

20



2023

Annual Report

Sustainability,
Management and
Governance Charter



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01

Opening

As a public company owned by the Government of the State of São Paulo, Companhia de Desenvolvimento Habitacional e Urbano (CDHU) continues to make progress in tackling the main housing and urban problems, especially in the metropolitan regions where the largest contingent of low-income population living in areas of incomplete and precarious urbanization is concentrated, and consequently the highest incidence of problems and demands for social housing.

The year 2023 marks the reconfiguration of the Company's strategic role, which began to perform diversified functions, including urban, regional and territorial planning and development, a role aligned with the scope of the new Secretariat for Urban Development and Housing (SDUH). The restructuring of the state government's administrative organization was accompanied by a functional change at CDHU, with the creation of the new Planning and Urban Development Directorate, with the aim of providing technical support for the SDUH's coordination and articulation activities.

This Report reinforces respect and responsibility in the various relationships arising directly or indirectly from the Company's activities and CDHU's permanent commitment to transparency with all interested parties. It was prepared following Global Reporting Initiative (GRI) standards and the Integrated Reporting Framework, from the perspective of double materiality, a process that helps direct the projects and actions carried out by CDHU in favor of sustainability.

The report was structured based on material themes, with a special focus on urban development, considering that the Company expanded its scope of action, bringing new perspectives and challenges. Sustainability actions were



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coordinated with the established goals and strategies, allowing for more effective environmental management, with progress in the reporting of indicators and sizing of environmental and social benefits.

Some highlights of the 2023 Report are described below.

The initial steps to determine the results of greenhouse gas (GHG) emissions in the Company's operations were presented for the first time, focusing on the pilot project of a horizontal housing unit. The performance in strategic support for the actions of the Secretariat of Urban Development and Housing (SDUH) was notable, with emphasis on the systematization and support for regional validation meetings and definition of steps for the implementation of Integrated Urban Development Plans (PDUIs).

Furthermore, there was progress in georeferencing work, with an interface with the Geographic and Cartographic Institute (IGC) for the production of cartographic bases and a mapping system for essential information for urban and housing planning and development, such as precarious settlements, risk areas and others.

CDHU's action was remarkable in confronting the tragedy that occurred

on the North Coast, with significant challenges for provisional care and quality housing solutions for those affected by the landslides that occurred in February 2023. The stages of execution of the actions that followed these events were carefully planned and implemented and here in this report they are presented as a reference for facing an emergency situation that is becoming increasingly present in connection with the climate change process.

Finally, this annual sustainability report is accompanied by the main actions of the Administration and the items provided for in the Governance Charter, referring to the year 2023, meeting the requirements of Federal Law No. 13,303/2016 (State-Owned Companies Law), which, in its Article 8, establishes that public companies and mixed-capital companies must observe minimum transparency requirements, including the annual disclosure of an integrated or sustainability report.

Good reading!

02

New assignments

The year 2023 marked a shift in the scope of action of the Housing Secretariat, which was renamed the Urban Development and Housing Secretariat (SDUH). More than a change in name, the new responsibilities task the department with, in addition to providing housing services, including the construction and supply of properties in a context of analyzing and promoting the development of metropolitan regions, where there is greater population density and, consequently, greater housing deficit. The action also observes and combats all the problems generated in this process of disorderly growth: sprawl of cities with people living on the outskirts, without adequate infrastructure; irregular occupations and in risk areas; impaired mobility; and low urban development rates.

CDHU, the largest public housing construction company in the country and the operational arm of SDUH and the government in the area of housing and urban development, plays a fundamental role in this change in approach to public policies.

The State's housing policy has matured and has been greatly expanded under the current administration. Providing assistance to those without housing no longer depends exclusively on the direct construction of units by public authorities, but on various means of production and financing of projects. We have a new and powerful housing production mechanism

Messages

Message from the Secretariat of Urban Development and Housing of the State of São Paulo



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that uses market promotion, inducing the construction of units where there was little demand in the form of subsidies in various forms.

Today, the State works in partnership with the private sector, providing subsidies to families so that they can finance their own homes with construction companies and financial institutions. It also purchases, through an Associative Letter of Credit, units that are ready or advanced in design and licensing. This modality reduces bureaucracy and reduces the production time of properties and, consequently, reduces the time it takes to serve families.

In these new approaches, the secretariat and CDHU play the role of market inducer to reach the target audience – low-income families who, with this push from the State, gain access to the credit market. The State seeks to promote care at the lowest cost per family so that more people are served and, on their own, can break a cycle of housing inadequacy.

But then, given the scenario described, is direct production by CDHU ruled out? Quite the opposite! These are complementary actions, which make up the entirety of the State's housing policy. There are situations in which CDHU is essential. There are small cities where the market, even with the offer of government subsidies, is unable to make ventures viable. There are families who live in risk areas and require direct action from the State, which plans interventions in the area to make it safe and habitable, in addition to removing this population from dangerous areas. There are urbanization

projects for precarious settlements that gain new life through infrastructure works. There are urban and housing improvements that lead an unhealthy community to become dignified so that the population can live in health and tranquility, without the need to build new homes.

And, finally, CDHU showed us, in 2023, the greatest example of success in the prompt response to a tragedy resulting from climate events in the country's history. In less than a year, the Company overcame all the difficulties imposed by urgency, the characteristics of the soil and the climate of the North Coast of São Paulo, and completed the construction of 704 housing units (HUs) in the Baleia Verde and Maresias developments, enabling a new beginning for families devastated by storms that took dozens of lives. A certificate of technical competence and social sensitivity.

The examples cited prove that CDHU is and will always be fundamental for São Paulo, which reassures employees who, at the beginning of the year, were still concerned about the possibility of the Company's extinction. With new responsibilities and modernization of the scope of action, CDHU will always be available to those who need it most to provide housing services and direct urban development to improve the living conditions of the population of São Paulo.

Marcelo Cardinale Branco
State Secretary of Urban
Development and Housing of the
State of São Paulo (2023)

Message from the Presidency of CDHU

Period of strategic advances

(GRI 2-22)

The year 2023 reconfigured CDHU's strategic role, strengthening our operations and offering new perspectives for institutional performance. The mission of integrating public housing policy with urban development seems obvious or trivial, but it is not. This association involves devoting redoubled efforts to improving and creating qualified urban standards, combined with the preservation of the cultural attributes of São Paulo's cities.

This new urban challenge requires constant review of ways of acting and establishing intersectoral partnerships to increase CDHU's potential as one of the most important agents inducing regional and municipal development in our State. In addition to the production and sale of new homes, the Company's flagship, we offer municipalities the no less important land regularization services, which result in socio-environmental sanitation, the improvement of urban infrastructure, in addition to creating conditions for changing the socioeconomic paradigm of the families served.

At least 2 additional themes are challenging for the production of qualified urban space and, therefore, for our

actions. The 1st concerns the metropolitan issue, its management and dialogues with city halls. The 2nd has to do with climate change, an inescapable subject in discussions of territorial and urban planning and environmental management strategies to structure healthier, smarter and more resilient cities. When we produce urban space, we interfere in the way each territory will relate to the ecosystem, the infrastructure network and the inhabitants. In this field, our responsibility for action is especially great.

In 2023, the climate issue became evident to us with the tragedy in São Sebastião. We worked quickly and efficiently to mitigate damage, in a process that also served to incorporate new and more sustainable technologies. This innovative role must permeate all our actions, establish and enshrine standards of production and quality of urban space and housing, incorporating sustainability requirements so that the effects of climate change are as small as possible. Therefore, we must spend efforts and resources on research and technological innovation and prospect alternative sources of financing, including the capital market, all to expand the repertoire of solutions and products to better fulfill our institutional mission.

We seek to incorporate into our projects ways to neutralize the climate impacts of our operations with investments in solutions that enable water reuse, energy efficiency and the maximization of implemented infrastructures, in this case, through the planning of new centralities, a theme highlighted in the multi-annual plan proposed (PPA 2024–2027), which



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incorporate the objectives of improving mobility, especially in peripheral regions, retaining people in their home areas, generating income and local development. These centralities are also intended to reduce the environmental impact of state interventions and create regional and local identities that can contribute to raising the population's self-esteem. For these initiatives, there are advanced studies, which incorporate sustainability, environmental, social and corporate governance (ESG) concepts, for the East Zone of the city of São Paulo and, with the technical cooperation of the Brazilian Development Bank (BNDES), for the cities of Sorocaba and Campinas.

In the housing field, the development policy sponsored by SDUH is consolidated every day, demonstrating its strategic success in assuming a liberal stance and adopting the role of inducing the forces of the private sector, capable of producing and offering housing in a way that is more compatible with the needs of cities and certain strata of the population than the State would be able to supply, especially in terms of time, quantity, spatiality and speed and with less budgetary effort. The focus of this policy has been to objectively serve the population that most needs help from the State and has difficulties accessing credit in financial institutions, even public ones.

Another aspect that values the Company is our participation in supporting various other public administration bodies and entities through the provision of specialized technical services, which, on the one hand, greatly contributes to the

fulfillment of government objectives and goals and, on the other hand, it means recognition of the excellence of CDHU's technical staff.

To support all these advances, we operate according to the highest governance standards in the public sector, with full adherence to the requirements of Law No. 13,303/2016. In 2023, we strengthened our internal audit and the integration of housing registries; and we expanded the work of managing qualitative indicators, to better understand the impacts and benefits of our actions on the audiences served. In 2024, we want to replenish our permanent technical staff with qualified human resources.

The State of São Paulo is committed to legal and financial security, complying with the tradition of honoring contracts, and to technological innovation in production, management and corporate governance processes, for the constant improvement of the services it provides. We carry out very serious work at CDHU and we count on the trust of our governments, sectoral partners and service providers to achieve collective objectives, with emphasis on reducing inequalities and improving the living conditions of the people of São Paulo, made up of people who were born here or chose our State to live, work, educate and raise their families.

Reinaldo Iapequino
President of CDHU (2023)

OSB

Highlights of the year



Services in 2023¹

(SASB IF-HB-000.B, SASB IF-HB-000.C)

18,827

housing units in production/
construction for subsequent
housing service
(status as of 12/31/2023)

10,762

services delivered,
including:



6,579

housing units delivered
in housing projects
promoted by CDHU

2,294

urbanized lots for
subsequent construction
of buildings

1,300

households benefited
from urbanization
in *favelas*

589

letters of credit that enable
the acquisition of ready-made
homes in the real estate market

1. From January 1, 2023 to December 31, 2023.



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Awards

Seal of Merit 2023, presented by the **Brazilian Association of Cohabs and the National Forum of Housing and Urban Development Secretaries**, at the end of the 70th National Social Interest Housing Forum 2023, held in Rio de Janeiro. CDHU won in the Housing Management categories, with the Action project in São Sebastião/SP, and Production and/or HIS Management, with the Pomar Urbano Program.

Classification in the 2023 Época Negócios Magazine Yearbook – 2022 balance sheet. CDHU reached 296th place in the general ranking of companies across the country, with emphasis on 11th place in Vision of the Future – in the Construction, Materials and Decoration sector.



CDHU in numbers²

561,956

services provided (housing units built and letters of credit issued) in more than 50 years of operation

Around 1.5 million

people live in these houses, a number higher than the population of most Brazilian municipalities

98%

presence in municipalities in the State of São Paulo (housing delivered in 631 municipalities out of a total of 645)

R\$3.0 billion

moved in 2023

2. Source: CDHU.

Emergency assistance in São Sebastião

(GRI 2-25 | SDG 16)

In February 2023, the highest volume of rainfall concentrated in a single location was recorded on the North Coast of the State of São Paulo, according to the National Center for Monitoring and Early Warning of Natural Disasters (CEMADEN) and the National Institute of Meteorology

(INMET). There were 625 millimeters in less than 24 hours, which caused massive landslides on the slopes, affecting several occupied residential areas along the entire coast.

On that occasion, a state of public calamity was decreed by the Government of the State of São Paulo in the areas of the municipalities of Guarujá, Bertioga, São Sebastião, Caraguatatuba, Ilhabela and Ubatuba, and the bodies and entities of the State Public Administration were ordered to provide support to the population in the affected areas.



São Sebastião, North Coast: area affected by landslides (February 2023).

Civil Defense, the Technological Research Institute (IPT) and the Environmental Research Institute (IPA), in partnership with the municipality and other institutions, provided emergency technical support by carrying out inspections and studies in the affected areas, presenting diagnostic reports and recommendations for the identified situations.

This extreme weather event resulted in a tragedy that led to the death of 65 people, 64 of them in Vila Sahy, in São Sebastião, where dozens of houses collapsed and hundreds more were impacted in some way (structural compromise, flooding, impossible access, among others).



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Landslide caused by rains in Vila Sahy, in February 2023.



Landslide caused by the rains in Itatinga, in February 2023.

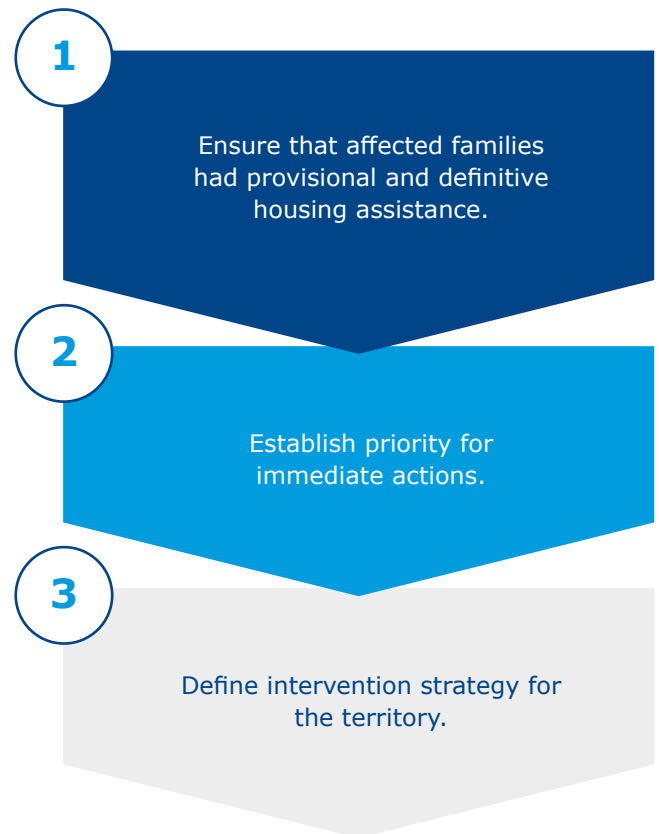
The homeless families were initially housed in non-governmental organizations (NGOs) and public facilities in the region.

The CDHU Technical-Social Team was present in the field immediately after the tragedy and continuously, from registration to the completion of the process of provisional resettlement of families to Condomínio Quaresmeiras, in Bertioga, and Vila de Passagem, in Topolândia, São Sebastião.

Initially, there was a need to understand the scale of the tragedy and the configuration of the territory before the landslides. Based on guidelines from the Municipal Civil Defense, IPT and IPA, CDHU's Technical-Social Team was responsible for mapping the entire territory in Vila Sahy, identifying the population affected by the tragedy, as well as their link with the affected buildings and their subsequent relocation to temporary units.

Still within the context of climate instability, with continued rain during the execution of social work, causing tension and fear of new landslides, the team dealt with closed sections of the work area, including at times when the rescue of victims was still taking place.

The mapping and reconstitution of the territory were extremely important to support subsequent actions, covering 3 aspects:



In the context of tensions characteristic of involuntary resettlement, in the case of São Sebastião, several extraordinary challenges were added, such as:

- The need to work with families weakened by the loss of family members, their homes and other material assets;



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- simultaneous action to be coordinated with different actors, such as municipal Civil Defense, Army, Fire Department, among others, with different methodologies and the need to manage communication with residents;
- the existence of several incidents of collapsed dwellings or were affected to different degrees and sought out the CDHU team for guidance and assistance; and
- the need to produce information to support actions by other bodies at the same time that Technical Social Work (TTS) was carried out in the field.

Faced with the challenges posed, the CDHU team relied on its TTS methodology aimed at working in *favelas* and precarious settlements, adapting it to the reality encountered.

To achieve this, the team working in the field and the support team worked together and aligned to standardize procedures, organize work strategies and respond to the necessary demands.

Currently, the team continues to provide social assistance to families in person until definitive housing assistance is completed.



Construction work on the housing development in Maresias.

To this end, CDHU contracted the construction of 704 housing units. Three projects are nearing completion, 2 in Baleia Verde, called São Sebastião T

and São Sebastião U, with 262 and 256 housing units respectively, and 1 in Maresias, with 186 housing units, called São Sebastião V.

Of particular note is the use of prefabricated construction solutions, used on an emergency basis in the Baleia Verde area, which helped speed up the necessary service solutions.

Furthermore, as a definitive solution, the bidding process for design and construction of around 256 housing units for the land called São Sebastião S – Topolândia is being developed.

County	Type of solution	Status	Enterprise	Number of housing units	Total housing units
São Sebastião	Provisional	Concluded	São Sebastião X	72	72
	Definitive	Delivered	São Sebastião T	262	960
		Delivered	São Sebastião U	256	
		Delivered	São Sebastião V	186	
		Bidding	São Sebastião S	256	

Source: CDHU, 2023.

The urbanization and recovery project for the Vila Sahy area is also in the development phase, with inputs provided by the municipality for contracting emergency actions for the locality. CDHU carried out trials, evaluations and assessments to subsidize the preliminary urbanization, risk mitigation

and recovery project for the Vila Sahy area, which is currently in the final stages of development.

The actions carried out by CDHU were monitored by the Special Office created by the governor – the North Coast Management – and sought to integrate the

Development in São Sebastião: Baleia Verde.



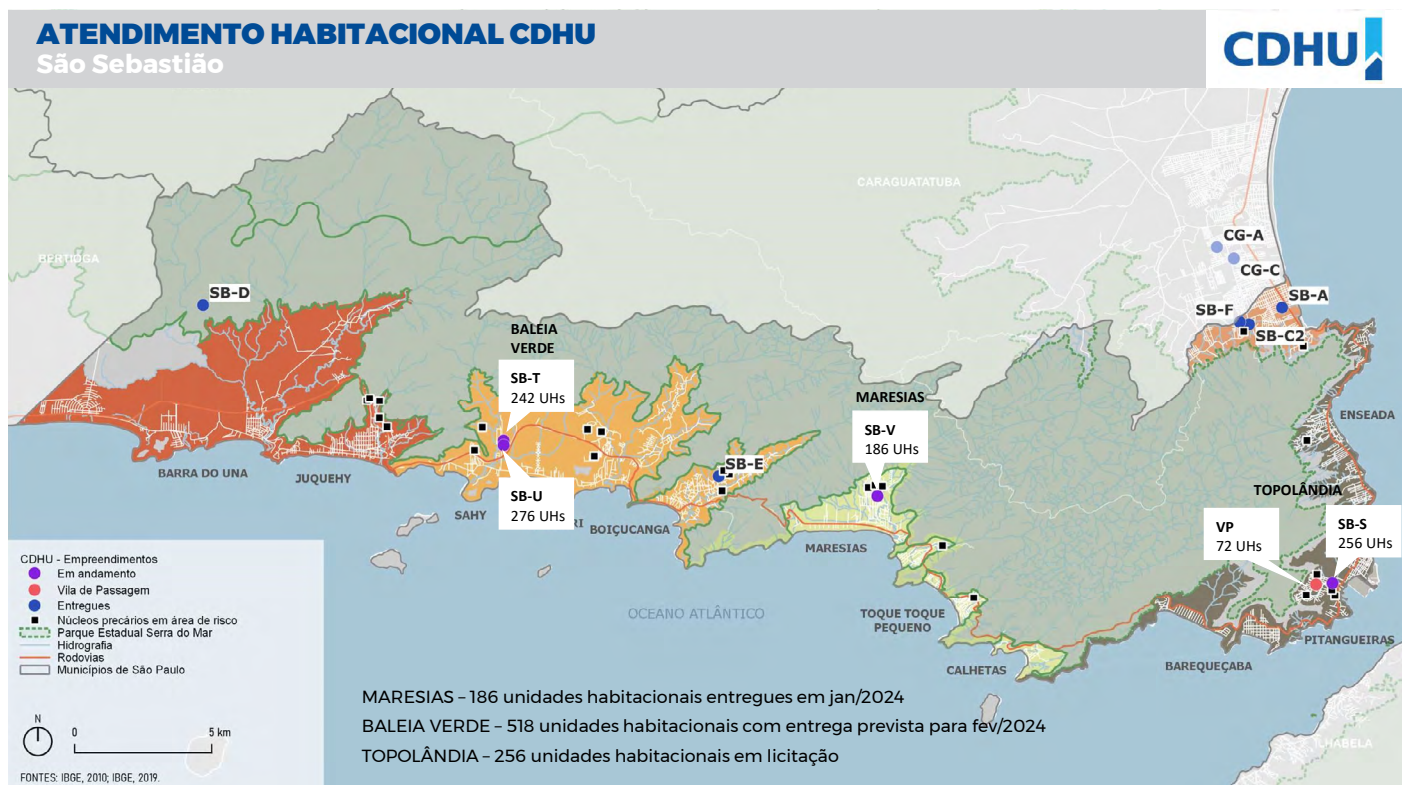
actions of other government bodies working in the affected region – such as the Department of Water and Energy (DAEE), the São Paulo Basic Sanitation Company (SABESP) and the Department of Highways (DER) – and the municipality of São Sebastião. In addition, the Secretariat for Infrastructure and the Environment (SEMIL) has been working on actions to regenerate the vegetation on the slopes, in order to promote environmental recovery in the region.

As part of a broader plan of action on the São Paulo Coast, and considering that the Associative Letter of Credit program has become an important alternative for meeting the demands for housing, accreditation was opened in June 2023 for the promotion of up to 12,000 housing units to meet the demands of the Baixada Santista and North Coast, with the indication of service targets for specific compartments of the North Coast, in order to enable housing close to locations with risks

and precarious settlements that require requalification and regularization actions, providing resettlement solutions to support broader recovery actions in the region.

This set of actions and initiatives included intense efforts to integrate municipal actions, providing technical and institutional support for the creation of land management and regularization instruments that would guarantee the viability and agility of the service solutions.

In short, extremely significant efforts have been made and continue to be made to solve the problems arising from this climate emergency, with solutions that have been considered a benchmark for other states in Brazil, including the actions in São Sebastião being the subject of an award by the Brazilian Association of COHABs at the end of 2023.



04



Urban development integrated with social housing

The CDHU

New functions

Strategic objectives

Mission

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Business model

The role of CDHU as a promotional, technical, financial and service provider agent

Programs, actions and main products and services

Investments in infrastructure and service support

Supply chain

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Medium-term goals





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The CDHU

(GRI 2-6)

The Housing and Urban Development Company of the State of São Paulo (CDHU) is a public company that is part of the indirect administration of the State of São Paulo. It is governed by its [bylaws](#) in accordance with Federal Laws No. 6,404/1976 and No. 13,303/2016, as well as other applicable legal provisions. The Company, today known as CDHU, was founded in 1949 and has had several names: CECAP, CODESPAULO and CDH. It received its current name in 1989. (GRI 2-1)

CDHU develops and implements housing programs and projects, with the aim of providing adequate and accessible housing conditions for the low-income population. These programs include facilitated financing, subsidies and partnerships with municipalities, organizing entities and public bodies, aiming to ensure sustainability and social inclusion.

In this sense, the Company fulfills an extremely important social function: promoting decent housing conditions for the population with low purchasing power, concentrated primarily in the range of 1 to 5 minimum wages, with this service reaching up to 10 minimum wages, in a complementary way, that is, CDHU serves the most vulnerable sections of society, those most affected by the enormous liability of housing and urban problems. Furthermore, when developing housing projects, the Company also intervenes in the urban development of cities.

In accordance with SDHU guidelines, CDHU helps public authorities face **2 major housing challenges** in the State of São Paulo:

- ① **Provide new housing** primarily for the low-income population, not served by the formal market, within the scope of a structured Social Interest Housing (HIS) policy, taking into account the housing deficit; and
- ② **recover and qualify the urban and environmental liabilities** generated by the intense and precarious growth of cities, characteristics of the exclusionary process of urbanization and appropriation of land, urban goods and services, confirmed by the more than 3 million households in São Paulo with needs¹. It adds up to this already complex picture, the requirement to understand the regional diversities of this nation-state that is the territory of São Paulo.

1. Seade Foundation. Report I – Estimation of housing needs in the State of São Paulo. Seade Foundation, São Paulo, October 2009; CDHU. State Housing Plan 2011–2023, published in 2011; and Fundação João Pinheiro. Housing Diagnosis in Brazil 2016–2019, 2020.



State of São Paulo

With a territory of 248.2 thousand km², the State of São Paulo has a population of 44.4 million inhabitants¹ and is the most populous unit of the Federation. Taking into account that the current population of Brazil is 203 million people², the population of São Paulo corresponds to around 22% of this total. It is a highly urbanized State, with an urbanization rate of 95.9%

The Human Development Index (HDI) of the State of São Paulo is 0.806, characterizing it as having high human development³. With its 645 municipalities, the State of São Paulo has the largest and most complex urban network in the country, which It has interrelationships with neighboring States and impacts the entire national territory.

1. Brazilian Institute of Geography and Statistics (IBGE), Census 2022.

2. IBGE, 2022 Census.

3. United Nations Development Program (UNDP), 2021.



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New functions

(GRI 2-6)

In 2023, CDHU became part of the new SDHU, which focuses, in addition to directing available resources and financing to the housing sector to minimize the deficit in the State of São Paulo, on the growing and urgent challenge of urban requalification, with the tackling urban and environmental aspects of degraded areas, central regions, occupation of risk areas and water sources, precarious and irregular settlements.

From this perspective, the field of action was expanded, giving even greater relevance to the integrated vision of urban development and housing and incorporating the new scope of activities.

This rearrangement of the administrative organization of the state government was accompanied by the functional change of the CDHU, with the creation of the new Directorate of Urban Planning and Development, with the objective of providing technical support to the coordination and articulation activities of the SDUH/SDU.

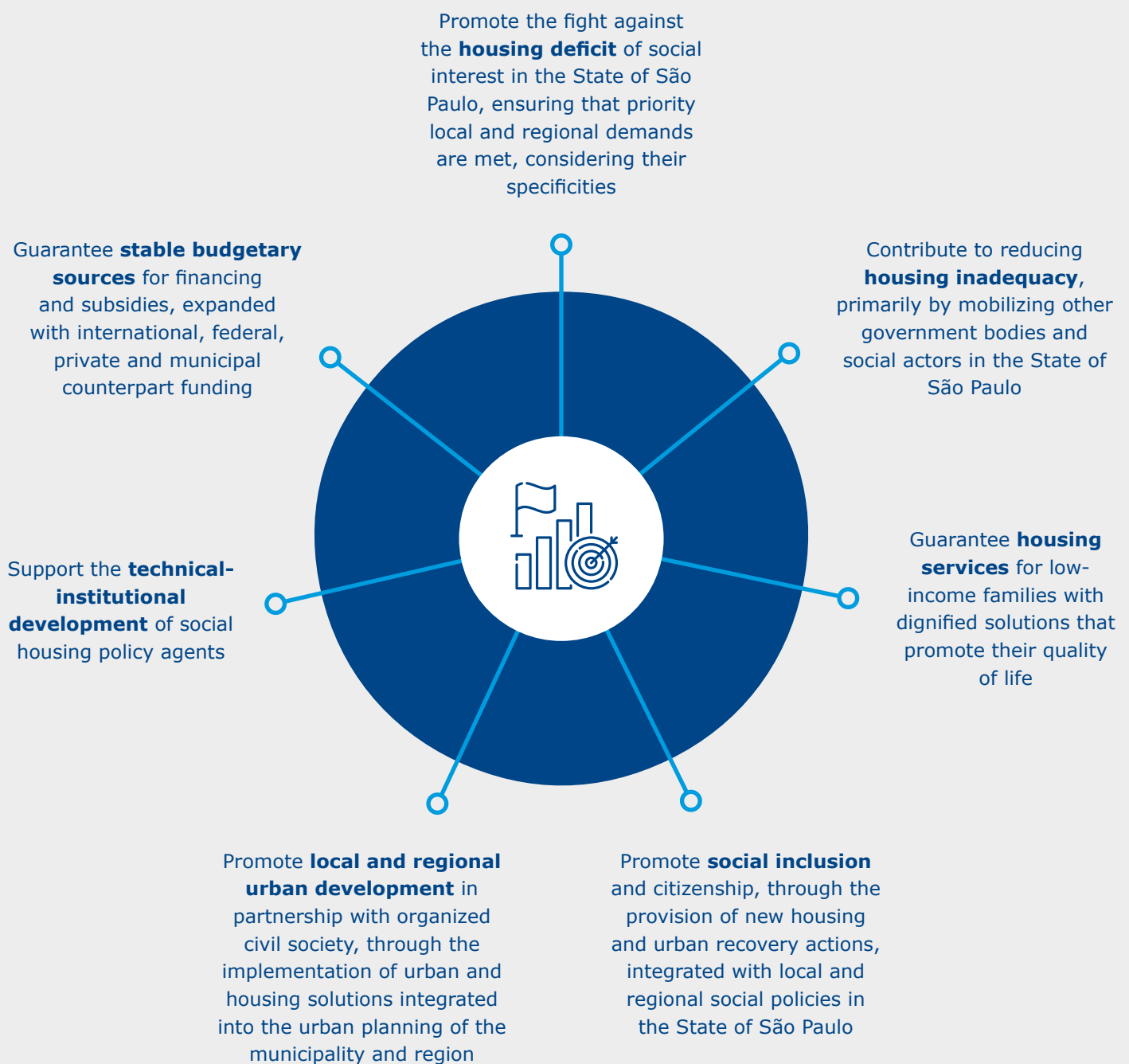
In this scenario, the CDHU also assumes new and diversified functions, notably that of operating, technical and support agent to the SDUH for the urban, regional and territorial planning and development of the State, comprising actions such as:

- ✓ Support for the preparation, implementation, monitoring and **permanent updating of the State Plan for Urban and Housing Development** of the State of São Paulo and related indicators;
- ✓ support for the preparation, implementation, monitoring and **updating of Integrated Urban Development Plans** (PDUIs), for metropolitan regions and urban agglomerations, articulated with municipal master plans;
- ✓ making federal, state and regional planning instruments compatible;
- ✓ support for municipalities to prepare and update their respective **master plans and other urban planning instruments**, compatible with federal, state and regional planning instruments;
- ✓ support for the structuring, implementation and monitoring of **integrated urban development projects and operations**, with a focus on metropolitan regions and urban agglomerations;
- ✓ support for the development of **integrated multisectoral projects** that encompass housing and urban development policies;
- ✓ participation and **support in the work carried out in collegiate bodies** of Metropolitan Agencies and other bodies of the same nature;
- ✓ support and guidance for **improving instruments and operational management** of regions and cities in São Paulo; and
- ✓ planning, preparation of diversified studies and analyses to update or institute **new approaches related to issues inherent to the functional field of the SDUH**, especially in the stage of consolidation of the new assignments received.

Strategic objectives

(GRI 2-6, GRI 2-23)

To understand the regional diversities of this nation-state that is the territory of São Paulo, CDHU has the following strategic objectives:





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Mission

(GRI 2-23 | SDG 16)

Promote assistance to low-income families, in São Paulo, by offering housing solutions of social interest, in accordance with the guidelines of the Housing Policy of the State of São Paulo, in 3 dimensions:

Social

Serve families with greater social vulnerability, resulting in improved quality of life.

Economic

Guarantee access to financing and subsidies compatible with families' ability to pay, respecting the Company's economic-financial balance.

Quality and sustainability

Make properties viable with quality projects, infrastructure and integrated into the city. Guarantee of a housing solution that provides adequate use and maintenance in the conditions of: habitability, accessibility, sociability and urban and environmental quality.

The definition of CDHU's mission, principles and values is the result of the Company's strategic planning processes, developed with the participation of groups established by the Presidency, formed by directors, superintendents, managers, leaders and employees designated according to the proposed themes. Such inputs, aligned with the SDHU guidelines and the broader

guidelines of the Government of the State of São Paulo, are the references for the policies to be followed and the basis for the formulation of economic, social and environmental strategies defined by the Board, in addition to being the object of appreciation of the Board of Directors and Fiscal Council, also considering the Company's other stakeholders in the implementation process. (GRI 2-12)

Vision







To be a reference and innovative Company in meeting local and regional priority housing demands of social interest, considering their specificities, in order to face the high and unequal liability of housing inadequacy and deficit, through the provision of new housing and actions to improve urban recovery, associated with local and regional urban development and the promotion of social inclusion and citizenship, in the State of São Paulo.

In 2024, a review of CDHU's Vision, Mission and Strategic Objectives will be carried out, considering the new functions assumed, especially with regard to urban and metropolitan planning and development.

Business model

(GRI 2-6)

CDHU presents below its business model systematized by inputs, vision, main functions, provision of services and results for 2023, following the standards of the International Integrated Reporting Council.

 <p>HUMAN CAPITAL</p>	<p>INPUTS</p> <ul style="list-style-type: none"> • Skills • Ethics and compliance • Occupational health and safety
 <p>FINANCIAL CAPITAL</p>	<ul style="list-style-type: none"> • Operational and financial performance
 <p>NATURAL CAPITAL</p>	<ul style="list-style-type: none"> • Water efficiency • Energy efficiency • Waste management • Greenhouse gas emissions (GHG)
 <p>MANUFACTURED CAPITAL</p>	<ul style="list-style-type: none"> • Infrastructure and services investments
 <p>SOCIAL AND RELATIONSHIP CAPITAL</p>	<ul style="list-style-type: none"> • Social impacts and local development
 <p>INTELLECTUAL CAPITAL</p>	<ul style="list-style-type: none"> • Efficiency in service • Planning and housing projects

Vision

Promote sustainable urban development and prioritize low-income families in São Paulo, as well as offering housing solutions of social interest in the following dimensions: social, economic, quality and sustainability.



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RESULTS

372
employees

77.15%
underwent anti-corruption
training

There were no records
of work accidents
in 2023

Distributed Economic Value:
R\$3.0 billion

Portfolio collection in 2023:
R\$896.02 million
(Dec/23)

Default:
21.73%

14.7 ML
of water consumed

11,656.49 GJ
of energy consumption
(administrative buildings)

2,280.11 GJ
of renewable fuel consumption (ethanol)

6,767 tCO₂e
GHG emissions (pilot)

10,762 → **7,816**
total services
delivered in 2023
HUs delivered with
Housing Provision Actions

79
CDHU developments
registered
(as of 12/31/2023)

CDHU AS TECHNICAL AGENT
13,109
HUs in production/under construc-
tion in the Associative Letter of
Credit Program (as of 12/31/2023)

18,827
HUs in production/
works
(as of 12/31/2023)

2,946
households benefiting
from Housing and Urban
Requalification Actions

24,503
HUs regularized in CDHU
developments (as of
12/31/2023)

3,737
households benefiting from
the *Viver Melhor* Program
(as of 12/31/2023)

R\$144.6 million
invested in social housing work

R\$1.6 billion
spent with local suppliers

R\$330 million
in contracts signed to provide
services to other public bodies

Service solutions
for diverse demands (general demand,
resettlement, indigenous people,
quilombolas, elderly people, etc.)

**Sustainable
project solutions**
and new technologies

Source: CDHU, 2023.

Main functions

- ✓ Promoting and financial agent for urban development and housing;
- ✓ technical agent for urban development, housing and the provision of services to public agents, municipalities and regions; and
- ✓ operating agent of the Housing Financial System (SFH).

The role of CDHU as a promotional, technical, financial and service provider agent

(GRI 2-6)

CDHU performs the following main functions, as detailed in its Bylaws:

- **Housing promoter and financial agent**, in the various types of housing service, in line with urban and housing development guidelines established at state and municipal levels and other similar plans;
- **technical agent and provision of services to public agents**, being able, among others, to assume the responsibilities of:
 - Support for the implementation of priority state and/or municipal housing plans and programs to serve the low-income population, through the provision of technical, legal, community and financial assistance services to state and municipal housing programs;
 - provision of evaluation services, budgets, projects, management, inspection, consultancy, planning and execution of works and engineering and architectural services for buildings, urban and/or community equipment and others intended for the provision of public services, through contracts or agreements with other public entities;
 - preparation or promotion of housing development projects; and
 - provision of condominium administration services for buildings owned by the Government of the State of São Paulo, as well as provision of inspection, evaluation and land regularization services for real estate, among others, including duties that expand the Company's field of action for integration with multisectoral public policies and, in particular, urban development, taking into account opportunities and mechanisms in the real estate and capital markets;
 - technical support for urban, regional and territorial planning and development of the State, in line with the SDUH; and
- **operating agent of the Housing Financial System**, being able to enter into agreements and contract services with financial institutions, as well as with international entities, to obtain resources and manage financing credits granted to beneficiaries of housing programs promoted by the Company.

