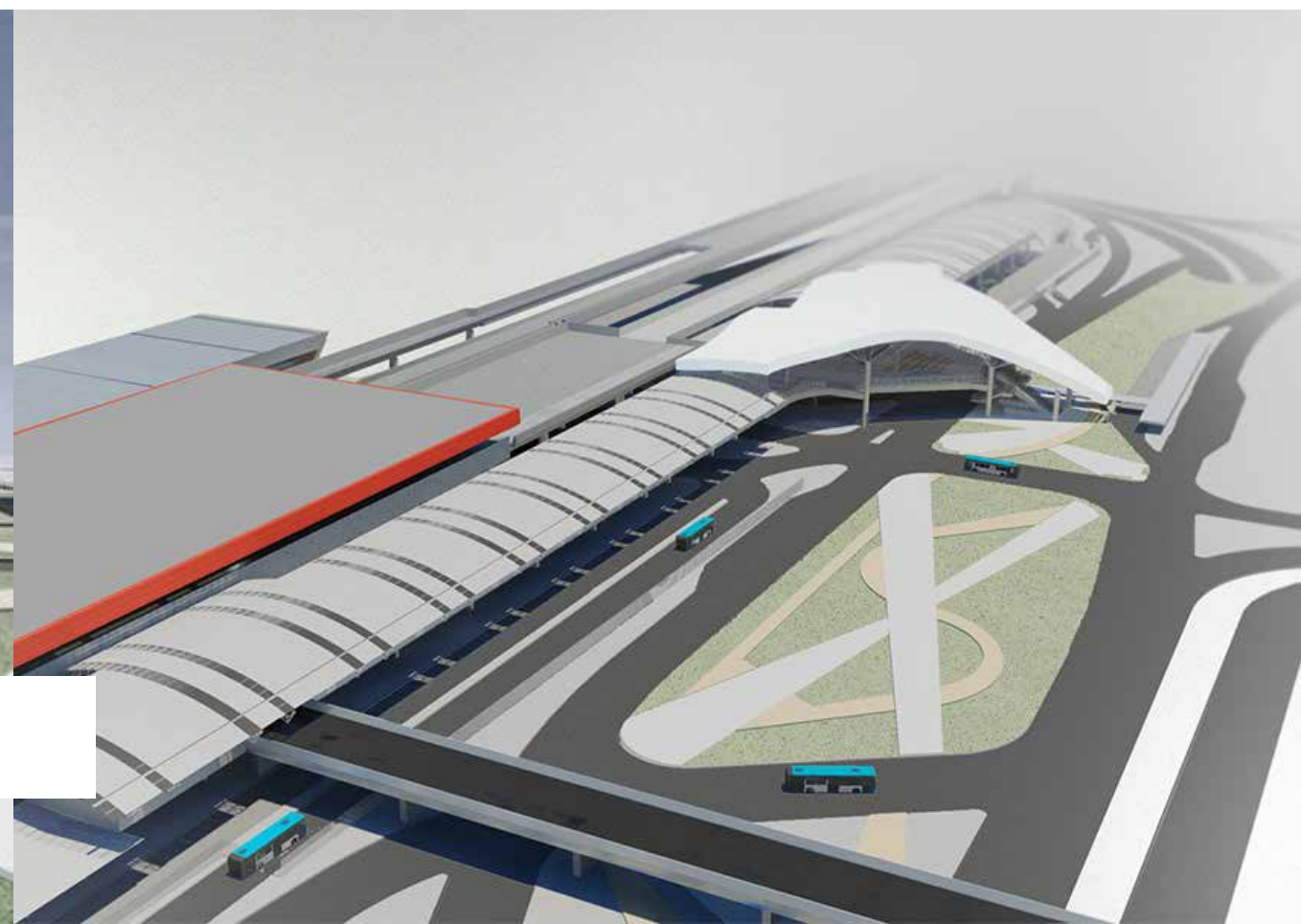
Strategic Objective: Ensure access to the Municipal Transport System, in a safe, accessible and sustainable way.

Indicator: Number of bus terminals implemented.

Responsible Department: SMT

Participation of SPObras in the goal: SPObras is responsible square meter the implantation of the new Terminal Itaquera, that will have 36 thousand and will be implanted in nearby area from the current terminal, extending its capacity to receive new bus lines, in addition to attend to the transferences the lines of high demand: Subway (Line 3 - Red - Corinthians/Itaquera) and to CPTM (Line 11 - Choral).

In November 2021, the company carried out a public consultation and is currently preparing the public bidding material for the execution of the remaining constructions, with the launch of the expected for 2022. The project should benefit 300 thousand people per bidding.



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



GOAL 72 - REMODEL THE SERVICE SQUARES OF THE SUBPREFECTURES SO THAT THEY CENTRALIZE ALL MUNICIPAL SERVICES IN THE TERRITORY - DESCOMPLICA SP

Topic: Efficient SP

Strategic Objective: Simplify, modernize and democratize the population's access to municipal public services.

Indicator: Number of units of remodeled Subprefectures.

Responsible Department: SMIT

Participation of SPObras in the goal: SPObras is responsible for the implementation of 4 units of Descomplica SP. In 2021, the company developed and adapted the projects of the units of the neighborhoods of Lapa, Freguesia do Ó/Brasilândia and Ipiranga and opened the bidding for works of the units of Cidade Tiradentes and Ipiranga.

Decentralization model of the City Hall's face-to-face service, Descomplica SP provides more than 350 Municipal Administration services, proposing to make life easier for the population, who will no longer need to dislocate to different addresses to be served. According to data of the City department of Innovation and Tecnologia (SMIT), Descomplica SP is approved by 99.5% of São Paulo population and until now carried through 2 million appointments, since the creation of the Program.

OTHER ENTERPRISES

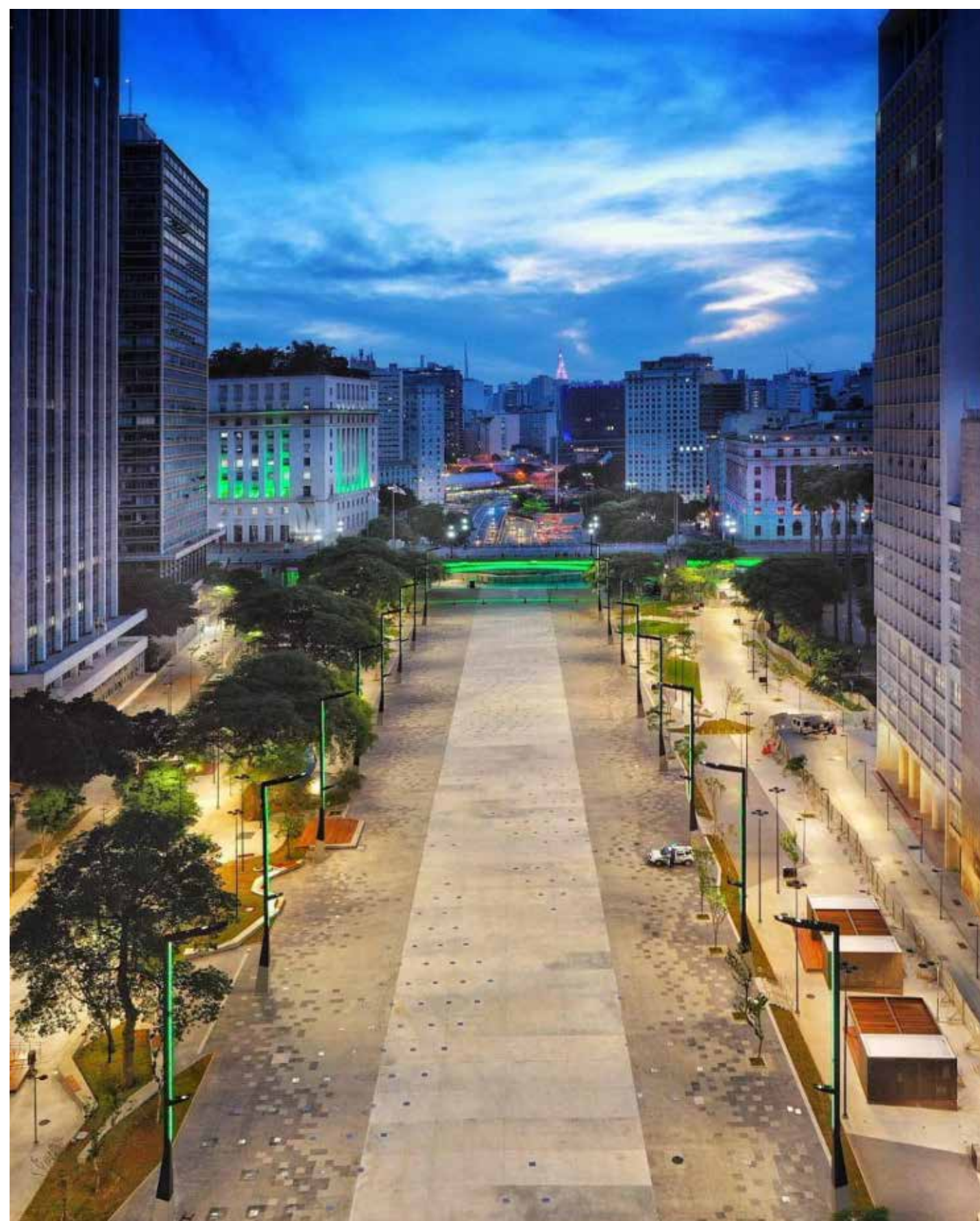
In addition to the projects included in the 2021/2024 Goals Program, in 2021 the company also acted on other fronts, based on Strategic Planning and the Institutional Performance Commitment.

COMPLETED CONSTRUCTIONS

Anhangabaú Valley

After constructions executed by SPObras in 2020, the Anhangabaú Valley was reopened in December of 2021 for fruition of the population, after the concessionaire assumed the management of the space. With the renovation, the place has gained new attractions such as a light source, skate track, rest points, event and leisure space and kiosks that will provide services, commerce and food. What once represented a place of passage, became more welcoming and inviting to the permanence of the population, transforming the Vale do Anhangabaú into one of the main meeting points of São Paulo citizens and one of the great tourist attractions of the city of São Paulo.

The concessionaire "Viva o Vale" assumed responsibility for the activation of the public space of more than 70,000 m² in the next ten years, ensuring new options for leisure, sports, culture, education, entrepreneurship and gastronomy in the downtown region of São Paulo.



This is one of main agreements settled by the city of São Paulo, for the value of R\$ 55 million, and includes the management, maintenance, preservation and sociocultural activation of all the area under the Viaduto do Chá, Viaduto Santa Ifigênia, Vale do Anhangabaú, Praça Ramos de Azevedo, part of the Av. São João, Praça do Correio, staircase of Rua Dr. Miguel Couto, part of Avenida São João between Avenida Ipiranga and Rua São Bento, in addition to 8,730 m² of The Formosa and Prestes Maia Galleries and the 11 kiosks in the central area of the Valley.