Programs, actions and main products and services

(GRI 2-6)

Based on the guidelines provided for in the State Housing Plan 2011–2023 and the Multi-Year Plan 2020–2023, CDHU carries out the following programs and actions:

Housing provision

Provision of new homes for housing demand of social interest, operated by CDHU via direct execution or partnerships for the production of housing projects;

acquisition of housing units ready or under construction and production of housing projects or urbanized lots associated with production; and housing financing in order to reduce the housing deficit.

Linked actions:



Partnership with Municipalities:

production of projects for general demand and/or resettlement. Through this model, CDHU and municipalities combine efforts to produce housing projects. The projects are implemented on approved land, subsequently subdivided and registered, with the lots being donated to CDHU. Project approvals (at municipal level), licensing and registration of subdivisions are the responsibility of municipalities, with CDHU responsible for contracting the works. **In the case of housing resettlement**, the municipality is responsible for balancing demand,

with support from CDHU. Families, coming from risk areas or other situations that require their removal from the area of origin, must be eligible for assistance from CDHU. **To meet the general demand**, families are selected through a selection notice and public draw, promoted by CDHU, with support from the municipalities. The target audience is low-income families, without access to the formal real estate market, and who do not have their own property or property financing. In addition, they must live or work in the municipality of the project for at least 5 years.



Delivery of the *Casa Branca K* development, part of the Partnership with Municipalities program.



Urbanized Lots: the production of urbanized lots on municipal land constitutes the first stage in the process of implementing projects in partnership with municipalities. After the land presented by the city hall is technically approved by CDHU, it is donated to the Company, which prepares, budgets and approves the urban and architectural project. The bidding for the works is done in 2 stages, the 1st being the implementation of urban planning, with all the infrastructure to subsequently contract the production of housing units. This 2-stage production model was established with the aim of gaining agility in the entire production cycle of the housing project.



Indigenous Housing: housing assistance at no cost to families on indigenous lands approved in the State of São Paulo. The design and execution of the projects seek to adapt to the uses and cultural habits of each benefiting village, with typologies developed by CDHU. The Program, established by State Law No. 11,025, of 12/28/2001, has already made it possible to replace 612 precarious homes with new housing units, in 11 indigenous lands, located in 10 municipalities in the State of São Paulo.



Quilombola Housing: this action was created by CDHU in 2004, within the scope of a compensatory policy that aims to improve the housing situation of *quilombola* communities in the State, with the implementation of housing intended exclusively for residents in communities titled by the Fundação Instituto de Terras do Estado of São Paulo José Gomes da Silva (ITESP), on lands holding a Domain Title in the name of the *Quilombola* Association. Of the 6 communities that hold title to the area, 5 have already received housing assistance, totaling 191 homes implemented in partnership with city halls, which provide the counterpart with the implementation of infrastructure.



Vida Longa: action that aims to serve elderly people without solid family ties or alone, independent in carrying out daily tasks and with an income of up to 1 minimum wage. It consists of the implementation of assisted living equipment in horizontal condominiums with up to 28 housing units. Developed with resources from SDUH and in partnership with the State Department of Social Development and city halls, the *Vida Longa* Program provides an area for social coexistence and integration with the social network for the protection and defense of the elderly. Social management is the responsibility of the municipal government, through its social assistance and development body.

1 Housing Provision Program

Service modalities ¹	Total calls
Partnership Program with Municipalities – homes delivered	5,312
<i>Vida Longa</i> Program – homes delivered	210
Urbanized Lots	2,294
Total	7,816

1. In 2023, there were no housing units delivered under the Indigenous Housing and *Quilombola* Housing programs. Source: CDHU, 2023.

Housing and urban requalification

Work in precarious settlements, such as slums and tenements, and in inadequate homes, with urban and housing improvement actions and/or housing removal and resettlement due to risk, recovery and environmental protection or influence of public works. The Program has a corrective nature to the problems identified in the territory that require integrated public policies to resolve them, seeking to promote the quality of life of large portions of the population of São Paulo who reside in precarious areas, especially in metropolitan regions and other cities in the State with regional importance.

Linked actions:



Resettlement: housing assistance to families removed from their places of residence linked to urban and environmental requalification projects. It is about providing permanent housing for families living in precarious and irregular settlements who have to vacate the place where they live involuntarily, due to urban and environmental structuring and recovery works and services, especially those under State management. and municipalities. Given the irregular situation of these occupations, which cannot be included in situations of expropriation and compensation in a regular and adequate manner, it is necessary to seek service solutions in order to promote and guarantee the right to housing and the replacement of living conditions for families socially vulnerable people involved in these displacements. To this end, isolated units or in groups are made possible, with infrastructure and urban equipment, credit is offered for the acquisition of units on the market and production is promoted through partnerships with other promoting agents.



Housing for the Sustainable Coast: aims to promote housing development in the municipalities of the coastal region and areas of influence of Serra do Mar, as an integral part of the actions and interventions of the Government of the State of São Paulo carried out by the Secretariats of Infrastructure and Environment (SIMA) and Housing (SDUH), focusing on protecting biodiversity and other environmental services of the Atlantic forest, associating protection



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actions with recovery, mitigation, containment and prevention of socio-environmental damage and impacts arising from changes climate. As co-executor, CDHU works to resolve risk and emergency situations with impacts on housing conditions, especially linked to risks of landslides, floods and erosion, promoting integrated urbanization interventions in irregularly occupied areas, associated with housing production to provide housing to families who need to be removed from their area of origin. In 2023, housing projects that conclude the fulfillment of the financing commitment from the Inter-American Development Bank (IDB) continue to be implemented.

Vida Digna Program: the *Vida Digna* Program consists of a broad set of actions and interventions by SDUH, through CDHU, focusing on the removal and resettlement of around 3,000 families living in stilts and floodable areas in Cubatão, Guarujá, Praia Grande, Santos and São Vicente.



Palafitas, Santos region.

The families will be served in new housing complexes to be built in these 5 cities in Baixada Santista, and the previously occupied areas will be recovered and requalified from an environmental and social point of view. The program will also count on support from the municipalities in making land available for the construction of units and compensation for removals, social work and recovery of unoccupied degraded areas. In addition to promoting definitive housing assistance, *Vida Digna* will remove a vulnerable population from direct contact with the vectors that cause numerous diseases transmitted by water pollution, such as gastroenteritis, amoebiasis, giardiasis, typhoid and paratyphoid fevers and hepatitis A. With the removal of irregular occupations, the aim is to clean up and reduce sewage and garbage problems in stilt house areas located in mangroves in the Estuary, which are carried by the tides and contribute to: (a) the proliferation of insects that transmit diseases such as dengue, Chikungunya, Zika, leptospirosis, rat bite fever, bubonic plague, murine typhus, salmonellosis, scabies and mycoses; (b) environmental degradation of the region; and (c) death of a series of marine animals.



Development of the *Vida Digna* program in São Vicente.



Urbanization of Precarious Settlements: urban, environmental qualification and regularization actions, through the implementation of infrastructure, physical reorganization and urbanization of the settlement, housing replacement, housing improvements, implementation of equipment, public services, green areas, family resettlement, and actions for social inclusion.

2 Housing and Urban Requalification Program

Service modalities	Total calls
Housing Resettlement	926
Housing units delivered	337
Letters of credit	589
Housing for the Sustainable Coast	720
<i>Vida Digna</i> Program – housing units delivered	720
Urbanization of Precarious Settlements – households benefited	1,300
Total	2,946

Source: CDHU, 2023.

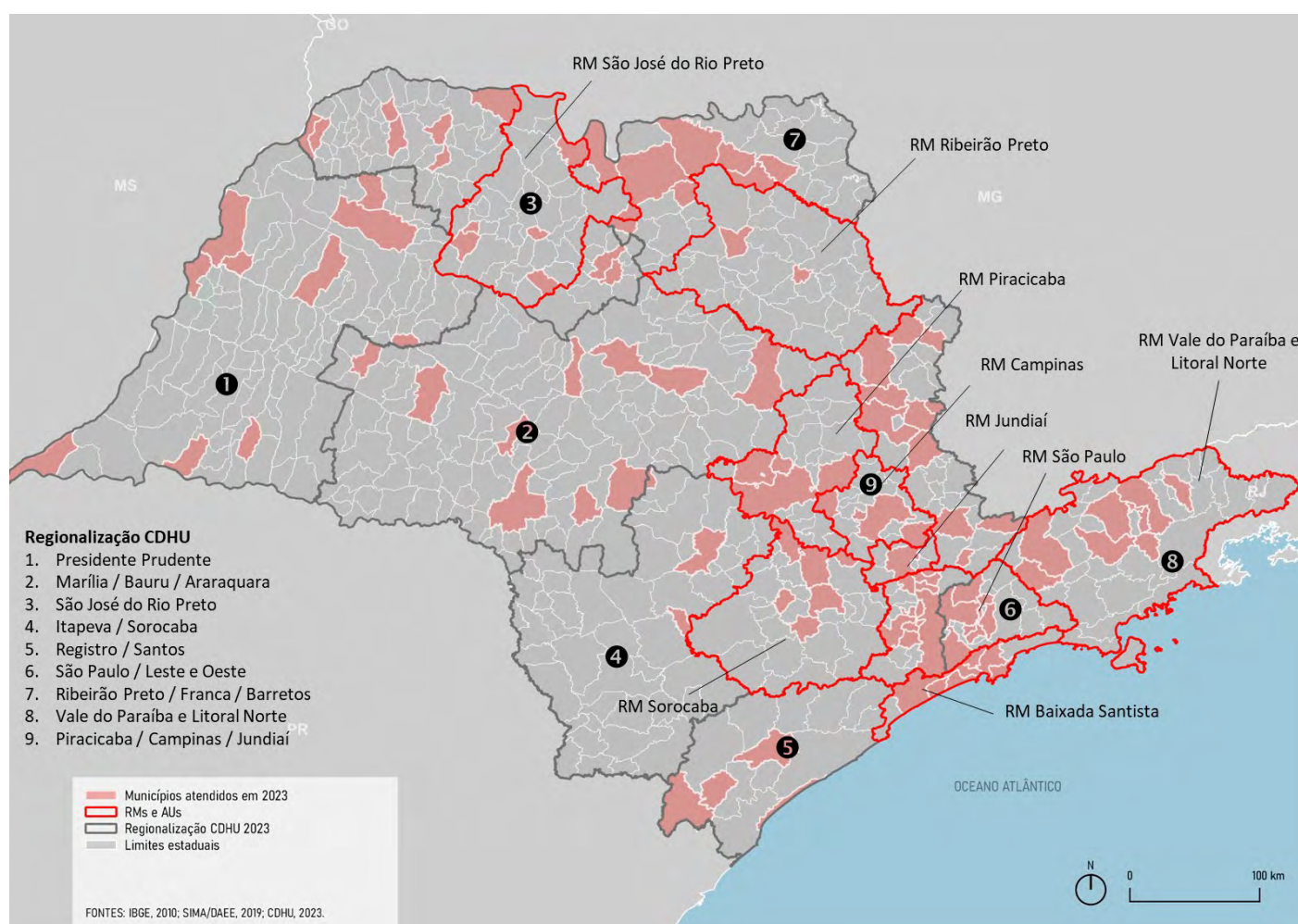
Considering the total number of **housing units** delivered for housing resettlement, there are 1,057 services, adding up to the 337 housing units in the Housing Resettlement action, and the 720 delivered

in the Housing for the Sustainable Coast/ Dignified Life Program action. With the 589 letters of credit, the total number of services aimed at resettlement in the two modalities is 1,646. (SASB IF-HB-160a.1)

Municipalities served and new regionalization

The municipalities served during the 2023 financial year are shown on the map below. In addition to highlighting the boundaries of the 9 metropolitan regions established in the state of São Paulo, the map also shows the new territorial division adopted by CDHU to

facilitate administration and control of the specific activities that take place in these areas (according to Standard and Procedure 01.10 – CDHU Regionalization and Regional Managements for Housing Assistance, approved on 05/12/2023).



Municipalities served and boundaries of the new regionalization.



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Promotion of social housing

The development actions aim to contribute to the reduction of housing shortages, providing access to adequate housing for the low-income population without housing or living in precarious housing, through various actions with resources from the São Paulo Social Housing Fund (*Fundo*

Paulista de Habitação de Interesse Social, FPHIS), covering: promotion of housing production; housing credit programs; subsidies in housing financing and Public Private Partnerships; urban and housing improvements operated by CDHU.

Linked actions:



Emergency Housing Aid (AME) and Provisional Housing Aid (AMP):

Emergency Housing Aid is a benefit intended for homeless or displaced families due to rain, residents of municipalities that have declared a state of emergency or calamity public. Emergency Housing Aid is provided for by State Decree No. 55,334, of 01/11/2010 (amended by State Decree No. 55,370, of 01/27/2010), and by State Decree No. 56,664, of 01/11/2011. The **Provisional Housing Aid**, in turn, is intended for families involuntarily removed from their usual residences, due to urbanization works or resettlement for the execution of public works. Such families should have definitive housing assistance considered in the coming years. This aid was paid for with resources from SDUH/Subsecretariat of Social Housing and resources from partners. In both cases, the current CDHU is the manager of the benefit, with SDUH being responsible for transferring resources and the Bolsa do Povo Program for operationalizing payments directly to families who are in temporary housing until definitive housing assistance is made possible.

3 Promotion of Social Interest Housing

Technical-operational agent

Total calls

Housing support

7,800

Housing/contractor assistance – housing

5,206

Housing/contractor assistance – partners

949

Emergency/contracted aid – housing

1,645

Source: CDHU, 2023.

Land regularization of housing interest

Throughout CDHU’s housing production process, since 1964, many projects were not delivered in good standing to residents, which resulted in it being impossible for borrowers to have access to the property title when paying off their financing. The existing irregularities are

diverse, often requiring a complex and lengthy path, requiring CDHU to make an effort to regularize its projects. The land regularization of housing centers and complexes delivered by CDHU is a fundamental step in realizing the right to housing and the city.

4	Land Regularization Program for Housing Interest/CDHU projects	Total calls
	Registered projects	79
	Regularized households	24,503

Source: CDHU, 2023.

Services provision

CDHU operates on other important fronts as a technical-operational and financial agent, in SDUH programs or in the provision of technical services to other departments and public bodies.

Linked actions and projects:

Associative Letter of Credit Program (CCA)

CDHU acts as a technical-financial agent in the implementation of the CCA modality, with activities starting in 2022, with the objective of decentralizing housing

development with the participation of associative entities, housing companies and other similar bodies, such as housing cooperatives, condominiums or legal entities focused on housing production. The Program aims to enable access to decent housing for families with a gross monthly income of up to 5 minimum wages, through the granting of subsidies in housing credit operations with individuals, grouped by an “organizing entity”. In addition to the organizing entities, it also seeks to serve families residing in at-risk areas, those receiving provisional assistance through housing assistance (awaiting definitive housing assistance), public notices issued by CDHU, or those included in city hall records.



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CCA Program: Sapopemba Development, São Paulo, East Zone.

CCA operates with resources from SDUH/ Casa Paulista, providing for the use of resources from FPHIS, expanding the possibilities of meeting demands of social interest, by guaranteeing access to decent housing for the low-income population through the granting of subsidies in operations credit with other financial agents than just Caixa Econômica Federal, with whom it had already been working in partnership with the Federal Government.

To enable housing production for market agents within the scope of this Program, in line with the profile of the low-income demand it intends to meet, SDUH/Casa Paulista publishes a project accreditation notice, which undergo technical-financial analysis to be then approved. The model adopted by the CCA Program provides greater speed in housing production, as there is no need to go through the process of project development, expropriation and acquisition of land and bidding for works and services, which is normally time-consuming. It also presents lower costs, since there are no expenses with

management, inspection of works and other administrative and operational costs. Another important aspect is that housing development projects meet sustainability standards, requirements for inclusion in the urban fabric, access to public services and building quality standards.

The CCA program has also become an important alternative to meet the demands of the public sector itself, through remaining accreditation projects from the former Housing Secretariat, or from public selection carried out by municipalities, with necessary adjustments to the commercialization policy of the CDHU, with the Company's own resources Under these conditions, accreditation was opened in June 2023 for up to 12 thousand housing units destined to meet the demands of Baixada Santista and the North Coast.

On 12/31/2023, there were 13,109 housing units in construction, with deliveries scheduled from 2024, in addition to 1,030 housing units accredited to meet the demands of the SDUH/CDHU.

Viver Melhor (Live Better)

Actions aimed at promoting improvements and adjustments to housing units already built in precarious settlements that are regularized or subject to regularization, and that are not occupying risk areas. They include technical assistance and road conservation, repairs and improvements to wall and floor coverings, review and reinforcement of the roof, execution of water and sewage piping and connection to the existing public network, installation of toilets, among other items.

The Program is carried out by SDUH through the Casa Paulista Urban Development Program, with resources from FPHIS, transferred to CDHU, responsible for the operation. The actions implemented provide healthiness, accessibility and quality to the precariously built houses in the areas selected for intervention and have an impact not only on the lives of their occupants, but on the community in which they are located, transforming the local landscape. In 2023, Viver Melhor had completed renovations in 5,956 homes in centers selected for intervention.



Viver Melhor Program: Mogi das Cruzes, Núcleo Nova União.



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Provision of services to public Administration Bodies

Preparation of projects, support for tenders and management of works: since 2019, with the entry into force of State Decree No. 64,646¹, which determined that public activities carried out by CPOS would be carried out by CDHU, the Company was given a new challenge: provide engineering and other related services to direct and indirect Public Administration bodies of the Government of the State of São Paulo, as well as other state, municipal and federal governments.

The provision of services to the Public Administration is carried out through partnerships, agreements or contracts between CDHU and the requesting bodies, covering project development, support for tenders and construction management.

These first years of activity in the service area have challenged teams to keep up to date with new programs and new demands for design, research and consultancy on legislation and standards, at the same time that they need to structure the processes of elaboration, management and control of processes and deadlines, in addition to creating procedures that standardize the results of products in multidisciplinary and regionalized teams.

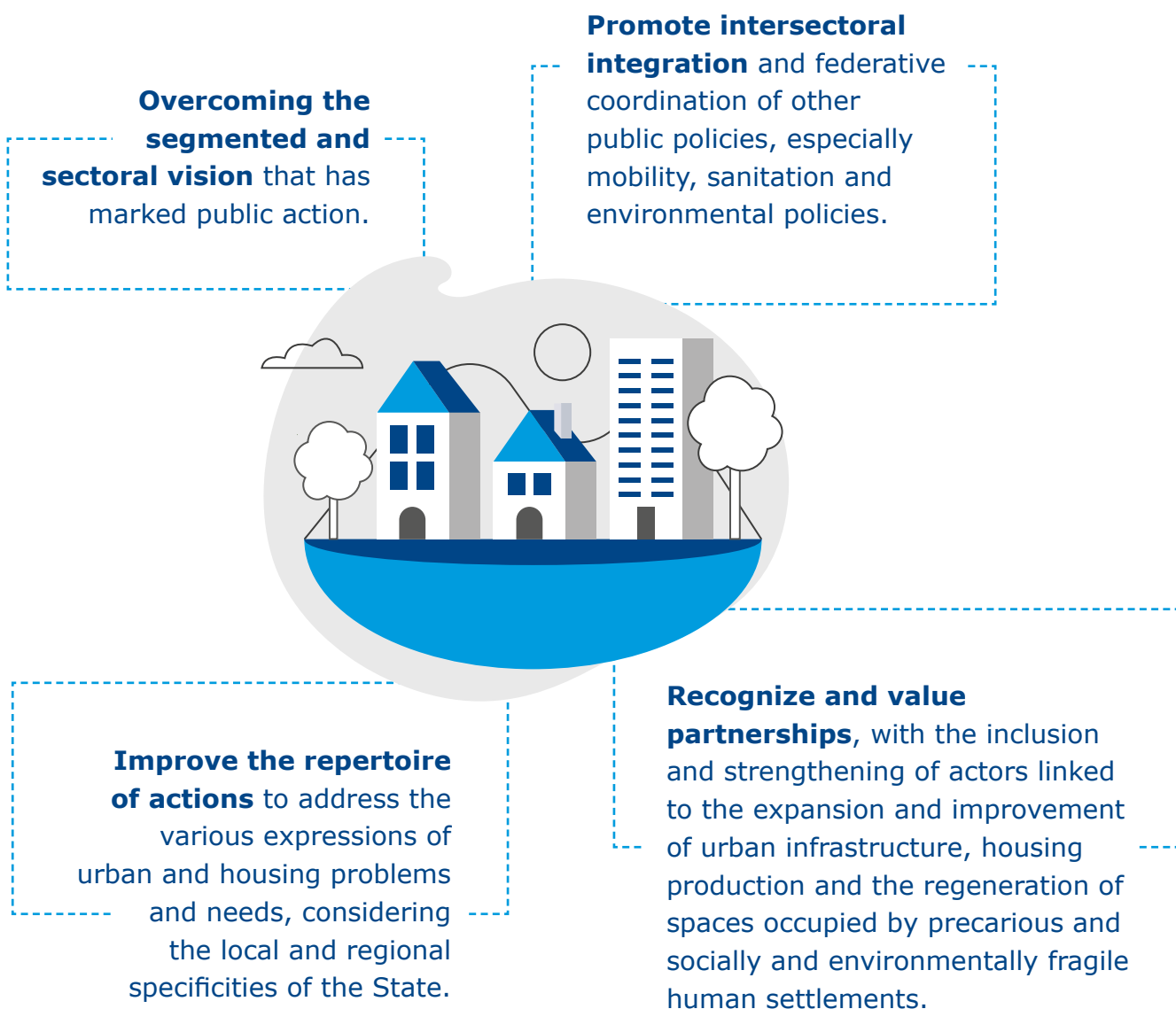
1. State Decree No. 64,646, of 12/06/2019.

Participation in public-private partnerships (PPPs)

CDHU has had increasing participation in the feasibility of PPPs projects, seeking to combine efforts to increase the housing supply of public interest, especially in the municipality of São Paulo, which is home to a very significant part of the housing needs of the São Paulo Metropolitan Region. In the agreement between the Housing Secretariat and the concessionaire (PPP Habitacional SP Lote 1 S/A) for the PPP in the Central Area of the Municipality of São Paulo, CDHU provides a subsidiary guarantee for the payment of considerations, in addition to the main guarantee, provided by Companhia Paulista de Parcerias. Within the scope of the São Paulo Municipal Housing PPP, there is an agreement signed with Companhia Metropolitana de Habitação de São Paulo (COHABSP), through which CDHU offers a subsidiary guarantee for the payment of considerations by the municipality, in addition to the main guarantee, provided by São Paulo Asset Development and Mobilization Company. Furthermore, CDHU has been including areas of its property in this PPP for the implementation of housing units, in return for the referral to COHAB/SP of 39% of the families that will make up the list of beneficiaries. Of these, 244 families indicated by CDHU in the Bresser and Tucuruvi developments were covered in 2023. A proposal for the allocation of other areas of CDHU's assets to make up the operation is being formatted.

Integrated urban development

Solving issues related to urban development and housing, arising from intense, disorderly and unequal urban growth, both with regard to socioeconomic dynamics and the form of appropriation of territory by human settlements, imposes on the State and, therefore, to CDHU – as technical agent of the Secretariat –, challenges of great scope, the overcoming of which involves carrying out multidisciplinary and multisectoral activities linked to high technical complexity, which, in turn, require updates, improvements to current practices and application of innovative methods that seek to increase the efficiency of management and provision of public services to society, through institutional strengthening to integrate urban development and housing policies, as a way of:





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In this same scope, the Company's technical agent action supports the development of methodologies and guidelines for the preparation/updating of municipal master plans – for integration with the regional vision and definition

of integrated urban development strategies, as well as the elaboration, modeling and implementation of integrated urban development projects of regional relevance.

CDHU's role as a technical agent of the urban development and housing system involves the elaboration of inputs and technical support for institutional articulation and the development of studies and modeling for the entire process that involves identification, structuring and implementation of structuring projects for the urban development and recovery, focusing on the metropolitan regions of the State

Based on the priorities and aspects indicated in the PDUIs and in dialogue with the Regional Development Councils and their Thematic Chambers, the foci for the development of these projects are being identified, which may involve housing, in addition to other uses and integration with investments strategic, such as the intercity train and others.

For 2024, the work's main scope is the development of projects for the metropolitan regions of Sorocaba and Campinas – the first already subject to a Technical Cooperation Agreement with BNDES, SDUH, the Regional Agency

and the Municipality of Sorocaba, and the second in the process of formalizing a similar agreement –, through which strategies, modeling and specific projects will be developed, aiming at recovering and dynamizing central areas of metropolitan headquarters in which underutilized areas with potential for integrated development and attraction of investments for the broad benefit of the population.

Studies for other metropolitan regions have had their development initiated.

Urban and Housing Development Plan (PDUH) 2040

The PDUH is a planning instrument for urban development and housing in the State of São Paulo that aims to recognize the dynamics and needs of municipalities and regions to guide public policies and investments. It seeks to highlight potential and mitigate territorial vulnerabilities, establishing an environment for planning and managing the territory, consolidating the coordinating role of the State.

It proposes to inform and train municipalities and regions by strengthening 3 axes of action: urbanism and social housing, infrastructure and mobility, and environment and climate change, on different scales, to foster a balanced and articulated urban network and safe, healthy cities, resilient, inclusive, prosperous and sustainable.

PDUH 2040: Axes of Urban and Housing Development Planning in the State of São Paulo

STRUCTURAL
AXLES

CROSS-SECTIONAL
ANALYSES

MAIN
OBJECTIVES



URBANISM AND SOCIAL HOUSING

Socio-territorial vulnerability, housing policy and public facilities

Social care and development, education, health, security and institutional arrangements

Inclusion and equity

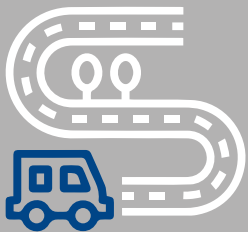
✓ Inclusion

✓ Equity

For its full development, it foresees the configuration of geospatial database, a collaborative platform and a system for monitoring international sustainable development goals and indicators based on national and global agendas and policies, such as the New Urban Agenda and the SDGs. In addition, it provides for coordination with the SIMM geo-

collaborative platform to produce thematic and integrated analyses and indices to support decision-making in planning.

PDUH 2040 is aligned with the principles of the New Urban Agenda UN-Habitat, aiming sustainable solutions and guidelines for urban development in the coming decades.



INFRASTRUCTURE AND MOBILITY

Urban structuring, urbanization process and network of centralities

Resilient and dynamic, economic and demographic urban infrastructure

Quality of life and prosperity



ENVIRONMENT AND CLIMATE CHANGE

Environmental dynamics, biodiversity, water resilience and sustainable resources

Disaster risk reduction and climate change mitigation and adaptation

Resilience and sustainability

✓ Quality of life

✓ Prosperity

✓ Resilience

✓ Sustainability



The state's role as coordinator

Investments in infrastructure and service support

(GRI 3-3 203, GRI 203-1 | SDG 5, SDG 9 and SDG 11)

In 2023, 146 Service Start Orders/Service Orders (OISs/OSs) were issued relating to urban infrastructure and urbanization works and services, topographic surveys and surveys for subsoil characterization.

Investments in infrastructure and support for services ¹	Monetary value
Urban infrastructure	R\$176,015,310.19
Urbanization	R\$88,688,435.65
Service support – topographic surveys	R\$1,934,198.02
Service support – surveys for subsoil characterization	R\$1,720,017.50
Total	R\$268,357,961.36

1. OISs issued in 2023 for infrastructure and service support contracts were considered.

Source: CDHU, Superintendence of Engineering and Multisectoral Services II, 2023.

Projects drawn up for other public bodies

Within the scope of service provision contracts to other public bodies, several projects were drawn up in 2023, among which the following stand out: Project for the State Attorney General’s Office (PGE), Court of Auditors of the State of São Paulo (TCESP), Institute of Social Medicine and Criminology of São Paulo (IMESC), Civil Police, Military Police, Guarulhos City Council and for the Secretariats of Public Security, Education (31 schools), Finance and Development, all complying with accessibility legislation (mainly in relation to ramps, elevators,

lifting platforms, and adequate toilets), obtaining approval from the Fire Department and safety in electrical and hydraulic installations (compliance with concessionaire guidelines and updating parameters according to current standards), collaborating with the safety of employees and users of these public buildings. Some of these renovations are in buildings listed by heritage bodies, which required special projects, with chromatic and historical research analyzes by specialized professionals.

Projects were also drawn up for new buildings for the Civil Police in São José do Rio Preto and Itanhaém. For the Department of Education, the projects of the Municipal Education Archive and Integrated Center for Youth and Adult



Project for the São Paulo State Court of Auditors.



Services rendered: Public Security Department DEIC project.

Education (CIEJA). And for the Social Fund of the State of São Paulo (FUSSP) projects to implement the Praça da Cidadania Program.

The estimated amount of ongoing project contracts is approximately R\$40 million and those started in 2023 total another R\$14 million.

Permission to use institutional areas

During 2023, 2 permission agreements were formalized for the use of institutional areas.

Set	Description of the area	Area no.	Size	Requester	Goal	Document no.
Guarujá G	Institutional area	—	6,284.74 m ²	State Treasury represented by FUSSP	The concession of area for implementing of <i>Praça da Cidadania</i>	TPU No. 036/23 Signed on 03/13/2023 Indefinite term
Guarulhos B	Institutional area	1	8,044.77 m ²	Guarulhos City Hall	To maintain leisure equipment: a sports court	TPU No. 050/23 Signed on 08/02/2023 Indefinite Term

Source: CDHU, Superintendence of Social Development, 2023.

In the context of the evolution of the topic since the last reporting cycle, a significant decrease, approximately 50%, in the formalization of terms of use permission stands out. This reduction is attributed to the practice adopted by CDHU of registering the areas of new housing complexes, incorporating them into the municipality's domain with the respective endorsement in its name. This CDHU strategy aims to optimize and simplify territorial management, consolidating effective control of urban areas by municipal public authorities.

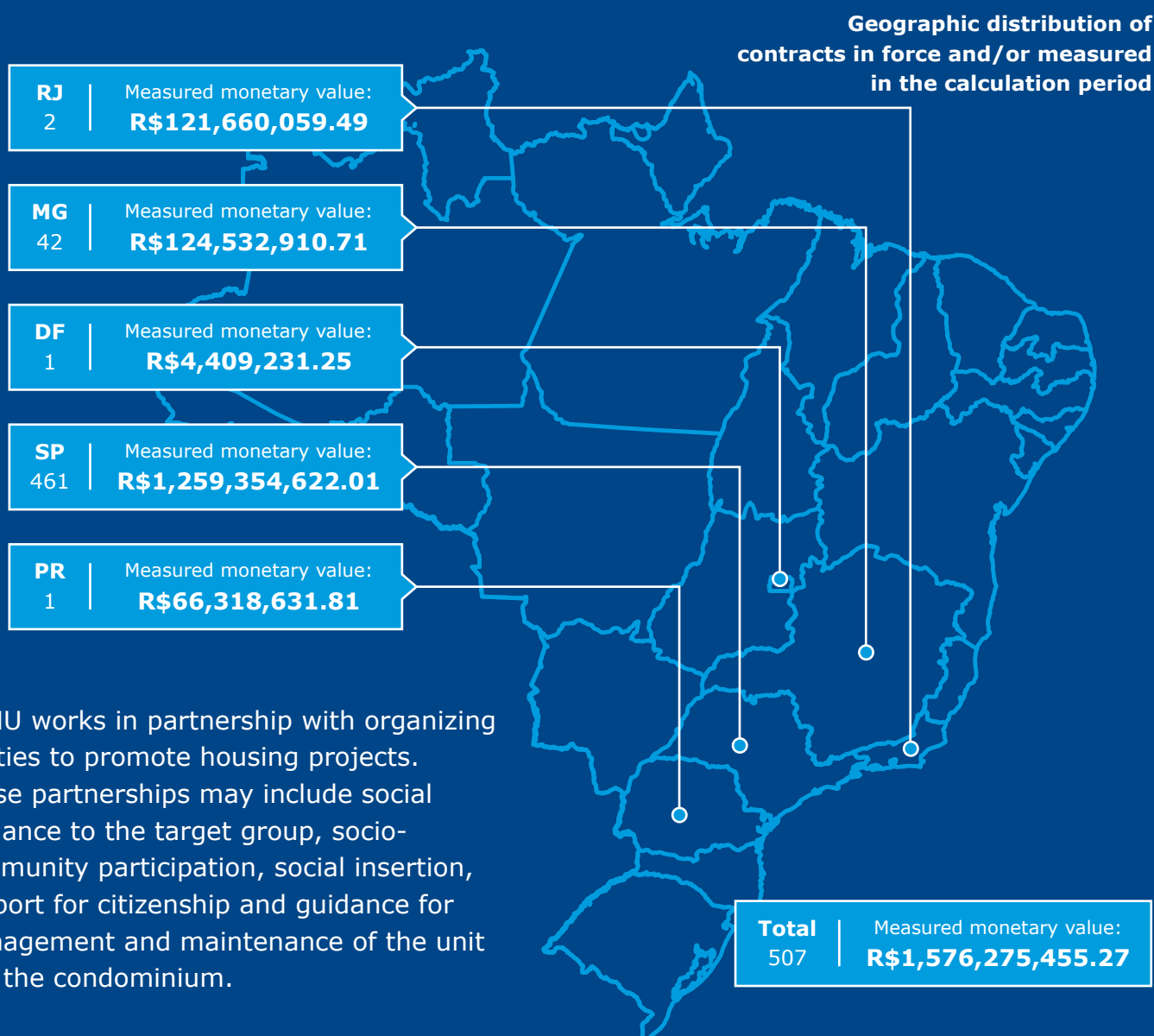
Supply chain

(GRI 2-6)

CDHU's main suppliers are construction companies, engineering companies and service providers related to urban infrastructure. These suppliers are responsible for executing housing projects, supplying materials and carrying out works. All CDHU suppliers are contracted through bidding, in accordance with Federal Law No. 13,303, of 2016, and Brazilian companies can participate, regardless of their location, under an

obligation to follow the clauses relating to human rights, environmental and social criteria practiced by the Company, as well as the quality criteria.

Local suppliers are the vast majority, with a clear concentration in the State of São Paulo itself – a few companies are from other states, such as Minas Gerais, Paraná, Rio de Janeiro and the Federal District, as shown in the map below:



CDHU works in partnership with organizing entities to promote housing projects. These partnerships may include social guidance to the target group, socio-community participation, social insertion, support for citizenship and guidance for management and maintenance of the unit and the condominium.



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2024 Business Plans

Based on CDHU's strategic planning work, which will be revised in 2024, incorporating new urban development actions and having reference to the guidelines of the State Housing Plan (PEHSP) 2011–2023 and the new Urban Development and Housing Plan (PDUH 2040), CDHU has already presented to the Statutory Audit Committee, the Audit Committee and the Board of Directors, at its last annual meeting, the 2024 Business Plan and the updated long-term strategy, with analysis of risks and opportunities for the coming years, in accordance as per requirements of Federal Law No. 13,303/2016 – Law of State-Owned Companies –, in continuity with what has been carried out since 2017, having also assessed the achievement of the goals of the Business Plan for the year 2023.

This instrument consolidates the management planning, with a strategic focus, and reiterates the emphasis on budgetary monitoring and fundraising, as well as the vision of the CDHU portfolio, as a fundamental asset, the importance of continuing efforts to reduce default and fundraising. of resources, in addition to including new areas of action in urban development, increasing integrated housing service registration actions, innovation and sustainability of projects and predicting the investment plan for 2024, which will guide the priorities of action and partnerships between SDUH and CDHU, and of these with municipalities and other bodies.

Medium-term goals

According to the 2024 Business Plan, CDHU has been working to become a company recognized this year to:

- Identify and learn about territorial, social and urban realities;
- diversify ways of accessing housing;
- carry out programs and actions in adequate urban conditions of sanitation, environmental preservation, access to means of transport, equipment and urban services, mainly health, education, leisure and culture;
- promote urbanization and improvement programs for irregular settlements and improvements or renovation of existing buildings, with a view to regularizing centers, housing complexes and neighborhoods, relativizing the priority of service via the construction of units;
- promote programs aimed at the socioeconomic sustainability of irregular settlements or housing projects in general;
- value the environmental, urban planning and architectural qualities of projects;
- incorporate technological advances in the use of materials and construction processes;
- use available urban planning instruments to expand opportunities to promote housing developments, aiming to reduce costs with land and real estate acquisition;
- expand the sources of resources allocated to integrated projects, balancing the composition between financing and subsidies;
- promote improvement in the management of projects and actions and systematically evaluate the performance of CDHU products and processes; and
- promote the technological development of the civil construction production chain, in order to favor the advancement of industrialized construction processes that reduce costs and production and assembly times, and improve the final quality of the real estate asset.