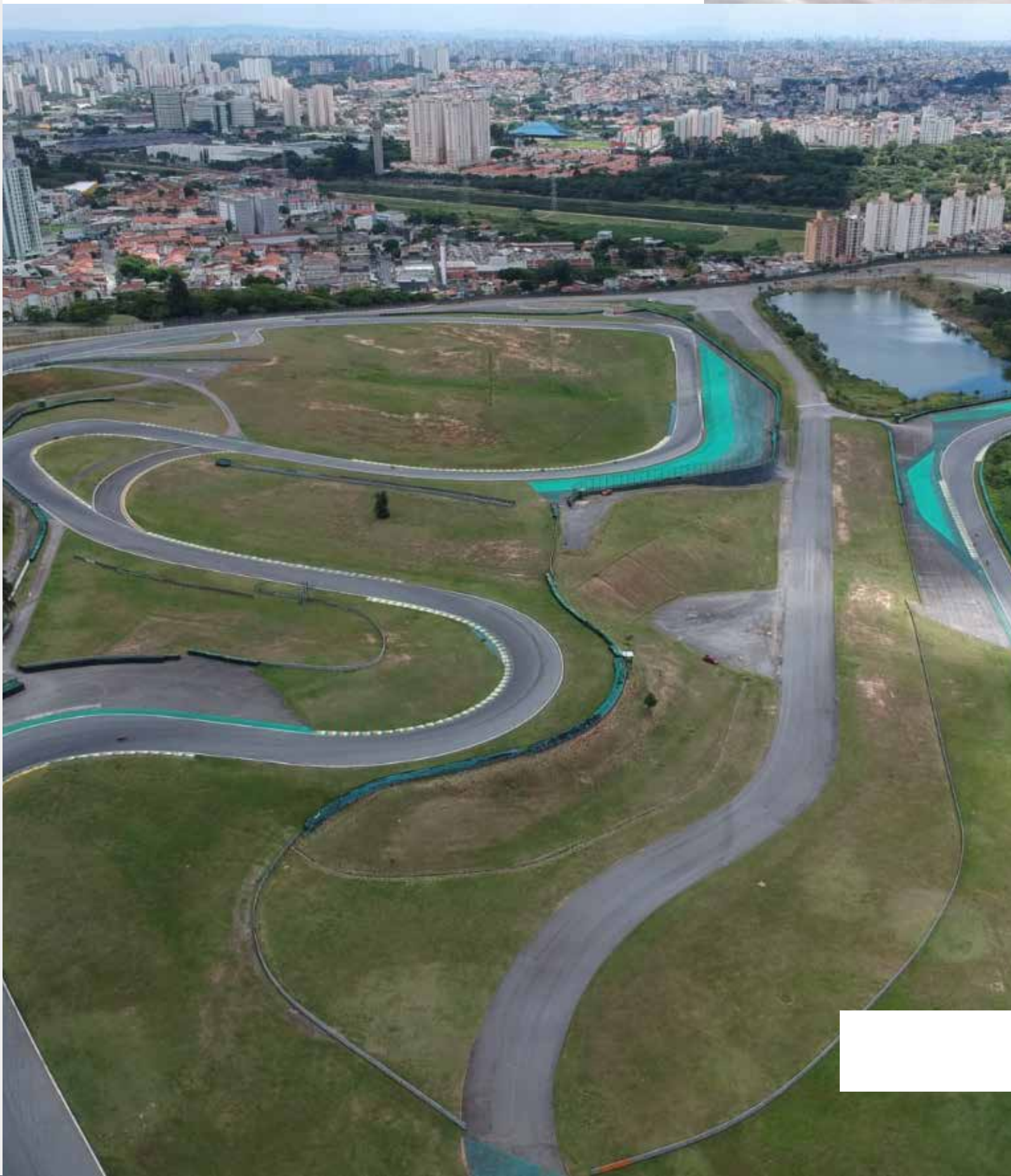
During the concession, the City estimates that the relieving will reach R\$ 32 million.

The city downtown is a region characterized by the great offer of jobs, commerce, services, public transport, historical heritage and cultural equipment. Thus, the new Vale do Anhangabaú, redefining the meanings of use and qualifying urban space, was also important for the promotion of commerce and services in the region.

Autódromo de Interlagos

To meet the requirements of the International Automobile Federation (FIA) and make the José Carlos Pace Racetrack (Interlagos), in the south zone, follow the standards of Formula 1, the City of São Paulo, through SPObras, invested R\$ 10.5 million in interventions at the site in 2021.

It is important to highlight that the services provided also benefit the other automotive competitions and entertainment events that take place in the space.



Among the improvements made there are the recovery of the pavement and the asphalt resurfacing of the track in specific points, in addition to the adequacy and supplementation of the horizontal and vertical signaling of the Circuit.

A general review and adequacy of the protection and safety devices was also made; among the elements that have undergone maintenance there are 1,200 meters of metal fenders (guardrails), 400 meters of new tire barriers and 1,500 meters of readjusted barriers, demolition and reconstruction of washers (zebras) 6 and 7, totaling 100 meters, and paint with anti-slip paint in 30,000 m² in escape areas.

The constructions included, also, general services of building maintenance permanent installations, that consist in a set of constructions and the other existing structures in the Automobile racetrack.

The main Brazilian stage of motor racing, motorcycling and major national and international events, the Autódromo de Interlagos was also submitted to a modernisation construction in its infrastructure, completed in January 2021 by SPObras. The boxes remodeling and the construction of a new covering in the area of paddock had been carried through (space destined to the teams, vehicles, race officers and guests), raising the space to the same level of the best automobile race tracks of the world.

The structure of the existing boxes was extended to increase its height to guarantee a free ceiling of 3 meters to adjust them to receive all the types of equipment, assuring more mobility and better conditions of work and safety to the support and operation teams of events. The boxes also have now movable partitions in place of the walls. With these new modular structures, the teams can use of the space as they consider is the most convenient way.

To bring more comfort to the public and professionals working during the events at the Racetrack, a roof of about 20,000 m² was also built to protect the entire paddock area, which is the lane behind the Boxes and the Support Building. With the modernisation, Interlagos ceases to be just a space of sporting and automotive events but also became a center of events and conventions.

Impact for the city

The São Paulo F1 Grand Prix of 2021 brought together the largest audience in history, bringing to the Racetrack 181,000 people, a record audience in municipal equipment. The City Hall of São Paulo carried through, between days 12, 13 and 14 of November, research to assess the impact of the GP in the São Paulo capital and the numbers show that the public of the event put into motion R\$ 549.2 million in the city during the period.

According to the data obtained, the event in São Paulo impacted economically the tourism and showed a growth of 51.9% in this period. Around 8,200 temporary jobs were created. As a comparison, in 2019, the last year of GP and without pandemic, R\$ 361 million were injected into the city by the F1 public.

The research also showed that the average expenditure of tourists with lodging, transportation, food, shopping, and leisure was R\$ 4,545.57 an amount 54.4% higher than in 2019.

Complementing these figures, it was reported that the number of tourists from the interior of the state of São Paulo and other states increased 46.2%.

And, in addition to increasing the services and commerce sectors, the Grand Prix generated about R\$ 1.6 billion in reputation rights to the capital.

COMPLETED CONSTRUCTIONS

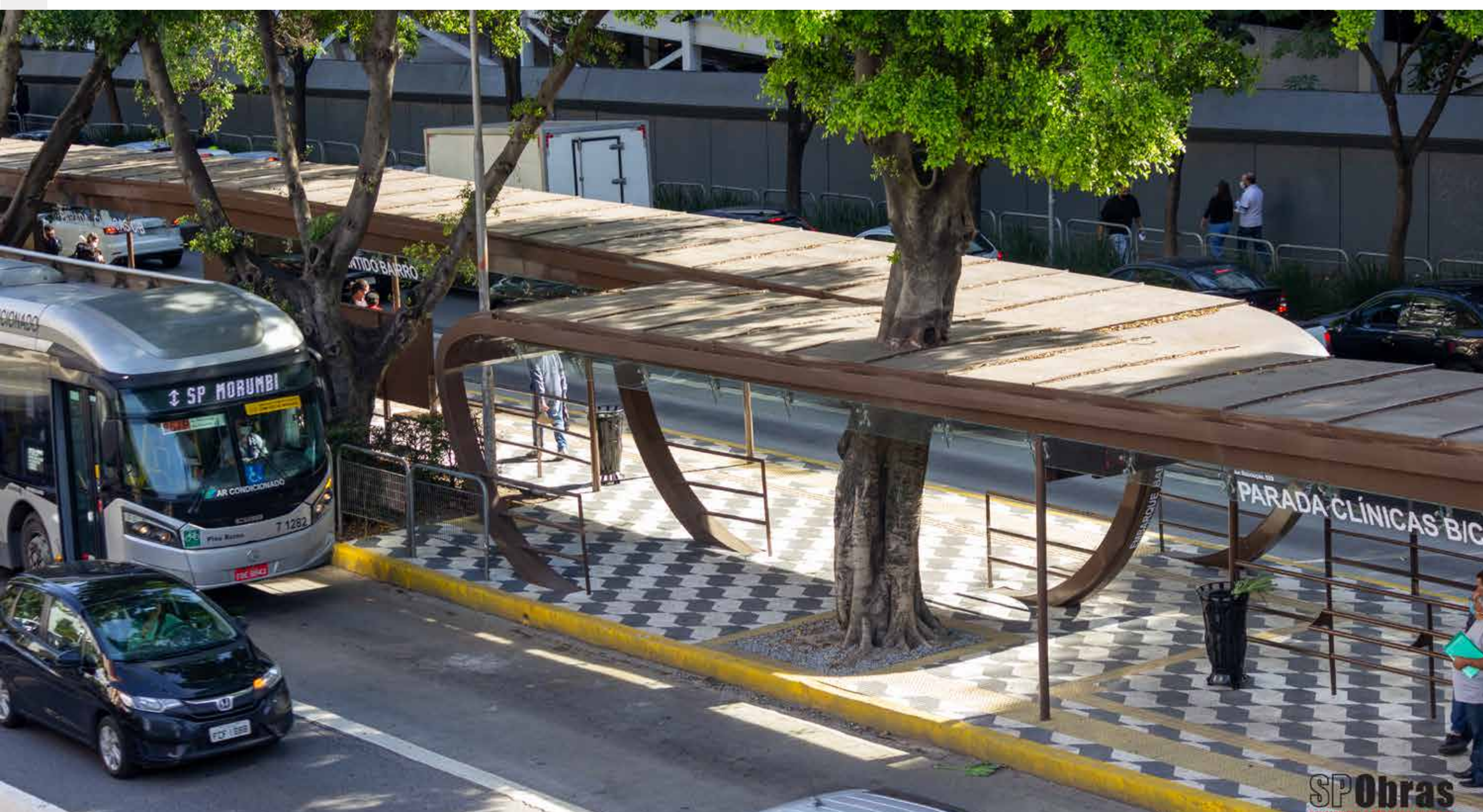
Renewal of 43 bus stops in the city's main corridors

In 2021, SPObras delivered the renewal (retrofit) of 43 bus stops of the Barbosa & Corbucci model, present in the main corridors of the city of São Paulo. Otima, the company that holds the concession of bus stops in the city, was in charge of the constructions, without any burden to the City Hall. On the other hand, the concessionaire can explore the advertising on the equipments.

The best current technologies were used for the recovery of metal structures, through the total removal of the previous paintings by sanding and chemical removers and replacing parts that presented corrosion and unrecoverable dents. In later stage, basic paintings (primer) were applied, leaving the equipment ready to receive the final painting.

The modernisation also covered the replacement of the entire electrical part, including pipes, cables, grounding and the placement of LED luminaires. In addition, the cleaning and recovery of rock-wool and re-wrapping the stops were executed, providing thermal comfort to the users; the revision of the drainage elements of the roofs with replacement of the flexible collecting pipes; the replacement of the upper side closure, previously in acrylic, by tempered double glazing; the retrieval of variable message panels; and replacing the floor in the bus stop area with a new hydraulic tile floor, including podotactile and directional signalling.

In addition to the retrofits, 131 old bus stops were replaced by new models, such as the ones at Atlântica, Senador Teotônio Vilela and Paes de Barros Avenues. It was also bid the renewal of 120 metal shelters, which constructions will be started 2022.