05



Technological innovation and new modes of housing production and urbanization

Guidelines for new programs and projects

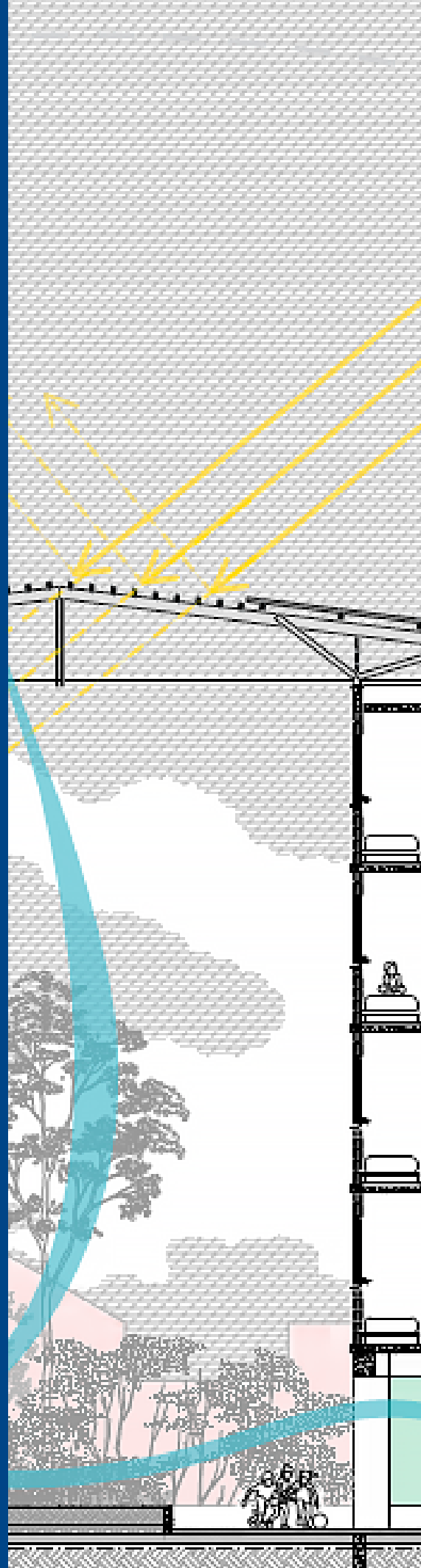
New construction technologies

Booklet of Typologies of Urban Improvement Projects

New technical solutions to combat climate change

Territorial Information System (SIT) and Metropolitan and Municipal Information System (SIMM)

Integrated Housing Registry





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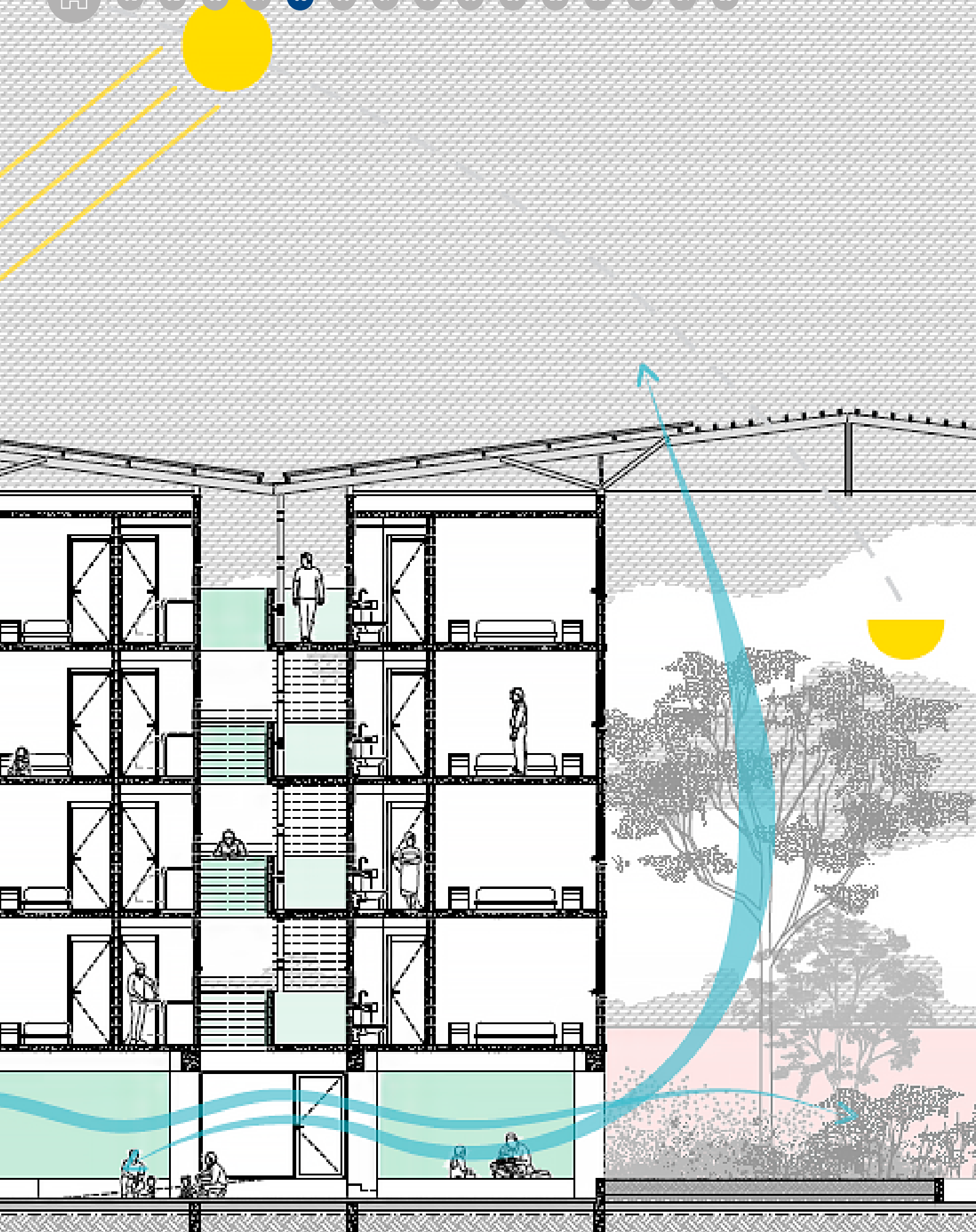
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Guidelines for new programs and projects

(GRI 3-3, SASB IF-HB-410b.3)

With the aim of improving its products, the Company is developing new programs and projects with guidelines that favor population density and mixed use, urban integration and architectural diversity,

the environment and sustainability, mobility, accessibility and safety. The main guidelines are:

- 1 **Adequate construction and population density** along public transport axes, optimizing urban infrastructure without overloading it;
- 2 **compulsory implementation of spaces for non-residential uses** on the ground floors of buildings with direct access to the street. These spaces, which may include public equipment, shops, services and light industries, must occupy the horizontal extension of the facade to avoid closed plans and promote the dynamism of public sidewalks;
- 3 **compatibility of different uses and forms of land occupation**, both in the proposed interventions and regarding the existing surroundings, with a focus on housing integrated with services and other uses to support residential use;
- 4 **new design standards**, with the development of specific typologies for each development, so that they suit the physical characteristics of the terrain, the climatic conditions of the region and the needs of the families;
- 5 **urban integration and architectural diversity** through the conception of the morphological attributes of the developments that establish a relationship of continuity and equivalence between them and their surroundings, favoring integration and formal, spatial and functional diversity, giving urban unity to the intervention areas and avoiding monotony and urban segregation;



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- ⑥ **drainage solutions that slow down runoff and favor water reuse**, with an emphasis on nature-based solutions;
- ⑦ **principles of non-generation, reduction, reuse, recycling, solid waste treatment and final disposal**, environmentally appropriate, with recycling initiatives, domestic composting, pocket parks, urban gardens;
- ⑧ **solutions for energy conservation and urban environmental comfort** in the distribution of blocks, blocks and the road system, with passive use of natural resources, respecting the climatic conditions of each region, such as solar orientation, prevailing winds and cross ventilation;
- ⑨ **design solutions that integrate the developments into the public transport network and prioritize active mobility**, ensuring accessibility, road safety and comfort for pedestrians and cyclists, with adequate sidewalks that provide quality walking and permanence, bicycle racks and/or paracycles, parking spaces for vehicles only in the quantity necessary to comply with the legislation and preferably located next to the road alignment, bus stops, raised crossings and audible buttons, among other devices; and

New project guidelines, São Sebastião development, Topolândia.



- 10 **urban design solutions that contribute to public safety and crime prevention**, following the Crime Prevention Through Environmental Design (CPTED) concept, with devices that provide: greater visibility and natural surveillance of the common areas and the road system adjacent to the developments; adequate positioning of windows and accesses; “transparency” of façades and mixed use on the first floors of buildings; efficient and sufficient lighting design, both of the common use areas and internal circulation of the developments, as well as on the sidewalks and lanes of the access road system; adequate and well-positioned vegetation without visual barriers or conflict with public lighting; and spaces designed without corners or hiding places.

These guidelines aim to create an urban environment where all services are within

a 15-minute walk for any citizen, reducing the need and time for daily travel.



New project guidelines, São Sebastião development, Topolândia.



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New construction technologies

(GRI 3-3)

Climate change and its consequences have increasingly brought real risks to families who are in areas susceptible to landslides. CDHU has historically worked in these areas to provide housing assistance to families who need to be removed from there.

On the other hand, this concern has demanded special attention from the Company to produce housing units in a shorter time and with processes that allow a lower impact on the environment, such as a lower carbon footprint, less construction waste, less water use, among others.

In the year 2023, after the tragedy in Vila Sahy, São Sebastião, the following actions can be highlighted:

1. Production of housing units using an offsite wood frame system, whose characteristics are:
 - Conscientious management of construction waste, with a reduction of up to 85% of waste generated through control and disposal of inputs;
 - reverse logistics of discarded materials that are reused in production, such as reinforcements, loading chocks, temporary structures such as safety guardrails – all of which are reused; and
 - dry construction: use of materials with low water requirements, with a reduction in water consumption of up to 90% in the work cycle.

2. Meetings and negotiations with various players in the offsite construction market to get to know the systems and understand the companies' difficulties in participating in the public housing market.

3. Development of a public call for tenders to approve offsite modular industrialized construction processes for future application in government programs, actions and projects within the scope of CDHU.

At the same time that climate change is bringing financial impacts to emergency response to family removals in risk areas, it is also bringing opportunities for evolution in the way CDHU produces its housing units. (GRI 201-2 | SDG 13)

Booklet of Typologies of Urban Improvement Projects

A Booklet of Typologies of Urban Improvement Projects is being prepared aiming at promoting, through nature-based solutions, the fight against climate change in cities. This project will be implemented in partnership with the Special Improvement Program (PEM), developed by SDUH/CPH and will gain a new scope and scale of action.

Compact developments

(GRI 3-3, SASB IF-HB-410b.3)

In general, CDHU projects incorporate these qualitative parameters in all their interventions, considering different contexts:

- In vacant areas, horizontal and vertical housing developments and condominiums are set up, following compact development standards. This involves creating neighborhoods with housing, institutional, green, leisure and commercial areas;
- in small and medium-sized inland municipalities, where horizontal residential complexes with single-family homes are built, CDHU establishes an approximate density of 62.5 HUs per hectare. This metric considers single-family plots of 160 m², with 50% of



Campos do Jordão Project.



Jabaquara F. Project.



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the area is allocated to plots and the remaining 50% to leisure, green and institutional areas and roads;

- vertical developments vary in typology, with buildings of 5, 7, 8 and 15 floors, and may or may not include associated equipment, which makes it difficult to define a single index in areas occupied by precarious or at-risk housing, CDHU removes these structures and provides for the environmental regeneration of these sites. In the remaining areas, the company implements urbanization and regularization of occupation, transforming them into neighborhoods integrated into the urban fabric of the city; and

- new CDHU programs and projects are being developed with guidelines that prioritize population density and mixed use, in line with the concepts of compact development and the 15-minute city. This involves building and population densification along public transportation routes, the inclusion of spaces for non-residential uses on the first floors of buildings and the compatibility of different land uses. These guidelines aim to optimize the urban infrastructure, promote the dynamization of public spaces and integrate housing with the surrounding services and activities.

New technical solutions to combat climate change

(GRI 3-3, SASB IF-HB-420a.2)

CDHU has been taking measures to mitigate the effects resulting from extreme events that could worsen due to climate change.

For structuring and developing the Company's new programs and projects, the following guidelines are being incorporated:

- Drainage solutions that slow runoff and ensure the containment of rainwater and, whenever technically

feasible, the reuse of water (green and blue infrastructure, nature-based solutions such as linear parks, rain gardens, bioswales and other bioretention systems);

- principles established in the National Solid Waste Policy of non-generation, reduction, reuse, recycling, treatment of solid waste and environmentally adequate final disposal of waste, both in the implementation works and in the waste collection systems proposed for the developments (initiatives of



Photovoltaic energy device at the Aguai G development.

- recycling, home composting, pocket parks, urban gardens, etc.);
- solutions for energy saving and urban environmental comfort in the distribution of blocks, blocks and road systems (with passive use of natural resources, respecting the climatic conditions of each region, correct solar orientation, prevailing winds and cross ventilation);
- installation of individual devices for measuring water, gas and electricity in the units; water and energy saving equipment (such as toilets with coupled box, efficient light bulbs and presence sensors in condominium areas); and

- photovoltaic energy system, where its installation is feasible, aiming to supply isolated or overlapping single-family units and, at least, the common areas of condominiums.

In addition, measures are being taken to mitigate future extreme events, such as:

Vilas de Passagem Project:

development of a Vilas de Passagem project, the typologies of which can be stored after use, transported and deployed with some ease, when emergency assistance to homeless or displaced families is necessary; and



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Notice of Accreditation of Agents Promoting Modular Offsite Industrialized Construction Systems: structuring a Notice of Accreditation of Agents Promoting Modular Offsite Industrialized Construction Systems as an incentive for scientific research and

technological innovation, and in order to rely on the expertise and agility of the private sector to the production in the shortest time as possible regarding regular and safe housing on a large scale with the appropriate quality standard.

Territorial Information System (SIT) and Metropolitan and Municipal Information System (SIMM)

(GRI 3-3)

The Metropolitan Information System (SIM-HABITAÇÃO) began its structuring in 2016, in a partnership between CDHU and the extinct *Empresa Paulista de Planejamento Metropolitano* (EMPLASA). The challenge posed to the project was to offer a geocollaborative tool for diagnosing the housing and urban situation in metropolitan areas through the mapping of

precarious settlements. The objective was to structure a basis for defining general guidelines for planning, management and execution of public functions of common interest in these territories. With CDHU as a technical agent for the development of concepts and procedures, as well as for coordination among municipalities and other participants, the project made notable advances in the Metropolitan Region of Baixada Santista and the Metropolitan Region of São Paulo until 2022.

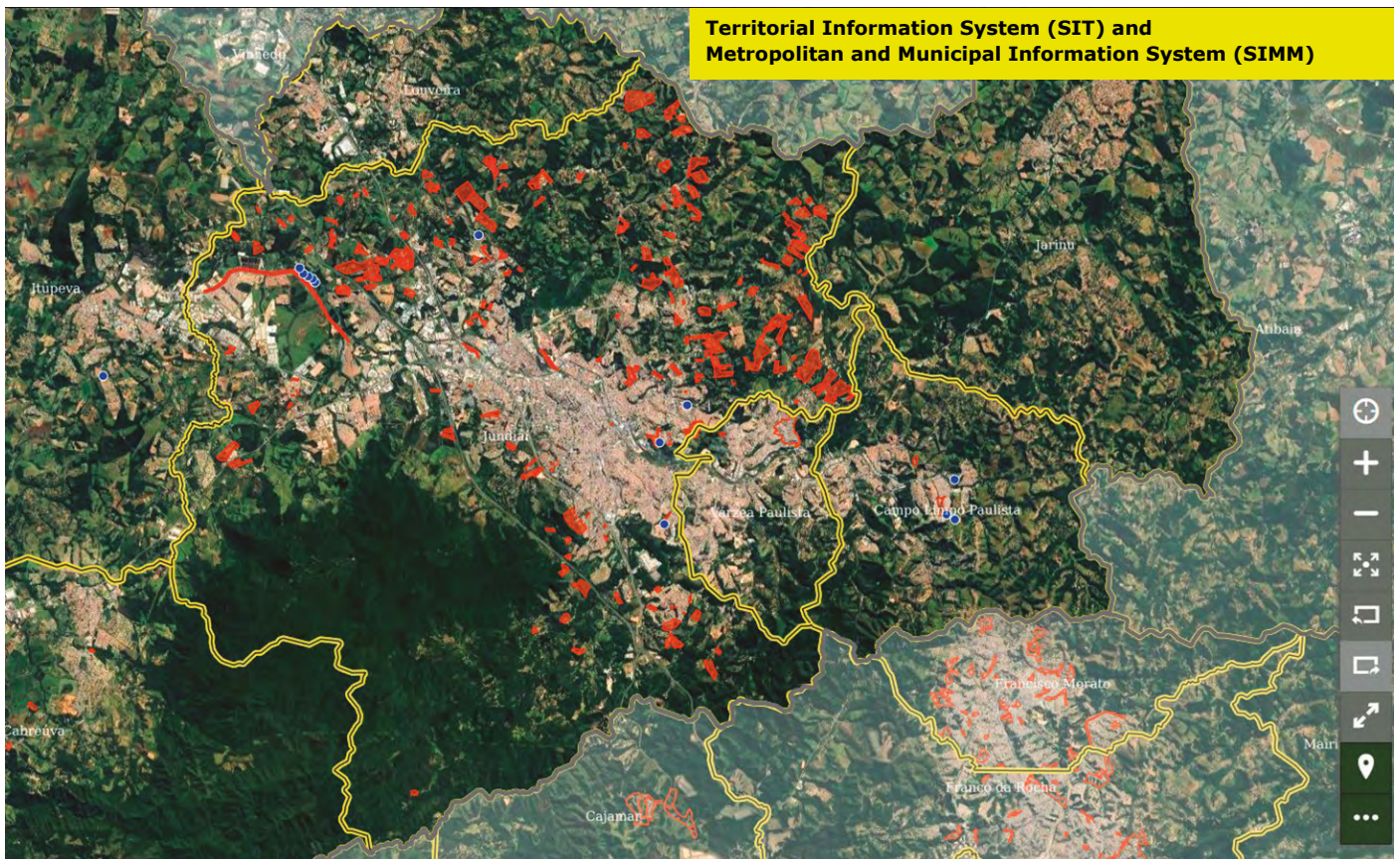
In 2023, the project's territorial coverage was expanded to the Metropolitan Regions of Piracicaba and Jundiaí, and the work was resumed in the Metropolitan Region of São Paulo

The Geographic and Cartographic Institute (IGC) absorbed the SIM-HABITAÇÃO platform after the extinction of EEMPLASA, with the task of structuring a new georeferenced and collaborative mapping system in close partnership with CDHU, but within a new institutional context, which is to provide technical support to the new functions proposed by SDUH in planning regional and territorial urban development in the State. Thus, new

objectives were incorporated, in addition to supporting the execution of the housing policy, such as collecting and monitoring the necessary information for the PDUIs and for the macrozoning of all metropolitan regions in the State.

As a result, in 2023, the territorial coverage of the project was expanded to the Metropolitan Regions of Piracicaba and Jundiaí, and the work was resumed

in the Metropolitan Region of São Paulo, involving the municipalities of these regions in training and guidance for data collection geospatial information on precarious settlements and other information necessary for the scope of urban development. The new Metropolitan and Municipal Information System (SIMM platform) under development will be an integral part of the São Paulo State Spatial Data Infrastructure (IDE-SP).



SIMM: Mapping of precarious settlements in the Municipality of Jundiaí, 2023.



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Integrated Housing Registry

(GRI 3-3)

The Integrated Housing Registry Project began in 2023 and aims to integrate information on the beneficiaries of housing assistance in all its stages, constituting an indispensable tool for housing assistance and also supporting planning, projects and management actions in the most diverse dimensions of CDHU's action.

The development of the Integrated Housing Registry aims to:

1

Unify data on potential clients of the housing service policy, which will allow a 360° view of the entire journey of the borrower, beneficiary, and user using CDHU services.

2

Carry out systemic integrations, with automation, including artificial intelligence, which will contribute to validations in service processes, providing greater security and engagement in housing service.

3

Enable the preparation of management and operational reports.

4

Bring improvements in relationships and communication, transparency, intelligence in data management, efficiency and, consequently, improvements in services for society.

5

Establish governance for access to customer information in compliance with the General Data Protection Law (LGPD).

06



Sustainable and resilient city

Climate change: actions and financial implications

Integrated urban development projects

East Zone Project We Are

Urban and socio-environmental recovery projects

Accreditation of promoting agents for the supply of housing in Baixada Santista and Litoral Norte

Pomar Urbano (Urban Orchard)





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As mentioned before, from the 10,762 CDHU services, a significant contingent is directly related to housing and urban requalification actions in precarious settlements, especially in the Metropolitan Regions of Baixada Santista, São Paulo, Vale do Paraíba, and the North Coast: there are 1,646 services aimed at resettling families and 1,300 households in precarious settlements benefited from urbanization actions.

The Housing Resettlement Action offers housing service solutions for families removed from risk areas, densification of *favelas*, areas of recovery and environmental protection and areas influenced by public works, through the production of isolated units or in groups, with infrastructure and urban equipment, offering credit for purchasing units on the market and promoting production through partnerships with other promoting agents. (SASB IF-HB-420a.2)

In addition to resettlement, several other CDHU actions contribute to promoting sustainability and the population's quality of life, through policies that effectively contribute to cities' ability to face and recover from climate threats.

Climate change: actions and financial implications

(GRI 3-3 201, GRI 201-2 | SDG 13)

Climate change and its consequences have increasingly brought real risks to families who are in areas susceptible to landslides. CDHU has historically worked in these areas to provide housing assistance to families who need to be removed.

On the other hand, this concern has demanded special attention from the Company to produce housing units in a shorter time and with processes that allow a lower impact on the environment, such as a lower carbon footprint, less construction waste, less water use, among others.

The Company is incorporating guidelines for new programs and projects that aim to reduce the effects and increase resilience to extreme events intensified by climate change. Measures are being taken to mitigate future extreme events, including



Resettlement action in Heliópolis, Sacomã, São Paulo.



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the design of typologies for Vilas de Passagem and the accreditation of offsite modular industrialized construction.

Extreme weather events such as the one that severely affected the North Coast of the State of São Paulo have been occurring with increasing frequency, and associating the concept of climate justice with this context is relevant to explain the results of the social work carried out during the period.

The Company's actions to address occupations in situations of risk and urban and environmental degradation have become increasingly important in its production as a whole, repeatedly seeking to minimize impacts and adopt measures that contribute to this minimization.

It is important to highlight that in the state policy on climate change, housing action has been considered as a solution to address needs such as removing occupations from risk areas and others, that is, the action of both resettling families to quality housing units, as well as urbanization and regularization of precarious settlements are corrective actions that minimize the impacts of these changes. This is part of the Company's strategy and is provided for in the legislation of the Multi-Year Investment Plan and the annual budget laws with an Urban Development and Housing and Urban Requalification program, in addition to the Provision of Housing for General Demand.

It should be noted that PDUH 2040 will focus on tackling the challenges of climate adaptation in urban areas.

Integrated urban development projects

The Secretary of Urban Development and Housing launched, at the Congress of Municipalities, the beginning of work to prepare the bases of the State Development and Housing Plan 2040, with

the purpose of updating the guidelines and goals of the State Plan of Housing 2011–2023, expanding its scope with the vision of guidelines and strategies for the state's urban and regional development.



Technical/thematic notebooks

CDHU constitutes the technical agent for the development of the work, with the **goal of 2024 being the completion of the 1st edition of the technical/thematic notebooks** that update the information and bases for this planning, understood as an incremental process and shared with other sectoral bodies, municipalities and regions.

This base also constitutes a reference for the process of implementing PDUIs in metropolitan regions and urban agglomerations, to support the preparation/updating of the department's guidelines, as well as for integrated urban development projects of regional relevance.

In the process of this elaboration, indicators for urban development and housing actions will be constructed.

In particular, CDHU participates in the development of integrated urban development projects, acting as a technical agent for the urban development and housing system, contributing to the development of inputs and technical support for institutional articulation and the development of studies and modeling for the entire process, which involves the identification, structuring and implementation of strategic projects for urban development and recovery, focusing on the metropolitan regions of the State.

Based on the priorities and aspects indicated in the PDUIs and in dialogue with the Regional Development Councils and their Thematic Chambers, the foci for the development of these projects are being identified, which may involve housing in addition to other uses and integration with strategic investments, such as the intercity train and others.

For 2024, the work's main scope is the development of projects for the metropolitan regions of Sorocaba and Campinas – the first already subject to a Technical Cooperation Agreement with BNDES, SDUH, the Regional Agency and the Municipality of Sorocaba, and the second in the process of formalizing a similar agreement –, through which strategies, modeling and specific projects will be developed, aiming at recovering and dynamizing central areas of metropolitan headquarters in which underutilized areas with potential for integrated development and attraction are identified investment for the broad benefit of the population.



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East Zone Project We Are

Social transformation project in the East Zone of the Municipality of São Paulo, with the creation of an economic environment that retains local wealth, through the generation of local jobs and income. The proposal is to think of the East Zone as an industrial, cultural and tourist hub, promoting local entrepreneurship and generating opportunities for the region's more than 4 million residents.



Creating an economic environment that retains local wealth through the generation of local jobs and income





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Main activities:

1. Centrality of Lajeado, with Companhia Paulista de Trens Metropolitanos (CPTM) station and Housing commercial and leisure complex – a centrality that cannot be found anywhere else of the same size and diversity of services in São Paulo. Do different to make a difference;
2. cycle path along the Guaratiba and Itaquera Mirim streams;
3. cycle path connecting the Iguatemi Environmental Protection Area (APA) to the Rodeio Park;
4. Praça da Cidadania in the link above;
5. East Zone Music Festival with the development of the behind-the-scenes production chain;
6. recycling in São Mateus and in the cycle paths that will have recycling bins;
7. labor demand with the School of Technology of São Paulo (FATEC) Itaquera;
8. training in the areas of Green Hydrogen and Photovoltaics with Father Rosalvino's Dom Bosco Social Work;
9. Applied Fashion at Fundação Paulistana.
10. training for Construction of Floats and Costumes at Dom Bosco Social Work;
11. incubation of 5 startups at the University of São Paulo (USP), through the School of Arts, Sciences and Humanities (EACH), in the East Zone, focused on energy transition and environmental management;
12. Wind farm in Morro do Cruzeiro;
13. partnership with the Mauá School of Engineering and School of Industrial Engineering – Energy Transition;
14. Industrial Kitchen – training and practical application in the centrality of Lajeado; and
15. biodigester transforming sanitary sewage into gas for the school kitchen and fertilizer, as an experience to be replicated.

Phase I is underway, involving the Guaianases, São Mateus, Itaquera and Cidade Tiradentes sub-prefectures. Research into phase II has already begun and will be intensified in 2024. With the conclusion of phase III, it is hoped that 3 economic macro-environments will be created in the region that will drive the development of local wealth generation.



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Urban and socio-environmental recovery projects

(GRI 201-2 | SDG 13)

In 2023, CDHU's social technical team worked on Urban and Socio-Environmental Recovery Projects for the removal and resettlement of families in risk areas and in Permanent Preservation Areas (APP) in the municipalities of Santo André, Ferraz de Vasconcelos, Cubatão, São Bernardo do Campo, São Paulo and São Sebastião, all still in progress, as described below. In all of these projects, the work of the social team was fundamental in assisting families in all phases of implementation.



Vila Cristina, project under development.

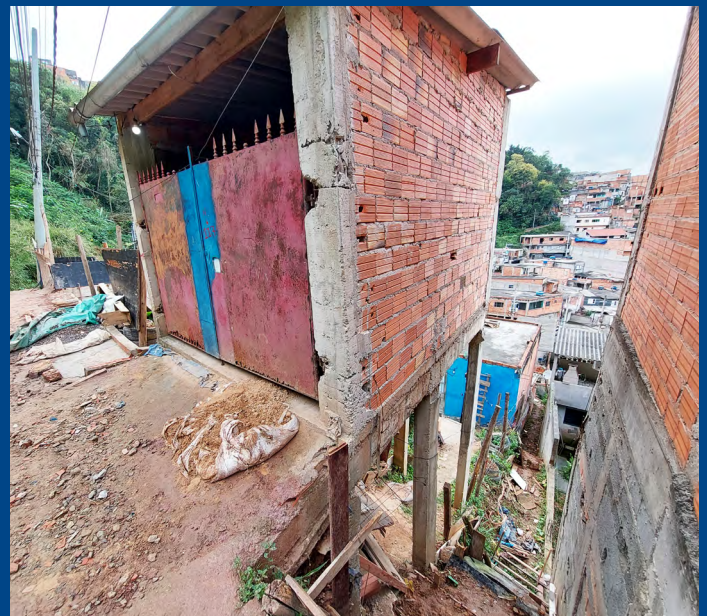
Vila Cristina

FERRAZ DE VASCONCELOS

Removal of families from a very high risk area (R4), with medium and high occupational density. The preliminary project for contracting the resettlement works is under development.



Vila Cristina, Ferraz de Vasconcelos.



Eiji Kikuti

SÃO BERNARDO DO CAMPO

Removal of families from an area owned by the Government of the State of São Paulo, with approximately 23 thousand m². The State Government filed a reinstatement action in view of the extreme precariousness of the risky occupation that extends over 4 warehouses and slopes.

Fazenda Tizo

SÃO PAULO

Removal of families occupying an area acquired by CDHU on the edge of the Jequitibá State Park, with subsequent promotion of reforestation and integration into the Park.

Chácara Baronesa

SANTO ANDRÉ

Removal of families who live in precarious conditions of urban infrastructure within the Chácara da Baronesa State Park, in addition to the risk of accidents due to falling trees.



Chácara Baronesa, Santo André.

Serra do Mar Socio-Environmental Recovery Program

CUBATÃO

Continuity of urbanization works in Vila Fabril, monitoring of land regularization of already urbanized areas and monitoring of families who are on housing assistance and those who will be resettled in the Cubatão K project.

Talvegue 4

SANTO ANDRÉ

Removal of families occupying the hillside area, whose homes of several families were closed by the Municipal Civil Defense.



Talvegue, Santo André.

North Coast Recovery Program

SÃO SEBASTIÃO

Removal and provisional resettlement of families affected by landslides resulting from heavy rains in February 2023.



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Accreditation of promoting agents for the supply of housing in Baixada Santista and Litoral Norte

Considering the high incidence of precarious settlements in the Metropolitan Region of Baixada Santista and in the municipalities of the North Coast of the State of São Paulo and the significant concentration of risk areas in these regions, the **Accreditation of Promoting Agents** (individuals and legal entities) was provided for up to 12,000 housing units in social housing projects in 13 municipalities in Baixada Santista and the North Coast, with priority given to families in at-risk areas.

The objective is to promote housing assistance to a significant population living in vulnerable situations, and, to this end, CDHU wants to rely on the expertise and agility of the private sector in the rapid production of regular and safe housing on a large scale with due quality standard to meet, in the shortest possible time, the housing demand of families.



Pomar Urbano (Urban Orchard)

(GRI 203-1)

In 2023, regarding the Company's opportunities arising from climate change, the *Pomar Urbano* program stands out, implemented in 30 municipalities with the aim of strengthening climate resilience in CDHU's new housing complexes. In line with the SDGs, the program stands out for applying solutions linked to climate issues, such as the strategic planting of fruit tree seedlings in the territories where the UHs are located.

The results during this period reveal positive impacts, involving the participation of 3,894 families and the planting of 3,496 seedlings, contributing to the creation of urban green spaces and encouraging community collaboration. For comparative purposes, the total planting area reaches 171,304 m², equivalent to 24 soccer fields.



Activities of the *Pomar Urbano* Project.



CDHU systematically implements program monitoring measures. In the first 12 months of each project, CDHU and the municipality conduct joint monitoring, subsequently transferring responsibility exclusively to the municipalities. This approach ensures the continuous assessment of environmental impact and constant monitoring of the program, allowing detailed analyzes to improve actions and support future decisions.

It is worth mentioning that Pomar Urbano was awarded the 2023 Seal of Merit from the Brazilian Association of COHABs and Public Housing Agents during the 70th National Social Interest Housing Forum. This distinction highlights the effectiveness and relevance of the program in the national context.

The implementation of the *Pomar Urbano* program represents a relevant innovation, emphasizing the Company's commitment to sustainable practices and the promotion of climate resilience in new housing complexes.



Activities of the *Pomar Urbano* Project.

07



Environmental management in operations

Land use and ecological impacts

Energy

Materials, comfort and quality of housing

Water and effluents

Biodiversity

Emissions

Environmental assessment of suppliers

Waste





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CDHU develops projects seeking continuous improvements to make housing more comfortable, safe and durable, providing well-being to residents. The focuses are sustainability and preservation of the environment, combined with reducing consumption and maintenance costs for residents

During the year 2023, the housing and urban standards adopted after studies carried out by the Innovation and Sustainability Committee were maintained with sustainable urban drainage solutions and the use of eco-efficient equipment in the HUs, including the use of water consumption reducing equipment such as basins VDR type toilets (reduced flush volume) and taps with aerators/water flow reducers, as well as individualization of water measurement in multi-family housing complexes, in addition to the photovoltaic system incorporated in all single-family units. (SASB IF-HB-410a.4)

Other important practices have been adopted in the production of social housing, such as the use of photovoltaic energy devices and systems, appropriate solutions for soil management, drainage and paving, as well as the preservation of permeable areas. All procedures, from the selection of land to the analysis of impacts on biodiversity and the need for vegetation restoration, are subject to inspection and control by the competent environmental agencies.

The activities of managing measurements and recording information such as waste generation, water and electricity consumption at CDHU housing projects are carried out decentrally at all construction sites. The data is entered into the *Gestão de Empreendimentos* (GEM) system and used to create indicators for water consumption, electricity and waste production on the construction sites of housing projects.

The initiatives aim to promote sustainability and the conservation of resources, providing benefits for both the environment and the residents of social housing. The expertise acquired by the company in photovoltaic systems is continually being applied to new contracts. (GRI 201-2 | SDG 13)



Land use and ecological impacts

(SASB IF-HB-160.a1)

Housing policy, as mentioned, aims directly at the qualification and revitalization of urban space. In particular, the Housing Resettlement initiative offers housing solutions for families from risk areas, slums, environmental recovery and preservation sites and regions affected by public works. In 2023 alone, this program benefited 1,646 families living in precarious and irregular conditions.

In addition to the positive impact on the organization of the urban environment, other important aspects of the construction process stand out, including environmental gains:

1

The implementation projects and respective typologies take into account compliance with performance standards by NBR No. 15.575, particularly with regard to thermal requirements and in accordance with the climatic conditions of each region as indicated by the climate charts.

2

In all of its projects, CDHU carries out the planting and environmental compensations established in the relevant legislation. In addition to what is required, the Company promotes the planting of trees on public roads, condominiums, and green areas.

3

In all projects, CDHU seeks to develop projects that are based on compensation for earth movement, reducing the need to transport material and, consequently, reducing fuel consumption.



Location of land

(SASB IF-HB-410b.1)

When selecting and qualifying land, CDHU considers 2 categories: land with impeding characteristics and land with essential characteristics for the implementation of housing projects.

Example of impeding characteristics: located in a mining concession area, at a drainage head, a forest or natural reserve area of preservation interest, green areas defined in land divisions, etc.

Example of essential characteristics: priority in the occupation of urban spaces, being located in regions close to employment, commerce and services centers and whose water, sewage and drainage infrastructure and education, health, sports and leisure facilities have the capacity to absorb population increase.

One of CDHU's challenges is to promote the supply of housing with the necessary and desirable quality of life based on technical, social, environmental and

economic criteria. The selection of land by CDHU considers the following objectives:

- Provide the future population living in the housing complexes with not only the benefit of the UH and its constructive and legal quality, but also access to public equipment, commerce and services inherent to the housing function, families into the structure urban of municipalities;
- minimize public sector investments, whether in the execution of infrastructure works or in the implementation of social facilities; and
- facilitate the preparation of projects by providing technical and environmental information, speeding up the approval and real estate registration processes for developments.

Currently, land disused for institutional use is accepted due to changes in legislation that allow its use for the implementation of housing projects. Consultation with the National Historical and Artistic Heritage Institute (IPHAN) is also considered in the feasibility analysis regarding the possibility of the existence of archaeological sites.



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One of CDHU's challenges is to promote the supply of housing with the necessary and desirable quality of life based on technical, social, environmental and economic criteria

The lowest investment cost in urbanization works is a criterion for choosing the best location for projects in partnership programs with municipalities, in which responsibility for acquiring land lies with the municipal executive. The indicated land is submitted to a feasibility study prepared by CDHU and does not always have a favorable result, making the continuation of the project conditional on the indication of new land, when the initial land does not meet the criteria and requirements requested by the Company.

In the case of projects without partnerships with municipalities, it is up to CDHU to facilitate their acquisition, which occurs primarily in metropolitan or coastal regions, presenting as a challenge the availability of more significant resources, with a view to the objective of promoting projects on land integrated into the urban context.

When designing projects, CDHU incorporates local characteristics,

preserving and integrating existing vegetation into the development's urban design. Cutting down isolated trees or suppressing fragments of native forest requires the preparation of environmental compensation projects, following criteria defined by environmental resolutions.

Earthworks are planned to balance the volumes of cut and fill, minimizing large movements of soil for both economic and safety reasons. Earthworks projects are complemented with surveys and other tests to guarantee the viability of the proposal.

If debris or garbage is identified in the area, CDHU requests an Environmental Assessment Report from a specialized company, including preliminary and confirmatory steps, if necessary. If there is contamination, a recovery or mitigation plan is drawn up.

All the developments have projects for collecting and disposing of rainwater, with surface or culvert systems, controlling runoff into streams. In steep areas, temporary drainage projects are drawn up to ensure safety during construction work.

Waste and environmental impacts during construction are managed through a management plan/project installed on site. Soil sealing is minimized, for example by incorporating green strips into sidewalks.

The minimum standard sidewalk includes a grassy strip, with the planting of an ornamental/fruit tree seedling on each plot, in return for the municipal government.

Housing construction in areas of water pressure

(GRI 3-3 303, 303-1 | SASB IF-HB-160a.2 | SDG 6 and SDG 12)

Water security is essential to guarantee a supply of water of adequate quality and quantity to meet the various human needs, conserve aquatic and terrestrial ecosystems and boost the development of economic activities¹.

The main reference for assessing water-stressed areas was the Environmental Quality Report 2021², prepared by the Secretariat for Infrastructure and the Environment (SIMA), now known as the Secretariat for Infrastructure, the

Environment and Logistics (SEMIL). In this report, the water balance is one of the dimensions analyzed to understand the environmental situation in São Paulo. This concept is based on the relationship between water demand and availability, and the results are presented by Water Resources Management Unit (UGRHI).

The state of São Paulo is divided into 22 UGRHIs and sub-UGRHIs, each with specific water demand and availability characteristics. To estimate the intensity of demand, SEMIL uses the total flow granted as an indicator, supplied by the Department of Water and Electric Energy (DAEE). To assess water availability, reference flows Q7.10 and Q95%³ (data for 2020) are used. For both coefficients, the critical level classification is determined by the same percentages, as shown in the table below:

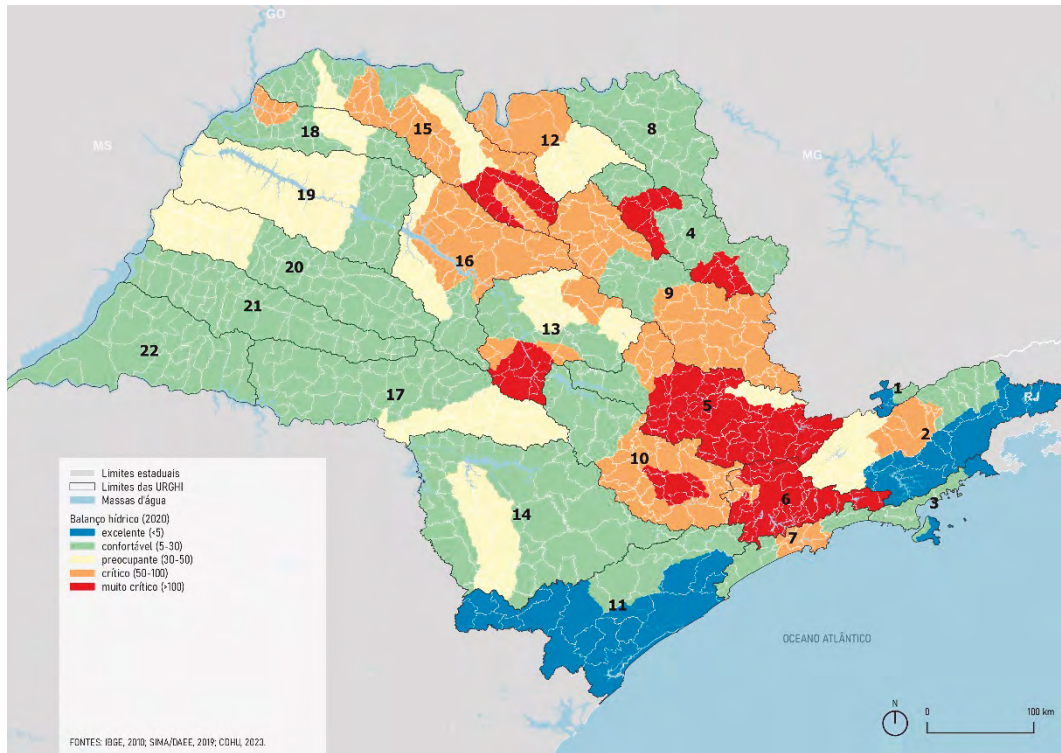
Total flow granted	Classification
Q95%/Q7.10	
≤ 5%	Excellent. Little or no management activity is required. Water is considered a free good.
> 5% and ≤ 30%	The situation is comfortable, but management may be needed to solve local supply problems.
> 30% and ≤ 50%	Worrying. Management activity is indispensable, requiring medium investments.
> 50% and ≤ 100%	The situation is critical, requiring intense management activity and large investments.
> 100%	The situation is very critical.

Source: SIMA/Water Resources Coordination Office (CRHi, 2019), prepared by SIMA/CPLA (2021).

1. Secretariat for Infrastructure and the Environment. Economic-Ecological Zoning, 2021. https://smastr16.blob.core.windows.net/portazee/sites/83/2021/12/20211207_nota_tecnica_cartas_sintese_consulta_num.pdf. Consulted on 01/25/2024.
2. Department of Infrastructure and the Environment. Environmental Quality Report, 2021. https://smastr20.blob.core.windows.net/cpla/RQA_2021online1.pdf. Consulted on 01/25/2024.
3. The reference flow Q7.10 is the minimum flow for 7 days, with a return time (TR) equal to 10 years. This reference flow stipulates the flow that occurs most of the time in a watercourse, regardless of whether it is a dry period or a rainy period. The Q7.10 flow rate is considered more stringent in terms of safety. The Q95% flow rate indicates that in 95% of the period of the historical series, there was at least 0.45 m³/s. <https://sobreasaguas.com/>. Consulted on 01/25/2024.

Based on this classification, it is possible to identify the regions of greatest water stress in the state of São Paulo, as shown in Map 1 below.

Map 1: Water balance by UGRHI in 2020



Source: SIMA/CRHi (2019), prepared by CDHU, 2023.

Of the 22 UGRHIs, 8 have sub-UGRHIs whose water balance is considered critical or very critical (which corresponds to the orange and red colors on the maps, respectively). They are: Pardo (04), Piracicaba/Capivari/Jundiaí (05), Alto Tietê (06), Mogi-Guaçu (09), Tietê/Sorocaba, Tietê/Jacaré (13), Turvo/Grande (15), Tietê/Batalha (16).

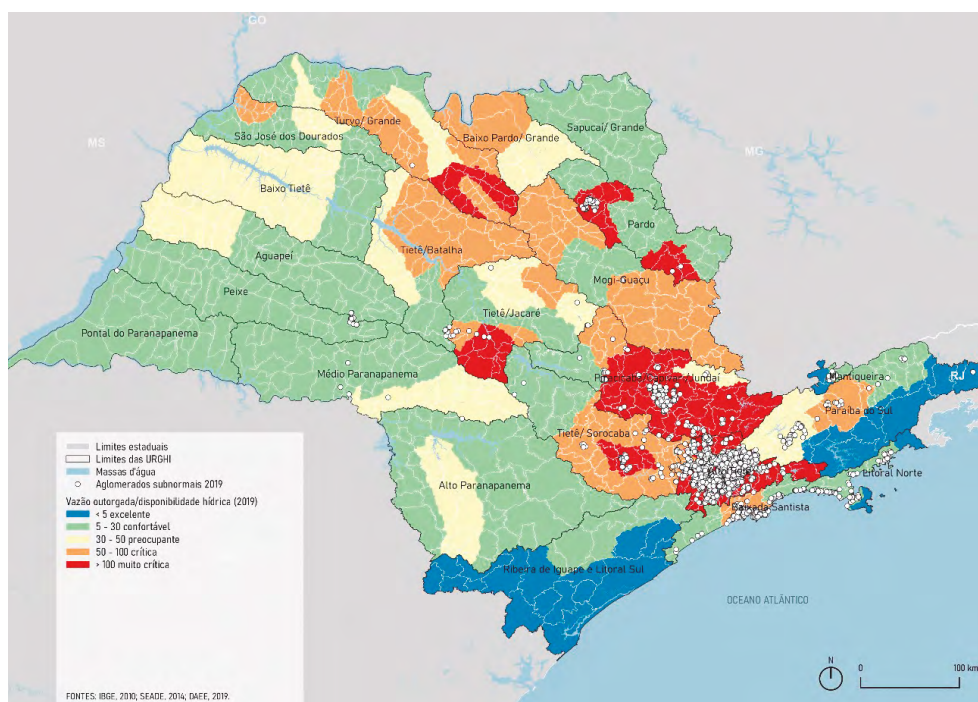
The most densely urbanized areas, which are those with the highest number of residents and which concentrate the subnormal agglomerations, are mostly located in UGRHIs with a very critical water balance.

The subnormal settlements identified and mapped by the IBGE (2019) – currently known as slums and urban communities –

are one of the main challenges for urban development and housing policy, requiring the qualification and improvement of these urban areas and addressing the multiple urban and building inadequacies. These precarious settlements are located in the most densely populated urban areas, especially metropolitan regions. Of the 3,353 settlements in the state of São Paulo, 2,655 are in the São Paulo Metropolitan Region (79.2%). Of the remaining 20.8%, more than 90% are located in the other metropolitan regions.

Map 2 shows the concentration of subnormal agglomerations in 2019 on the water balance in the state of São Paulo (2020 situation).

Map 2: Subnormal agglomerations (2019) on water balance (2020)



Source: SIMA/CRHi (2019), prepared by CDHU, 2023.

It can be seen that UGRHIs 05 (Piracicaba/Capivari/Jundiaí) and 06 (Alto Tietê), which are classified as being in a very critical situation, are also the regions of the state that concentrate most of the subnormal agglomerations and correspond to the Metropolitan Region of São Paulo and the Metropolitan Regions of Piracicaba and Jundiaí. Despite being the UGRHIs that had the highest flows granted in 2020 (61.16 m³/s and 92.13 m³/s respectively), they are the regions that suffer the greatest water stress in the state due to the high demand for water, mainly for public supply.

CDHU operates throughout the state of São Paulo, with a significant incidence of its production in water-stressed areas, which are also those where the most critical housing problems and the most intense urbanization are concentrated. The company's actions, promoting the implementation of adequate urban infrastructure, including sanitation, contribute to the conservation of water resources, replacing irregular occupations with inadequate collection and discharge problems. Environmental and urban recovery actions make a significant contribution to minimizing pressures, in particular those carried out in the

Metropolitan Regions of São Paulo and Baixada Santista, where precarious settlements in areas of risk and environmental protection are a huge challenge, involving more than 1 million homes and complex solutions to the problems.

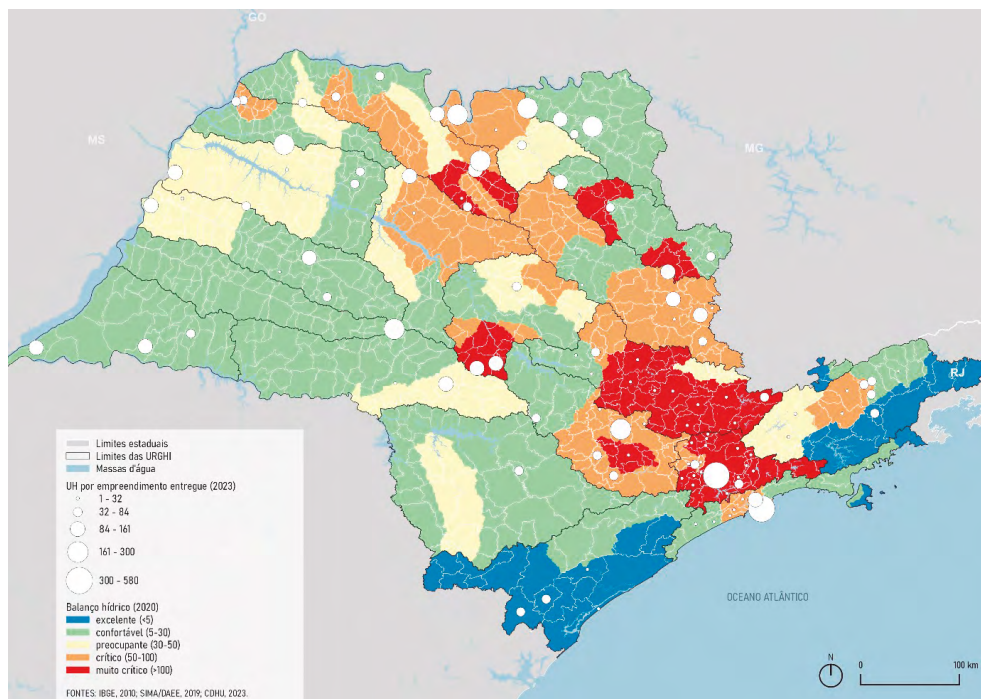
In short, CDHU has been working in the main areas of water pressure, which is also where the subnormal agglomerations are located and where the main urbanization, environmental sanitation and resettlement projects for families living in areas of socio-environmental risk have been carried out.

Housing supply on water balance (2020): units delivered and made possible in 2023

Map 3 and the following graph show the volume of CDHU services in 2023 in the UGRHIs classified by critical balance category. This includes 6,579 new housing units produced and 589 letters of credit made possible for the purchase of ready-made properties on the market, totaling 7,168 services for the low-income population without access to the formal housing market.

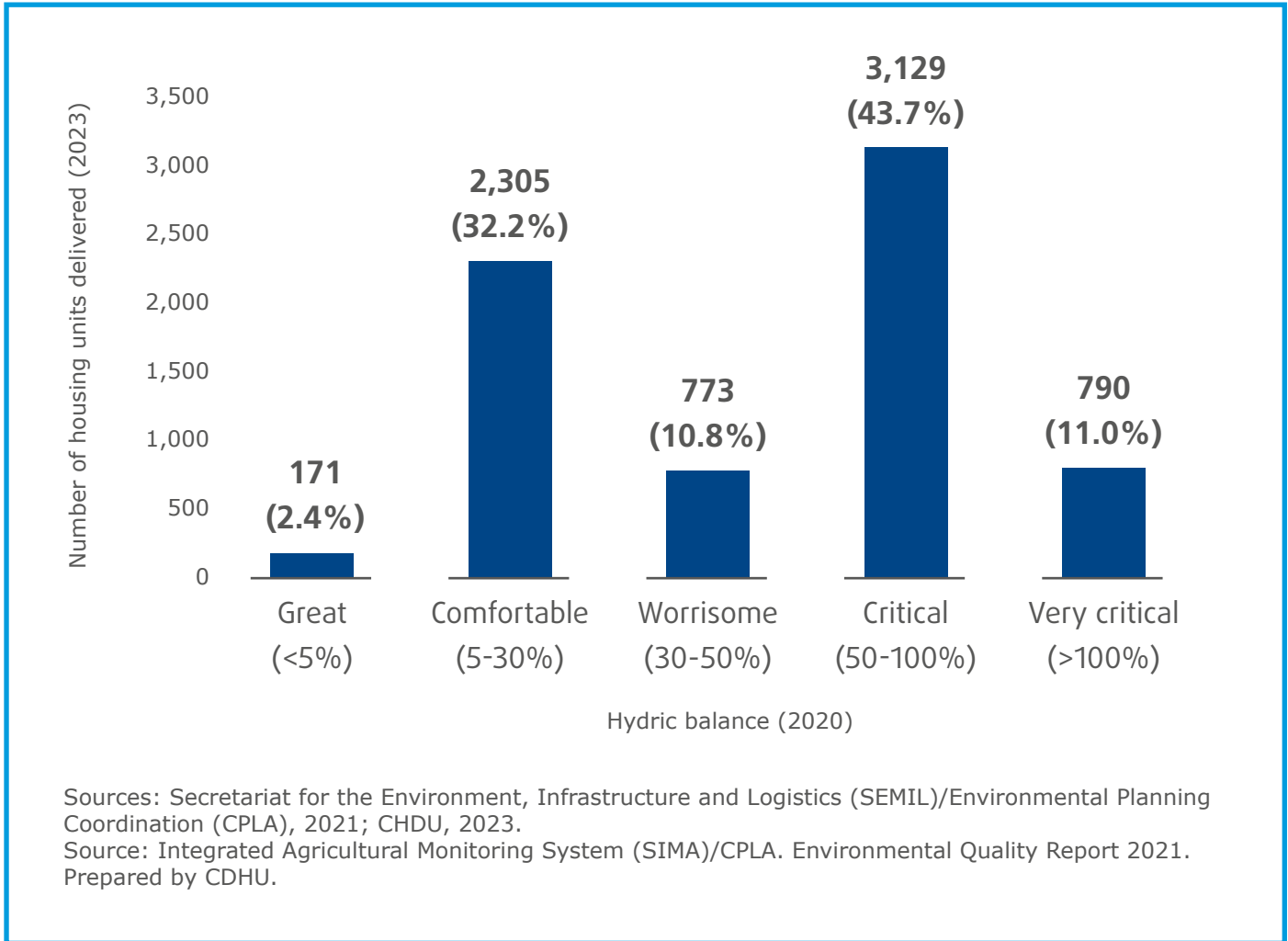
As a public company operating throughout the state, CDHU’s services in 2023 will cover most of the UGRHIs, and not just the metropolitan regions.

Map 3: Number of housing units/credit cards (2023) on water balance (2020)



Source: SIMA/CRHi (2019), prepared by CDHU, 2023.

Number of housing units delivered (2023) by water balance classification (2020)



Just over half of the services in 2023 (54.7%) were concentrated in areas of water stress, considering the “Critical” and “Very critical” categories. It should be noted that around a third are located in areas considered “Great” and “Comfortable”, and 10% in areas considered “Worrisome”.

These results reinforce the importance of CDHU acting in the most critical areas from the point of view of water resources,

where demand is concentrated and, as previously stated, to the extent that it contributes to the conservation of these resources by implementing adequate sanitation infrastructure and mitigating pressures on the territory represented by occupations in situations of risk and environmental fragility. Additionally, the interventions comply with the guidelines and regulations of the environmental bodies competent in this matter.



Volume of water consumed on site (2023) on water balance (2020)

In addition to occupancy pressure, this report includes an indicator on the volume of water consumed, with monitoring of this issue on construction sites.

The indicator that can be calculated refers to the total volume of water consumed on the measured sites and the average per project throughout 2023, reflecting sites in different phases of work. Thus, we obtained a total volume of 14.7 megaliters consumed and 41 m³ on average per enterprise. (GRI 303-5 | SDG 6)

For several reasons, there is no data for all months for all construction sites, including because some completed the work throughout the year, to hand over the units to the population.

Furthermore, another important aspect must be observed when appropriating the results: the total volume of water measured at construction sites in 2023 does not yet provide conclusive elements regarding the entire universe of works in progress and their distribution by river basin. Of the 84 projects on site, 46 had information for analysis in the Project Management (GEM) system, just over half. Therefore, the calculated total of 14.7 megaliters is quite an underestimate.

Considering the available data, the following table shows the volume of water consumed outside the organization by critical balance level.

Volume of water consumed on construction sites in 2023 by water balance level (partial results)

Level	Total volume of water consumed (in ML)	
Comfortable	8,751.25	59.5%
Critical	3,206.00	21.8%
Worrisome	2,740.04	18.6%
Grand total	14,697.29	100%

Source: SIMA/CPLA. Environmental Quality Report 2021. Prepared by CDHU, 2023.

Administrative buildings: hydric balance

CDHU's administrative buildings consumed 12.08 megaliters of water in 2023, which, added to the construction sites, totals 26.8 megaliters of water. The CDHU administrative buildings presented the following water consumption profile versus water balance situation:

County	UGRHI	Hydrographic basin	Hydric balance	Megaliters (ML) consumed in 2023	Subtotal by water balance situation
Marília	UGRHI 21	Aquapeí and Peixe	Comfortable	0.34	
Presidente Prudente	UGRHI 22	Pontal do Paranapanema	Comfortable	0.15	Comfortable 1.02
Taubaté	UGRHI 02	Paraíba do Sul	Comfortable	0.53	
Araçatuba	UGRHI 19	Baixo Tietê	Worrisome	0.50	
Cubatão	UGRHI 07	Baixada Santista	Worrisome	0.03	Worrisome 1.01
Ribeirão Preto	UGRHI 04	Pardo	Worrisome	0.31	
Santos	UGRHI 07	Baixada Santista	Worrisome	0.17	
Araraquara ¹	UGRHI 13	Tietê-Jacaré	Critical	0.20	
São José do Rio Preto ¹	UGRHI 15	Turvo/Grande	Critical	0.28	Critical 0.62
Sorocaba	UGRHI 10	Sorocaba and Médio Tietê	Critical	0.14	
Campinas	UGRHI 05	Piracicaba/Capivari/Jundiaí	Very critical	0.17	
São Bernardo do Campo	UGRHI 06	Alto Tietê	Very critical	0.09	Very critical 9.43
Itapecerica da Serra	UGRHI 06	Alto Tietê	Very critical	0.02	
São Paulo ²	UGRHI 06	Alto Tietê	Very critical	9.15	

1. They are mixed UGRHIs (Water Resources Management Unit) classified with a portion of the territory in a worrying situation and a portion in a critical situation. In this case, with a slight superiority of the critical portion, this category prevails in this systematization.

2. Includes the headquarters buildings SP, EAT Brasilândia, EAT Vila Ferreira, Galpão Vila Prudente, Jabaquara and Projeto Viveiro Pantanal.

Source: SIMA. Environmental Quality Report 2021/Prepared by CDHU, 2023.



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Energy

(GRI 3-3 302, GRI 302-5 | SDG 7, SDG 8, SDG 12 and SDG 13)

Energy efficiency has been a prominent item in CDHU housing since 2009, when **solar heating systems** began to be installed, through partnerships with concessionaires and with its own resources. The use of this heating system between 2009 and 2018, led to projected savings of 18,239 kWh/month.

The adoption of the photovoltaic system (SFV) in CDHU housing units began in 2019, with the delivery of the first projects with this system. The implementation of this technology was the result of an agreement signed in 2016 between SDUH/CDHU and the State Department of Energy and Mining, with the aim of encouraging

the implementation of photovoltaic systems in CDHU housing units, which led to the development of pilot projects in which the implementation and monitoring of the results of electricity savings from these devices was carried out, as a basis for a broader action plan.

Once the effectiveness of the photovoltaic systems implemented in the pilot projects had been proven, all the housing units with construction starting in 2019/2020 were delivered with the system installed, resulting in significant savings in the borrowers' monthly electricity costs and overall savings in consumption. In addition, all the housing units with photovoltaic systems are now also equipped with LED light bulbs, further reducing the borrowers' consumption.

Reduced energy consumption

(GRI 302-4 | SDG 7, SDG 8, SDG 12 and SDG 13)

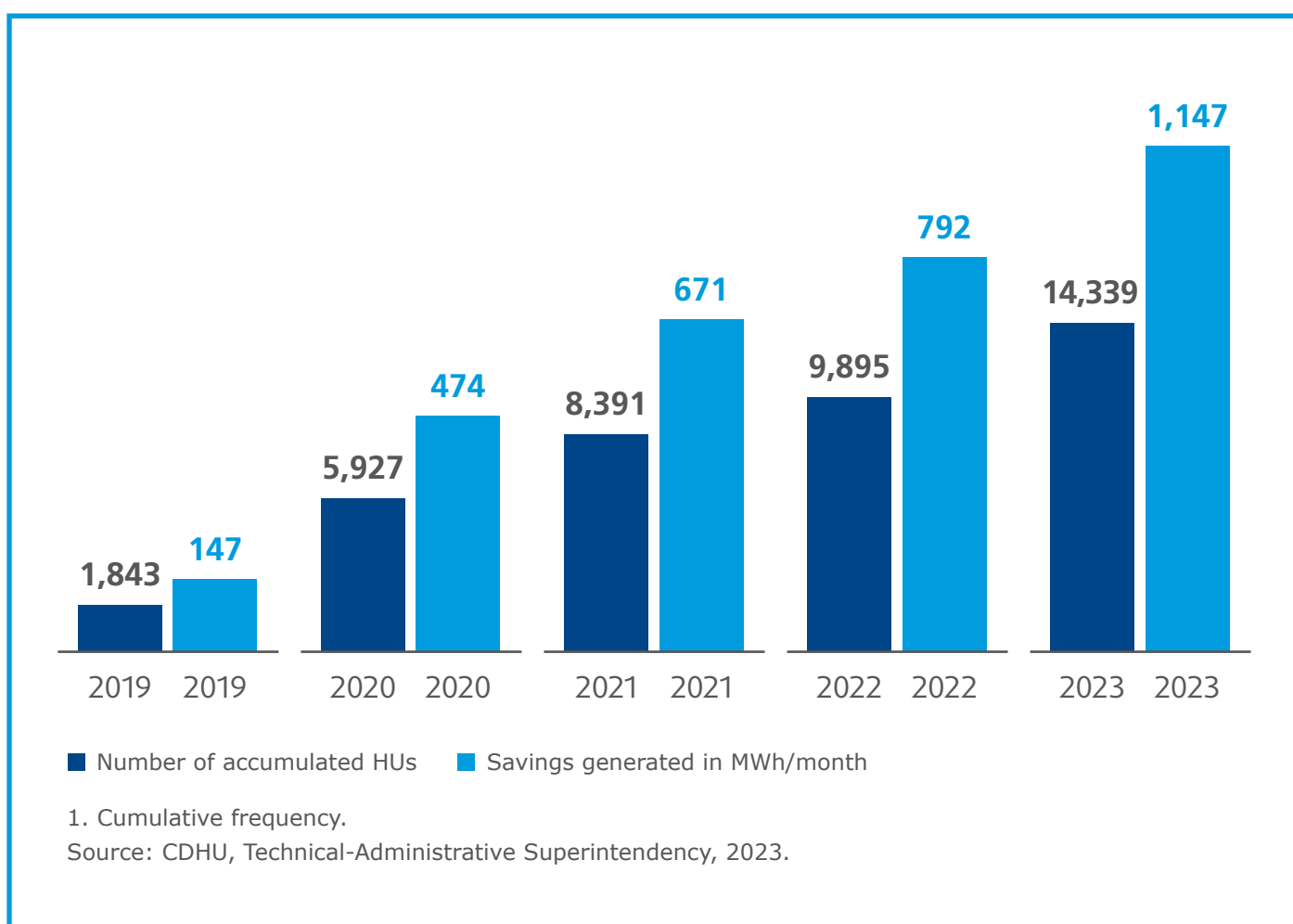
A total of 14,339 housing units with photovoltaic systems have already been delivered, distributed over 166 developments, benefiting the low-income population served by CDHU with clean, renewable energy technology. It is estimated that each housing unit will generate 80 kWh/month for the system, resulting in the generation of 1,147 MWh by December 2023.

When you consider the sum of the **energy generated in all the months of all the housing units delivered with this device since 2019**, it comes to 23,000 MWh, which corresponds to the monthly energy consumption of a city like Rancharia, with 28,000 inhabitants. This total energy also represents a big drop in demand from energy concessionaires.

The following graph shows the evolution of the number of homes benefiting from the photovoltaic system year by year, since the devices were installed, and the savings generated (MWh/month) considering the position on December 31st of each year.

The total number of homes in each of the years in the series is the cumulative result of deliveries since 2019. Thus, on 12/31/2023, for a cumulative total of 14,339 homes, the total energy saved is around 1,147 MWh in that month.

Energy saved per total/year¹ of HUs delivered with photovoltaic device



These are the results to date, which are continuing to expand as homes continue to be designed and delivered with these devices.

Considering that the ratio between the tCO₂/MWh emission factor, according to the Ministry of Science, Technology and Innovation, is 0.0385, in 2023, the 1,147 MWh generated per month represents a reduction of 44,160 tCO₂ associated.



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The average CO₂ emission factors for electricity to be used in inventories aim to estimate the amount of CO₂ associated with a given electricity generation. Considering that the absorption of an Atlantic Forest tree is 8.16 kg CO₂/year, according to the

Luiz de Queiroz College of Agriculture at the University of São Paulo (ESALQ-USP), the 44,160 tCO₂ associated with the generation of installed photovoltaic systems represents the equivalent of the CO₂ absorption of more than 5,422 trees in one year.¹



Recognitions

(SASB IF-HB-410a.1)

For the implementation of photovoltaic microgenerators in social housing, CDHU received the following recognition:

- **Seal of Special Merit** – Brazilian Association of COHABs and Public Housing Agents (ABC Habitação) at the 64th National Social Interest Housing Forum (2017);
- **Eco Brasil Award** – Sustainability in Products or Services Category (2017); and
- **Certificate of Acceptance and Publication of Articles** – III Latin American and European Meeting on Sustainable Buildings and Communities (2019).

Finally, it is worth noting that the area of CDHU responsible for services provided to the Public Administration, not related to the production of social housing, is using the experience already acquired by the Company in photovoltaic systems to incorporate this technology into its new contracts.

1. Calculations based on the Akatu Institute report of 11/3/2021 (<https://akatu.org.br/dica/plante-arvores-e-tenha-energia/>).

Energy consumption within the CDHU

(GRI 302-1 | SDG 7, SDG 8, SDG 12 and SDG 13)

In 2023, the consumption of renewable fuels (ethanol) was 113,494.98 liters, which results in 2,280.11 GJ. The fleet is made up of 33 vehicles, 31 vehicles fueled with ethanol and 2 vehicles (4x4 trucks) powered by diesel (non-renewable fuels) incorporated to the CDHU fleet in September. In this case, consumption in 2023 was 2,560.96 liters, resulting in 91.84 GJ, in the period measured from September (vehicle delivery) to December 2023.

In *Condomínio Cidade I, II and IV*, 1,000 liters of diesel were consumed in 2023, used in the operation of the air conditioning system and generators/equipment, resulting in 35.86 GJ.

Total electricity consumption (CDHU administrative buildings and *Condomínio Cidade I, II and IV*) was 3,471.30 GJ.

Electricity consumption in the institution, both in the CDHU administrative and support buildings, and in *Condomínio Cidade I, II and IV*, whose total area is 52,177.45 m², is supplied by third parties (concessionaires) and is controlled through monthly invoices and monitoring of the condominium's operational/administrative team. The table shows that CDHU accounts for 25% of the total consumption of the *Condomínio Cidade I, II and IV*, where other state agencies are located.

Energy generated by fuel consumption (GJ)	2023	2022	2021
Renewables¹			
Ethanol	2,280.1	1,903.2	1,552.26
Non-renewable²			
Diesel	127.7	1,903.2	1,552.26

1. 31 vehicles.

2. Two vehicles (91.84 GJ) and consumption in *Condomínio Cidade I, II and IV* (35.86 GJ).

Energy purchased from third parties (GJ)	2023	2022	2021
Electricity ³	11,656.5	9,454.9	1,156.1

3. *Condomínio Cidade I, II and IV* (10,913.59 GJ) and CDHU administrative buildings (742.90 GJ).

Source: CDHU, Superintendence of Administrative Services, 2023.

Source for calculating ethanol consumption: http://www.inee.org.br/etanol_flex_íveis.asp.

Source for calculating diesel oil consumption: <http://pt.wikipedia.org/wiki/diesel>.

Source for calculating electrical energy consumption: <https://convertlive.com/pt/u/converter/quilowatts-hora/em/megajoules>.



CDHU administrative buildings: energy purchased from third parties in 2023 (in gigajoules – GJ)

	Total condominium GJ	CDHU fraction	Total GJ from CDHU
<i>Condomínio Cidade I, II and IV</i>	10,913.59	25%	2,728.40
Other CDHU administrative units	742.90	100%	742.90
Total	11,656.49		3,471.30

Source: CDHU, Service Administration Superintendence, 2023.



Partnership with municipalities, Barretos L Development.

Energy consumption outside the CDHU

(GRI 302-2 | SDG 7, SDG 8, SDG 12 and SDG 13)

During the execution of the UHs works in 2023, an average monthly energy consumption of 315 kWh was recorded per project under construction.

The total energy consumption for the construction of new HPPs was 105,825 kWh.

For the calculation, data obtained from construction sites in progress were used, taking the monthly average energy consumption. Energy consumption data for each project is entered into the GEM System monthly.

The average consumption per worker fell. Based on this calculation, the index was reached at 0.019 MWh/worker, 18% lower than the volume consumed in 2022.

The number of site registrations was greater in 2023 than in 2022, going from 35 projects to 37 projects. The variation in energy intensity is due to the size of the CDHU construction site, which may be larger or smaller depending on multiple factors inherent to the planning and execution of housing programs, as well as the production modalities adopted.

The obligation to record and disclose energy consumption in each project is a consolidated routine established by the Company, while at the same time is a way that the Company found to engage employees in their concern about energy consumption as part of more sustainable processes.

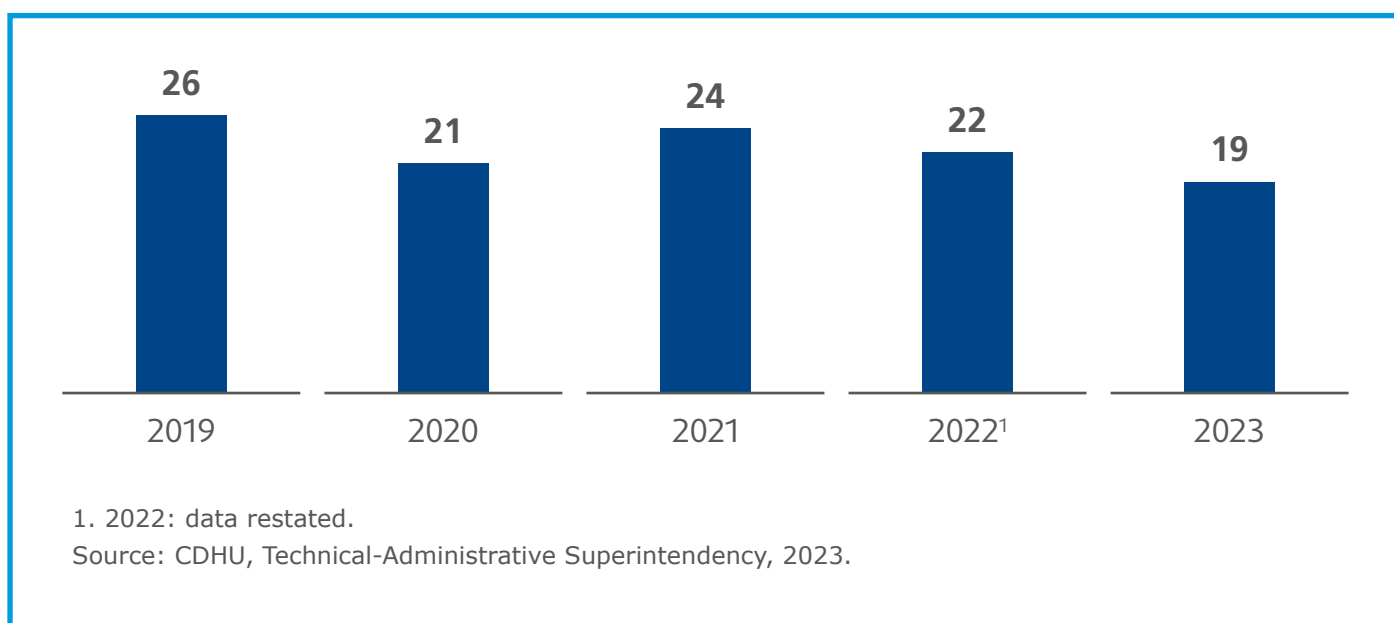
Energy intensity

(GRI 302-3 | SDG 7, SDG 8, SDG 12 and SDG 13)

CDHU uses the number of workers on the construction site as the denominator to calculate the amount of monthly energy consumed on the site per person. In the GEM System, the size of the project (m²) is also filled in, and, therefore, upon completion of the project, it is possible to calculate the amount of energy consumed per m², adding up all energy consumption during the work and dividing by the size of the project enterprise.

To calculate the Company's energy intensity, monthly data on energy consumed on construction sites (numerator) were collected, divided by the number of workers located on the site each month. Through this calculation, we reached a rate of 19 kWh/worker in 2023.