COMPLETED CONSTRUCTIONS

Installation of railings at Minhocão

The elevated Presidente João Goulart (Minhocão) received new metal railings for the safety of pedestrians and users.

The constructions consisted of metal rails installation and the execution of grounding system of those rails.



PROJECTS UNDER DEVELOPMENT

Upgrading sidewalks of the Triângulo Histórico

The project consists of the renovation of the sidewalks and boardwalks pavements of 30 streets in the historical center, covering an area of 68 thousand m². Many people passes through these places every day. Studies dated 2017 and 2019 of SP-Urbanismo, a public urban planning company linked to the Municipal Department of Urbanism and Licensing (SMUL) show a large flow of pedestrians at peak times, reaching 6,642 people per hour. The current situation of the boardwalks in addition to the large circulation of people, is conducive to accidents. According to a 2003 report by the Instituto de Pesquisa Econômica Aplicada (Ipea), there are 5,400 falls on city boardwalks per year, generating an estimated expenditure of R\$ 30 million annually on medical care.

Future interventions, expected to be submitted to public biddings in 2022, will increase resistance to heavy traffic and include the implementation of universal accessibility; new tourist signalling; installation of new urban furniture, providing adequate living areas; implementation of new functional and scenic lighting; restructuring of underground drainage infrastructure; and implementation of technical ditches for better ordering of telecommunications networks.

The project aims at the urban enhancement of Downtown, providing more safety, mobility and universal accessibility to passersby.



Upgrading the Boardwalk of República

The area covered by the project under development is equivalent to about 37,000 m² and intends to improve the area through the implementation of new paving; universal accessibility; creation of rest environments, with the installation of urban furniture and landscaping; road signs; drainage improvements; and the organization and planning of telecommunication networks. It is also planned the implementation of tourist signage and new lighting, both functional as a scenic lighting of historic buildings and monuments, improving safety and promoting the appropriate environment. Given the importance of the region, the project aims to increase its value, rescuing its potential as a hub of tourist attraction, in addition to promoting a safe and more inviting environment for the staying and movement of people

Upgrading of the corridors Imirim, Amador Bueno da Veiga, Itapecerica, Santo Amaro/João Dias and Interlagos

The upgrades foresee the renewal of the corridors extension, which will have their pavement reinforced; the implementation of a new intelligent traffic lights network, with optical fiber along the corridors, allowing greater fluidity of buses at peak times; new lighting and signage; and refurbishment of bus stops.

The new road system will have approximately 1.5 kilometers of extension and will include bike lanes, vehicle lanes and exclusive bus lanes, as well as the tunnel. The repositioning of the railway under the conditions presented will allow the redevelopment of the railroad's edge, which is currently degraded.

The set of those 5 enterprises will benefit about 870 thousand people per working day

The projects of the Corridors Imirim, Amador Bueno da Veiga, Itapecerica are under development and the projects of the Santo Amaro/João Dias and Interlagos corridors are in hiring processes.

Prolongation of Av. Auro Soares de Moura Andrade.

The ongoing project foresees the extension of Avenida Auro Soares de Moura Andrade to the vicinity of Rua Carijós, forming a new continuous road axis to support Francisco Matarazzo, Pompéia and Guaicurus Avenues.

Also part of the scope of the project are the construction of a two-way tunnel that will make the interconnection with Av. Santa Marina and the relocation of Line 8 - Diamante, CPTM.

The execution of the interconnection tunnel will allow cars, buses, pedestrians and cyclists, who are destined to Av. Marquês de São Vicente, Av. Presidente Castelo Branco and the North Zone - through Freguesia do Ó Bridge - to use this access, improving the traffic conditions of the Viaduct of Lapa, currently overloaded.



Road Linking Graúna-Gaivotas

The project consists on the creation of a new road system and a crossing over the Braço do Cocaia, in the dam Billings, which will facilitate to the movement of the population from the neighborhoods Jardim das Gaivotas, Chácara das Gaivotas, Parque Cocaia, Jardim Toca e Cantinho do Céu in direction to Downtown of São Paulo. The project will benefit the flow of public transportation from the southern borders of the city and will be integrated with different modes such as the corridors and exclusive bus lanes of the Teotônio Vilela, Atlântica, Olívia Guedes Penteadó, Interlagos, Nossa Senhora de Sabará, Dona Belmira Marin Avenues, in addition to the Grajaú Urban Terminal and Line 9 – CPTM Emerald, providing more quality of life for the more than 1 million people who live there (IBGE data).

Bernardo Goldfarb Cycle Way

A cycle way project, to be built in parallel to Bernardo Goldfarb bridge and destined to cyclists and pedestrians who move from the neighborhoods of Butantã, Vila Sônia, Rio Pequeno and Osasco towards Faria Lima, Berrini and Downtown. The Cycle way will have bidirectional bicycle path and will be a safe alternative segregated from the great flow of transit on the bridges Eusébio Matoso and Bernardo Goldfarb.

The future project will also guarantee access to different means of transportation implemented in the region, such as the existing cycle network, Metro Line 4, CPTM Line 9, Pinheiros Terminal and the University of São Paulo – USP.

Upgrade of Av. Santo Amaro

Santo Amaro Avenue Upgrade Project covers a stretch of approximately 3 km, between Avenida Presidente Juscelino Kubitschek and Avenida dos Bandeirantes. Plans include the execution of rigid concrete pavement in the exclusive lanes of the bus corridor; execution of a new flexible pavement in the lanes for general traffic; implementation of bus stops for boarding and arriving passengers; implementation of new sidewalks; removal of interferences; execution of plazas and squares; installation of new equipment for public lighting; renewal of the rainwater drainage system; installation of duct banks for corridor technology and facilities for signaling – horizontal, vertical and traffic light; and landscaping. In addition to the creation and upgrading public spaces, the project aims to improve the road accessibility of pedestrians and cyclists, the reorganization of traffic flows and connection between the different means, prioritizing public transportation and meeting the needs of each means of transportation.



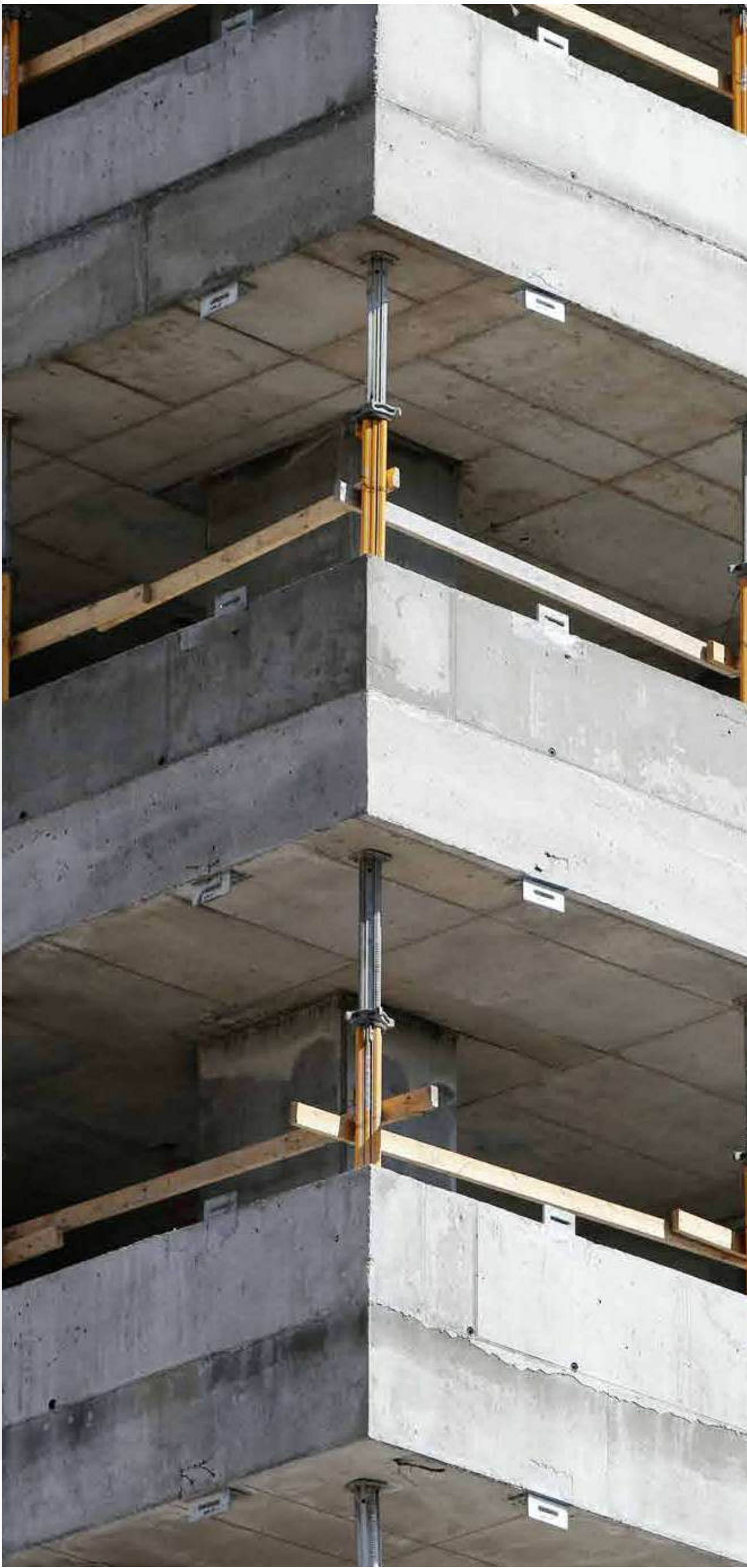
Illustration taken from the city's website. (gestaourbana.prefeitura.sp.gov.br)

4 ABOUT REPORT

GRI 101, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54

The SPObras 2021 Sustainability Report is a milestone for the company that is adopting the GRI Standards, which is the main global sustainability reporting standard.

The entire report was prepared in accordance with the GRI Standards: Essential option and covers the period from January 1 to December 31, 2021, with its issuance on an annual frequency.



The report includes well defined structure in accordance with General Principles (GRI 101) guidance, and is divided in the following format:

Chapters 1 to 3 provide the general information of the company, including the message of the highest executive board, the implications of covid19 in 2021 activities and the areas of activity, highlighting the main works and projects carried out in the period.

Chapter 5 gathers information that guide the company's objectives and goals and, therefore, the main benchmarking references used to define strategies and action plans. In general, are mentioned the main stakeholders impacted by the company's activities, as well as the methodology for defining the material topics observed.

The main communication ways with each impacted group are presented or the strategies for starting a dialogue in the next cycle.

Chapter 6 details each of the topics considered material and its limits (internal and external), and is intended to present some of the main indicators already raised, as well as a previous planning for those which the data are not available.

Finally, in chapter 7 the Summary of Contents GRI can be found.

5 ESG STRATEGIES

2021 Annual Sustainability Report / SPObras

GRI 101

5.1 MATERIALITY

GRI 102-47, 103-1, 103-2, 103-301

For the definition of Materiality, all the contents of the GRI that represent material topics to the company were surveyed.

As a support reference, the SASB Segment Materiality Matrix (Sustainability Accounting Standards Board) was also used.

The SASB Standards identify sustainability information that is financially relevant, i.e., material to understanding how an organization creates business value. This information – also identified as ESG (environmental, social and governance) information – are designed for users whose primary goal is to improve economic decisions.

The segment search in the SASB matrix returned the following material topics:

- Environmental - Ecological Impacts
- Share Capital - Product Quality and Safety
- Human Capital - Occupational Safety and Health
- Business Model and Innovation - Product Design and Lifecycle Management
- Leadership and Governance - Business Ethics

Based on the specific performance of the company, in the SASB reference and research with members of the environmental, social and governance issues committee of SPObras, the following material topics were established:

- Anti-Corruption (GRI 205)
- Unfair Competition (GRI 206)
- Water and Effluents (GRI 303)
- Residues(GRI 306)
- Environmental Compliance (GRI 307)
- Diversity and Equal Opportunities (GRI 405)
- Health and Security of the Work (GRI 403)



5.2 STAKEHOLDER RELATIONSHIP

2021 Annual Sustainability Report / SPObras

GRI 102-40, 102-42, 102-43, 102-44

Stakeholder groups were defined based on their levels of influence on decisions and impact on the company's activities.

For each group, it is presented the main form of communication as well as the main concerns and subjects of interest. Based on the results observed, the company seeks adequacy measures, action plans and improvement goals.

As it is a public company, SPObras must comply with all regulations referred to transparency and access to information.

The Law on Access to Information (Federal Law N° 12.527/2011) determines that only information that is previously declared in the so-called "Terms of Classification" and that follows certain criteria may be considered confidential and, therefore, not made available to citizens.

The Terms of Classification exist to give transparency to what the public power considers confidential, based on the criteria prescribed in LAI.

Information classified as confidential is public information, but its disclosure may endanger the security of society (life, safety, health of the population) or the State (national sovereignty, international relations, intelligence activities), according to article 30[1], of Municipal Decree 53.623/2012.

Thus, despite being public information, its access should be restricted through the classification by the competent authority. It is incumbency of the Municipal Commission for Information Access - CMAI to classify the information in any degree of confidentiality, according to article 35[2], of Municipal Decree 53.623/2012.

Disqualified information is information that no longer presents a risk to the security of society or the State, becoming subject to disclosure.

Until this moment, SPObras did not have information classified or disqualified in the following confidentiality degrees: "private", "top secret or reserved".

To check all the current terms of classification in the City, access the Transparency Portal.



5.2.1 CIVIL SOCIETY



Communication between the company and civil society is done through different ways, always guided by transparency, and providing greater social control of its actions.

Citizen Information Service (SIC)

Created from the Law on Access to Information (Federal Law N°. 12.527/2011) and Municipal Decree 53623/2012, the Citizen Information Service (SIC) receives and records requests for access to information made by citizens to the organs of direct and indirect administration of the City Hall of São Paulo.

The information can be requested in 03 different ways: Electronic Request (e-SIC), Face-to-Face Request (SIC In person) and Physical Correspondence Annually.

The General Controller of the Town publishes reports about the requests for information received via e-SIC. The annual reports of the Law of Information Access (LAI) can be accessed through SPObras website.

From 2022, all the information congregated in the different forms of communication with the Civil Society will be catalogued to contribute for the continuous improvement of the management, as well as to substantiate the reviewing of the material, planning topics of action and strategies for the future cycles.

Dedicated Attendance Channels

One of the principles of the Public Administration that guides SPObras activities is the Publicity.

SPObras provides its own service channels to disclose its performance in order to develop a continuous and dialogical communication with its stakeholders.

In addition, the structuring of communication channels promotes the capture and response to questions, concerns and demands of the population, ensuring the transparency of the actions through prior and broad access to information of public interest.

E-mail and telephone

Considered more traditional means of communication, the Communication Advisory of SPObras provides e-mail and telephone for direct communication with the citizen. These channels allow a more personal attendance. However, with the evolution of technology and digitalization, especially of the available tools, SPObras also began to invest in digital channels.

Portal SP 156

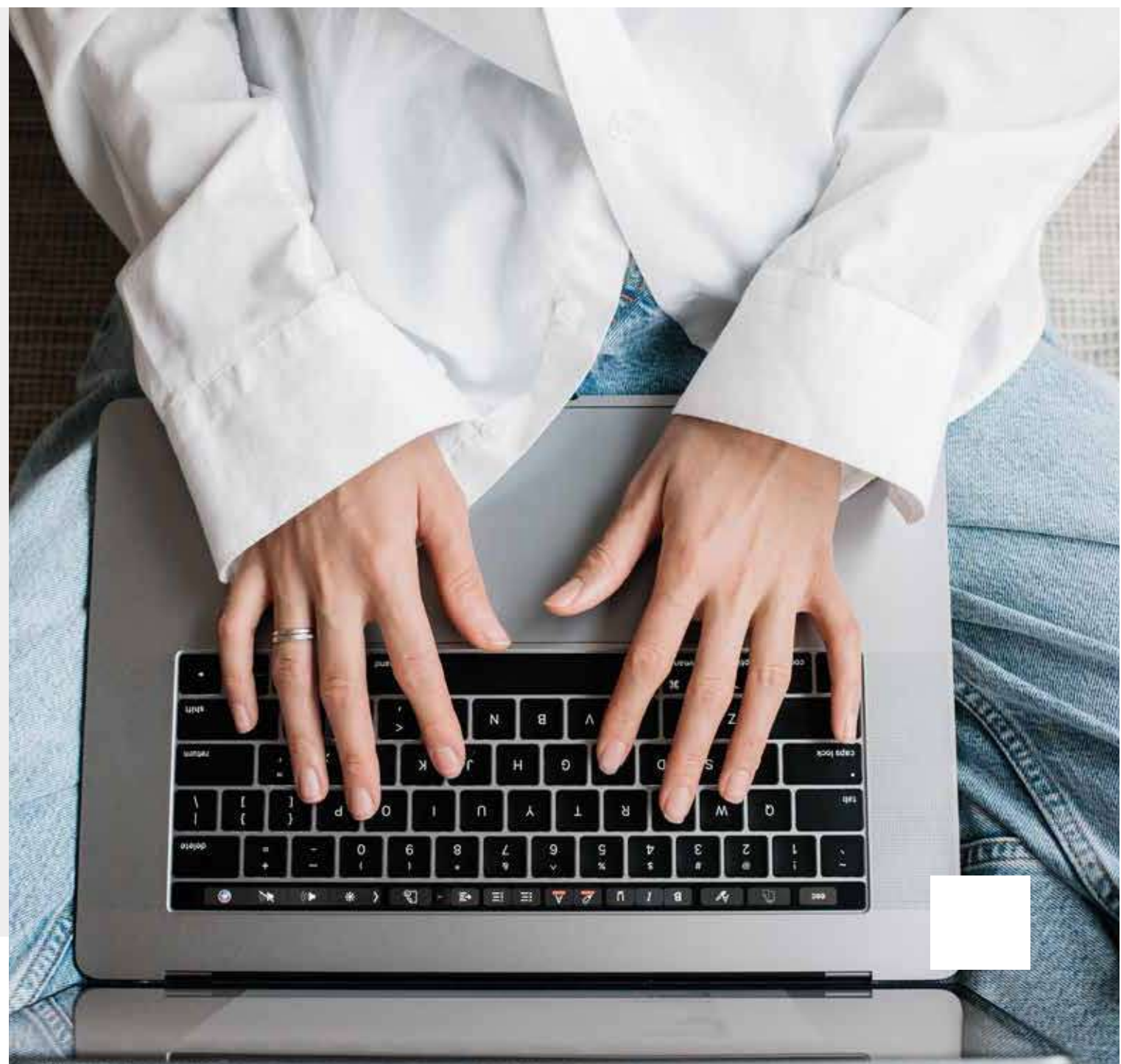
SP 156 Portal is an attendance channel created by the City hall for citizens register requests of services and make complaints.

The access can be by Portal:

(<https://sp156.prefeitura.sp.gov.br/portal/servicos>) or by the application SP156 (available for Android and IOS).



The services rendered by SPObras are related to the repairs, maintenance or cleanness of bus stops and digital street clocks, which can be requested 24 hours per day, 7 days per week.



Site

The SPObras website is frequently updated and is the channel in which our main actions, projects and works are disclosed, always considering the active transparency.

The company's website also houses a complete section to disclose public interest data, called "Access to Information".

In it, data from SPObras that are of collective interest are spontaneously disclosed, with the objective of facilitate access to public information, such as information on functions, competencies, organizational structure and authorities agenda; data about government programs; answers to frequently asked questions; audit reports, inspections, services and take-overs; public bids and purchases; contracts and agreements signed; information on donations, terms of cooperation and lending agreements; Institutional Performance Commitments (CDI) and their follow-up reports; sustainability actions; corporate governance policies; minutes of the meetings of the management and fiscal committees; and minutes and resolutions of the Executive Board of Directors.

Social media

It is known that the digital presence allows greater openness to dialogue between public agencies and citizens. To that aim, SPObras maintains official profiles on the main social networks (Facebook, Instagram and Twitter) so that the population has firsthand access to the company's news and a closer relationship between them can be established. Moreover, they provide a faster and simple interaction with the population, in line with the law about transparency.

In these channels, the most informal, friendly and accessible language to the population is prioritized.

Programs of Social Communication

The Social Communication Programs are implemented by SPObras as a need to build a harmonious relationship between the company and the community directly and indirectly affected by the constructions in progress, aiming to minimize the impacts caused. Its main objective is to develop the communication in all the phases of implantation of the enterprise to keep the population informed about all the constructions stages, blockades and traffic diversions, supplying matters etc.

Moreover, the program aims to structure a channel for capturing and responding questions, concerns and demands, equating possible conflicts and mitigating the disorders resulting from the constructions.

Public Hearings

Public hearings are instruments of social participation in administrative decision-making, designed to promote debates to obtain citizens' manifestations on relevant issues for society, so, public hearings are spaces for legitimization of administrative decisions.

The purpose is the discussion and transparency so that it would be possible to identify the grounds for the model chosen by the City Hall of São Paulo (PMSP) and enable the proposition of other forms to implement the actions proposed by the Town. In other words, public hearings are the space for administrative consensus.

SPObras promotes public hearings in the cases as ruled by Law 8.666/1993, so, whenever any enterprise under its responsibility exceeds the estimated value of R\$ 330 million and in proposals of concessions for urban furniture.

5.2.2 CITY HALL OF SÃO PAULO

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5.2.2.1 COUNCIL MEMBERS



The communication with the council members is carried out through regular meetings on a monthly basis. Whenever necessary, extraordinary meetings may be held.

The minutes of the meetings of the Management Committee, the Fiscal Council and the Executive Board of Directors of SPObras can be found on the website, as well as the resolutions approved by the Executive Board of Directors of SPObras.

Public audit is a management tool that supports the management of public policies, providing managers with important information to improve public expenditure, improve processes, detect failures/execution errors.

Inspections are verifications carried out on goods or documents within the scope of an audit and can be carried out as a physical inspection or as a document inspection.

The provisions are technical documents that demonstrate information about the management, identifying the application and execution of resources from their own revenues, agreements or other lawful origins and demonstrating the evidence made by the responsible manager.

Accountability occurs when an individual, body or entity causes loss or other irregularity that results in damage on public authorities' financial resources. It also happens in cases where the specific legislation does not require the person responsible to be held accountable, or when it is required but it does not do so.

5.2.2.2 INTERNAL COLLABORATORS



There are in the company instances representing the individual and collective interests of employees:

Employee Representation Board (DRE), Employee Representation Council (CRE), CIPA, Management Committee with employee-elected member (CA) and work safety.

SPObras makes available to all those interested in collaborating with complaints, suggestions or criticisms the specific e-mail address:

compliance@spobras.sp.gov.br

In case that the employee does not feel comfortable to make contributions through SPObras available channels, the members of the Compliance Committee are available to receive reports, suggestions or contributions, of personal form or by means of any mechanism of communication.