KWh/worker index





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Materials, comfort and quality of housing

(GRI 3-3 301 | SASB IF-HB-420a.1, SASB IF-HB-420a.3 | SDG 8 and SDG 12)

To guarantee the quality of projects and works developed by CDHU, all materials and services related to housing production, especially those with compulsory certification, must be approved by the Housing Construction Quality Program of the State of São Paulo (QUALIHAB).

In the calls for tenders for contracting work, it is required that 100% of the plumbing installations meet the requirements of the Quality Assurance Program for Sanitary Metals and Water-Saving Appliances and the Quality Assurance Program for the Rational Use of Water, both of which are part of QUALIHAB. The products and companies are qualified through the respective Sectoral Quality Plans, by the certification company Tesis.

The certification covers various aspects, including water-saving appliances, sanitary metals, tanks, pipes, fittings and PVC pipes. In addition, CDHU projects must meet the requirements of the performance standard, with the aim of improving the quality and durability of the buildings.

Projects are carried out in accordance with the company's Technical Project Manual (currently being revised) and use the standards of the Brazilian Association of

Technical Standards (ABNT) specific to housing. The adaptation and comfort of users is taken into account, taking into account the climatic conditions, sunshine and external noise at the construction site.

CDHU provides its borrowers with an owner's manual with guidelines on the use and maintenance of the housing units. In addition, new programs and projects incorporate guidelines to promote energy efficiency, such as energy conservation solutions, individualized water, gas and electricity metering, installation of water- and energy-saving equipment, and implementation of photovoltaic energy systems, when feasible.

The Company is also negotiating with the concessionaire Comgás to expand the natural gas network, with the aim of supplying CDHU's new social housing developments and benefiting the immediate surroundings, with social tariffs and other facilities.

CDHU does not have Environments for Living Certified Green, ICC 700 National Green Building Standard or LEED certifications. It is worth noting that 100% of the typologies with projects developed by CDHU meet the Performance Standards (ABNT NBR No. 15,575), and, in addition, some typologies qualified by the performance of the frames in the previous year continued to be used in works started in 2023, totaling 342 housing units.

(SASB IF-HB-410a.3)



To find out more about the **QUALIHAB Program**, [click here](#).

Water and effluents

(GRI 3-3 303, GRI 303-1, GRI 303-2, GRI 303-3 and GRI 303-4 | SDG 6 and SDG 12)

The conservation and maximum use of water are important concerns for the Company, as this is a vital input for its operations. Reducing and reusing water throughout the value chain is fundamental. Therefore, water management is part of CDHU's strategy, which invests in studies to implement rainwater reuse projects in the planned UHs, as well as the individualization of water measurement in multi-family housing complexes and the use of equipment to reduce water consumption in their projects (VDR type toilets and taps with aerators/water flow reducers).

CDHU only allows developments to be occupied where there is potable treated water and systems for the treatment and proper disposal of domestic effluent, provided by sanitation companies, either SABESP, municipal companies or independent companies authorized by the respective municipalities, which are responsible for the quality of the water.

As for treated water, the sanitation companies are obliged to indicate the interconnection point for the new network that will serve the development. Projects and executions comply with Brazilian standards, in particular NBR 12,218 – Water distribution network project for public supply, and the standards and recommendations of the respective concessionaire, among others.

As for the sewage network, solutions for networks/collectors and, in particular, suitable treatment plants are required at the design stage, which must be approved and authorized by the Environmental Company of the State of São Paulo (CETESB).

An exception is made for isolated non-urban communities (indigenous and quilombola), where an isolated effluent treatment system can be designed, which must also be proven to be effective.

Water consumption outside the company refers to water used on construction sites. In this case, the indicator that can be calculated refers to the total volume of water consumed on the measured construction sites and the average per project over the course of 2023, reflecting construction sites at different stages. This resulted in a total volume of 14.7 megaliters consumed, and an average of 41 m³ per project.

For various reasons, there is no data for all the months for all the construction sites, including the fact that some finished work during the year, in order to hand over the units to the population.

In addition, another important aspect should be noted in the appropriation of results: the total volume of water measured on construction sites in 2023 does not yet provide conclusive information on the entire universe of works in progress and their distribution by river basin. Of the 84 projects under construction 46 had information for analysis in the GEM system, just over half. Therefore, the total of 14.7 megaliters is an underestimate.

As for water consumption at CDHU’s administrative units, all water is collected from the public network in the cities where they are located and follows municipal guidelines and programs for treatment, distribution, collection and disposal.

Since 2020, the management of *Condomínio Cidade I, II and IV* has been carried out by the Administration and Services Superintendency through the CDHU Condominium Management Center. In principle, *Condomínio Cidade I, II and IV* do not have water collection systems for reuse. There is the possibility of developing the use of condensation water for air conditioning system towers. What is currently used as a resource in the system is water from the artesian well to supply the condominium’s condensation towers and points for cleaning common areas such as garages and basements. As a factor in saving consumption, limiters were installed on taps and boxes attached to the environments.

Monitoring of water resource capture covers all administrative units and the CDHU headquarters, established in the *Condomínio Cidade I, II and IV*, which is managed by the Company. However, the condominium houses other State institutions, such as the Social Development Secretariats and DAEE, and in total comprises 3 distinct buildings on Rua Boa Vista, in the center of São Paulo. As a result, it was necessary to adjust the consumption of water supplied by the concessionaire, based on the distribution made between the bodies that occupy the buildings. In this case, CDHU accounts for 25% of total consumption. It is worth noting that expenses are not apportioned in the case of water extracted from the artesian well, but it can be assumed, due to similarity, that CDHU would have a share equivalent to the area it occupies (25%). The following table presents the new values:

Supply	Total consumption (megaliters) ¹	Fraction of CDHU (megaliters)	Total CDHU (megaliters)
CDHU dealerships/administrative buildings outside the headquarters	3.53 ⁴	100%	3.53 ⁴
Dealers/ <i>Condomínio Cidade I, II and IV</i> ²	28.05 ⁴	25%	7.01 ⁴
Artesian well/ <i>Condomínio Cidade I, II and IV</i> ³	6.17	25%	1.54
Total	37.75		12.08

1. The company does not monitor water abstraction outside the organization.
 2. Includes the administrative headquarters of CDHU.
 3. Consumption of water supplied by an artesian well (groundwater – fresh water [$\leq 1,000$ mg/l STD]), used to cool the air conditioning system – 6 cooling towers.
 4. Third-party water collection source (other water [$> 1,000$ mg/l STD]).
- Source: CDHU, 2023.

Lots located in flood zones

(GRI 3-3 303, GRI 303-1 | SASB IF-HB-420a.1 | SDG 6 and SDG 12)

When selecting sites for new developments, CDHU carries out studies to assess whether the land is subject to flood risks, considering different return periods:

- For hydrological studies of flood elevations: a 100-year period is adopted; and
- the following criteria are established for all developments:
 - for rainwater galleries: a return period of 10 years is considered;
 - gutters and culverts: a return period of 10 years is also adopted; and
 - for channeling water courses: for this case, return periods of 25 years or 100 years are considered.

Regarding the choice of locations for projects, when outside metropolitan and coastal regions, where the supply of areas for the implementation of housing subdivisions is large and of lower cost, inappropriate locations in terms of flood risks are discarded, and requests are made to respective city halls to indicate new land.

For metropolitan and coastal regions where there is difficulty in supplying land and, when available, it is expensive, a feasibility study is carried out taking into account flood quotas, and, if the study carried out for the solution before the problem results in a viable investment, the land is used by CDHU. Otherwise, they are discarded and/or wait until there is a solution that makes it appropriate.

The tragedy that occurred in February 2023 in Vila Sahy, in São Sebastião, when the highest volume of rain ever recorded, resulted in the need for emergency removal of the population from risk areas. To implement the new housing complexes, CDHU carried out a hydrological study of the areas available for resettlement, in order to define the minimum quota for implementing the projects.

To ensure the accuracy of information on flood levels, flood quotas are consulted in the bodies of the municipality where the project will be implemented. If the municipality does not have such information, hydrological studies are contracted to determine this quota.



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Biodiversity

(GRI 3-3 304, GRI 304-1, GRI 304-2, GRI 304-3 | SASB IF-HB-160a.4, SASB IF-HB-410b.2 | SDG 6, SDG 14 and SDG 15)

The Company operates throughout the State of São Paulo with the implementation of housing projects, often close to sensitive areas or areas of high environmental value, such as areas defined by legislation as APP, located in areas next to streams or springs or with remnants of significant vegetation.

The impact of the implementation of housing developments by CDHU near preservation areas, habitats of protected or endangered species is minimal or non-existent, for various reasons:

- The developments are established in urban areas intended for housing, following criteria that comply with current environmental and urban planning legislation, and are previously approved by the competent bodies; and
- CDHU does not carry out large-scale projects that require prior environmental licensing, such as Environmental Impact Studies and Environmental Impact Reports (EIARIMA), which are necessary for larger projects that could cause significant environmental degradation. In 2023, no project required the preparation of an EIA-RIMA.

If vegetated areas are identified that need to be cleared to implement the project, the species at risk are the subject of an environmental compensation action. This is formalized through Environmental Recovery Commitment Terms (TCRA), as detailed below. In this way, the possible impacts of CDHU's actions on habitats with species at risk are mitigated.

The specific legislation that regulates the drafting of the TCRA incorporates the criteria of the International Union for Conservation of Nature (IUCN) into its provisions. For example, SMA Resolution No. 80/2020, subordinate to State Law No. 13,550/2009, prohibits the suppression of vegetation included in the IUCN in remnants of the Cerrado biome.

CDHU follows CETESB legislation and, therefore, all projects involving the recomposition or revegetation of areas have their projects drawn up by competent professionals, such as agronomists or forestry engineers. These projects meet the quantity and diversity guidelines set out in state legislation and include threatened, vulnerable and critically endangered species.

SMA Resolution No. 008/2008 offers guidelines for forest recovery in rural or urban areas originally occupied by savannah or forest environments. It also defines percentages for restoration and lists tree species, considering their natural occurrence and successional classification.

Due to variations in the species available in the nurseries at the time of planting, CDHU accepts substitutions of species, as long as they maintain the proportions specified in the projects.

The following table summarizes the TCRAs signed and implemented by CDHU in 2023 in the projects developed by the Company.

If the existence of rubble and/or garbage is identified during an inspection of the area, an Environmental Assessment Report is requested from the specialized company. This report consists of a preliminary and a confirmatory stage, and may also, if necessary, address physical-chemical aspects. If contamination is detected, a proposal for recovery or mitigation of its effects is drawn up.

All projects have projects for collecting and disposing of rainwater in surface systems or in galleries, leading it in a controlled manner to streams. In particularly steep areas, temporary drainage projects are designed to ensure that the works are carried out safely.

To manage waste and impacts on the habitat during construction, a plan/project is created for this management at the time of installation of the construction site.

The aim is also to minimize soil sealing by incorporating, for example, green strips on sidewalks. The minimum standard sidewalk is 2 meters wide, with a 1.20 meter sidewalk, 0.15 m of curb and 0.65 m of grass strip. In these green strips, municipal governments, in return, plant an ornamental/fruit tree seedling with a minimum height of 1.60 meters in front of each lot.

TCRAs in 2023	Signed	Deployed
TCRAS	11	27
Enterprise with planting	25	26
Area for planting TCRAS, TCAS and condominium leisure systems (m ²)	99,021	248,886
Number of trees	5,814	18,751

Source: CDHU, Superintendency of Housing and Urban Projects, 2023.



Case C. H. Palmital F: development for 137 horizontal units adjacent to the city garden and containing many scattered trees

In this project, a fragment of native forest totaling 13,866.99 m² was preserved, equivalent to 19.39% of the land demarcated as green area. 14,661.14 m², equivalent to 20.50%, was also allocated as a leisure system to compensate for tree cuts necessary for the implementation of the complex and the drainage network.

It can be seen that 39.89% of the land was allocated to the green area/leisure system for the preservation of vegetation and compensation. However, these areas were still not enough, requiring a complementary area outside the project plot of 1,741.41 m².

	Amount	Compensation according to legislation and regulations	Compensatory planting
Suppression of isolated trees	50 individuals	1 x 25	1,250 individuals x 9.00 (1 UN per 9.00 m ²) = 11,250 m ²
Suppression of vegetation fragments	873.61 m ²	1 x 1.5	1,310.41 m ² , or 146 individuals
Suppression in APP	170.60 m ²	1 x 2.5	426.50 m ² , or 48 individuals
Total			12,986.91 m², or 1,444 individuals

Source: CDHU, 2023.

Emissions

(GRI 3-3 305, 305-1, 305-2, 305-3 | SDG 3, SDG 12, SDG 13, SDG 14 and SDG 15)

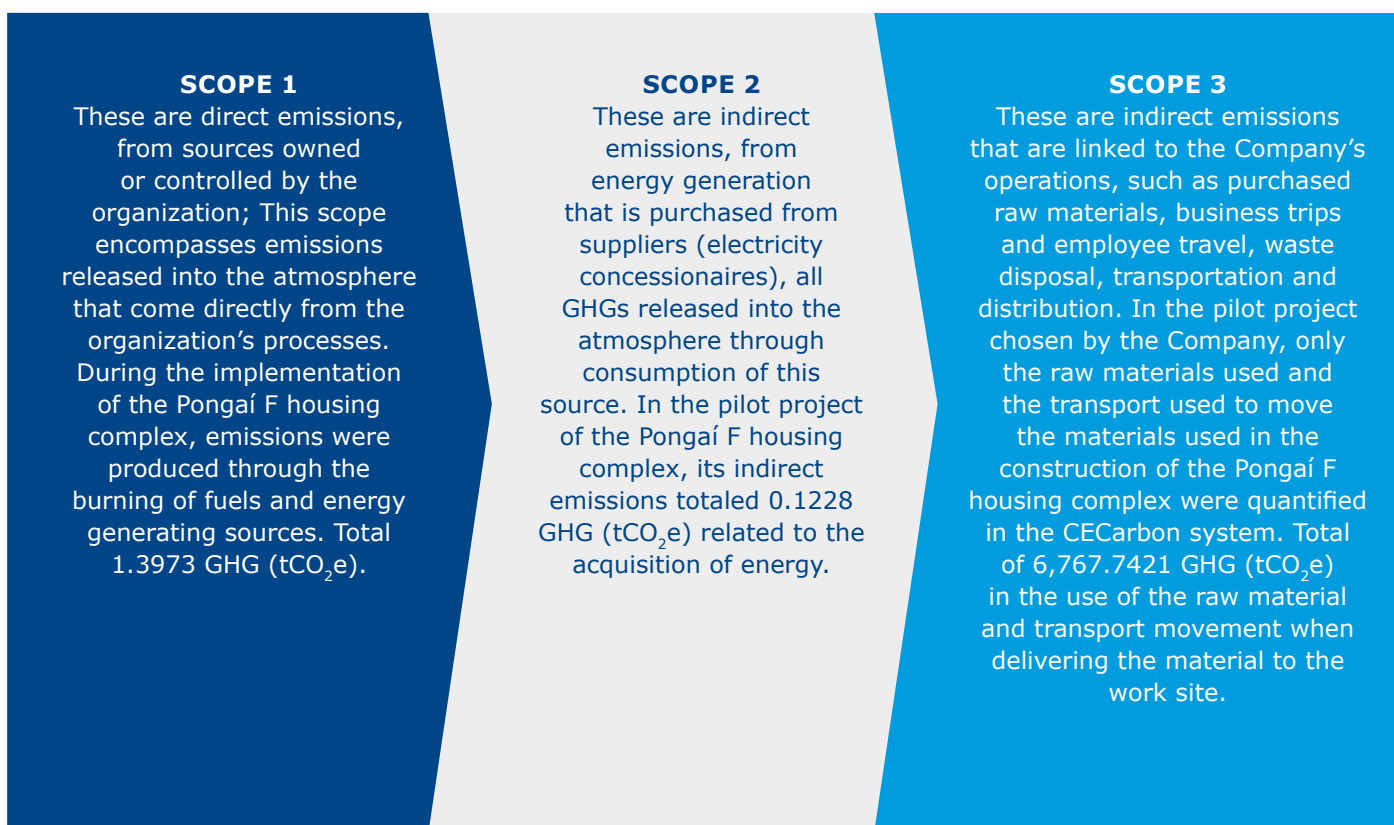
In 2023, CDHU has taken a significant step forward by adopting the CECarbon tool to analyze energy consumption related to building construction. This tool takes into account the entire life cycle of the inputs used on site, from their extraction

to their use in the construction phase. The CECarbon Energy Consumption and Carbon Emissions for Buildings calculator provides an accessible way of measuring impacts and helping to identify risks and opportunities in the construction sector.

To begin this process, the project Pongaí F complex, located in the Bauru region, was selected as a pilot project for the application of CECarbon. This development has a total built area of 1,436.1 m² and consists of 30 single-storey detached

houses, which have already been handed over to the beneficiaries. The results presented below should be interpreted as a test and a first step towards monitoring the company's greenhouse gas (GHG) emissions.

The generating stages in the construction phase of the 30 Pongaí F HPPs were:



To achieve these results, operational data was collected from those responsible for the projects and works, including information on the consumption of materials, inputs and their freight, as well as the use of fuels. Comprehensive reports on the total consumption of inputs and materials in each construction phase, budget spreadsheets and reports issued by suppliers on the number of trips to the construction site were thoroughly

analyzed. All this data was essential for measuring and illustrating the impacts generated during the construction stages, helping to identify risks and opportunities in the construction sector, especially in relation to housing and urban policy.

By analyzing the data obtained by the CECarbon calculator, it was possible to identify the main sources of emissions GHG emissions in the construction of



the 30 UHs. On the one hand, these emissions derive from the use of raw materials (scope 3) and, on the other, from the transportation of these materials (scope 1). In the first case, the result was 6,767.742 tons of carbon dioxide equivalent (tCO₂e), while in the second case approximately 1.3973 tCO₂e were emitted due to mobile combustion.

An initial measure to mitigate the environmental impact generated by the execution of civil works, both in the context of CDHU and in the construction sector in general, would be to encourage the consumption of local services and materials. This would reduce the need to transport goods over long distances, resulting in a smaller carbon footprint.

GHG inventory (tCO ₂ e) ¹	Base year 2023
Scope 1: gross emissions	1.397
Scope 2: purchasing choice approach	0.1228
Scope 3: gross emissions	6,767.742

1. Results referring to the pilot project applied in the Pongaí F condominium. The calculation methodology used was the CECarbon calculator, an energy consumption and carbon emissions calculator for buildings that offers an accessible way of measuring impacts and contributing to the identification of risks and opportunities in the construction sector.

Source: CDHU, Superintendence of Engineering and Multisectoral Services I and II, 2023.

Environmental assessment of suppliers

(GRI 3-3 308)

All CDHU suppliers are contracted through bidding, in accordance with Federal Law No. 13,303, of 2016, and Brazilian companies can participate, regardless of their location, with the obligation to follow the clauses relating to human rights, environmental and social criteria practiced by the Company. Therefore, focusing on the best proposal, aiming to achieve the public interest, the Company does not carry out differentiated treatment and does not impose any type of restriction on the participation of suppliers in tenders for the acquisition of goods and services. (GRI 308-1)

During 2023, there was no significant change in the supply chain, as the contracts/agreements continued. There were also no environmental damages detected during the execution of the works and services being developed by CDHU; therefore, there were no significant negative environmental impacts identified in the supply chain. This data reflects 100% of contracts/agreements signed for housing production. (GRI 308-2)

Waste

(GRI 3-3 306, GRI 306-1, GRI 306-2, GRI 306-3 | SDG 3, SDG 6, SDG 8, SDG 11, SDG 12 and SDG 15)

Waste management permeates all CDHU activities, from the technical and administrative activities of the headquarters and regional units to construction sites

Therefore, it is a theme that is present throughout the entire process of producing projects and works for social housing and urban interventions, throughout the State of São Paulo¹.

The impacts in these 2 contexts are different and involve different procedures related to monitoring, collection and disposal of waste. In both situations, CDHU is concerned with correct disposal, strictly following current environmental legislation on the subject.

In the state of São Paulo, around 40,000 tons of household solid waste are produced every day. The lack of treatment and precarious final disposal of this waste can cause problems involving sanitary, environmental and social aspects, such as the spread of diseases, contamination of the soil and underground and surface water, air pollution by methane gas and favoring the presence of scavengers².



1. "In the State of São Paulo, around 40 thousand tons of household solid waste are produced daily. The lack of treatment or precarious final disposal of this waste can cause problems involving sanitary, environmental and social aspects, such as the spread of diseases, contamination of soil and groundwater and surface water, air pollution by methane gas and favoritism of the presence of waste pickers" (consulted on 02/01/2024, at: <https://cetesb.sp.gov.br/residuossolidos/residuos-urbanos-saude-construcao-civil/introducao/>).

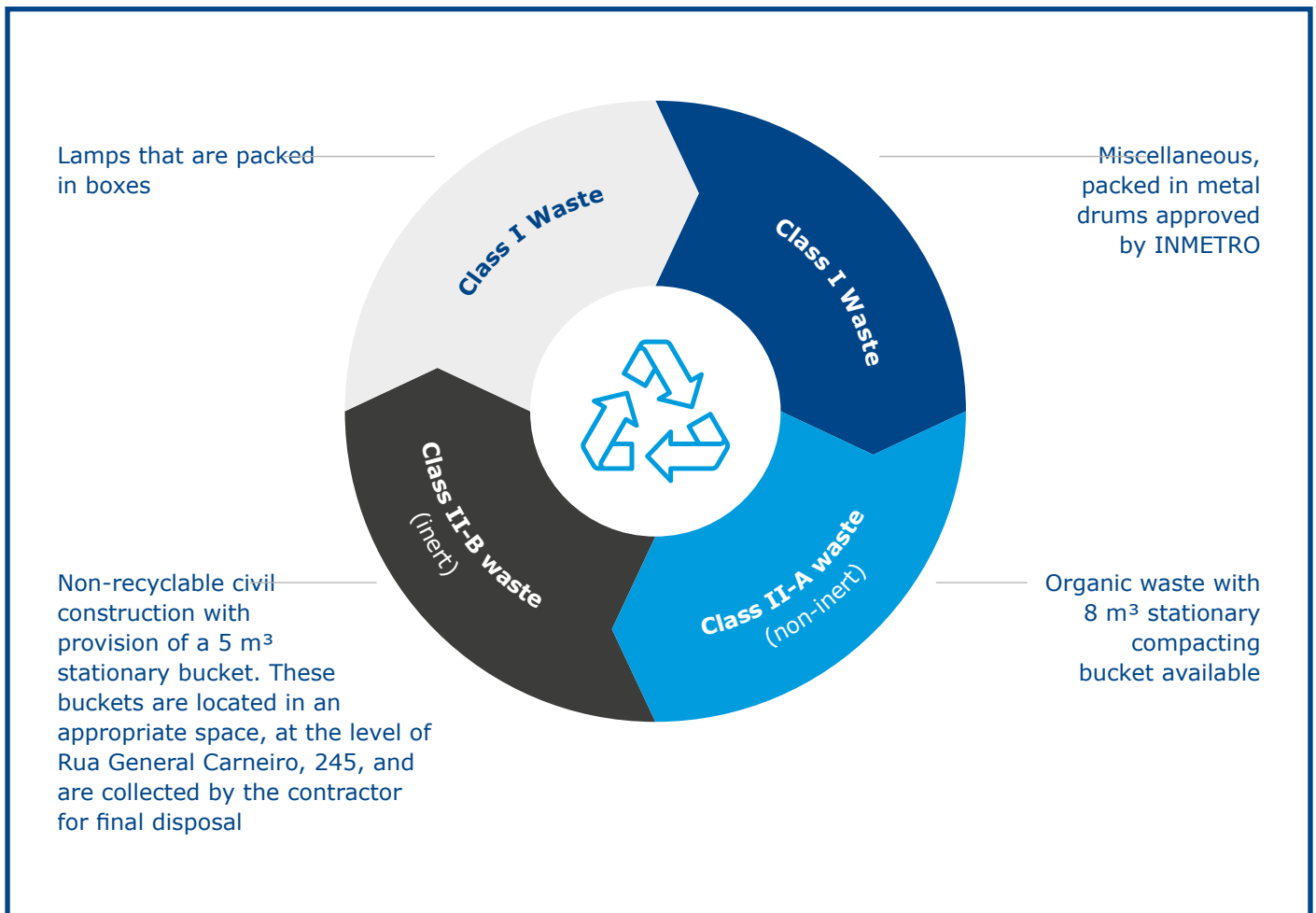
2. Consulted on 02/01/2024 (<https://cetesb.sp.gov.br/residuossolidos/residuos-urbanos-saude-construcao-civil/introducao/>).

I – Waste management in the headquarters building/regional units

The waste generated by the headquarters and regional buildings is the product of administrative activities and, therefore, being domestic, it is not significant and does not pose a danger to employees/visitors to the sites. The composition is mostly paper and plastic, materials that are suitable for recycling. There is also non-recyclable waste and, occasionally and very rarely, dangerous waste, which

is collected by the responsible body (CETESB) to be properly disposed of.

The condominium management of the headquarters buildings has a contract with a specialized company (*Multilixo Remoções de Lixo Ltda.*) to provide services for the removal and final disposal of some types of waste, the composition of which is as follows:



With the exception of hazardous waste, which, when it occurs, is removed on demand by CETESB, and those removed by a specialized company (*Multilixo*), the rest – recyclables and common waste – are collected daily by the public concessionaire Sistema Nova Ambiental (a company with a Certificate of Disposal of Waste of Environmental Interest [CADRI CETESB]).

Inspection and monitoring of services contracted by *Multilixo* are carried out by the operational area of CDHU Condominium Management, through documents presented for the collection and final disposal of materials. In 2023, 144.79 tons of classified waste were removed (see composition above), with 36.2 tons corresponding to CDHU’s share in the condominium (25%).

Tons of classified waste collected per month – Total and CDHU fraction CDHU/*Multilixo* contract

Month	Tons – total collected/month	Total CDHU/month (fraction of 25%)
January	9.74	2.44
February	9.85	2.46
March	9.92	2.48
April	8.21	2.05
May	14.06	3.52
June	12.71	3.18
July	9.7	2.43
August	22.41	5.60
September	9.92	2.48
October	14.88	3.72
November	12.68	3.17
December	10.71	2.68
Total	144.79	36.20

Source: CDHU, Superintendent of Service Administration, 2023.



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Regarding recyclable waste and common waste from both headquarters buildings and regional offices, collection and disposal services are public and provided by the concessionaires of the respective city halls, following local disposal and recycling programs, and in accordance with current public guidelines and legislation. It is not possible to monitor quantities.

II – Waste management/projects and construction sites

CDHU operates on 2 fronts regarding waste management in its projects: in the design phase and in the construction phase, until the final delivery of the project

Design phase

When required by the municipality, the Civil Construction Waste Management Plan (PGRCC) is prepared, aiming at the approval of the project, with the classification of waste in accordance with CONAMA Resolution No. 307/02. It is, therefore, an instrument aimed at the correct management and environmentally appropriate disposal of construction waste, prioritizing the minimization of solid waste generated at construction sites.

In the period between 09/15/2022 and 09/14/2023, CDHU issued 3 PGRCCs, in the project stage, as required by municipalities.

It is possible to verify that 8,903.50 m³ of waste was expected to be generated in the works, with 855.31 m³ of this volume not expected to be recycled in the generating works themselves, with an estimated disposal of such materials in legal locations, depending on the category.

The waste composition and volume for the 3 projects are broken down, according to the classification of CONAMA Resolution No. 307/02 for civil construction:

- **Class A Waste:** Class A waste in civil construction is represented by materials that can be reused in the work itself. Furthermore, if they cannot be used in the same construction, they can be sent to material recycling units or landfills suitable for civil construction

materials. This way, they can be disposed of for future recycling or reuse. Examples of Class A materials include: ceramic materials, masonry blocks or bricks, tiles, mortar, concrete and earthworks;

- **Class B Waste:** Class B waste is waste that can be recycled for other purposes. Among them, the following stand out: paper and cardboard, plastics, metals, glass, wood and plaster;
- **Class C Waste:** Class C waste is materials that cannot be recycled as there are no techniques for the reuse process yet. Therefore, special attention is needed with these materials during the construction process, so that there is no waste of materials. Examples of Class C waste are any material that does not fit into the Class D waste classification. This waste must be separated from waste from other classes and sent to landfills prepared for their reception; and
- **Class D Waste:** Class D waste is hazardous materials that can cause harm to human and animal health and the environment. Examples of

Class D waste: paints, solvents, varnishes, asbestos materials and tiles and contaminated Class A, B and C materials.

Furthermore, in the design phase, when earthmoving and demolition are expected, it is mandatory to estimate the volume of waste to form the project's budget spreadsheet, considering removal services and adequate final disposal.

Construction phase

CDHU complies with Law No. 12,305/2010, which establishes the National Solid Waste Policy, according to which the final disposal of waste must be environmentally appropriate, observing specific operational standards that avoid damage or risks to health and public safety, minimizing adverse environmental impacts.

In the Company's Bidding Notices, it is specified that all waste must be sent to certified "throw-away" areas, that is, areas for transshipment and sorting of construction waste and bulky waste, of no use to the citizen-user. and not subject



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to removal by regular garbage collection or sanitary landfills legalized/registered with CETESB.

Construction companies still need to present a receipt for the acceptance of discarded material issued by “put-away” establishments legalized by CETESB, which are checked and stored by companies that provide management/inspection services to the Company, monitoring the entire process. Failure to present results in warnings and, in recurring cases, contractual fines (in 2023, no contractual fines were applied for this reason). In more serious cases, CDHU reports the contractor to CETESB and/or the Environmental Police (in 2023, there was also no need to report any contractor to CESTEB and/or the Environmental Police).

In 2023, 100% of projects were inspected. However, inspection monitoring concerns the volumes transported and their correct destination, and there are no established processes for compiling data, either on the volume or on the types of waste discarded. This is a path to improving CDHU’s management of the waste topic.

08



Housing Service Policy with Diversity and Inclusion

Technical-Social Work (TTS) in territories and housing developments of social interest

Impact Assessment (Sub 50)

Socio-territorial Development Plan (PDST)

Local Governance Groups (GGL)

TTS in urban recovery projects

Rights of indigenous and *quilombola* peoples

Rights of people with disabilities and the elderly



In general, all CDHU operations include some form of social work at different stages and dimensions of assistance to beneficiaries, before, during and after interventions and in the period of monitoring housing financing, whenever necessary.

As a public policy aimed at meeting the housing needs of the low-income population, housing policy has, in essence, a high social impact in promoting the living conditions of the benefited population, especially vulnerable groups, with the main programmatic lines being Housing Provision, Urban and Housing Recovery, Development Actions and Land Regularization.

The positive social highlights in relation to the communities served can be grouped into 2 main axes:

1. Technical-Social Work (TTS)

Participates in the execution of all programs and actions and its central objectives are to encourage community organization, local development and strengthening residents' links with the different housing solutions offered; and

2. Inclusive Service Policy

The Company implements specific policies aimed at special groups, which demand more protection from the State to guarantee the fullness of their basic rights. This category includes indigenous populations, quilombolas, the elderly and people with disabilities.



Technical-Social Work (TTS) in territories and housing developments of social interest

(GRI 3-3 413, GRI 413-1)

During 2023, CDHU reinforced its commitment to sustainable development, not only by building houses, but also promoting the engagement and strengthening of local communities. This commitment translated into extensive pre- and post-occupancy operations in Social Interest Housing Developments (HIS) of CDHU or partners, covering 163 municipalities, representing approximately 25% of the cities in the State of São Paulo. The operations carried out, which benefited 30,060 families and covered 210 housing complexes, were strategically segmented into 3 distinct sets of actions, outlined by business processes and characterized by the nature of the customers served:



1. Pre-occupancy and post-occupancy TTS in HIS built by CDHU

The main objective of the TTS in CDHU housing complexes is to secure families in new homes, reducing the housing deficit and defaults. Furthermore, it seeks to promote territorial integration, establish community ties and strengthen the exercise of the right to the city. The diversity of needs resulted in the implementation of different types of work, anchored in the areas of activity: Social Organization, Condominium Organization,

Condominium Management, Land Regularization and Special Projects.

The social work methodology is based on meetings, workshops and other support activities, reaching 179 housing complexes and 24,438 families served. The highlighted activities were the installation of 40 condominiums, 86 assemblies within the scope of the land regularization action and 247 training of the management body in special projects.



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In the context of special projects, the action in São Sebastião served families affected by the rains, going through reception phases, meeting basic needs, guaranteeing access to social rights and preparing for definitive change, including the conservation of temporary units.



Program in partnership with municipalities, Aparecida B development.

2. Provision of TTS services in projects covered by agreements or contracts

CDHU provides TTS services in HIS projects through agreements or contracts with municipal, state, federal governments and multilateral organizations. These operations aim to develop and execute pre- and post-occupation TTS plans and projects, with guidelines defined

in conjunction with partner entities. In 2023, CDHU stood out by offering innovative methodologies and efficient strategies, promoting family participation and articulating actions aligned with municipal policies.

The agreements that took place in 2023 involved 31 enterprises and 5,551 families, as follows:

Minha Casa Minha Vida Program, with the Federal Government:

27 projects, involving **3,225 families**

COHAB Santista:

1 project and **1,120 families**

Itaquaquecetuba City Hall:

2 projects (Alto dos Pinheirinhos and Lebani) and **1,046 families**

Peruíbe City Hall:

1 project and **160 families**

3. Prospecting, attracting and managing partnerships

This process refers to prospecting, attracting and managing partnerships for the development of social work, through the planning and implementation of short, medium and long-term joint actions, with other institutions and public or private associations, focused on improving the quality of life and social well-being of the beneficiary population. In 2023, 8 partnerships were prospected in the areas of food security, professional training for peripheral youth, training and employability, microcredit, entrepreneurship, environmental education and job and income generation.

Impact Assessment (Sub 50)

(GRI 413-1)

In 2023, CDHU consolidated the 1st phase of the comprehensive Impact Assessment (Sub 50) of the TTS in 50 cities in São Paulo, with less than 50,000 inhabitants, involving 53 housing complexes and 4,725 families, within the scope of the

Federal Government's PMCMV¹. The study aimed to evaluate various socioeconomic aspects, such as profile, work and income situation, housing adequacy, access to the city and services, in addition to economic sustainability.

The partial results of the study in 2023 revealed significant transformations in the lives of beneficiary families over 3 years, on average, from the baseline survey to the end of social work. The percentage of families staying in new housing was notable, reaching 94%, contributing significantly to the reduction of the housing deficit. Advances included a significant increase of 9.4% in the participation of school-age children and adolescents who returned to their studies after housing assistance. In the occupational context, there was a positive growth of 23.6% in the number of people with a formal contract, indicating a positive impact on the professional stability of families.

Furthermore, the formalization of professional ties showed a positive trend, highlighted by 39.3% in T1 compared to 31.8% in T0 (corresponds to the first data collection that serves as a parameter for subsequent measurements). The positive variations in average individual income (8.6%), family income (14.1%) and per capita income (14.8%) reveal substantial improvements in the financial conditions of families after housing assistance, even in the middle of challenges posed by the pandemic.

1. CDHU, in this case, was contracted by the municipalities that had signed agreements with Caixa to implement this program, to provide technical services for registering and selecting applicants, as well as carrying out pre- and post-occupancy social work, in accordance with federal guidelines and regulations.

Another relevant indicator was the significant reduction (16.3%) in the number of beneficiaries of income transfer programs, suggesting an increase in families' financial autonomy. These results reaffirm the hypothesis of the positive impact of public housing policy and social

development work on the population's quality of life.

It is also worth noting that the positive results of this pilot led to the expansion of the study to all CDHU projects from November 2023.

Survey T0



2,682
family



7,828
people

LENGTH OF RESIDENCE IN THE PREVIOUS PROPERTY

8 1
years months

LENGTH OF RESIDENCE IN THE CITY

23 1
years months

TYPE OF PROPERTY

House	98.59%
Other	0.74%
Apartment	0.37%
Town house	0.22%
Hotel, guesthouse	0.04%
Tents	0.04%

OCCUPANCY CONDITIONS

Rented	61.32%
Transferred	35.96%
Other	1.90%
Owner	0.82%

ORIGIN OF THE PROPERTY

Urban	87.12%
Rural	12.06%
Rural	0.82%

Survey T1



2,351
family



6,804
people

LENGTH OF RESIDENCE IN THE PREVIOUS PROPERTY

3 3
years months

LENGTH OF RESIDENCE IN THE CITY

26 1
years months

TYPE OF PROPERTY

House	100%
-------	------

OCCUPANCY CONDITIONS

Rented	94%
--------	-----

ORIGIN OF THE PROPERTY

Urban	100%
-------	------

Socio-territorial Development Plan (PDST)

(GRI 413-1)

The development of the PDST represents a central strategy of CDHU's social work. This initiative is designed to encourage the active participation of the population in the actions carried out and planned, allowing local communities to express their desires, contribute to the definition of an agenda of commitments and direct interventions according to their specific needs and priorities.