To all complaints and collaborations that are reported to the Compliance Committee of SPObras will be guaranteed anonymity and confidentiality, considering the relevance and importance of the information to the company. Any suspicion of commitment of unlawful acts or conduct must be promptly reported, being assured the protection of the good faith whistleblower.

The provision of information to the Compliance Program is not the subject of any retaliatory measure, and protection of the whistleblower is guaranteed. However, the protection does not avoid the responsibility of the whistleblower for its own illegal acts that might have been committed.

5.2.3 REGULATORY AND CONTROL BODIES



The present group is composed of regulatory and control bodies, emphasizing the Municipal Court of Auditors (TCM), the Municipal Department of Green and Environment (SVMA) and CETESB.

The TCM has as one of its incumbencies to judge the regularity of the Accounts of the Chamber, the Administrators and other responsible for financial resources, assets and public values of the Direct Administration, consisting of several Departments, Mixed-Economy Companies, Public foundations and Public Companies, such as SPObras.

SVMA acts to plan, to command and to coordinate the activities of environmental defense in the City of São Paulo, defining criteria to contain the degradation and the ambient pollution.

5.2.4 FINANCIAL INSTITUTIONS



The company's communication with funding agencies (World Bank, Caixa Econômica Federal, Banco do Brasil, among others) is carried out through the Superintendence of Funding and Financing.

Working with the support of SPObras and the Department of Urban Infrastructure and Works (SIURB), in 2021 the team recovered about R\$ 49 million to the Treasury as a result of agreements executed with the Federal Government from 2013 until today. The millionaire amount will be allocated to the City Budget and reverted to investments in the city.

SPObras work with funding agencies was also responsible for unlocking projects that lacked clearance actions on its processes, boosting the bidding of projects and constructions that were paralyzed, such as the construction of the new Itaquera Terminal, the upgrading of the boardwalks of the "Quadrilátero da República", and resuming the extension construction of Av. Dr. Chucri Zaidan.

It is the agency directly responsible for environmental licensing of the constructions carried out by SPObras. CETESB is directly responsible for manifestations related to contaminated areas and projects located in Areas of protection and recovery of Water Sources (APRM).

The contact made between the agencies and the company is strictly formal, through notifications, terms of commitment, and meeting regulatory requirements.

In general, the main concerns related to this group are directly related to the following material topics:

**Compliance/Anti-Corruption (GRI 205),
Anti-competitive Behavior (GRI 206),
Environmental Compliance (GRI 307)
and Occupational Health and Safety (GRI 403).**

The joint efforts also covered the restoration and closure of Terms of Commitments opened years ago, avoiding significant losses of resources, and the provision of technical and legal support in complex agreement procedures. Among the enterprises involved, can be highlighted the draining projects headwaters of the streams Ipiranga and Anhangabaú, the duplication of the Viaduto João Beçola, beyond the implementation of the BRT Aricanduva, whose works will count on US\$ 121 million dollars financed by the World Bank.

The form of communication between the Superintendence of Funding and Financing of SPObras and the funding agencies, should be standardized from 2022, in order to establish Standard Operating Procedures in its performance.

5.2.5 SUPPLIERS



The company's suppliers have their relationship established through agreements or contracts.

The administrative agreements are adjustments settled between the City hall of São Paulo (PMSP) or its indirect administration agencies and a third party, under public law regime, with the purpose of the executions of an activity that reflects the public interest.

These agreements are basically regulated by the Federal Law nº 8.666/1993.

All the agreements and covenants are available for public consultation through the Transparency Portal.

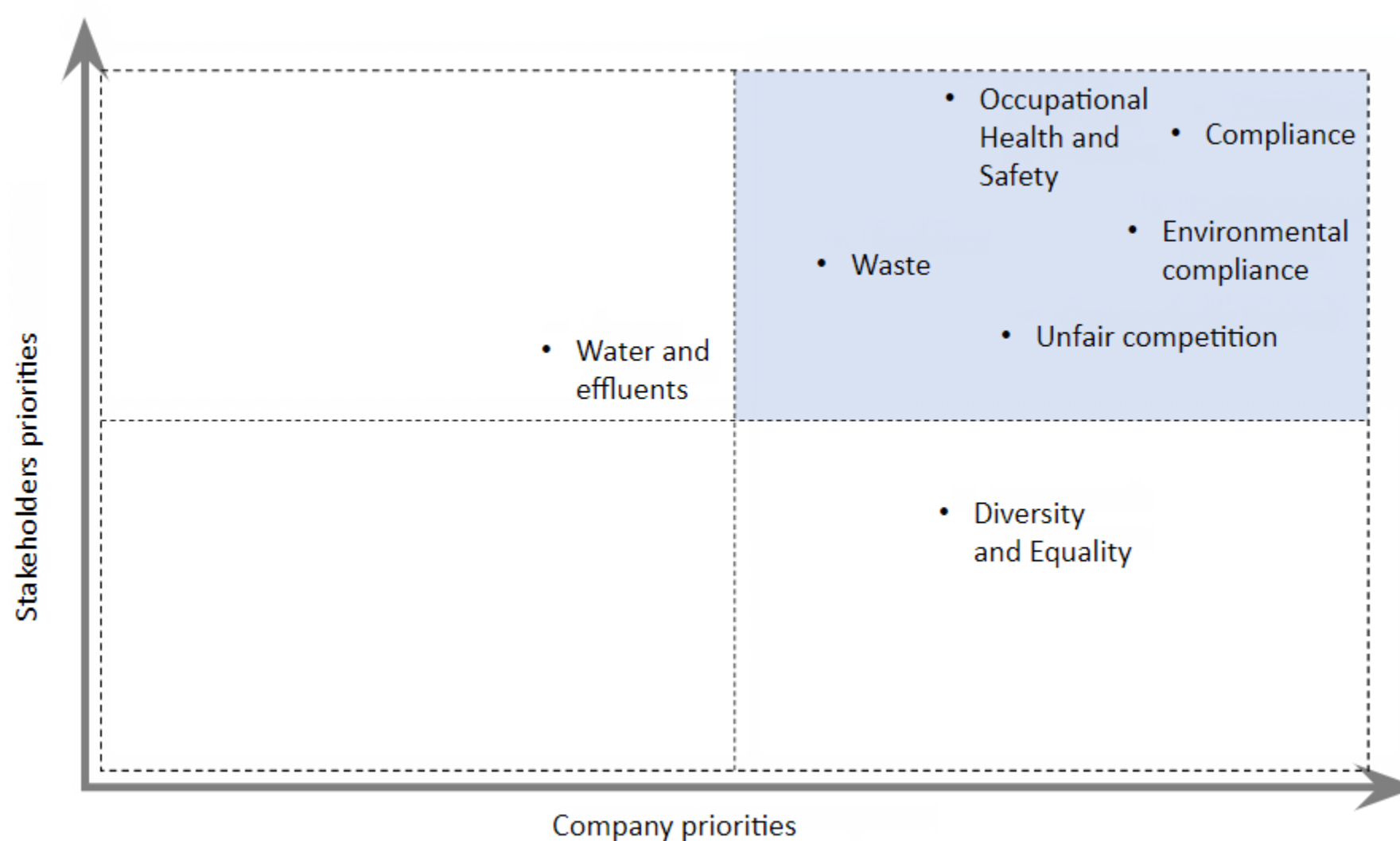
Suppliers contact directly responsible departments for the development of the activities for which they were hired.

6 MATERIAL TOPICS

GRI 103-1, 103-2, 103-3

The following figure presents the company's materiality matrix, defined by the relevance of priority issues for the company and priorities for stakeholders.

The upper right quadrant, illustrates the most relevant topics in the general context of the materiality.



6.1 ENVIRONMENTAL THEMES

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GRI 101

The construction stages of the Infrastructure Constructions are among the largest consumers of natural resources in the economy, either in the form of energy and very high demand for water with drinkability standards. Among the various inputs involved are exponential volumes of cement, aggregates, bituminous materials, steel, iron, wood, ceramics, glass, and polymers.

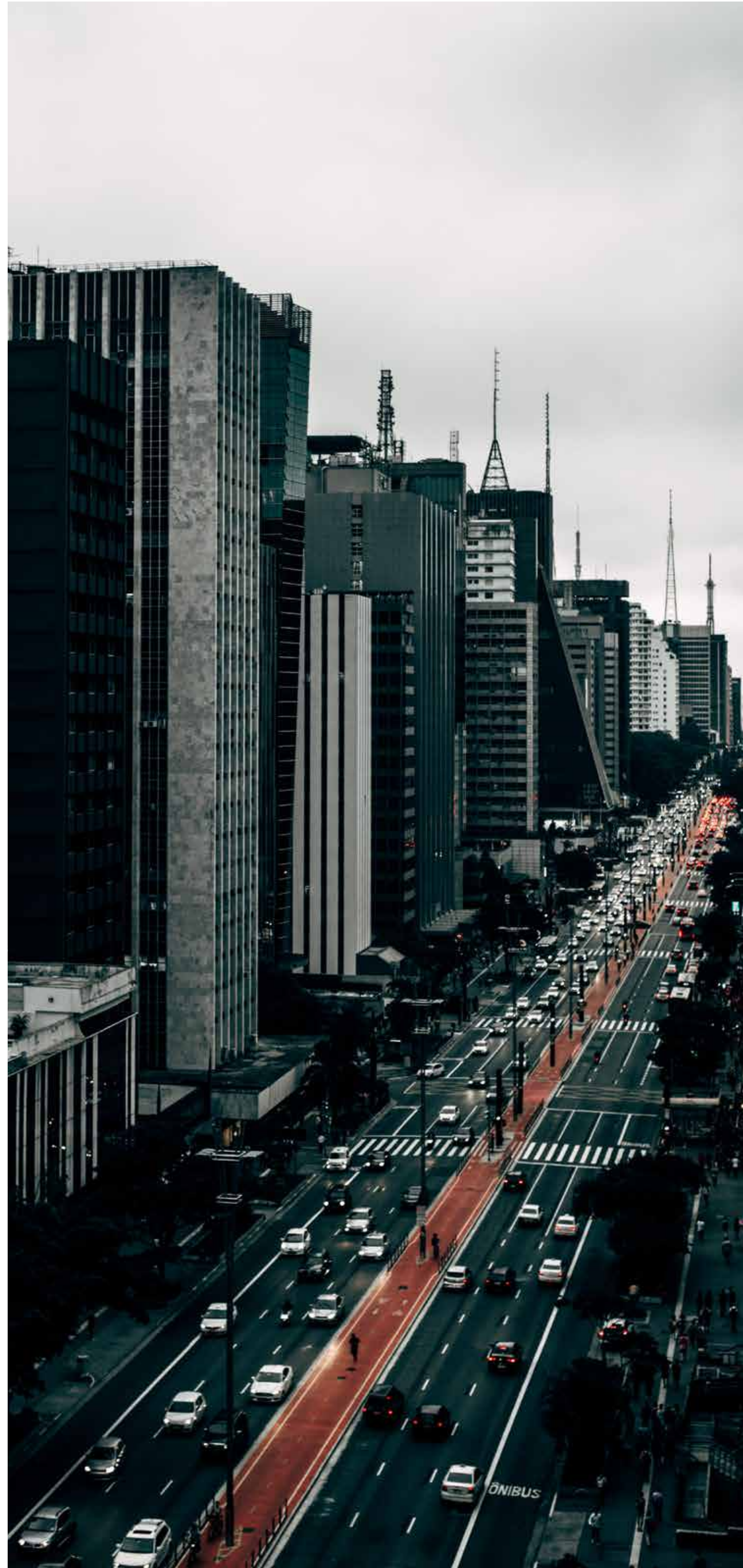
As one of the representatives of the indirect Administration of the city of São Paulo, the greater of the South America and fourth of the world in terms of population, the magnitude of the structural systems included in the projects prepared and in the Works managed by SPObras require careful attention to the environmental legislation in force at federal, state and city levels.