As of November 2023, the preparation of the PDST began to be systematically incorporated into all social work actions carried out in CDHU housing complexes.

Local Governance Groups (GGL)

(GRI 413-1)

The establishment of GGL in social housing projects stands out in the process of implementing Participatory Management. This initiative culminated in the formation of 41 GGL, representing a direct channel for families to participate in decisions that directly impact their lives. A collaborative agenda was thus established, promoting an active partnership between CDHU and the community. The success of this pilot experience was evidenced by the qualitative results achieved. The active participation of families in defining goals, planning actions and agreeing on commitments has proven to be an effective approach in promoting more sustainable socio-territorial development aligned with the real needs of communities. Given the success achieved, CDHU is committed to expanding this Participatory Management practice to all of the Company's housing projects.





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TTS in urban recovery projects

(GRI 413-1)

The TTS in urban recovery projects is part of the process of integrating the territory and the community into the formal city through actions integrated with housing production and urbanization works and also seeks to encourage local development initiatives through organizational, participatory actions and sociocultural. Social action with the community and other actors evolves as the territory transforms and in accordance with socio-community dynamics.

The TTS is based on permanent action and dialogue between the community and the Technical-Social Team and the latter with other technical areas, participating from the moment they enter the intervention area – providing clarifications and supporting negotiations and the adherence of each resident to the Intervention Project – until the proposals resulting from this process are made viable.

The methodology is supported by the CDHU Standards: 10.03 – Assistance Linked to Housing Resettlement and 10.09 – Intervention Action in *Favelas* and Precarious Settlements.

In 2023, the TTS in urban recovery projects was developed in 86 favela centers and precarious settlements located in 45 municipalities. Among the



Pimentas Project: workshop certification event.

actions carried out, the training course for Community Urbanization Agents, carried out within the scope of the 2nd urbanization stage of the Guarulhos C Pimentas project, deserves to be highlighted.

The course aimed to encourage reflection on the transformations in the neighborhood and the implications for the lives of the community and people, and is also designed to be a space for agreement around local development, through participatory planning of social activities.

The creation of the group of agents is part of a strategy to strengthen representation, community organization and resident participation. The Community Urbanization Agent, in this sense, must participate in the reflection on the transformations of the neighborhood and discuss local social and urban-environmental issues. It is expected that the agent, upon completing the training, understands their role within the scope of the urbanization project, to improve the population's housing conditions, always seeking to look at the sustainable development of the community.

The course was held in 5 modules, between the months of August and December 2023, as follows:



In 2023, the 1st phase of the Jewelry with Purpose Project was also carried out, created by designer Léia Sgro in partnership with CDHU, and offered to residents of the Pantanal Project in the process of land regularization and the Guarulhos C – Pimentas Project, 2nd stage of urbanization. The basic course took place between the months of June and October 2023, with the aim of developing the skills necessary to create unique pieces through the use and reuse of different materials, employing the different manual skills that the participants have.

Rights of indigenous and quilombola peoples

(GRI 3-3 411 | SDG 2)

The **Indigenous Housing Program** was designed to improve the living conditions of the indigenous populations assisted by the National Indian Foundation (FUNAI), who live in villages located on indigenous lands in the state of São Paulo. This program seeks to provide housing solutions that respect the origin, culture and traditions of each ethnic group. The new homes are designed by the Company, taking into account the customs and cultural practices of the indigenous communities. It is important to note that the architectural project is developed in close collaboration with indigenous leaders and FUNAI, ensuring an inclusive and culturally sensitive approach.

The Indigenous Housing Program has already replaced 612 precarious homes with new housing units, distributed across 11 indigenous lands, located in 10 municipalities in the State of São Paulo.

In 2023, no case of violation of the rights of indigenous peoples was recorded within the scope of the Indigenous Housing Program and there were no deliveries of new units, but the actions are still underway, with the following standing out:

(GRI 411-1 | SDG 2)



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1. The production, with FPHIS resources, of 160 housing units on 6 indigenous lands is underway, in partnership with the municipalities of:

- Bertioga, Bertioga E development (30 units), on the Ribeirão Silveira indigenous land;
- Eldorado, Eldorado I development (30 units), Takuari indigenous land;
- Mongaguá, Mongaguá E2 development (10 units), in the Ribeirão do Aguapeú indigenous land;
- Peruíbe, Peruíbe M development (30 units), in the Piaçaguera indigenous land;
- São Paulo, SP – Parelheiros B development (30 units), in the Tenondé Porã indigenous land; and
- Tapiraí, Tapiraí E development (30 units), in the Tekoa Gwira Pepo indigenous land.

2. To fully meet the demand of the 6 indigenous communities, it will be necessary to produce an additional 258 units within the scope of the agreements signed.

The indigenous reality embodies the history of years of exclusion and violence, translated today into particular conditions of vulnerability and risk. Therefore, all actions in indigenous areas are carried out to ensure compliance with basic rights that protect the integrity of this population.

For example, construction work on housing buildings on indigenous lands can cause environmental and sociocultural impacts, which must be mitigated by adopting an approach and procedures based on intercultural dialogue and respect.



Indigenous Housing: original indigenous house and CDHU Bertioga E housing unit.

In this sense, CDHU prioritizes the following guidelines in its relationship with indigenous peoples:

- Any action must begin with a meeting on indigenous land with the indigenous leadership and FUNAI to plan the actions, explaining to the indigenous people all stages of the project;
- access to indigenous land and the construction schedule must adapt to the community's cultural practices, respecting periods of restricted access due to events related to indigenous cosmology;
- the impacts of a project on territories, population and cultural assets in indigenous areas must be limited. To achieve this, the workers must be sheltered in a location outside the indigenous land and their villages and standards of coexistence must be established on the construction sites, respecting cultural diversity. The works are carried out with a small number of workers and low-impact machinery, without access to heavy equipment. For civil works on houses, a construction

site is installed outside the perimeter of the villages; and

- the dialogue between indigenous leaders, FUNAI, CDHU and the company contracted to carry out the works must be permanent to avoid and mitigate the impacts that the works bring to the villages.

CDHU has a compensatory policy developed since 2002 for the implementation of housing on indigenous lands in the State of São Paulo, thus contributing to the fulfillment of basic rights that protect the integrity of this population.

The **Quilombola Housing Program** was created in 2004, within the scope of a compensatory policy, which aims to improve the housing situation of

quilombola communities in the State, with the implementation of housing intended exclusively for residents in communities titled by ITESP – *Fundação Instituto de Terras José Gomes da Silva*, in lands holding domain title in the name of the *Quilombola Association*.

There are 36 communities recognized by ITESP in the State of São Paulo. Of these, only 6 communities have title to the area, 5 of which have already received housing developments, with 191 houses implemented in partnership with city halls, which take over in return for the implementation of infrastructure.

The program's 6th project, Eldorado L, with 110 homes for the Ivaporunduva community, is being implemented with resources from the SDHU's FPHIS/Human Development Program.

Rights of people with disabilities and the elderly

(GRI 413-1)

The main focus of the São Paulo State Housing Policy is on families with incomes between 1 and 5 minimum wages. Exceptionally, it can cover families with incomes of between 5 and 10 minimum wages, as long as this does not exceed 20% of the state resources earmarked for housing, as established by Law No. 12,801/2008. In this context, around 95% of the state's beneficiaries are in the 1 to 3 minimum wage income bracket, including families with elderly and disabled people.

Federal statutes aimed at the elderly and disabled require that 3% of housing units built with public funding be reserved for these groups. The state of São Paulo exceeded this requirement, establishing a quota of 7% for families with people with disabilities and 5% for the elderly. In 2023, 202 families with people with disabilities and 289 families with the elderly were provided with housing units.

CDHU adopts a comprehensive concept of family, with no limitations on the number of members – including single individuals, with a maximum quota of 3% of the available housing – and no discrimination based on race, sex, gender, religion, social or economic status. Furthermore, in accordance with the law, CDHU reserves 4% of the housing units for civil and military police officers, prison security agents and prison escort and surveillance agents.

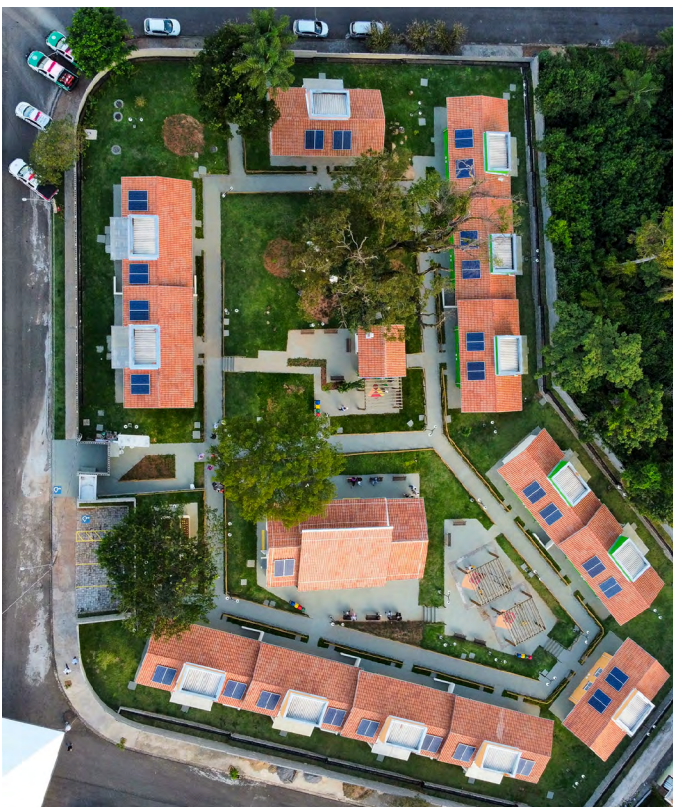
Vida Longa (Long Life)

(GRI 413-1)

In addition to the quotas, the **Vida Longa Program** aims to promote the implementation of free public assisted living facilities, suited to the needs of elderly people. The action

complements and significantly expands elderly protection policies, in addition to supporting city halls in tackling the aging process of the population and the impacts it has on social assistance services.

It is intended to serve elderly people aged 60 or over, independent in carrying out activities of daily living, with a monthly income of up to 2 minimum wages, preferably alone or with extremely fragile family ties, as a result of abandonment, situation of personal and social vulnerability and risk, and residents in the municipality for at least 2 years. The aim is to prevent the need for elderly people to be sheltered, promoting independence and autonomy in housing appropriate to their life cycle, as well as strengthening the protection and defense network for the rights of elderly people, including housing as a component of comprehensive care.



São José do Rio Pardo: *Vida Longa* Program.

The program is a partnership between the SDHU, the Secretariat of Social Development, city halls and CDHU and sets up a public facility, consisting of free and assisted housing with up to 28 UHs and a Community Center, delivered with the basic furniture essential to the needs and activities carried out by residents and management staff.

In the last 5 years (2019–2023), around R\$146 million were invested in the production of 856 homes for elderly people eligible for the program, covering 33 municipalities.



**Total UHs delivered
(2019–2023):**

328 UHs

in 13 municipalities

**Total units
in progress:**

528 UHs

in 20 municipalities

Delivered in 2023

210 UHs

in 8 municipalities, namely:

**SÃO JOSÉ DO RIO PARDO
I PROJECT:**

26 UHs

delivered in March 2023

**BRAGANÇA PAULISTA
L PROJECT:**

28 UHs

delivered in April 2023

TIETÊ G PROJECT:

28 UHs

delivered in April 2023

**SANTA BÁRBARA D'OESTE G
PROJECT:**

28 UHs

delivered in May 2023

CATANDUVA P PROJECT:

28 UHs

delivered in June 2023

SÃO CARLOS J PROJECT:

22 UHs

delivered in September 2023

**SANTA CRUZ DO RIO PARDO
L PROJECT:**

28 UHs

delivered in December 2023

IBITINGA F PROJECT:

22 UHs

delivered in December 2023



Raffle box for housing units.

Application process

CDHU does not maintain a permanent register for the registration of those interested in housing services, and it is only possible to register when there is a housing development in the project or in the final phase of implementation in the municipality where the person concerned lives or works.

The disclosure of registrations is made through a public disclosure instrument for registrations of interested parties in CDHU housing programs (Registration Notice), necessarily containing the opening and closing dates, eligibility, hierarchy and selection criteria, specific beneficiaries of the housing program, the conditions for participating in the draw, including legal quotas for elderly people, police officers, families with people

with disabilities, in addition to possible reservations for others groups, the necessary documentation and, finally, the characteristics of the housing products offered.

The UHs implemented by CDHU, when destined for general demand, are allocated to the final beneficiaries through a public draw, regulated by law. The entire process of housing service to open demand and marketing of its products is regulated in manuals of internal standards and procedures.

The selection and classification criteria for beneficiaries are published on the CDHU website, as well as in published notices. The lists of beneficiaries and substitutes are published on the CDHU website.

09



Operational and budgetary efficiency

Economic and operational performance

Total services in 2023

Indirect economic impacts

Purchasing practices





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Economic and operational performance

(GRI 3-3 201 | SDG 8 and SDG 9)

As a state public company, CDHU has its multi-year planning and annual budget regulated by the legislation of the State of São Paulo.

Its main sources of resources are the contribution of resources from the State Treasury, carried out in the form of subscriptions to the Company's shares, and its own resources, mostly resulting from the management of the financing¹ portfolio for beneficiaries of housing assistance. Furthermore, CDHU receives resources from other Public Administration bodies and entities (including the Housing

Secretariat – SDUH), through partnership agreements and/or contracts for the provision of services.

As for partnerships, these also involve federal bodies and multilateral agencies such as the Inter-American Development Bank (IDB), in actions to raise costly or non-costly resources to support the development of housing assistance actions.

At the local level, CDHU has important partnerships with municipalities, ranging from the donation of land to compose resources and inputs necessary to enable housing services, to other actions such as contracting works, regularization and others. (GRI 2-6)

On December 31, 2023, the Company's share capital was R\$18,030,419,599.81, as shown below:

CDHU – Breakdown of share capital

Breakdown of share capital	Shareholding position on 12/31/2023		
	R\$	%	In shares
São Paulo State Treasury	18,030,419,575.49	99.999999865	2,428,041,905.00
São Paulo State Environmental Company (CETESB)	15.96	0.000000089	21
CDHU (treasury shares)	8.36	0.000000046	11
Totais	18,030,419,599.81	100.00	25,428,041,937.00

Source: CDHU, Superintendence of Finance, 2023.

The subscribed and paid-up capital is represented by 25,428,041,937 single-class registered ordinary shares with no par value.

Details of CDHU's main sources of resources are included in the Annex to this Report.

1. Housing loans for social housing are viable with the support of significant subsidies applied to monthly installments, so that families have access to housing. With all this, there is a long process of dealing with and monitoring beneficiaries at all stages of service – from the initial stages of registration/selection and qualification to the conclusion and settlement of financing.



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Budget sources (GRI 201-4)

Government organization	Amount received (R\$ thousand)
State government (capital contribution)	540,000
State Housing Secretariat budget	518,420
Budget from other state bodies (DERSA/DAEE/Metrô/other secretariats)	68,704
Economic value acumulated	1,127,124

Source: CDHU, Superintendence of Finance, 2023.

Details of CDHU's main sources of funding can be found in the Annex to this Report.

Economic value generated and distributed (GRI 201-1 | SDG 8 and SDG 9)

R\$ mil	2023	2022
Economic value generated	2,423,355	2,086,524
Revenues	2,423,355	2,086,524
Economic value distributed	(2,992,834)	(2,590,914)
Operating costs	(1,856,689)	(1,295,473)
Salaries and employee benefits	(218,853)	(189,741)
Government payments	(16,035)	(59,392)
Community investments	(158,279)	(126,696)
Other (subsidies granted)	(742,978)	(919,612)
Economic value acumulated	(569,479)	(504,390)

Source: CDHU, Superintendence of Finance, 2023.

Extract from the notes to CDHU's financial statements

Bill No. 529, of 08/12/2020, which went through the São Paulo Legislative Assembly establishing measures aimed at fiscal adjustment and balancing the public accounts of the State of São Paulo, was converted into State Law No. 17,293, of 10/15/2020, which authorizes the Executive Branch to promote the extinction, among others, of CDHU.

Nevertheless, in recent years, the Company's actions and attributions have been strengthened, highlighting the transfer of funds to CDHU in 2023, which totaled R\$540,000,000.00 and was earmarked for housing developments on land belonging to the Company or in partnership with municipalities, in addition to various urban recovery actions, which firmly demonstrates CDHU's operational continuity.



Total services in 2023

(SASB IF-HB-410b2)

In 2023, 10,762 services were provided, comprising 6,579 housing units, 589 letters of credit, 2,294 urbanized lots and 1,300 homes with urbanization delivered. Among the units delivered, 1,057 were related to Housing Resettlement (337 UHs in the Housing Resettlement Action and 720 UHs in the Housing Action for the Sustainable Coast/Dignified Life Program – Stilts), which, with the 589 letters of credit for the purchase of properties, which also refer to Housing Resettlement, total 1,646 services.

Regarding numbers, there was a significant increase in deliveries of housing units, with emphasis on the *Vida Digna* Program, which delivered 720 units. Letters of credit increased by 116% compared to 2022. The growth in resettlement actions is also evident, which grew by 25% compared to the previous year, confirming the growing concern with socio-environmental issues. Along the same lines, there was also an increase in urbanization actions, which went from 242 to 1,300 in 2023, an increase of 81% in relation to 2022.



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Indirect economic impacts

(GRI 203-2 | SDG 1, SDG 3 and SDG 8)

Several CDHU actions have a positive, direct and indirect impact on the population directly involved, the local community, society and cities more broadly, with social, urban and environmental benefits.

Some notable actions are described below.

Actions to raise funds and reduce default rates

(GRI 413-2 | SDG 1 and SDG 2)

The period of the COVID-19 pandemic, which culminated in a significant reduction in economic activity, affecting the entire State of São Paulo, among other aspects, increased the level of unemployment, strongly affecting the low-income population, which is the target audience for social housing, especially informal workers. This process still has consequences in 2023.

With the gradual recovery of the economy, CDHU management approved a package of measures to provide more favorable conditions for debt settlement, exclusively

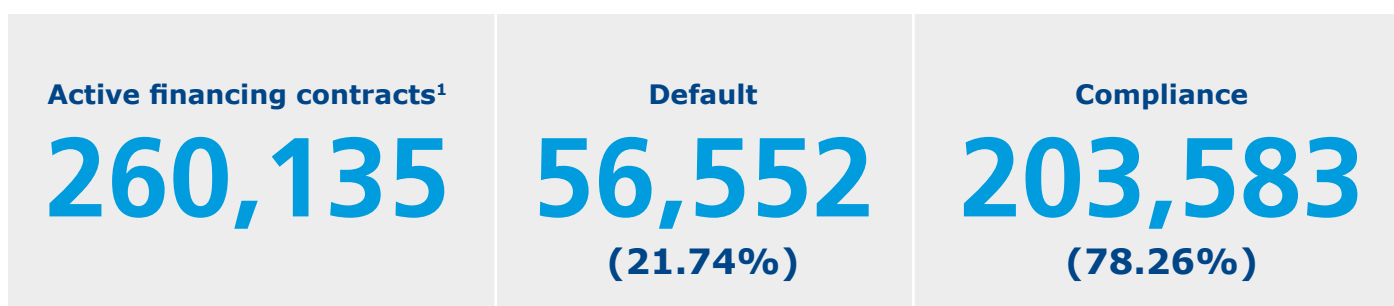
to assist affected families and not generate even greater losses for the borrower population. The conditions provided for in this package include measures for each of the most critical situations identified, which prevailed until July 2023, including:

- a. For contracts with legal actions and with a sentence:
 - **Contractual Settlement with Sentence:** payment in cash of the residual balance of the contract (debit balance + debit of overdue installments), updated, without interest and without fine;
 - **Re-installment with Sentence:** installment of the residual amount of the contract (debit balance + debit of overdue installments), updated, without interest or fine, paid in up to 100 months, with interest of 3% per year and annual update by the Price Index to the Consumer (IPC-FIPE); and
 - **Remarketing:** grant financing to the eligible occupant, in cases where contractual termination occurs with the original borrower, with the new commercialization conditions (zero interest), for the value of the original financing updated by the Broad National Consumer Price Index (IPCA-IBGE), with a term of up to 420 months; and

- b. for contracts under administrative collection:
- **Special Agreement:** offer of simple installments of the total updated debt, without interest or fines, which can be extended until the end of the contractual term and without down payment; minimum installment of 5% of the minimum wage (R\$60.60) – for administrative agreements, Judicial Center for Conflict Resolution and Citizenship (CEJUSC), judicial agreements;
 - **Transfer:** transfer ownership of the contract for the amount due (debit balance + updated debt, without interest or fine), refinancing under the new conditions (zero interest, etc.), up to a limit of 420 months;
 - **Refinancing – Debt Confession:** refinance updated debts (without interest or fines), remaining from terminated contracts, under new conditions: zero interest, up to 420 months, without subsidy, smallest installment: R\$363.60 (30% of 1 minimum wage);
 - **Debt Novation:** adopt novation for active contracts in which the special agreement results in a payment considerably greater than the debtor’s ability to pay, under zero interest conditions, up to a limit of 420 months;

- **Judicial Agreements/CEJUSC in Delay:** accept payment of the installments previously agreed within the scope of CEJUSC, and which are in arrears, or full settlement of the agreement, without interest and without fine. To re-agree, adopt the conditions of the special agreement – formalized with an executive title; and
- **Conversion of Contracts (assignment of use):** adopt the current regulatory conditions for the conversion of precarious use contracts into financing.

In addition to these predictions, CDHU had to innovate in the way it communicates with its population, who are the most vulnerable and affected by economic and social factors, with the aim of mitigating defaults in the real estate portfolio and not impacting revenue. To this end, several official service channels were implemented to provide services and information to customers. Information technology was essential for the success of this implementation, allowing families to become more autonomous in regularizing possible financial irregularities and irregularities in land use and occupation, reducing trips to face-to-face assistance.



1. Corresponds to financing contracts, excluding onerous concession instruments.
Source: CDHU/DAF/Real Estate Credit Management Superintendence, 2023.

Total collection was R\$896.02 million in December 2023, compared to R\$844 million in the previous year

The improvement in collection can be attributed to CDHU’s approach to the customer, through face-to-face and computerized service, offering the best services to keep them in good standing with the Company, supporting borrowers and beneficiaries through:



Even with the financing closed during 2023 (due to end of term, nullity of balance, early payment with own resources or due to claims), in absolute numbers, the asset portfolio (credits in collection) grew by 600 contracts, having also increased collection, in relation to 2022. From August 2023, the conditions for settling debts were once again: down payment of at least 10%, calculated on the total value of the debt, to reach a new agreement.

Around 12,000 notifications were sent to defaulting borrowers, offering special agreements with no down payment and no interest on late payments and installments.

From October to December 2023, 157,964 correspondences were posted with invoices and link/QR Code with proposed agreements and administrative agreements.

9,443 collection letters were also sent for delinquent contracts, with a chattel mortgage clause, closed with debts, refinancing and with judicial conciliation and accredited agreements.

The main changes compared to the last cycle refer to the edition of Ordinance No. 10,097/2022, of the São Paulo Court of Justice (TJSP), which determines the referral of highly complex actions to the Support Group for Judicial Reintegration Orders (GAORP).

It is also observed that the number of active contracts published in 2022 included onerous concession contracts, and, in 2023, the number refers only to financing contracts.

1. Microsoft’s Dynamics Customer Relationship Management (CRM) system, which brings together data from other CDHU corporate systems and makes it possible to record information and services performed, allowing them to be traced.



São Sebastião: removal of residents to apartments in Bertioga 4.

Subsidy policy, housing benefit

(GRI 3-3 203, GRI 203-2 | SDG 1, SDG 3 and SDG 8)

In promoting housing services, CDHU's actions that deserve to be highlighted due to their social, urban and socio-environmental benefits can be highlighted as follows:

a. Subsidy policy granted in the provision of housing financing to enable the acquisition of housing by the target audience of the state housing policy. To this end, CDHU's service policy has as one of its main pillars the granting of housing subsidies to low-income families that do not meet the conditions to access real estate financing provided by the Company, in its role as financial agent. Historically, more than 80% of the target audience for State housing programs has a family

income of up to 3 minimum wages, imposing a significant contribution of resources as a way of adapting families' debt capacity to the costs of accessing housing produced with public funds, whether through the State Treasury, or through CDHU's own resources arising from the management of the financing it operates, or from other sources, through specific funding.

The subsidy constitutes a personal, non-transferable bonus granted to low-income beneficiaries and is reflected in the monthly payment. It is necessary to complete the amounts due so that it is possible to maintain the financing rule adopted by CDHU, which sets the maximum percentage of commitment of monthly family income to pay monthly installments at 20%. The difference between the amount due and this amount is the value of the subsidy applied to each beneficiary's benefits in accordance to CDHU financing rules.



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The objective of defining a maximum percentage of family income commitment to the benefit is not to burden families excessively and to allow access to decent housing. This is a policy with an important social impact, considering that, of a total of more than 274 thousand active

contracts of the Company, recorded in December 2023, next to 102 thousand (37%) had a subsidy in the form of a discount on the property installment, that month, corresponding to 38% of the value of the installments due.

Granting of subsidies with an impact on the family's income availability for other essential expenses

Month/year	No. of contracts	No. of contracts with subsidies	Installment in collection (R\$)	Subsidy resources applied per month (R\$)	%
Jan.23	273,786	104,935	128,302,280.63	50,045,297.91	39.01
Feb.23	274,540	104,852	129,007,863.54	50,142,772.46	38.87
Mar.23	274,897	104,484	129,588,285.49	50,265,059.58	38.79
Apr.23	274,785	103,938	130,327,448.54	50,323,186.14	38.61
May.23	276,330	103,749	130,810,098.88	50,368,455.04	38.51
Jun.23	276,507	103,043	131,666,326.67	50,389,526.78	38.27
Jul.23	276,318	102,772	132,033,447.37	50,370,180.65	38.15
Aug.23	276,159	102,590	132,484,104.20	50,386,988.21	38.03
Sep.23	275,333	102,506	132,332,859.87	50,390,353.32	38.08
Oct.23	275,772	102,746	132,699,851.01	50,493,361.77	38.05
Nov.23	275,003	102,665	132,561,664.38	50,443,668.00	38.05
Dec.23	274,310	102,671	132,899,324.84	50,452,111.79	37.96
Total			1,574,713,555.42	604,070,961.65	

Source: CDHU/DAF/Real Estate Credit Management Superintendency, 2023.

It is important to highlight that, during 2023, the month of January presented the highest volume of active contracts and families benefiting from benefit subsidies, respectively 273 thousand contracts and 105 thousand families. The fluctuation during the year is normal and indicates the movement of the portfolio, with new contracts signed, but also with old contracts closed. From the same perspective, there was a small fluctuation in percentage terms in the proportion of contracts with subsidies and in the value of payments due.

b. Temporary and/or emergency housing assistance: another form of subsidy concerns the granting of housing assistance to low-income families living in precarious and irregular settlements, who have to leave the place where they live due to being in risk areas, and/or affected by favela urbanization works and services, or urban and environmental structuring and recovery projects. In the case of temporary housing assistance, the removal is due to these interventions described. In the case of disasters, rains, etc., assistance is provided through emergency housing assistance. In all these cases, CDHU acts as the operator managing the families, with the **Bolsa do Povo Program**¹ being responsible for paying the benefit directly to the family, and SDUH/Casa Paulista for transferring resources, provided for in the Annual Budget Law (LOA), from the year 2023. The amount granted aims to support housing expenses on a temporary basis, until definitive housing assistance becomes viable.

In 2023, a total of 6,851 families received the benefit through the Program (with the exception of those involved in interventions, whose resources come from partners in agreements signed directly with CDHU, such as Metrô, Department of Water and Energy [DAEE], CPTM, etc. Through the partners, 949 families were served). Furthermore, the vast majority of benefited families – more than 80% – were served in projects located in the Capital and Metropolitan Region of São Paulo, and 77% (5,982) of the housing assistance concessions served have been in force for more than 3 years.

There was a significant decrease in the number of families receiving housing benefit: there were 8,416 in December 2022, and in December 2023, 6,851 were receiving the benefit, representing a drop of 18.6%. When we look at the reasons for this reduction in the table below, on the cancellations of the benefit for regulatory reasons, it is important to emphasize CDHU's constant effort to make definitive housing possible for these families, who are the result of involuntary evictions.

Cancellation of contract

Reason for cancellation	%
Housing service completed	57.96
Beneficiaries deceased	3.99
Grant terminated	6.71
Non-compliance with the rules of the Housing Aid Program	27.95
Pending issue with partner	0.38
Resides outside the state of São Paulo	3.01

Source: CDHU/DAH, 2023.

1. The Bolsa do Povo State Program (State Law No. 17,372/2021) was established in 2021 with the aim of concentrating the management of benefits, actions and projects, with or without income transfer, to serve people in situations of social vulnerability. In addition to housing assistance, the Program operates the Bolsa Trabalho, Renda Cidadã, Bolsa Empreendedor, among other benefits included in São Paulo's social policy.



Housing aid granted

Benefit x source of resources	Families
Contracted housing assistance – Housing	5,206
Contracted housing assistance – Partners	949
Emergency housing assistance agreed – Housing	1,645
Total	7,800

Source: DAH. Position on 12/31/2023.

Urban, housing and environmental benefits

(GRI 3-3 203, GRI 203-2 | SDG 1, SDG 3 and SDG 8)

a. Housing service in resettlement, urbanization and similar actions: of the housing service actions promoted by the Company, part is aimed at general demand, which accesses housing products through registrations published by public notice and specific selection process, and part is intended for services linked to specific audiences, in resettlement, urbanization and similar actions that replace homes that cannot be maintained, or contribute to the qualification of households in the locations in which they are located. It is understood that these actions bring direct benefits to families and indirect benefits to localities, which have risks addressed, infrastructure installed and the possibility of land regularization, as a result of housing actions.

In this sense, CDHU delivered, by 12/31/2023, 1,646 families had been assisted with resettlement actions. In addition, 1,300 households benefited from favela upgrading actions and another 3,301 are under construction.

In addition to providing access to sanitation infrastructure, improving housing conditions and accessibility, the Company seeks to choose locations close to the original housing area to provide housing services, in order to guarantee the restoration of the living conditions of the socially vulnerable families involved in these movements.

b. Granting terms of permission to use social, public and/or community facilities: the positive impacts of housing policy go beyond ensuring adequate housing conditions for the low-income population. When implementing housing projects, areas are designated for public and/or community facilities that enable an increase in the quality of life of citizens, allowing activities and services such as education, health, leisure, etc. This approach involves housing

projects designed with adequate urban infrastructure and conditions for the implementation of equipment such as schools, health centers, parks, etc., and central to the quality of cities and, consequently, the lives of citizens.

The public areas that are part of the housing development project can be of 3 types: institutional, green areas and non-housing lots. During the period in which these areas remain under the control of CDHU, they are allocated to government partners for the implementation of public service equipment, through a specific legal instrument – the Use Permission Term (TPU). In 2023, 2 TPUs were signed, half of those carried out in 2022: 1 with the State Treasury representing the Social Solidarity Fund for the implementation of a Citizenship Square; and 1 with the Municipality of Guarulhos, for the maintenance of leisure equipment/sports court.

c. Housing requalification actions

Housing improvements carried out under the *Viver Melhor* Program:

in 2023, CDHU continued the Housing Improvement Program, carried out with resources from the State Treasury, transferred by SDUH to CDHU, which is applied to precarious housing to improve the healthiness, accessibility and quality of housing, at no cost to residents. It is applied to homes in precarious settlements, regularized or subject to regularization and that are not occupying risk areas or others. The purpose of the project is to transfer resources for operation by CDHU, aiming to promote improvements and

adjustments in housing units already built in settlements and urban centers in the State of São Paulo, accompanied by technical assistance and road conservation services.

Typical repair and improvement services are carried out, carried out per house, which include complements or redoing of wall and floor coverings, revision and reinforcement of roofs, painting, complements or reinforcement of masonry, installation of frames, execution of water pipes and/or or sewage and connection to the existing public network, installation of toilets, review of electrical installations, drainage complements and access improvements, containments and specific urban improvements, necessary for the requalification of the home. Areas that meet the selection conditions listed below are considered eligible for assistance in the project:

- Areas regularized or subject to regularization, to be classified as Reurb-S by the municipalities;
- areas with a predominance of households with precarious housing;
- areas without a predominance of risk factors and subject to housing consolidation; and
- sectors of centers/settlements that meet the conditions mentioned above.

In 2023, the program underwent an expansion with the opening of new centers in the municipalities of Barretos, Boituva, Campinas, Itaquaquecetuba, Piracicaba and Praia Grande, totaling 56 centers in 40 municipalities, out of a total of 86 centers that were operated by the TTS



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in urban recovery projects. There was also the expansion of buildings listed in the Vila Nova Estação centers, in Mogi das Cruzes, and Jardim das Laranjeiras, in Sorocaba. It is also noteworthy that this year the Parque do Moinho nucleus, located in the municipality of Mairiporã, was the first to have all the improvements completed, including those carried out on the inside of the residences and on the facades of the buildings, with all the Terms of Science of Completion of signed Services, being considered the first core of the PVM completed.

There was continuity in the improvements made to the program's integrated information system, so that both the Works team and the Social team continue to monitor the stages of the TTS and the improvements made via the system, sharing information in real time.

It can be noted, therefore, that the instruments and tools for the management and execution of the technical work of the Viver Melhor Program have accompanied the growth in demand for improvements, monitoring of works and support for the teams involved, contributing to the improvement of productivity of teams facing a program that continues to increase its scale of action. In fact, the improvements provided by the development of the information system and applications, through the Viver Melhor Program, have already been extended to other programs, as was the case, for example, with the emergency faced by CDHU in São Sebastião in

February, with the need to generate real-time information and support team monitoring.

d. Social Support for Definitive

Housing Assistance: Families that require definitive housing assistance, arising from resettlement actions, whether housing assistance or not, require complex and detailed work from the CDHU social team, in relation to: i) definition of the best modality service, based on socioeconomic situation and family composition, among those available at the time – ready-made CDHU unit, re-marketed CDHU unit, built in partnership with the private sector or through the granting of a letter of credit; and ii) assistance throughout the commercialization process, so that the condition of social vulnerability is not an obstacle to the completion of housing services. The greater the level of vulnerability of the family served, the more difficult it is to understand the procedure and documentation required, especially in the case of a letter of credit. Support at this time is essential for the success of the operation.

In addition to the legal-procedural dimension, the subjective dimension is also relevant in social work, as families do not always believe that they are capable of getting a house, and are encouraged to move forward with their definitive housing service. Finally, there is also the challenge of improving monitoring and guidance for families, promoting better integration of information between the different technical areas involved in the process.

Jobs created

(GRI 203-2 | SDG 1, SDG 3 and SDG 8)

Estimates of jobs created in civil construction are an important parameter for evaluating the multiplier effect of investments in the sector. Such estimates are based on the Input-Output Matrix (MIP), prepared by IBGE every 5 years, the last one from 2015. The indicator calculated by the Brazilian Chamber of Industry of Construction (CBIC) was adopted as a reference for the actions of the Housing Secretariat and CDHU. The latest CBIC indicator available, based on the 2015 MIP, with values updated by the 2017 National Accounts System, establishes that, for every R\$1 million in investments, 18.31 jobs are created, of which: 6.53 direct jobs, 5.8 indirect jobs and 5.98 induced jobs. These are jobs created in the sector itself, jobs created in sectors that produce raw materials (indirect effect) and jobs induced due to

the increase in income generated by the expansion of production and direct and indirect employment (induced jobs).

Using these criteria, it is possible to estimate that the investment values made in 2023, in the order of R\$3.0 billion, have generated, throughout the State, around 54,799 jobs, with 19,543 direct jobs, 17,358 indirect and 17,897 induced jobs.

Operations with significant negative impacts – real and potential – on local communities

(GRI 413-2 | SDG 1 and SDG 2)

Irregular occupations in CDHU areas designated for housing programs lead to possessory actions, with a mandate for repossession, which imply the coercive resumption of these areas.

Thus, faced with the risk of collective removal reaching vulnerable people, judges have requested the action of GAORP, which aims to search for less burdensome solutions in repossession processes, with the least social impact on families and preserving their rights, as well as those of the owners, in accordance with Ordinance No. 10,097/2022, published due to Action for Non-Compliance with Fundamental Precepts (ADPF) No. 828 of the STF.





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Repossession actions involve, on the one hand, the search for a negotiated solution for housing assistance for the occupying families and, on the other, the search for the preservation of the rights of those to whom these areas had already been allocated, registered in housing programs. or awaiting assistance due to the need for resettlement due to the risky condition of the home, among other issues that imply involuntary leaving the home. In these situations, CDHU is guided by dialogue and the search for alternatives to assist everyone involved, respecting court decisions and preserving everyone's physical integrity.