Based on both the minimization and mitigation of environmental impacts and on the non-generation of environmental liabilities, the company adopts the Prevention Principle which states that:

"All principles of environmental law, in one way or another, are intended to guarantee and achieve an ecologically balanced environment."

Such principle of prevention of environmental damage consists of the behavior carried out in order to avoid the environmental risk, anticipating the measures to prevent from aggressions to the environment. In the constitutional scope, we may say that the Prevention Principle is ruled in article 225, caput, as it implies to the Public Power, together with society, the duty to protect and preserve the environment to present and future generations.

Among the material topics raised, those related to Environmental Themes are: Water and Effluents (GRI 303), Waste (GRI 306) and Environmental Compliance (GRI 307).



6.1.1 WATER AND EFFLUENTS

GRI 302-1, 302-2

In a civil engineering services, water is one of the most important inputs, because it is responsible for the chemical reactions of Portland cement in concrete formulation. It is used for different purposes since the preliminary phase of services: cooling and cleaning of machinery, soil compaction and various construction processes since the foundation phase.

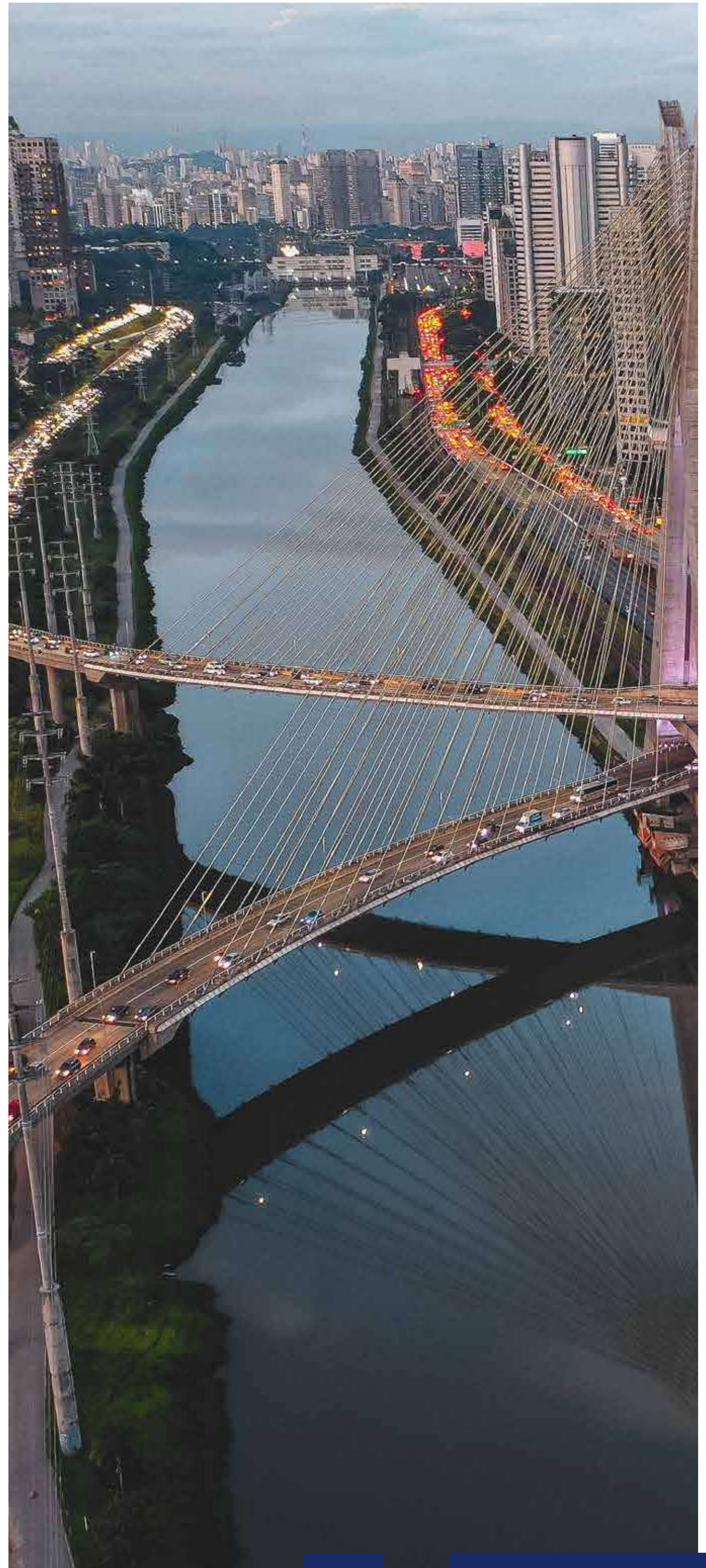
Effluents such as paints, oils, solvents, and preservative substances for wood incorporate harmful substances that contaminate air, soil and also water. The surpluses of these materials shall be accumulated and destined to companies responsible for the final and correct disposal of such waste. For example, for oils and greases, separation and accumulation boxes should be provided for construction sites, as well as appropriate removal procedures.

Other types of liquid effluents generated in the constructions, such as sanitary and industrial effluents from maintenance facilities, industrial installations, and storage yards, must be collected in separated networks deployed one for domestic and sanitary effluents and another for industrial effluents.

Water must be properly managed through a water and effluent treatment system to optimize its consumption and ensure that it does not harm the environment.

Although the abovementioned actions are standard in all SPObras Works, specificities may occur based on the Scope of certain Enterprises, which may require specific licenses for use, water collection and effluent release.

Those concessions are issued by the Department of Water and Electric Energy (DAEE) of the State of São Paulo, in compliance with existing legislation.





As part of their responsibilities, both the contracted companies and the consortium exclusively formed for certain projects should periodically report to SPObras with descriptions of the way of interaction with water, from the stage of installation of the constructions to their receipt and demobilization of the construction site, capture, consumption and disposal of effluents generated, description of the approach used to identify related impacts, including the scope of evaluations, expected timeframe and tools or methodologies adopted.

Whenever applicable, the presentation of the minimum standards established for the quality of effluent disposal will also be required.

The minimum standards determined include:

- 1 How were determined the standards for operations installations in places that does not meet disposal requirements;
- 2 Any internally developed water quality standards or guidelines;
- 3 Any sector rules considered; and
- 4 If the profile of the water body that receives the disposal was considered.

The SPObras staff values the consultation of the updated environmental legislations for special attention and care for the environment.

From the data collection it will be able to identify the main environmental aspects and impacts related to this subject, to substantiate the preparation of the Terms of Reference for Works expected for the 2022 fiscal year.

6.1.2 WASTES

GRI 306-1, 306-2

The supply of building materials and the daily use of buildings and infrastructure can contribute to direct and indirect greenhouse gas (GHG) emissions, global and/or local resource constraints, water stress, and negative results for human health.

The increasing enrollment of the society in the environmental issues has contributed for the growth of destined markets to reduce the impacts of the cycle of life of infrastructure buildings and projects.

In response, several sustainable constructions and infrastructure certifications, many based on international models, have been developed to evaluate, among other aspects, the energy and water efficiency of the use phase of a project, the impacts on human health and the use of building materials with a view to Sustainability.

The construction waste today constitutes more than 50% of the total volume generated in the country, besides having a totally heterogeneous composition.

In most cases, good part of the waste generated can be reused or recycled, while it is frequent the generation of contaminated or hazardous waste which proper disposal of are in the specific landfills aiming to prevent environmental impacts and liabilities, in addition to the protection of public health.

For this 2021 Report, SPObras elected as starting point for meeting this requirement the analysis of the Terms of Reference for a Company specialized in engineering for the execution of Urban Upgrading Works and Renewal of the sidewalks and boardwalks of historic center in the city of São Paulo.



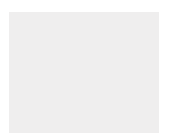


For this work, the following plans and programs were taken as a basis and the following environmental services were required:

01

Integrated Solid Waste Management Plan - PGIRS of the City of São Paulo – Use of the construction waste, in accordance with the Integrated Solid Waste Management Plan - PGIRS of the City of São Paulo, defined in Municipal Decree 54,991/2014, resulting from Federal Law No. 12,305/10, which establishes the National Solid Waste Policy (PNRS), also contributing to goal 30 of the 2019/2020 Target Program, specifically to Initiative 30:

Reduce the disposal of solid waste to landfills. Forward these deconstructions waste to a company with already proved ability to crush and later reuse this material as the base of the floors, obeying the specific document.



02

Solid Waste Management Plan – In order to enable the reuse of Portuguese mosaic pavement, granite existing on site and other materials present in the layers of the current pavement of the boardwalk, the Contractor shall implement the Solid Waste Management Plan – PGRS, which will be prepared by the company responsible for supervising environmental services, contemplating the various types of waste that will be generated and handled during the constructions.

This management process is an effective tool in preventing environmental impacts and liabilities, since the entrepreneur analyzes its entire waste generation process, being able to actively participate in all stages of this production chain, aiming the protection of public health and environmental quality and encouraging the adoption of sustainable patterns of production and consumption of goods and services. The PGRS aims to create regulations regarding the classification, sorting, packaging, transportation and final disposal of the waste generated by the Contractor, including:

- Characterization of the waste generated in the construction, according to ABNT NBR 10.004, 10.005, 10.006 and 10.007;
- Correct segregation of waste, according to legal classifications; and

03

Environmental Control Program of Constructions - It has among its objectives the compilation of all the information to be provided by the teams and fronts of the construction, aiming at the preparation of material to prove the accomplishment of the environmental monitoring (in this case, the guarantee of the fulfillment of the goal to reuse of the Portuguese stones).

The consolidated material must also be provided to the contracted company(ies) for supervision and implementation of environmental services, which will implement environmental programs that are not within the scope of the construction notice, as well as supervise all environmental programs and actions provided for the Term of Reference, integrating with the Programs with actions of direct interface with those usually adopted by the mechanisms of construction management, including the Civil Construction Waste Management Program.

The coverage area of the Historical Triangle is defined by the roads and public spaces contained within the perimeter delimited by Líbero Badaró Streets, Boa Vista Street, Benjamin Constant Street and section of Praça da Sé.

The services will be carried out in an intervention area of approximately 62,206 m² (sixty-two thousand two hundred and six square meters). Considered the embryo of the city of São Paulo, where two million people circulate in the Old Historical Center per day, both for work or tourism.

The area contains important cultural centers, historical bars, restaurants, buildings, concentration of commerce, diverse points of tourist interest, beyond diverse municipal and state public services in the areas of health, social assistance, culture, among others.

Upgrading sidewalks and illumination, implantation of urban furniture and tourist signalling, has as benefit the activation of the public space, with increase of the circulation of people and the demand for commerce and services, also in the evening and on weekends.

The Historical Triangle will be presented as an open-air museum, increasing the routes and tourist attractions, with an inviting and safe environment for the permanence and circulation of users. The services imply demolitions and removal of Portuguese stone floor, which should be promptly removed from the construction avoiding its accumulation, and deposited in an appropriate place, for later removal.

The demolition of the mosaic floor must be executed in a non-destructive way.

As provided on the notice for construction contracting, the waste resulting from the demolition will be sent to the recycling plants registered by PMSP.

In accordance with Art. 3º of CONAMA Resolution nº 307/02, the relevant waste is classified in Type A - Reusable or recyclable waste as aggregates.