During 2023, 15 possessory actions were filed involving irregular occupations in remaining areas and housing units that are part of the Company's projects, with 4 repossession orders being served.

Purchasing practices

To contract works and services under its responsibility, CDHU is subject to legislation and bidding regulations, in particular the State Law, No. 13,303/2016.

In this way, it promotes the hiring of companies in the broad spectrum of the development of their activities, from the preparation of projects, surveys, topography, technological control, etc., up to the execution of works, including studies and specific services necessary for the development of core activities, within the scope of social work, administrative actions and others. It is also important to hire support, consultancy and management and inspection services for works and services/enterprises, as well as social actions and technological support services and others.

As a result, the Company has a wide chain of suppliers that includes both construction companies and designers; technical-social work managers; inspectors and other service providers, including legal advice; specialized consultancies; public company (São Paulo State Data Processing Company – PRODESP), which provides portfolio management services; insurance companies; among others.

In the period covered by this Report, no significant changes were recorded in relation to the Company's structure or supply chain.

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Ethics, transparency and integrity

Corporate governance

Governance structure

Interest conflicts

Stakeholder engagement

Communication and
relationship channels

Risk management

Integrity Program

Fight against corruption





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Corporate governance

(GRI 2-9, GRI 2-23, GRI 2-24 | SDG 5 and SDG 16)

CDHU has always prioritized the adoption of solid corporate governance and compliance practices, promoting respect, responsibility and transparency in its various relationships arising from its activity. In accordance with Law No. 13,303/2016, which aims to improve transparency and governance in state-owned companies, the Company has taken measures to adapt to new requirements, strengthening its organizational structure.

This legislation establishes guidelines for the disclosure of information, risk management, adoption of a Code of Conduct, forms of supervision by the State and society, as well as criteria for the composition of councils and appointment of directors. (GRI 2-10)

All policies developed by the Company are approved by the Board of Directors and the Board of Directors, ensuring alignment

with strategic objectives. Subsequently, they are widely communicated to all employees. The annual training required by some policies is conducted by the People Management Superintendence, with support from the Compliance, Risk Management and Internal Control Superintendence.



To access official CDHU documents, [click here](#).

CDHU's governance is conducted by the Board of Directors and a management body made up of the Presidency and 5 Directorates: Administrative-Financial, Projects and Programs, Housing Service, Engineering and Works, and Urban Planning and Development. In addition, there are Superintendencies and Management, each responsible for specific functions within their areas of activity. Selection and appointment to positions of trust, including Senior Management, are based on the competence requirements necessary to carry out activities.

The CEO plays a leadership role by participating in debates and discussions about the company's activities in committees, collaborating directly with those responsible for urban and housing development in the State of São Paulo.

The current Chairman of the Board of Directors does not hold an executive position in the company. (GRI 2-11 | SDG 16)



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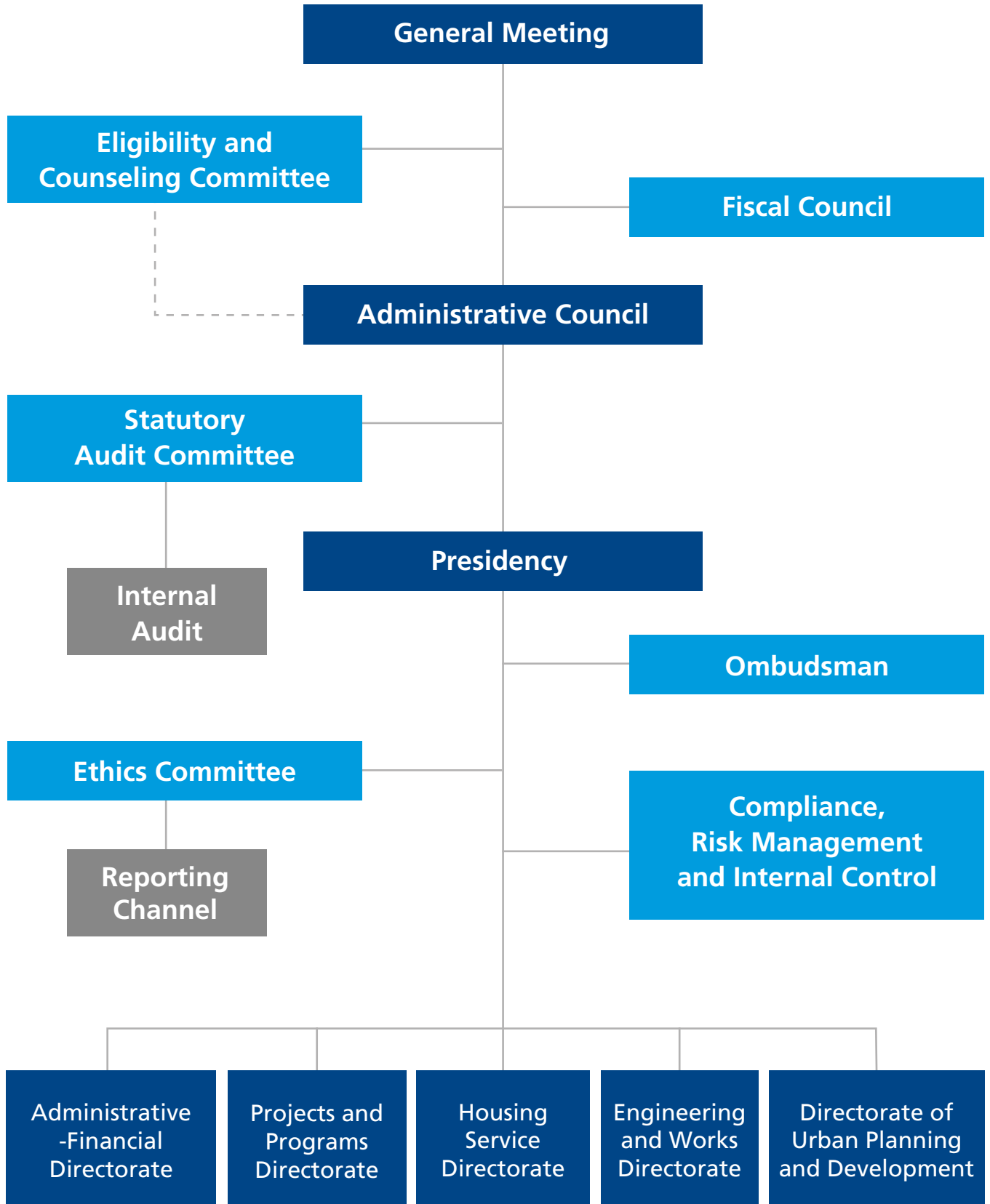
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Governance structure

(GRI 2-9, GRI 2-13 | SDG 5 and SDG 16)



Each level of activity has its specific responsibilities within the Company:

General Assembly: responsible for electing the Board of Directors, establishing the total number of positions within the maximum limit provided for in the statutes and designating its president;

Eligibility and Advisory Committee: issues conclusive statements to assist shareholders in appointing administrators and fiscal advisors, verifying compliance with requirements and the absence of impediments;

Fiscal Council: collegial body that represents the interests of the Company, the actions of administrators and compliance with the Bylaws, issuing opinions and recommendations;

Board of Directors: its mission is to discuss, approve and monitor decisions related to corporate governance, integrity and code of conduct, risk management systems and internal control, in addition to evaluating accounting, financial and corruption issues;

Statutory Audit Committee: is responsible for monitoring integrity, internal controls, financial statements, internal audit, reporting channel, risk management and related parties, ensuring adherence to the Code of Conduct and Integrity and valuing ethical behavior;

Internal Audit: linked to the statutory audit committee, evaluates the adequacy of internal control, risk management and the reliability of CDHU's financial statements;

Ombudsman: ensures citizens' right to information, quality of services and adequate control through the provision of information and treatment of complaints received;

Presidency: acts strategically in structuring the Company and appointing people to trusted executive positions;

Boards: represent the decision-making and planning body with the Presidency, formulating policies, assessing needs and managing activities in their areas;

Compliance, Risk Management and Internal Control: establishes policies that encourage respect for laws, rules and regulations and adopts structures and practices for internal controls and management of different types of risks;

Code of Conduct and Integrity: establishes procedures to ensure respect and responsibility in the Company's relationships, applicable to all people involved with CDHU;

Ethics Committee: independent and multidisciplinary body that advises the Collegiate Board of Directors on issues related to violations of the CDHU Code of Conduct and Integrity; and

Reporting Channel: available on the Company's website, guarantees the anonymity of the complainant and is specific to reports of misconduct involving CDHU and its partners.



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Changes to the organizational structure

(GRI 2-9 | SDG 5 and SDG 16)

As a result of recent changes to CDHU's bylaws, which involve the creation, extinction and change of board names, updates were made to the corporate governance structure. These updates include:

- Renaming of the Planning and Projects Directorate to the Projects and Programs Directorate;
- changing the name of the Technical Directorate to the Engineering and Works Directorate;
- creation of the Urban Planning and Development Directorate; and
- extinction of the Directorate of Legal Affairs and Land Regularization, with legal responsibilities now under the responsibility of the Presidency and the management of land regularization transferred to the Directorate of Projects and Programs.

In addition to these changes, the Company made other significant changes to its organizational structure:

- Incorporation, by the Presidency, of the Engineering and Multisectoral Services Superintendence I and II, in addition to the Contract Monitoring Superintendence;
- creation of the Program Superintendency in the Projects and Programs Directorate;
- in the Housing Service Department, there were changes in the way the Housing Service Superintendence of the Metropolitan Region of São Paulo operates, which now operates with the São Paulo West and São Paulo East Regional Departments. Furthermore, the Cadastral Intelligence Superintendency was created; and
- in the Engineering and Works Directorate, the Contracts Superintendency was transformed into the Urbanization and Improvement Works Superintendence.

These changes represent a significant restructuring of CDHU's organization, aimed at improvements and adjustments to the Company's new demands and strategies.

On 12/31/2023, the Company had the following management structure:

Administrative Council		Fiscal Council (holders)	
Jônatas Souza da Trindade (president)		Fábio Guimarães Serra	
Iêda Aparecida Patrício Novais		Vinicius Mendonça Neiva	
Fabio Benacchi Maia		Roberto César de Oliveira Viegas	
Osmar José Tonello		Vinicius Faraj	
Geraldo Ferreira de Paula Eduardo		Rafael Ramos da Silva	
Rodrigo Otaviano Vilaça			
Reinaldo Iapequino			

Board	
Reinaldo Iapequino	CEO
Nélio Henrique Rosselli Filho	Administrative-Financial director
Silvio Vasconcellos	director of Engineering and Works
Maria Claudia Pereira de Souza	director of Development and Urban Planning
Ticiane Costa D'Aloia	director of Housing Services
Maria Teresa Diniz dos Santos Maziero	director of Programs and Projects

The Company also has the following governance instruments developed and implemented: (GRI 2-23 | SDG 16)

CDHU's **Code of Conduct and Integrity** systematizes and improves the Company's procedures to ensure respect and responsibility in all relationships arising from its activities. It is intended for all people who maintain any type of commercial or working relationship with CDHU, including members of Boards and committees, directors, employees, interns, apprentices and service providers.

This code ranges from CDHU's principles, values and mission to guidelines on preventing conflicts of interest, as well as prohibiting acts of corruption and fraud.

The **Reporting Channel** is the means of communication through which all employees and other stakeholders, internal and external, must use to register doubts, suggestions, complaints and complaints related to ethics, fraud or any misconduct involving CDHU and its several partners. Consultations on professional ethics or reports of violations of the CDHU



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Code of Conduct and Integrity can be made by anyone and are registered and handled by the Ethics Committee.



The **Reporting Channel** and the **Code of Conduct and Integrity** are published on the CDHU Portal and can be accessed via the link: <http://www.canaldedenuncias.cdhu.sp.gov.br>.

The **Compliance, Risk Management and Internal Control** Area, in accordance with article 9 of Law No. 13,303/2016, develops policies to promote compliance with laws, rules and regulations, as well as to prevent, detect and treat risks of irregular conduct, illicit and unethical on the part of the Company's members. These policies include effective structures and practices for internal control and management of strategic, property, operational, financial, socio-environmental and reputational risks, among others. They must be periodically reviewed and approved by the Board of Directors, and communicated to all employees.

Internal Audit reports directly to the Audit Committee, in accordance with applicable legislation and regulations, and is responsible for evaluating the adequacy of internal controls, the effectiveness of risk management and governance processes, as well as the reliability of the collection and measurement process, classification, recording and disclosure of events and transactions for the preparation of financial statements.

The CDHU **Ombudsman**, in accordance with State Law No. [10,294/1999](#) and

State Decrees No. [44,074/1999](#) and No. [60,399/2014](#), acts as an independent and autonomous channel of direct communication with citizens within the Company.

In addition, CDHU also has the technical support of the following committees and working groups duly constituted and designated by acts of the president:

- **Management Committee of CDHU's Strategic Action and Investment Plan**, which evaluates technical proposals and monitors the execution of budget pieces and the strategic action and investment plan, identifying deviations that could compromise the achievement of established goals, periodically providing indication corrective actions and inputs for decision-making by the management body;
- **Housing Units Monitoring and Delivery Committee**, which organizes information relevant to project deliveries; and
- **Innovation and Sustainability Committee**, which identifies priority themes and actions for innovation and sustainability, subsidizing initiatives by the Housing Secretariat and CDHU regarding the continued improvement of housing service and urban development solutions.

In this way, it is observed that the Company has the main elements of corporate governance, that is, the system by which CDHU is managed, involving the relationships between the controller, the Board of Directors, the Board of Directors,

the supervisory bodies and control and other related parties, which contributes to the quality of its management, its longevity and the common good.

Interest conflicts

(GRI 2-15 | SDG 16)

In accordance with the quarterly and/or annual financial statements, the Related Party Transactions Report is prepared, aiming to comply with the provisions of Article 24, item VI, of Federal Law No. 13,303/2016. This responsibility is attributed to the Statutory Audit Committee, which is responsible for evaluating and monitoring, Management and the Internal Audit Area, the adequacy of transactions with related parties.

This report also undergoes review by the Board of Directors, with the purpose of demonstrating that the various transactions with related parties do not

represent conflicts of interest, as they are in compliance with the Related Party Transactions Policy.

Among the transactions mentioned in the report, we can mention the remuneration of administrators, the management of agreements with other State bodies and payments for services provided by entities identified as related parties.

Additionally, even with the periodic preparation of the report, occasional cases of conflict of interest can also be taken directly to the CEO by the directors of the areas involved. These cases are handled by the Board of Directors, and, if necessary, an internal investigation may be initiated.

Based on the principles and values established in the Code of Conduct and Integrity, as well as current legal standards and the Consolidation of Labor Laws (CLT), the Company adopts unacceptable practices related to conflicts of interest. These practices are applied to

Cantagalo development, Guarujá, São Paulo.





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corporate activities and actions, including receiving gifts and gifts, and are aligned with compliance rules, legislation and prevention of fraud and corruption.

Stakeholder engagement

(GRI 2-29)

Stakeholder involvement is essential for the development of public policies and the implementation of housing programs. The beneficiaries of public housing policies are considered essential stakeholders of CDHU, as the Company's actions in this field are aimed at them.

Over the years, CDHU has improved its relationship and engagement with these stakeholders. Currently, the company maintains several communication channels to receive demands and needs from civil society and, especially, to serve its target audience.

Worth highlighting:

a. CDHU participates and supports the Housing Secretariat in the development of the activities of the State Housing Council (GRI 3-1), which has broad representation from civil society and Public Administration with an interface with the Housing Development Policy and fulfills an advisory and as a forum for discussing the fundamental issues of housing policy. Recently, it supports the interface with technical metropolitan development councils and chambers

in the conduct of integrated urban development plans and projects and in the development of metropolitan and municipal information platforms;

b. the Company has several channels for receiving demands, whose scope is to carry out technical-social work and relationship with beneficiaries, including the processes of identifying target audiences for housing programs and selecting beneficiaries, social participation during interventions, commercial qualification and post-occupancy monitoring; and

(GRI 2-16, GRI 413-1)

c. Aiming to ensure that interactions with stakeholders are carefully planned and based on prior analyses, ensuring efficient engagement and aligned with the interests of the parties involved, CDHU promoted intersectoral meetings, bringing together representatives from the Secretariats and other bodies responsible for promoting social inclusion and the territorial integration of beneficiaries into local public policies, ensuring the effective participation of these actors in the actions developed in the housing intervention territories. This integrated approach strengthens the effectiveness of social actions, synergistically aligning them with the objectives of local public policies.

The available means of communication, institutional forums for participation and social teams dedicated to interventions ensure that CDHU fulfills its public functions in a comprehensive, transparent and efficient manner throughout the territory of São Paulo.

CDHU's service channels are used to receive various demands, such as complaints, criticisms, compliments and requests for information from the general public, in addition to providing services to beneficiaries, both online and in person at physical offices.

The Communication Area plays a complementary role, disseminating news and information of public interest and responding to requests from other media outlets for institutional dissemination.

The relationship with other government bodies takes place on many fronts:

- a. At the local level, in structuring partnerships with municipalities to make housing programs viable; and
- b. with other public bodies at the state level, in combining resources and expertise for the implementation of numerous projects and programs (Secretariat of Social Development in the implementation of the *Vida Longa* Program, *Fundação Nacional do Índio* in the Indigenous Housing Program, ITESP in the *Quilombola* Housing actions, etc.), bodies linked to transport, sanitation and the environment in partnerships for housing resettlement to support structuring public actions and housing and urban recovery, and also the reception of demands from various public bodies for the provision of services.

Finally, the [Related Party Transactions Policy](#) is also part of the stakeholder engagement approach, covering all segments that participate in CDHU's business: suppliers (contractors, managers and supervisors), representatives of organized civil society and public authorities, through government bodies, beneficiary population, etc. The Related Parties Policy monitors the adequacy of the Company's transactions with all agents who work in technical and administrative processes, in particular those who may have a conflict of interest with CDHU.

Due to the expansion of the scope of action with new functions in the field of urban development in 2023, CDHU recently started to support the interface with the technical councils and chambers of metropolitan development in the conduct of integrated urban development plans and projects and in the development metropolitan and municipal information platform.



Inquiry Committee

(GRI 2-16)

Concerns of extreme importance are formally communicated to directors through letters, notifications, processes or any other appropriate form of communication. The responsible directors, in turn, present the matter for analysis and discussion at a meeting of the Collegiate Board of Directors. Depending on the decision taken by the Board, there is the possibility of setting up an Inquiry Committee for a more in-depth investigation of the facts presented. The recommendations resulting from this investigation are then taken to the Collegiate Board for deliberation.

As a general rule, an Indictment Committee of a public company is responsible for investigating issues related to contractual irregularities, disciplinary infractions or inappropriate conduct by public employees, such as:

- Professional misconduct: this may include cases of abuse of authority, moral or sexual harassment, discrimination, negligence in fulfilling duties, misuse of company resources, among others;
- violation of rules and regulations: the commission can investigate cases of disrespect for laws, policies and company rules and procedures;
- conflict of interests: when an employee uses his position to obtain personal benefits or in situations where his personal interests conflict with the interests of the company;
- fraud and corruption: the commission can investigate cases of misappropriation of resources, bribery, corruption, falsification of documents, among other fraudulent acts;
- misuse of resources: this may involve the inappropriate use of goods, equipment, vehicles, strategic information or any other resource belonging to the company; and
- unsatisfactory performance: The commission may investigate cases in which an employee is not adequately fulfilling his or her job responsibilities or is not meeting established performance standards.

Considering the nature of the facts, inquiries at CDHU are treated confidentially.

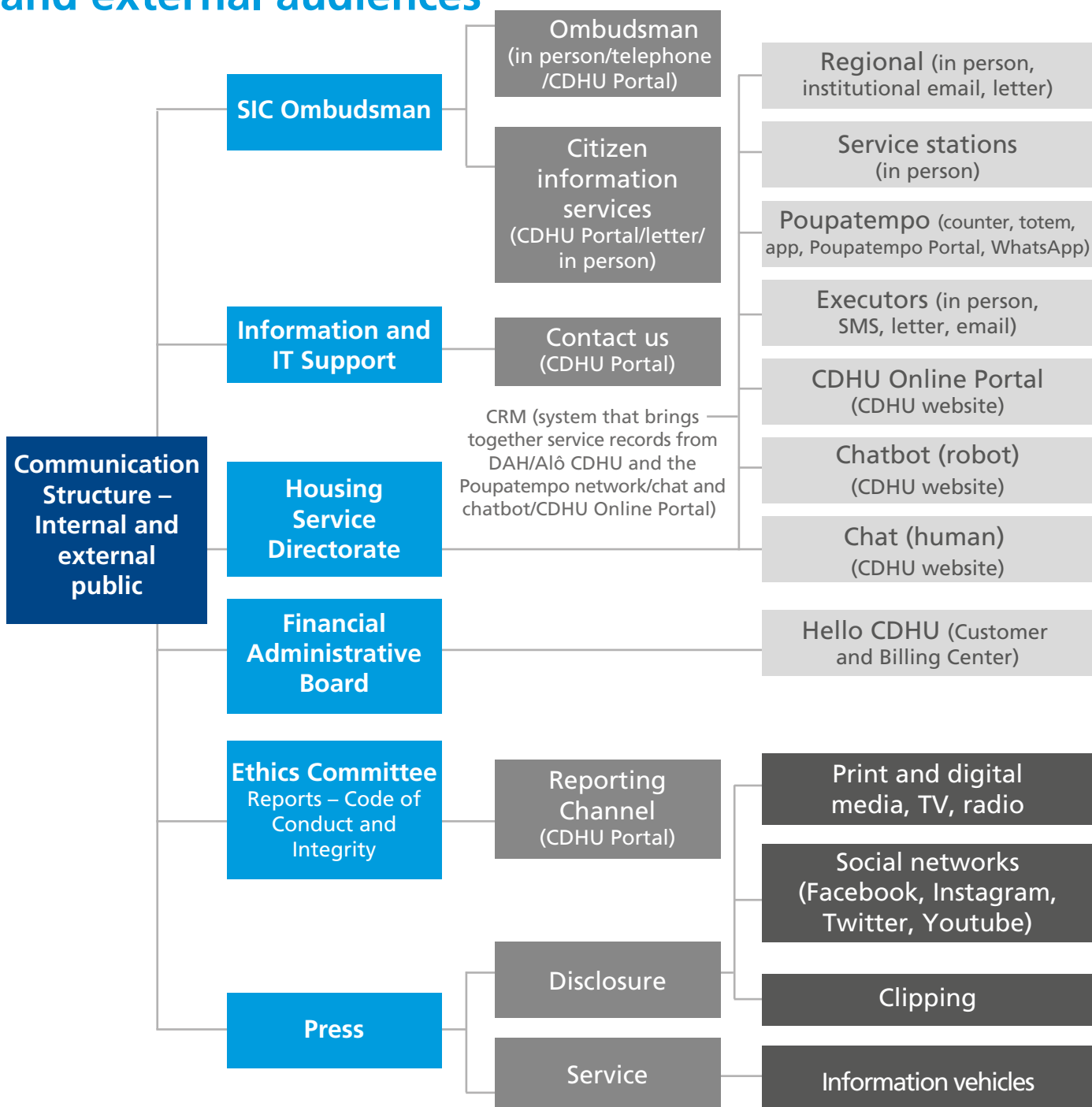
In 2023, CDHU established a union committee, demonstrating its commitment to diligently dealing with the extremely important concerns that have arisen.

Communication and relationship channels

(GRI 2-16, GRI 2-26 | SDG 16)

CDHU has a diversity of communication and relationship channels offered to its internal and external audiences.

Communication channels with internal and external audiences





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Ombudsman

It is responsible for receiving, analyzing and distributing all user comments to the respective areas, with the aim of improving the service and services provided and correcting the Company's actions that may be harmful to the public. Its role is to guarantee agile and objective responses to the demands presented, with crucial concerns being brought to the attention of directors and the Collegiate Board. When serious, complex cases or cases involving more than one board are identified, the president receives notification and decides on the best solution together with other directors.

Demands to the Ombudsman's Office can be sent directly by citizens to CDHU through the CDHU Portal, by telephone, letter or in person. Every request forwarded is registered in an electronic system, classified according to its type (complaint, compliment, complaint, request for information, suggestion, others) and forwarded for analysis by the competent areas, whose responses are returned via the same channel. The legal deadline to respond to the citizen is 30 days, extendable for the same period. Through biannual activity reports, relevant information about CDHU's operations is systematized, enabling the identification of problems and challenges to improve service to citizens, whether beneficiaries or not of housing programs.

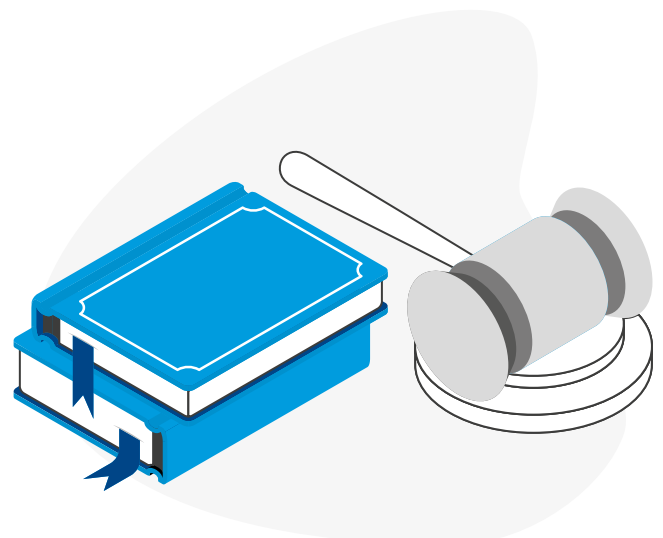
The Ombudsman's biannual reports are published on the CDHU Portal.



To consult the **Ombudsman's** reports, [click here](#).

In 2023, the Ombudsman's Office registered a total of 8,260 manifestations, including 2,192 complaints, 3,466 complaints and 2,160 requests for information, in addition to 32 compliments, 66 suggestions and 344 other matters.

Responsible for measuring the level of satisfaction in relation to the service, the CDHU Ombudsman sends a survey to the user, who responds voluntarily. The questionnaire addresses the citizen/user's understanding of the difficulty in contacting the service, the quality of the service, the completion of the service and satisfaction. Finally, there is a question about the importance of the Ombudsman's Office in dealing with manifestations within the Company and the possibility of using the service again, if necessary.



Citizen Information System (SIC)

Manifestations can also be forwarded by the SIC, established in compliance with the Access to Information Law (Federal Law No. 12,527) and the State Decree that regulates it, No. 58,052, of 12/09/2023.

By SIC, in 2023, 527 requests were registered, and the main topics addressed by users were: information on housing service, requests for copies of project plans, financial information, requests for copies of processes and contracts and data on housing deliveries.



To consult the SIC reports, [click here](#).

Reporting Channel

The channel receives reports regarding misconduct involving CDHU and its partners, in accordance with the specifications of the Code of Conduct and Integrity. Complaints received are automatically forwarded to the Ethics Committee.

In 2023, 6 cases were registered by the Reporting Channel, which were duly investigated and closed within the scope of the Ethics Committee. An Activity Report is presented quarterly to the Statutory Audit Committee, detailing the statements recorded.

Customer service channels

The official CDHU customer service channels are: *Alô* CDHU Customer Service Center, Regional, service stations, Poupatempo (*Balcão Único*, totem, Portal, mobile APP and chatbot via WhatsApp), CDHU Online Portal, CDHU chat and chatbot, totaling 909,680 occurrences involving 198,502 contracts.

CDHU has the Customer system Microsoft's Relationship Management (CRM) Dynamics, which brings together data from the Company's other corporate systems. It is through it that services and information to the customer are carried out and recorded, allowing their traceability, that is, it identifies who provided the service, the service and information provided, the services most accessed by the population and various other data of interest to the Company, in addition to to make it possible to keep population data always up to date.

In addition to the channels presented, for communication with beneficiary families, CDHU's institutional website, accessible via tablet, computer and mobile, contains information of public interest, various services for customers, as well as links to Poupatempo, sending messages via SMS and other features.

Official CDHU customer service channels monitored by the CRM system

In 2023, the official customer service channels were maintained, such as the CDHU Online Portal and chat (human and robot), in addition to the service stations, Poupatempo, Consortiums of Executors, *A/ô* CDHU and Regionals. Video conferencing applications (Teams, Zoom, Google Meets and others), chat, telephone, SMS and postal mail were used as a way of approaching the customer. An institutional email was created for reports of violations of the LGPD, directed to the person in charge (data protection officer – DPO) formally appointed by CDHU.

The number of services per source channel recorded in 2023 is summarized in the table below:

Source channel	Number of occurrences
Regionals	9,744
Service Stations	18,836
<i>Poupatempo</i>	50,430
<i>A/ô</i> CDHU	388,876
Consortia	201,210
CDHU Online Portal	189,805
Chat and chatbot	4,421
Others	46,358
Total	909,680

Source: CDHU/DAH, 2023.

The level of satisfaction with the service provided by CDHU is measured by the *A/ô* CDHU Customer Service Center, responsible for 53% of the services registered in 2023, and presents a very positive performance, as shown in the following table:

Period: 01/01/2023 to 12/31/2023							
Questions	Grade 0 to 7	Grade 8	Grade 9	Grade 10	Grade	ISC ¹	ISC (%)
On a scale of 0 to 10, was the reason for your call clarified in this service?	19,013	7,808	17,532	90,792	135,145	116,132	85.93
On a scale of 0 to 10, how would you rate the service you received?	13,832	7,205	17,196	93,523	131,756	117,924	89.50
Total	32,845	15,013	34,728	184,315	266,901	234,056	87.69

1. Customer Satisfaction Index – grades 8 to 10.

Source: CDHU/DAH, 2023.

Risk management

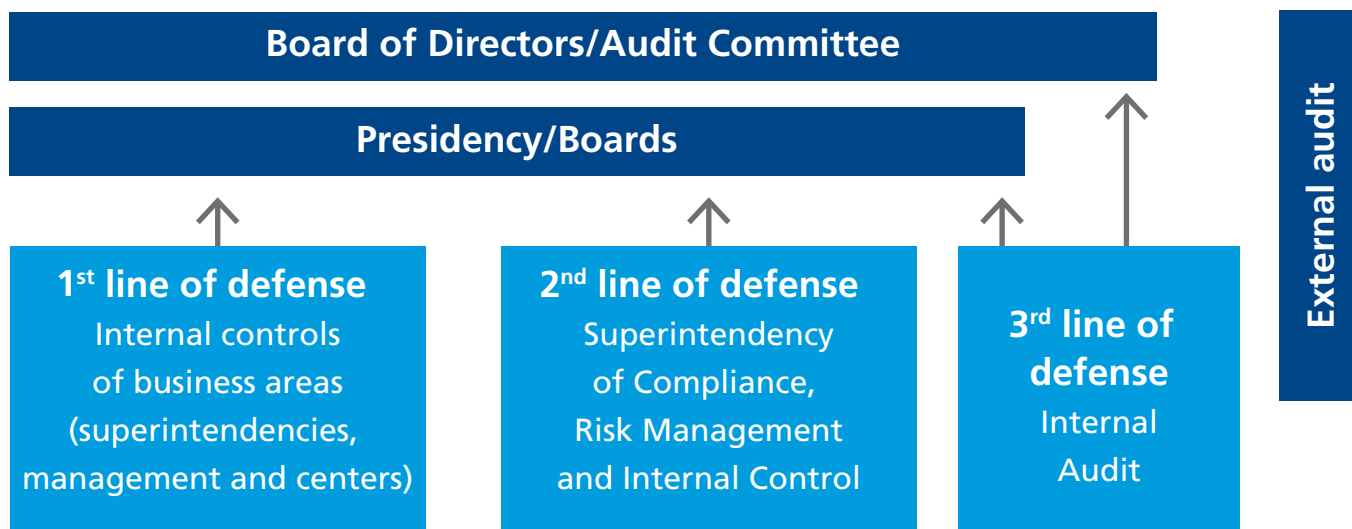
(GRI 2-12, GRI 2-24 | SDG 16)

CDHU has a risk management process that provides for the mapping, measurement and assessment of risks related to illicit acts, including fraud and corruption, in the manner prescribed in the Integrity Program updated in December 2023.

To ensure a comprehensive and efficient approach to risk management, ensuring transparency, compliance and

effectiveness in all of the Company’s activities, CDHU adopts the 3 lines of defense model:

- The 1st line of defense is exercised by the organizational units linked to the boards, through their internal controls;
- the 2nd line of defense is established by the Superintendence of Compliance, Risk Management and Internal Control, generating control measures independently; and
- The 3rd line of defense is carried out by Internal Audit, by verifying the adequacy of internal processes.



The objective of risk management is to identify events that could compromise the Company’s strategies in achieving its business objectives, as well as indications for managing these occurrences, in order to contribute to alignment with risk appetite guidelines. All work carried out in this regard is monitored by the Statutory Audit Committee and presented to the

Collegiate Board of Directors and the Board of Directors.

The Company’s risk management policies and procedures support the understanding of externalities and contribute to the construction of a business strategy with greater efficiency and responsibility.



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In 2022, CDHU hired a company specialized in specialized professional technical consultancy services to review processes, with the aim of providing preventive internal audit action, comprising the following activities, in accordance with the guidelines defined by Federal Law No. 13,303/2016, which establishes governance standards for state-owned companies:

- Analysis and updating of the risk matrix;
- assessment of internal controls;
- compliance;
- audit and review of critical processes; and
- fraud prevention and detection.

With a term of 36 months, all work carried out by the advisory team is strictly supervised by the Statutory Audit Committee and reported periodically to the Collegiate Board of Directors and the CDHU Board of Directors.

The consultancy completed updating the risk matrix and presented the results to administrators and the Statutory Audit Committee in the 1st half of 2023. The consultancy then began the internal audit of processes with the most significant risks for the Company. Monitoring of the vulnerable points found was established, through an action plan developed in partnership with the managers of the audited processes. This process demonstrates CDHU's commitment to compliance, risk management and internal control. (GRI 2-25)

Integrity Program

(GRI 3-3 205 | SDG 16)

In line with the determinations set out in Law No. 13,303/2016, in State Decree No. 62,349/2016, in its Bylaws and in view of its commitment to transparency, ethics and good corporate governance practices, CDHU prepared and published, in 2022, its Integrity Program, whose main objectives are:

- Consolidate the policies and actions carried out by various units of CDHU's organizational structure, in line with their respective responsibilities, demonstrating the Company's commitment to the dissemination of good management practices and the constant promotion of a transparent and ethical corporate environment; and
- adopt policies and regulatory instruments aimed at preventing, monitoring, detecting and responding to harmful acts provided for in legislation, which are focused on curbing inappropriate conduct by the target audience, permeating all areas of the company.

The Integrity Program, prepared taking into account the guidelines issued by the General Comptroller of the Union (CGU), designed to guide state-owned companies, brings together the instruments used to prevent, detect and combat corruption, in order to prevent the involvement of Company, employees, managers and third parties in harmful acts against the Public Administration, in accordance with Law No. 12,846/2013 and Decree No. 8,420/2015,

as well as respect for the principles and standards set out in the Code of Conduct and Integrity from CDHU.

In 2023, CDHU developed and implemented the following policies that complement the Integrity Program:

- **Privacy Policy and Processing of Personal Data:** establishes guidelines for the collection, storage, use, sharing and deletion of personal data, respecting the LGPD;
- **Sensitive Information Classification Policy:** defines criteria for classifying CDHU's confidential information, ensuring confidentiality and restricted access to authorized people; and
- **Moral, Sexual Harassment and Discrimination Prevention Policy:** establishes measures to prevent, curb and punish acts of moral, sexual harassment and discrimination in the CDHU workplace, promoting a safe and respectful environment for all employees.

All policies were widely disseminated to all CDHU employees, through internal communications, official website and intranet portal. The implementation of these policies reinforces CDHU's commitment to integrity, ethics and transparency in its relationships with employees, partners and society.

Control rules and instruments

Policies, regulations, instruments and other documents related to integrity are available on the CDHU [website](#).

Fight against corruption

(GRI 3-3 205, GRI 205-1 | SDG 16)

CDHU uses bidding processes for housing services, assuming responsibility for monitoring and evaluating the contracted works and services. All bidding and contracting procedures undergo external supervision, including the State Audit Court (TCE), the Finance Department Audit and the External Audit, in addition to the Internal Audit Area, which reports to the Statutory Audit Committee.

When questions arise about possible irregularities at any stage of the bidding or contracting process, they are forwarded to the CDHU, which carries out the investigation as established in the Standard of Procedure (NP) – Responding to Questions from the State Audit Court.

According to the NP mentioned, the investigation can be conducted by the Legal Area, Preliminary Investigation Committee, Inquiry Committee or Disciplinary Administrative Process Committee. At all stages, progress is supervised by the Compliance, Risk Management and Internal Control Superintendence.