Through data extracted from the Budget Worksheet, item 3.28 (EDIF Code 17-60-38), the amount of Portuguese Mosaic Removal is around 19,986 m² (nineteen thousand, nine hundred and eighty-six square meters).

The Goal for 2022 for this Work is the reuse of 100% of this value in square meters, quantifiable in volume (cubic meters), where the possible losses will be considered in the form of not being considered blistering rate.

Considerations: For all new constructions agreements, starting in 2022, it will be included in the reference term for hiring the supplier's obligation to present, on a monthly basis, all documentation proving the characterization, transportation and disposal of all waste, photographic report of the proper packaging carried out during the constructions and other stages of the management of these materials, in addition to the following indicators related to the Waste theme, throughout the constructions measurements, with the insertion of the following topics:



- 1 Description of the form of waste management at the construction site;
- 2 Quantitative (mass in kg) of waste for each type and Class, according to CONAMA classification nº 307/02 and complementary rules, in addition to the correct segregation of waste, according to legal classification;
- 3 Adequate packaging of waste;
- 4 Commitment to send leftover products and their remaining waste after use to manufacturers, importers, distributors and traders, who have a reverse logistics system, according to Federal Law No. 12.305/2010;
- 5 Measures taken, including circularity, to prevent the generation of waste and manage significant impacts of the waste generated;
- 6 In the event that the waste generated by the organization in its own activities is managed by a subcontract, the mandatory description of the process used to determine whether the waste management is being carried out in accordance with contractual or legal obligations;
- 7 Reporting of the processes used to collect and monitor waste-related data; and
- 8 Environmentally correct final disposal of waste, in duly licensed locations.

SPObras goal for the 2022 fiscal year and preparation of the GRI 2023 Report is the average allocation of 20% (twenty percent) of the volume generated Class A (resulting from demolition), be sent to recycling plants registered by PMSP.

In addition, from 2022 on SPObras will include in the contracts for these services, the obligation that all material from the milling of the flexible paving, resulting from the need to resurface the road, be destined for Districts or for the places indicated by them, with the objective of reusing 100% of this material mainly in the subgrade reinforcement layer in other ways.



6.1.3 ENVIRONMENTAL COMPLIANCE

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GRI 307-1

Environmental compliance translates into the state in which the company is in compliance with the environmental standards intended for its activity, in accordance with the legal requirements and guidelines established in the environmental policy. Thus, it demonstrates that it avoids any damage that would be caused by improper execution of such standards.

The main measure to ensure the environmental compliance of construction activities is to properly monitor the environmental licensing of each activity, including its different phases (prior licensing, installation and operation), as well as the compliance with the specific environmental conditions for each license.

SPObras, during the year 2021, did not suffer significant fines and non-monetary sanctions resulting from non-compliance with environmental laws and/or regulations.

6.2 SOCIAL THEMES

6.2.1 HEALTH AND SAFETY OF THE WORKFORCE

GRI 403-1, 403-2, 403-3, 403-4, 403-6, 403-7, 403-8, e 403-9 e 403-10

Construction, maintenance and repair services and other on-site activities require a substantial amount of manual labor. Fatality and injury rates in the engineering and construction services sector are high compared to other sectors as a result of workforce exposure to motorized transport accidents and heavy machinery, falling accidents, chemical exposure hazards, and other unique and potentially hazardous situations.

Moreover, the temporary workers can be in a bigger risk due to lack of training or experience in the sector.

Failure to protect the health and safety of the worker may result in fines and penalties; serious incidents may lead to acute and unique extraordinary expenses and contingent liabilities arising from legal and/or regulatory actions.

In addition, health and safety incidents can result in project delays and downtime that increase project costs and decrease profitability.

Companies seeking to adequately train permanent and temporary employees and build a strong safety culture can reduce their risk profile while gaining a competitive advantage in new proposals and project proposals because of strong workforce health and safety records.



In 2021, all our efforts focused on the prevention of Covid-19 and the quality of occupational health and safety processes.

Thanks to preventive action of SPObras and the attentive look of our Internal Commission for Accident Prevention - CIPA to behaviors, processes and risk factors, no case of death due to occupational accidents was recorded for the years 2020 and 2021.

To reinforce the safety measures among its employees, SPObras invested heavily in the Internal Week for the Prevention of Work Accidents – SIPAT event, including, among other topics, the following subjects:

- 1 - Safety Culture;
- 2 - COVID19 - Yesterday, today and tomorrow;
- 3 - Attention and Concentration for zero accident;
- 4 - Security Checklist ;
- 5 - Attention and concentration tools;
- 6 - Occupational Safety in the Pandemic; and
- 7 - Use of PPE.

Our Health and Safety Management System is applied to 100% of our own employees and third parties, covering the entire execution of works and the headquarters of SPObras.

The actions on the subject are also based on the Regulatory Standards (NR) approved by the Ministry of Labor and Social Security and the work of the Internal Commission for Accident Prevention - CIPA.

Our impact prevention covers hazards, agents and sources that may pose occupational disease risks. In them, control measures are established – elimination, replacement, administrative measures and related to collective and individual protection equipment. Several programs are responsible for providing solutions and controls for these themes.

The actions related to health and integrity at SPObras include:

- Environmental Risks Prevention Program (PPRA);
- Occupational Health and Medical Monitoring Program (PCMSO)
- Internal Work Accident Prevention Week (SIPAT);
- Internal Accident Prevention Commission (CIPA);
- Specialized Safety Engineering and Occupational Medicine Services (SESMT);
- Health, safety and environmental campaigns, aligned with PCMSO and PPRA; and
- Collective Labour Agreement (ACT).

To ensure compliance and monitor health and safety requirements, the various areas of the Company undergo annual surveys, carried out by CIPA, on occupational health and safety standards, covering all workers.

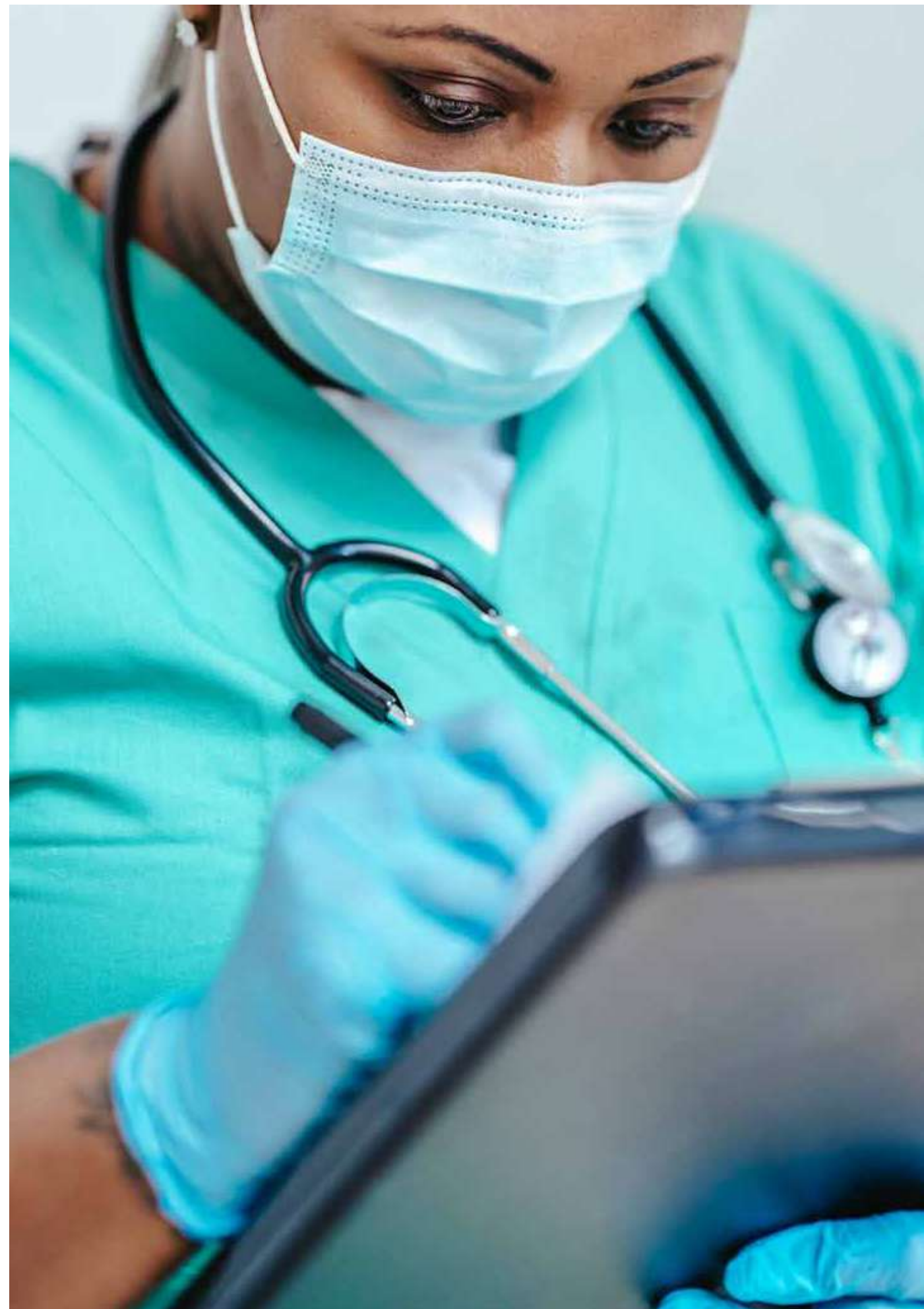
An Internal Administrative Standard is under development to ensure and standardize the safety and physical integrity of our employees who perform activities in external environment. CIPA works in partnership with SESMT, organizing events and awareness programs.

SPObras has a communication channel installed on the Company's intranet: the "CIPA Suggestions", accessible to any employee who wants to register suggestions, complaints or problems related to the Occupational Health and Safety area. CIPA verifies and analyzes the manifestations and takes the appropriate measures, together with the Human Resources and the Administrative and Financial Board of SPObras.

All the subjects are treated, in first place, in monthly meetings of CIPA that are organized to engage leaderships and representatives of the workers and approaches mechanisms of consultation and participation; changes that affect the workers; inquiry of incidents; indicators of health and safety; and issues that had been presented to the CIPA by the workers, among other subjects.

All information related to worker safety is in the medical record with controlled access only to health or social assistance professionals. With this, SPObras guarantees the confidentiality of the information.

For all employees is guaranteed the autonomy to identify unacceptable risks in their task and, when they do not feel safe, communicate their manager to interrupt the activity until the risks are eliminated or minimized.



SPObras has invested heavily in communication and team engagement on safe behavior.

For this purpose, it maintained the tools of the CIPA Suggestions Channel, Newsletter and meetings of forums such as CIPA, Council of Employee Representatives-CRE and Board of Employee Representation-DRE.

Occupational health

GRI 403-3, 403-6

Annually, Human Resource Department defines objectives and goals in relation to the safety and health of our employees.

The coordinating physicians of the Occupational Health Medical Control Program (PCMSO) perform periodic medical examinations and analyze the results of annual reports and the Program, mapping weaknesses and points of improvement.

SPObras maintained the index of zero case of occupational diseases. There are no employees at high risk of work-related diseases, according to the monitoring of indicators measured and compiled in PCMSO reports and in compliance with regulatory standards.

For 2021, there is a commitment to follow the zero-case target for occupational diseases.

Occupational hazards and accidents

GRI 403-9

Unfortunately, after years of positive performance, 01 (one) typical work accident was recorded for the year 2020 and considered serious due to the number of days in which the employee remained away (84 days), and 01 (one) typical work accident, considered less serious, for the year 2021, however, both did not present greater consequences. In addition to providing all assistance to employees, SPObras rigorously investigated the conditions of accidents to understand what we failed and how to avoid new occurrences.

In 2021, SPObras had a decrease of -0.01% in typical internal work accidents compared to 2020, as shown in the table below:

Annual Indicators	2020	2021	Var
Index referre to accidents	0,68%	0,67%	-0,01%

In addition, SPObras will implement for the next fiscal years, calculation tools for safety indexes based on parameters of the International Labor Organization, applied by the NBR 14.280 standard and the INSS, such as: the frequency rate and the severity rate of accidents.

- **Severity rate:** the total days lost in typical accidents with lost time per million man-hours worked in the company in a period;
- **Rate of frequency:** amount of typical accidents for million of worked hours/man. The taxes are calculated for accidents with and without loss of time.

No case of accident on way to work was recorded for the year 2021.

Our team - health and safety indicators at work (SST)

Number of employees by gender and labor agreement GRI 102-8	2021	2020
Hours worked	400.800	417.600
Deaths resulting from labor accidents	0	0
Index of deaths resulting from labor accidents	0,00	0,00
Number of labor accidents with severe consequences (except death)	0	0
Index of labor accidents with severe consequences (except death)	0,00	0,00
Number of labor accidents with mandatory notification (including death)	1	1
Index of labor accidents with mandatory notification (including death)	0,67	0,68

6.2.2 DIVERSITY AND EQUALITY OF OPPORTUNITIES

GRI 405-1

Civil construction sector has a history of male prevalence, especially in teams working in construction sites; yet, we seek to strengthen the presence of women at different levels: at the end of 2021 and 2020, we maintained 37% of female employees, in the Company's staff. Among the management positions, at the end of 2021, SPObras registered a percentage of 31% of female leaders.

In 2021, there were several actions in the operations, with discussions on issues related to gender equity and racial equity, LGBTQIAP + and People with Disabilities, together with the City Department of Human Rights and Citizenship-SMDHC, subordinated to the City Hall of São Paulo and thanks to the Code of Conduct implemented, since 2016, we have not had any case of discrimination registered in our Compliance channels.

At SPObras there are no wage and benefit differences between men and women, whether permanent or temporary.

Among the most recent measures, there is a control of racial quotas, together with the Coordination for the Promotion of Racial Equality, linked to SMDHC.

At the end of 2021, SPObras reached 29% of brown and black employees, exceeding the index provided for in the current legislation.

6.3 GOVERNANCE TOPICS

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GRI 102-18

The companies of the sector face risks associated with the bribe, corruption and anticompetitive practices. This is due to several factors, including the global operations of many companies, the need to manage multiple local agents and subcontractors, the complexity of project financing and licensing, the magnitude of contracts involved in building large infrastructure projects, and the competitive process required to secure contracts with public and private entities.

Ethical violations can result in investigations by authorities, as well as large fines, settlement costs and damaged reputations. These violations may include violations of anti-bribery laws, such as paying government officials to obtain project contracts.

They may also include unethical bidding practices, such as complementary bidding (e.g., submitting an artificially high or unacceptable bid for a contract that a bidder does not intend to win) and bidding pool (e.g., coordinating to divide contracts and ensuring each bidder receives a certain amount of work).

In addition, companies with a poor track record may be prevented from working on future projects, resulting in loss of revenue. Developing an ethical culture through employee training, effective governance frameworks, and internal controls is critical for companies to mitigate the risks associated with business ethics.

Compliance, Allocation of Results, Risk Management and Internal Control, Corporate Governance, Transactions with Related Parties, Transparency, and Internal Audit policies are very relevant to a public company such as SPObras. The documents below can be accessed on the official website of the company:

- Compliance - Code of Behavior and Integrity
- Income / Dividend Allocation Policy
- Risk Management and Internal Control Policy
- Corporate Governance Policy
- Policy of Related Parties Transactions
- Information Disclosure/ Transparency Policy
- Internal Audit



6.4 ECONOMIC THEMES

6.4.1 ANTI-CORRUPTION

GRI 205-1

SPObras is committed to the highest standards of ethics and consequently adopts measures to prevent corruption, bribery, concussion, influence peddling, conflicts of interest and other illicit practices in its activities and business.

Through its policies and procedures, compliance with applicable legislation is ensured, in particular Federal Laws 12.846/13 and 13.303/16, and Decrees 55.107/14 and 55.566/19 of the City of São Paulo, which respectively regulated them.

From the Anti-Corruption Policy, it is emphasized that it is absolutely forbidden to offer or receive any undue advantage to any public agent or any company (public or private) that SPObras may relate to.

SPObras ensures strict compliance with national and international standards related to combating the practice of corruption and bribery.

Thus, it is absolutely forbidden for any public employee of SPObras to offer any type of undue advantage to any public or private agent, national or foreign, under the following terms:

- a.** To promise, to offer or to give, directly or indirectly, improper advantage the public agent or any improper benefit, or the third person related it;
- b.** Demonstrably, finance, defray, sponsor or in any way subsidize the practice of any unlawful acts;
- c.** Demonstrably use a natural person or legal entity to hide or disguise its real interests or the identity of the beneficiaries of the acts performed;
- d.** Frustrate or defraud, by any adjustment, combination or other expedient, the competitive nature of the public bidding process;
- e.** Prevent, disturb or defraud the performance of any act of public bidding process;
- f.** Put away or look to put away the bidder through fraud or offering advantage of any kind;

- g.** Defraud public bidding or contract arising therefrom;
- h.** To create, in fraudulent or irregular way, legal entity to participate of public bid or to celebrate administrative or private agreement;
- i.** Obtaining undue advantage or benefit, in a fraudulent manner, from modifications or extensions of agreements entered into with the public administration, without authorization in the law, in the call for tenders or in the respective contractual instruments;
- j.** Manipulate or defraud the economic and financial balance of the agreements entered into;
- k.** To make it difficult activity of inquiry or public fiscalization of agencies, entities or agents, or to intervene in their operations, inclusively in the scope of the regulating agencies and the agencies of fiscalization of the national financial system.

The statistical record will be surveyed and monitored, from 2022, through the open channels of corruption complaints of the following indicators:

Total number and percentage of operations evaluated for risks related to corruption.

Significant corruption-related risks identified by risk assessment.

6.4.2 UNFAIR COMPETITION

GRI 206-1

It is within the scope of the company to open bids for various areas of urban operations in the city of São Paulo.

Public Purchases are the acquisitions and agreements of goods and services carried out by the City Hall of São Paulo (PMSP). In order to make a public purchase, it is necessary for the body to carry out a formal administrative procedure, known as a bidding process, whose objectives are to ensure compliance with the principle of isonomy, the selection of the most advantageous proposal and the promotion of sustainable national development.

In this sense, the fairness of public procurement processes is fundamental, ensuring suitability and transparency.

The statistical record will be surveyed and monitored, from 2022, through the open channels of corruption complaints of the following indicators:

Number of lawsuits pending or terminated during the reporting period regarding unfair competition and antitrust and antitrust violations in which the organization has been identified as a participant.

Main results of completed legal actions, including any decisions or judgments.



7 CONTENT SUMMARIES GRI

2021 Annual Sustainability Report / SPObras

GRI 102-55

Content	Pages	Remarks	Omission
GRI 102: General Contents			
102-1 Name of organization	05		
102-2 Activities, brands, products and services	06		
102-3 Location of Headquarters		Rua XV de Novembro, 165 - Centro - São Paulo/SP Floors: 6th and 7th floor / Zip Code: 01013-001	
102-4 Location of operations	05		
102-5 Nature of ownership and legal form	05		
102-6 Markets served	06, 15, 16		
102-7 Size of the organization	07		
102-8 Employees and Workers Information	07		
102-9 Supply Chain	07, 40		
102-10 Significant changes in the organization and its supply chain		There were no significant changes	
102-11 Approach or precautionary principle	41		
102-12 External initiatives	18		
102-13 Participation in associations		As it is a company linked to the City Hall, it does not participate of any association.	
102-14 Statement by the highest executive	01		
102-16 Values, principles, rules and behavior codes	05		
102-18 Governance Structure	09		
102-40 List of groups of stakeholders	35, 36, 38, 39, 40		
102-41 Agreements of collective bargaining	38		
102-42 Identification and election of stakeholders	35, 36, 38, 39, 40		
102-43 Approach to stakeholder engagement	36, 37, 38, 39, 40		
102-44 Key topics and concerns	40		
102-45 Entities included in the consolidated financial statements	13		
102-46 Defining Report Content and Topic Limits	40		
102-47 List of material topics	40		
102-48 Information reformulations		As it was the first report, there were no reformulations	
102-49 Changes in reporting		As it was the first report, there were no changes	
102-50 Period covered by the report	33		
102-51 Date of most recent report		This report is the only and most recent, base year 2021	
102-52 Cycle of reports emission	33		
102-53 Contact for questions about the report		comunicacaospobras@spobras.sp.gov.br	
102-54 Reporting Statements in accordance with GRI Standards	33		
102-55 GRI Content Summary	57		
Material topic: Anti-Corruption			
103-1 Explanation about the material topic and its limits	55		
103-2 Form of management and its components	56		
103-3 Evaluation of the management method	56		
205-1 Operations assessed for corruption-related risks	56	Start of monitoring in 2022	

7 CONTENT SUMMARIES GRI

2021 Annual Sustainability Report / SPObras

GRI 102-55

Content	Pages	Remarks	Omission
Material topic: Unfair Competition			
103-1 Explanation about the material topic and its limits	56		
103-2 Form of management and its components	56		
103-3 Evaluation of the management method	56		
206-1 Lawsuits for unfair competition, trust practices and monopoly	56	Start of monitoring in 2022	
Material topic: Water and Effluents			
103-1 Explanation about the material topic and its limits	42, 43		
103-2 Form of management and its components	43		
103-3 Evaluation of the management method	43		
303-1 Interactions with water as a shared resource	42, 43	Water consumption assessment will start in 2022	
303-2 Management of impacts related to water disposal	42, 43	Water consumption assessment will start in 2022	
Material topic: Waste			
103-1 Explanation about the material topic and its limits	44		
103-2 Form of management and its components	45, 46, 47		
103-3 Evaluation of management method	48		
306-1 Waste generation and significant waste-related impacts	44	Waste generation assessment will start in 2022	
306-2 Management of significant waste-related impacts	47	Waste generation assessment will start in 2022	
Material topic: Environmental Compliance			
103-1 Explanation about the material topic and its limits	49		
103-2 Method of management and its components	49		
103-3 Evaluation of management method	49		
307-1 Non-compliance with environmental laws and regulations	49		
Material topic: Occupational health and safety			
103-1 Explanation about the material topic and its limits	49, 50, 51, 52, 53		
103-2 Method of management and its components	49, 50, 51, 52, 53		
103-3 Evaluation of management method	49, 50, 51, 52, 53		
403-1 Occupational health and safety management system	50, 51		
403-2 Hazard Identification, Risk Assessment and Incident Investigation	52, 53		
403-3 Occupational health services	50		
403-4 Workers participation, consultation and communication to workers concerning occupational health and safety	51		
403-6 Promotion of workers' health	50, 51, 52		
403-7 Prevention and mitigation of health and safety impacts	50		
403-8 Workers covered by an occupational health and safety management system	50		
403-9 Occupational accidents	53		
403-10 Occupational diseases	53		
Material topic: Diversity and Equality			
103-1 Explanation about the material topic and its limits	53		
103-2 Method of management and its components	53		
103-3 Evaluation of management method	53		
405-1 Diversity in governance bodies and employees	53		
405-2 Ratio between the basic salary and the remuneration received	53		

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CREDITS

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