Depending on the results of the investigation and TCE guidelines, CDHU may implement improvements in its operational processes. If financial losses or functional liability are found, the Company takes the necessary corrective measures. The CDHU also deals with cases



of possible corruption arising from Public Prosecutor’s Office investigations or legal actions, without, however, recording any occurrence of these issues to date.

Management of this matter is carried out through the implementation of internal standards, such as the Code of Ethics and Integrity, which defines the Company’s internal policy.

In 2023, according to the annual training calendar, CDHU sent communications on anti-corruption policies and procedures to 100% of its staff, including senior management, and trained 78.23% of this total. (GRI 205-2 | SDG 16)

Governance members and employees informed of anti-corruption policies and practices	2023
Governance members	
Number of governance members communicated	13
Percentage of governance members communicated	100%
Total number of governance members to whom anti-corruption policies and practices have been communicated	13
Employees by functional category	
Superintendences total number of superintendents communicated	23
Superintendences percentage of superintendents communicated	100%
Management total number of managers communicated	79
Management percentage of managers communicated	100%
Supervisions total number of supervisors reported	72
Supervisions percentage of supervisors reported	100%
Administrative total number of administrative reports	198
Administrative percentage of administrative communicated	100%
Total number of employees to whom anti-corruption policies and practices were communicated	372

Source: CDHU, People Management Superintendence, 2023.

Governance members and employees trained in anti-corruption policies and practices		2023
Governance members		
Number of governance members trained		11
Percentage of governance members trained		84.62%
Employees by functional category		
Superintendences total number of trained superintendents		17
Superintendences percentage of trained superintendents		73.91%
Management total number of trained managers		54
Management percentage of trained managers		68.35%
Supervisions total number of trained supervisors		58
Supervisions percentage of trained supervisors		80.56%
Administrative total number of trained administrators		162
Administrative percentage of trained administrative staff		81.82%
Percentage of employees trained		78.23%
Total number of employees trained in anti-corruption policies and practices		291

Source: CDHU, People Management Superintendence, 2023.

Complaints of alleged cases of corruption may come to CDHU's attention in various ways, such as through the Complaints Channel or by being aware of procedures and investigations in progress in the judiciary bodies, police and public ministries, and all are investigated through the opening of an inquiry or opening of administrative disciplinary proceedings. In 2023, no cases of corruption were recorded. (GRI 205-3 | SDG 16)

Finally, in 2023, the Company received a total of 27 fines and fines for non-compliance with CDHU's stances. These notices, issued by city halls in the State of São Paulo, by the Environmental Company of the State of São Paulo (CETESB) and by the Fire Department, originated from lack or deficiency in the conservation of spaces and properties owned or under the responsibility of CDHU, such as lack of cleaning, garbage removal and weeding,



Partnership Program with Municipalities: Itatiba C, D and E Project.

absence of dividing walls and/or other equipment, and irregularities resulting from illegal occupations on Company land.

This year, the defenses presented by CDHU in 10 infraction notices from the Ministry of Labor, resulting from various violations of legal standards relating to the control and duration of the working day – received in 2022 – were assessed and not accepted, judging the arguments to be valid. Appeals were filed but have not yet been considered. (GRI 2-27)

- Value of fines received: R\$41,505.42;
- 2 fines were paid in 2023, one for not having built a retaining wall and another for carrying out irregular work resulting from occupation of CDHU property;
- value of fines paid: R\$43,764.33; and
- number of non-monetary sanctions received (Qty.): no sanctions received in 2023.

11



Human capital management

- People management
- Political contributions
- New hires and turnover
- Employees
- Work relationships
- Health and safety
- Property security
- Diversity and inclusion
- Child, forced or compulsory labor
- Participation in entities representing society
- Social evaluation of suppliers
- Health, safety and customer communication
- Customer privacy





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People management

(GRI 3-3 401, GRI 3-3 402, GRI 3-3 406 | SDG 3, SDG 5, SDG 8 and SDG 10)

All activities and actions developed by the People Management Area do not generate negative impacts, as it is a middle activity area, acting directly on activities arising from the contractual employment relationship between CDHU and employees, that is, without direct action in final activity of the Company.

On the contrary, as it operates on topics related to remuneration, management and provision of benefits, as well as direct action in the provision of care and psychosocial monitoring, health, well-being and occupational safety, it seeks to generate positive impacts in the areas of quality of life, relationships and organizational climate of employees.

All people management actions reported through the indicators in this Report are in consonance and alignment with the current legislation for each topic, such as CLT, Federal Constitution, LGPD, regulations of the Ministry of Health and Labor, Social Security, National Health Agency, Collective Labor Agreements, etc.

Political contributions

As it is a public company, CDHU cannot make donations to parties and candidates, as expressed in item II of article 24 of the Electoral Law: Federal Law No. 9,504, of 09/30/1997.

New hires and turnover

(GRI 401-1 | SDG 5, SDG 8 and SDG 10)

During the 2023 financial year, a total of 15 employees were hired, 14 of whom were male and 1 female. Admissions occurred in the age range of 30 to 50 years (10 positions), with 9 positions being male and 1 position being female. In the age group over 50, 5 employees were hired, all male. Admissions only took place in freely available positions, since permanent employees are hired only through a public competition, which has not occurred since 2002, and does not correspond to the replacement of the workforce.

In the same year of 2023, 28 employees were dismissed, 16 of whom were gazetted employees and 12 were employees in a free-lance position. Therefore, it can be seen that the 16 positions terminated correspond to the effective reduction in the Company's workforce without corresponding replacement. Of these 28 dismissed positions, 10 are female, with 1 being dismissed in the 30 to 50 age range and 9 over 50 years old. The 18 dismissals correspond to male employees, 4 of whom were between 30 and 50 years old and 14 were over 50 years old. All admissions and dismissals took place in the same region, that is, in the State of São Paulo.

Total number and rate of new employee hires¹, by gender and age group

	2023		2022		2021	
	Hiring	Hiring Fee	Hiring	Hiring Fee	Hiring	Hiring Fee
By genre						
Men	14	3.8%	4	1.0%	3	0.8%
Women	1	0.3%	3	0.8%	1	0.3%
Age range						
Under 30 years old	0	0.0%	0	0.0%	0	0.0%
From 30 to 50 years old	10	2.7%	4	1.0%	0	0.0%
Over 50 years old	5	1.3%	3	0.8%	4	1.0%

1. The rate of new hires is calculated taking into account the total number of employees during the year.
Source: CDHU, People Management Superintendence, 2023.



Total number and turnover rate of employees, by gender and age group

	2023		2022		2021	
By genre	Layoffs	Turnover rate	Layoffs	Turnover rate	Layoffs	Turnover rate
Men	18	4.3%	13	2.2%	91	11.8%
Women	10	1.5%	7	1.3%	60	7.7%
Age range	Layoffs	Turnover rate	Layoffs	Turnover rate	Layoffs	Turnover rate
Under 30 years old	0	0.0%	0	0.0%	0	0.0%
From 30 to 50 years old	5	2.0%	6	1.3%	0	0.0%
Over 50 years old	23	3.8%	14	2.2%	151	19.5%

1. Turnover rate calculation: $(\text{number of hires} + \text{number of dismissals}) / 2 / \text{total number of employees} \times 100$.
Source: CDHU, People Management Superintendence, 2023.

Employees

(GRI 2-7, GRI 2-8, | SDG 8 and SDG 10)

In 2023, CDHU's permanent workforce totaled 372 positions, with 369 employees working full-time and 3 (1 woman and 2 men) working less than 8 hours a day. CDHU's operations are restricted to the State of São Paulo, in the Southeast region of the country, with 11 regional centers distributed throughout the interior.

Compared to the previous cycle, in 2023, there was a reduction of 18 employees. Permanent employees are hired exclusively through public competitions, which has not occurred since 2002 (1,054 positions), resulting in a sharp and constant loss of the workforce since then, with 65% accumulated. Added to this is the fact that the current average age group is 58 years old, with 44% of employees aged 60 or over. (GRI 2-7 | SDG 8 and SDG 10)

The current situation is one of risk in maintaining the Company's functional and competence structures, with the following consequences already present: overload of activities for remaining employees, lack of retention of functional skills, risk of loss of main skills, lack of a process of succession, accumulation of responsibility for managers, drop in productivity, loss of culture and organizational identity, high cost of health care benefits, hierarchical levels without subordinate teams, high levels of stress, psychosocial problems, among others.

That said, there is an expectation that the processes for opening and holding the public competition to hire new employees will begin in 2024, after approval of the Positions and Salary Plan with the Salary Policy Commission (CPS).

CDHU uses, to support its activities, the hiring of consultancy companies and support for technical and social management and supervision of the implementation of projects, with these activities carried out through the issuance of specific service orders and resulting in defined products.

Part of the Company's activities are carried out by interns and apprentices, who are not its own employees; however, they are controlled by management. In 2023, the Company had 184 workers in this category, 170 interns and 14 apprentices.

(GRI 2-8 | SDG 8)

Company staff

	2023		2022		2021	
	Men	Women	Men	Women	Men	Women
By employment contract						
Indefinite period	235	137	244	146	247	149
Determined deadline	0	0	0	0	0	0
Total	235	137	244	146	247	149
By type of job						
Full time	233	136	242	145	247	149
Partial journey	2	1	2	1	0	0
Total	235	137	244	146	247	149
Total	372		390		396	
Other professionals in the Company's workforce¹	2023		2022²		2021²	
Interns	170		55		44	
Apprentices	14		-		-	

1. The Company does not monitor data by gender.

2. In the years 2022 and 2021, the totals of the combined categories were presented.

Source: CDHU, People Management Superintendence, 2023.

As can be seen, there was no change in the number of employees with reduced working hours; however, there has been a reduction in the overall number of

employees since the last report, from 390 to 372 positions, of which 137 are female employees and 235 are male employees.



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Work relationships

Remuneration policy

(GRI 2-19)

The remuneration policy at CDHU is defined by the Position and Salary Plan, approved by the Salary Policy Commission (CPS) and by the governor of the State of São Paulo, and provides for the establishment of salary tables defined by salary ranges and steps, in accordance with each position group and definition of mid- and higher-level positions and careers.

Salary values may undergo annual corrections through a Collective Bargaining Agreement (ACT) between the Company and the union representatives of each category, noting that 100% of employees are covered by ACTs.

Admissions occur only through a public competition and always in entry-level positions and in the first salary range of each position, with the possibility of horizontal salary progression through performance evaluation and/or vertical promotion, when moving to an immediately higher position in the career.

Employees are represented by different categories that participate in collective negotiations; Among them, the Architects' Unions, the Engineers' Unions and the Union of Workers in Housing Companies and Cooperatives and Urban Development in the State of São Paulo (SINCOHAB) stand out, which represents the preponderant category in the Company. A salary floor is

guaranteed for all categories. All employees (100%) are covered by the ACTs established between the parties, having obtained in the last ACT) (2023/2024 the salary adjustment corresponding to the variation in the IPC-FIPE for the period from 05/01/2022 to 04/30/2023 in total 4.52%. (GRI 2-30 | SDG 8)

There is no remuneration policy for the governance framework, since remuneration values are defined by government bodies (Secretariat of Finance), based on the remuneration of the governor of the State of São Paulo. The remuneration is fixed, with no provision for additional remuneration, bonuses and/or retirement benefits.

The proportion of the remuneration of the Company's highest paid employee compared to other employees was 1.96 in 2023.

CDHU remunerates all employees according to their position, without distinction of any kind, and there may be variation as a result of salary progressions based on merit and/or designation to perform a bonus function, since, when joining through a public competition, all Admissions occur at the 1st level of the initial level of each position/career, without distinction. Despite the fact that the Job Plan is currently suspended regarding functional movements for career changes and new hires, remunerations are determined by the salary tables contained therein.

The female gender accounts for 37% of the total number of employees. Comparing the remuneration (salary) of women (137 positions) with that of men (235 positions), in 2023 they received an average remuneration of R\$13,804.05, lower than the average remuneration of men, which was R\$14,700.93, at a rate of 0.94. (GRI 2-20)

The average pay of women is lower than that of men because they occupy proportionally more senior positions

(management), as shown in the table "Pay equity between men and women".

Proportion of total annual remuneration (GRI 2-21)

	2023	2022	2021
Total annual compensation for the highest paid individual in the Company	R\$340,635.23	R\$325,904.41	R\$290,312.10
Average total annual compensation of all Company employees, except the highest paid individual	R\$173,813.18	R\$161,594.95	R\$144,079.66
Proportion between the highest paid individual and the average of all employees	1.96	2.02	2.01
Percentage increase in total annual compensation for the Company's highest paid individual	4.52%	12.26%	-
Average percentage increase in total annual compensation for all Company employees except the highest paid individual	7.56%	12.15%	-
Proportion between the increase of the highest paid individual and the average of all employees	0.97	1.00	-

Source: CDHU, People Management Superintendence, 2023.

The highest paid individual is an employee and has his or her remuneration adjusted by the same index applied to the entire workforce, adjusted in the ACT. In 2023, the index was 4.52%.

Here are some observations on the results shown in the table above:

1. Ratio between the highest paid individual and the average of all employees in 2023 (1.96) and 2022 (2.02): the variation is due to dismissals in the period and changes in management functions, which have an impact on overall remuneration;
2. percentage increase in total annual remuneration for the company's highest-paid individual: corresponds to the index adjusted in ACT for the entire workforce – 4.52%; and
3. average percentage increase in total annual remuneration for all the Company's employees, except for the highest paid individual: the annual variation for this section is due to redundancies in the period. The average salary of employees rose as a result of layoffs in the lowest-paid positions, and was higher than the adjustment index (4.52).



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Pay equity between men and women

(GRI 405-2 | SDG 5, SDG 8, SDG 10 and SDG 13)

	Percentage of employees	Amount	Average salary	Average pay (percentage)
Management/leaders	100%	177	-	100%
Men	69%	123	R\$19,803.49	50%
Women	31%	54	R\$19,827.25	50%
Proportion (m/h)	-	-	1.00	-
Administrative/university positions	100%	82	-	100%
Men	49%	40	R\$14,693.55	53%
Women	51%	42	R\$12,889.39	47%
Proportion (m/h)	-	-	0.88	-
Technician/technical positions	100%	87	-	100%
Men	53%	46	R\$6,928.32	50%
Women	47%	41	R\$6,808.01	50%
Proportion (m/h)	-	-	0.98	-
Operacional¹	100%	26	-	100%
Men	100%	26	R\$4,324.79	100%
Women	-	-	-	-
Proportion (m/h)	-	-	0	-
By genre	Number of employees	Percentage of employees	Average salary (value)	Average pay (percentage)
Men	235	63%	R\$14,700.93	52%
Women	137	37%	R\$13,804.05	48%
Total	372	100%	R\$14,370.63	100%

0.94

Proportion between the base salary and remuneration received by women and those received by men for each functional category, by important operational units

1. Operational positions are held exclusively by male representatives.

Source: CDHU, People Management Superintendence, 2023.

Benefits

The benefits offered to employees are: life insurance, medical and dental health plan, maternity/paternity leave, transportation vouchers, supplementary sickness/accident benefit at work, funeral assistance, daycare assistance, meal vouchers and food vouchers. The last 2 are guaranteed to the positions of interns and apprentices. All benefits are provided for in ACT. (GRI 401-2 | SDG 3, SDG 5 and SDG 8)

Maternity/ paternity leave

(GRI 401-3 | SDG 5 and SDG 8)

The total number of employees entitled to take maternity/paternity leave is 372 employees, subdivided into 235 male positions and 137 female positions, comprising 100% of male and female employees. The total number of employees who took leave (maternity, in this case) was 1 employee, also corresponding to the number returning from leave (maternity) in the 2023 financial year. The retention rate corresponds to 100%. The very low number of occurrences of this type of leave in the Company is due to the high average age (58 years) of the current staff.

Performance evaluation

Administrators are evaluated based on the guidelines established in the Deliberation of the State Capital Defense Council (CODEC) No. 4, of 11/29/2019, on a collegiate basis (collective) and with self-assessment by its members (individualized). The assessment takes place once a year and is conducted internally by Compliance Management and subsequently forwarded for compliance verification by the Eligibility and Counseling Committee (CPSEC).

After validation by the committee, the results are forwarded to the Government Secretariat, CODEC and the Housing Secretariat. Historically, all performance assessments carried out by the governance body have met the Company's expectations. In this way, the aforementioned external control bodies, responsible for appointing administrators, always maintained the composition of the collegiate bodies. (GRI 2-18)

In 2023, the results obtained were:

1. Score for the collective assessment of the Board of Directors: final score – 2.95: the collective/collegiate performance of the Board of Directors “exceeds legal and statutory expectations”;
2. average score for the individual assessment of the Board of Directors: final score – 3.35: the individual assessment of the Board of Directors “exceeds legal and statutory expectations”;



3. collective assessment of the Board of Directors: final score – 2.84: the collective performance of the Board of Directors “meets legal and statutory expectations”; and
4. average score for the individual assessment of the directors: final score – 3.70: the individual performance of the directors “exceeds legal and statutory expectations”.

Trainings

(GRI 3-3 404 | SDG 4, SDG 5, SDG 8 and SDG 10)

The People Management Area establishes, annually, a training and development calendar in order to comply with mandatory training, as well as prospecting the need for specific training in the various areas of the Company, in addition to receiving demands for improvement in light of the changes required in the sector. housing, involving several areas, such as legal, architectural, engineering, environmental, financial, planning, social areas, etc.

In terms of training, in the 2023 financial year, the goal of the CDHU Results Participation Program was to invest in training corresponding to 0.55% of the nominal salary bill, estimated at R\$294,022.00. Once the results were determined, at the end of the year, the People Management Area exceeded the target established for training, totaling an investment for 2023 of R\$337,682.00.

Annually, CDHU provides training to update the training of the highest governance body on Law No. 13,303/2016 and its consequences and on the Code of Conduct and Integrity and the LGPD. (GRI 2-17)

In terms of occupational health and safety training offered to workers, CDHU offers annual training for management training for the Internal Accident Prevention Commission (CIPA) and annual training and/or refresher training for brigade members, aiming for full training for the Prompt assistance in the event of a fire at the Company.

The topics covered vary each year, in order to bring greater scope and adherence to behaviors/diseases/symptoms and preventions that are evident in society and internally, in accordance with a possible increase in the frequency of cases identified in periodic examinations.

The training takes place during working hours, free of charge, and does not entail costs for participants. (GRI 403-5 | SDG 8)

In 2023, the average number of hours of training carried out was 17.56 hours for a staff of 372 employees. The average training carried out among women (137) and men (235) was 17.56 hours for both genders. (GRI 404-1 | SDG 4, SDG 5, SDG 8 and SDG 10)

Total and average hours of training

2023

By genre	Total training hours	Average hours per employee
Men	4,127	17.56
Women	2,406	17.56
Total	6,533	17.56

Source: CDHU, People Management Superintendence, 2023.

As mentioned, in view of the suspension of the Positions and Salaries Plan in 2006, which is in the process of approval with the CPS in 2024 after its adaptation, the Skills Improvement Program has not yet been implemented, as well as any End of Year Management Program. Career and preparation for retirement. These actions are scheduled for development and implementation from 2024, concomitantly with the approval of the Positions and Salaries Plan. (GRI 404-2 | SDG 8)

Health and safety

Occupational health and safety management system

(GRI 3-3 403, GRI 403-1 | SDG 3, SDG 8 and SDG 16)

CDHU is under the subordination of the People Management Superintendence and the Recruitment, Development and Human Relations Management of the Psychosocial Assistance, Occupational Health and Safety Center, which operates in the management of occupational health at work in the Company, using, to this end, information technology

(IT) tools that assist in this management and control, being fully aligned with legal requirements regarding the processing and sending of mandatory information to the Ministry of Labor, with periodic updates in order to keep it in line with current legislation.

The center has under its management the contract of a company specializing in the work and legal certifications required by the Occupational Medicine and Safety Area, currently staffed by 1 professional psychologist and 1 professional social worker, who provide psychosocial care in various cases that require action, as well as providing support to the occupational



Campaign against harassment, 2023.



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physician during periodic examinations, dismissals, admissions, etc.

CDHU follows recognized risk management and occupational health and safety standards, such as the Environmental Risk Prevention Program (PPRA), the Occupational Health Medical Control Program (PCMSO) and the Risk Management Program (PGR). All employees and trainees are covered by this management system, which is currently being expanded to cover new trainees as well. (GRI 403-8 | SDG 8)

Due to the COVID-19 pandemic and in compliance with the ordinances and determinations of the Ministry of Health, in 2021, actions, adjustments and preparation of protocols were carried out in line with government guidelines based on state and municipal decrees. All employees established at the CDHU headquarters in the capital, as well as those established in the regional offices located in cities in the interior of São Paulo, are served in an equal manner before the Occupational Health, Safety and Medicine Management System, in accordance with the current legislation.

Participation and evaluation of employees in the occupational health and safety management system are carried out through an open channel, with interaction with CIPA representatives, as well as direct interaction with the Center for Psychosocial Assistance, Safety and Occupational Medicine (SESMT). Periodically, this nucleus publishes relevant information on occupational health and safety for the Company's employees. Management is carried out through SESMT records and monitoring. (GRI 403-4 | SDG 8 and SDG 16)

Hazard identification, risk assessment and incident investigation

(GRI 403-2 | SDG 8)

In accordance with current legislation on the subject, CDHU carries out the PGR annually, which are tools for monitoring, identifying and eliminating risks and unhealthy work environments, which permeate all areas of the Company.

In addition to these programs, periodic inspections are carried out jointly between the person responsible for Occupational Safety at CDHU and the members of CIPA, when the needs for adjustments and improvements related to the work environment are identified, which are forwarded to the area responsible for eliminating and/or minimizing risks.

CDHU ensures the quality of these processes through the training of CIPA members and the monitoring of the Occupational Medicine and Safety professional. All records and reports are analyzed, verified and resolved through the work of the Service Administration and People Management Area.

Risk reports are made by CIPA members or directly in the Occupational Medicine and Safety Area, with no type of reprisal taking place in compliance with the Code of Conduct and Integrity and the Standards of Professional Conduct and Disciplinary Sanctions. If there

is any type of reprisal, the employee may appeal directly to the Company's Reporting Channel.

CDHU does not have policies and processes to protect against reprisals, since the duties and actions of all areas of the Company do not expose professionals to situations of risk of injury and/or health problems, which can be ratified through the framework of the Company at the lowest level of risk in professional activities.

Historically, there have been no incidents that required any need to investigate incidents due to the very low level of risk of the activities carried out in all the Company's actions by its direct employees.



Work accidents

In the 2023 financial year, there were no records of work accidents throughout CDHU.

(GRI 403-9 | SDG 3, SDG 8 and SDG 16)

Occupational health services

(GRI 403-3 | SDG 8)

CDHU has implemented the PCMSO, through which it carries out periodic medical examinations for all employees and interns and maintains effective control of occupational health conditions in the Company, carried out by a medical professional.

Medical monitoring reports are kept in their own files, in an exclusive access environment, with single access for the occupational doctor and the SESMT manager, guaranteeing the confidentiality and privacy of the data collected. This data is used exclusively for monitoring and monitoring the occupational health of employees, without any misuse of purpose.

In addition to the medical control program, actions are carried out to clarify certain relevant health topics, such as mental health, suicide prevention, breast cancer prevention and prostate cancer.

The Company also has a Code of Conduct and Integrity, through which it is committed to ensuring health and safety conditions for its employees. At any time, they can contact CIPA and/or SESMT, in order to verify risk situations at the workplace, including situations related to COVID-19. They can also call the Fire Brigade, from *Edifício Cidade I*.



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It is observed that the level of risk to which the CDHU is classified is level 1, that is, the lowest level of classification. CDHU's business relationship does not pose significant risks to worker health, due to the fact that the Company's predominant activity is restricted to those carried out in an office environment. (GRI 403-7 | SDG 8)

In 2023, no deaths and/or absences due to occupational diseases were recorded.

(GRI 403-10 | SDG 3, SDG 8 and SDG 16)

Promotion of worker health

(GRI 403-6 | SDG 3)

CDHU maintains medical insurance with national coverage for its employees, directors and dependents, with the scope of preventive access and/or various treatments, according to broad coverage of medical-hospital specialties and clinical laboratories.

In addition to the services available, there is facilitated access to the State Department of Health's annual vaccination calendar, especially in campaigns that require greater mobilization of the population, as well as guidance provided by the occupational doctor and psychology and social service professionals from CDHU's SESMT, even in situations not related to the work environment, including family ones.

Annually, CDHU carries out awareness and prevention campaigns for diseases such as: breast cancer, prostate cancer, mental health, suicide prevention, etc.

Confidentiality in relation to any sensitive worker information is guaranteed by the Company's adherence to the LGPD, as well as by limiting access, which is exclusive to the occupational physician via an electronic system, with an access password and physical medical records kept in a separate file.

Property security

(GRI 3-3 410, GRI 410-1 | SDG 16)

The Company contracts outsourced property surveillance services for property security actions, which acts preventively to protect, prevent and curb vandalism or invasion of its properties, consisting of land, green areas, institutional areas and HUs, always with views maximum protection to reduce property losses.

It also hires outsourced property surveillance services as a preventive measure to assist in the condominium management services of the *Cidade I*, II and IV buildings, located in the Sé neighborhood, in the central region of the city of São Paulo.

The contracts generated provide service stations with 100% trained professionals in a surveillance training course, who, according to the mandatory clause, must carry a National Security Guard Card (CNV – security guard’s functional document), mandatory for use on duty, valid for 5 years, and is only issued if the security guard is employed by private security companies.

Still regarding contractual obligations, which must be maintained during the execution of contracts, contracted companies must rigorously train their security guards every 12 months in human rights, use of force, politeness, discretion, appearance and tact when dealing with the public.

Diversity and inclusion

(GRI 3-3 405, GRI 405-1 | SDG 5, SDG 8 and SDG 10)

CDHU guarantees diversity in the structuring of its workforce through various public selection processes to attract its employees and collaborators, whether hired through a public competition or interns and apprentices hired through selection processes preceded by wide publicity, including with provision of quotas for minority groups.

Therefore, there is no direct or indirect intervention in the hiring of employees, interns and apprentices,

with the classification resulting from the aforementioned selection processes prevailing, in accordance with state legislation and regulations on the subject, ensuring diversity and equal opportunities.

CDHU’s governance framework is predominantly made up of male administrators over 50 years of age, with only 1 female member on the Board of Directors. CDHU’s workforce totals 372 positions, comprising 63% employees (male: 235) and 86% over 50 years of age. Employees (female: 137) account for 37% of the workforce, 82% of whom are over 50 years old.

In relation to racial diversity, 5.91% of employees declared themselves to be yellow, 8.60% mixed race and 4.03% black.

With regard to people with disabilities (PWDs), there are a contingent of 19 employees; Of these, only 3 are female. In the composition of the workforce, the management group has 69% male representatives and 31% female representatives, with equivalent average remuneration. Administrative positions are represented by 49% male and 51% female. Technical positions have 53% male representatives and 47 female representatives. Regarding operational positions, these are occupied exclusively by male representatives.



Composition of the governance framework broken down by gender and age group

	< 30 years	Percentage	Between 30 and 50 years old	Percentage	> 50 years	Percentage
Men	0	0%	1	7%	9	64%
Women	0	0%	2	14%	2	14%

Source: CDHU, People Management Superintendence, 2023.

Composition of the workforce broken down by gender and age group

	< 30 anos	Percentage	Between 30 and 50 years old	Percentage	> 50 years	Percentage
Men	0	0%	34	9%	201	54%
Women	0	0%	24	6%	113	30%

Source: CDHU, People Management Superintendence, 2023.

Composition of the workforce broken down by functional category, according to gender and racial diversity

	Yellow (quantity)	Yellow (%)	Brown (quantity)	Brown (%)	Black (quantity)	Black (%)
Managerial						
Men	4	1.08%	9	2.42%	2	0.54%
Women	2	0.54%	2	0.54%	2	0.54%
Administrative						
Men	4	1.08%	3	0.81%	5	1.34%
Women	6	1.61%	5	1.34%	3	0.81%
Technician						
Men	2	0.54%	3	0.81%	1	0.27%
Women	4	1.08%	2	0.54%	0	0.00%
Operational						
Men	0	0.00%	8	2.15%	2	0.54%
Women	0	0.00%	0	0.00%	0	0.00%
Total						
Men	10	2.69%	23	6.18%	10	2.69%
Women	12	3.23%	9	2.42%	5	1.34%
	22	5.91%	32	8.60%	15	4.03%

Source: CDHU, People Management Superintendence, 2023.

Composition of the workforce broken down by functional category, gender, minorities and other diversity indicators

Minority or vulnerable groups (PCDs)	Women (quantity)	Women (%)	Men (qtde)	Men (%)	Total (qtde)	Total (%)
Managerial	6	2%	15	4%	21	6%
Administrative	14	4%	2	1%	16	4%
Technician	6	2%	6	2%	12	3%
Operational	0	0%	10	3%	10	3%

Source: CDHU, People Management Superintendence, 2023.

Child, forced or compulsory labor

(GRI 3-3 408, GRI 408-1, GRI 409, GRI 409-1 | SDG 8 and SDG 16)

In its relationship with economic agents, CDHU, through contractual instruments, highlights the need to apply preventive and corrective measures determined in the disciplinary safety and hygiene regulations, in the requirements issued by CIPA, as well as in the provisions of the Law No. 6,514/1977, in the Regulatory Standards relating to Occupational Safety and Medicine, approved by Ordinance No. 3,214/1978 and its revisions, and specifically in NR 18 – Working Conditions and Environment in the Construction Industry.

The Company, through its managers, carries out inspections of the works, including with regard to the conditions of construction sites and accommodation, in order to verify any irregularities relating to child labor conditions and/or conditions similar to slavery.

Corrective measures, if any occurrence of child labor is identified, follow the relevant legislation, in particular the CLT and the Child and Adolescent Statute (ECA).

In 2023, no risks or cases of child labor or those similar to slavery were identified in CDHU’s supply chain.

CDHU prevents situations of slave-like labor through inspection of construction sites and, if any situation is identified, the measures taken are those provided for in the legislation.

Participation in entities representing society

(GRI 2-28)

CDHU actively participates in councils, committees, groups and associations, through representations, promoting the integration of housing and urban policies with other sectors. 57 participatory seats were identified, distributed across: 27 councils, 7 thematic chambers, 14 committees, 5 commissions, 7 GTs and



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10 intersectoral and state entities. Senior governance participates directly in the State Housing Council (CEH) and the Management Council of the São Paulo Social Interest Housing Fund (CGFPHIS).

In addition to these institutions, CDHU technicians participate in other forums as representatives of the Housing Secretariat, such as: Environment and Sanitation, Public Policies on Human Rights, Social Assistance, Special Demands (Elderly, Disabled, Women Victims of Violence, Original Peoples, Children and Adolescents).

CDHU considers its participation in all associations strategic and has also participated as a signatory company of Rede Brasil para o Pacto Global, since 2015. Such memberships are not mandatory, but are always encouraged by the Government of the State of São Paulo.

Social evaluation of suppliers

(GRI 3-3 414, GRI 414-1 | SDG 5, SDG 8 and SDG 16)

All CDHU suppliers are contracted through bidding, in accordance with Federal Law No. 13,303, of 2016, and Brazilian companies can participate, regardless of their location, with the obligation to follow the clauses relating to human rights, environmental and social criteria practiced by the Company, as well as the quality criteria. Therefore, focusing on the best proposal, as provided by law, aiming to achieve the public interest, the Company does not carry out differentiated

treatment and does not impose any type of restriction on the participation of suppliers in tenders for the acquisition of goods and services.

Depending on the object contracted, companies interested in participating in the bidding process must present certificates and technical records that prove their technical competence to perform the services.

In addition, tenders for engineering works and services must comply with the program for inserting ex-prisoners from the penitentiary system into the job market (*Pró-Egresso*), set out in State Decree No. 55,126/2009.

CDHU's main suppliers include construction companies, construction management companies, land regularization companies and companies providing various services, as social, commercial and events. 100% of contracts are inspected. We have no reports of suppliers identified as causing actual or potential negative social impacts.

(GRI 414-2 | SDG 5, SDG 8 and SDG 16)

Bidding procedures consider the integrity policy in transactions with related parties in their execution. Tenders and contracts with suppliers governed by Law No. 13,303/2016 must respect social and environmental standards (see article 32, item V) and be subject to the sanctions provided for in case of non-compliance. According to chapter III of the aforementioned law, contracts must be subject to inspection by the external and internal control bodies of the 3 spheres of government.

Health, safety and customer communication

(GRI 3-3 416, GRI 416-1, GRI 3-3 417 | SDG 16)

The main product offered by CDHU is housing production to reduce the housing deficit, with the housing promoted by the Company providing adequate security and habitability to the low-income population without access to the formal real estate market, most of whom live in unhealthy conditions in precarious settlements and in congested homes or those with serious building problems.

Housing provision, rehabilitation and upgrading actions aimed at overcoming these problems have positive implications for the population's health, reducing illnesses caused by inadequate buildings.

To ensure that new housing is delivered to the population in appropriate conditions and ensure the repair of any problems, the Company invests in the following systematic actions that positively impact the improvement of consumer health and safety:

- To structure and develop the Company's new programs and projects, guidelines are being incorporated:
 - (a) which contribute to public safety and crime prevention through urban design, following the Crime Prevention

concept Through Environmental Design (CPTED), such as: (i) devices that provide greater visibility and natural surveillance of common areas and the road system adjacent to projects, with adequate positioning of windows and access, "transparency" of facades and mixed use on the ground floors of buildings; (ii) efficient and sufficient lighting design, both in the areas of common use and internal circulation of the projects, as well as in the sidewalks and lanes of the access road system; (iii) adequate and well-positioned vegetation, without visual barriers or conflict with public lighting; and (iv) spaces designed without corners or hiding places; (b) that prioritize active mobility and the use of collective public transport, contributing to improving the quality of life of the general population, reducing gas emissions and the incidence of respiratory tract and cardiac diseases, such as: (i) requalification of stretches the road system providing access to the projects, connecting them to the collective public transport network and existing or planned cycle paths and cycle lanes, as a way of guaranteeing accessibility, road safety and comfort for pedestrians and cyclists; (ii)



implementation of bicycle racks in all enterprises and cycle racks near the entrance to shops and services; (iii) offering vehicle parking spaces only in the quantity necessary to comply with current legislation;

- housing provision, recovery and requalification actions that provide adequate security and habitability to serve families without access to the formal real estate market, most of whom live in unsanitary conditions in precarious settlements and congested homes, with serious building problems. Such actions contribute to the reduction of diseases caused by building inadequacies such as: (i) rooms without external opening (risk of respiratory tract diseases), (ii) inadequate water supply (risk of waterborne diseases), (iii) absence wall and floor coverings, and the presence of mold and humidity (favoring the proliferation of insect vectors of diseases such as chagas, malaria, etc.);
- housing provision with 100% of new units delivered to the population with the appropriate Certificate of Completion or Occupancy Certificate (municipal administrative act that proves the regularity of the building,

upon completion of the work or service in accordance with applicable technical standards, provisions of municipal legislation – in particular the Works and Buildings Code –, and in accordance with the approved projects) and, when relevant, with the Fire Department Inspection Report (AVCB – document issued by the Fire Department of the Military Police of the State of São Paulo [CBPMESP] which certifies the fire safety conditions of buildings and risk areas, in accordance with the rules prescribed in the relevant technical instructions for the execution and implementation of structural, technical and organizational measures); and

- provision of mechanisms for repairing non-conformities in buildings already delivered, caused by construction defects or failure in execution (works guarantee), or physical damage resulting from external causes such as fires, explosions, windstorms, landslides, floods and flooding (security insurance property during the term of the financing).

Occupation of the house only occurs after the *Habite-se*¹ is issued
100% of housing developments are delivered with the appropriate *Habite-se* and, when applicable, with the issuance of the AVCB².

Mechanisms are provided for cases of non-conformity of the building

(GRI 416-2 | SDG 16)

As provided in article no. 618 of the Brazilian Civil Code, the responsibility for repairing physical damage to properties during the first 5 years of construction lies with the contractor; after this period, maintenance is considered to be the responsibility of the family/condominium.

The main complaints we receive on our service channels about the quality of the product supplied are infiltrations (534), leaks (292), cracks and crevices (266), floors and loose coverings (142), access to the set (1,324) and heater solar (58), out of a total of 4,340 registrations in 2023, which represents 60% of the construction problems highlighted by the population.

A large volume of occurrences refers to requests for plans and projects, in a total of 552 occurrences, which do not characterize construction problems. Of the universe of problems highlighted, 21% are concentrated in units delivered to families for up to 5 years. The remaining registered incidents are the responsibility of residents to maintain the property to prevent it from compromising the health and safety of the people who live there. Even though the temporal issue is relevant with regard to objective civil liability, the Works Department adopts the following procedure:

1. In Brazil, *Habite-se* is the administrative act issued by the competent authority that authorizes the beginning of the effective use of constructions or buildings intended for housing. This is a document that proves that a project or property was built following the requirements (local legislation, especially the municipality's Building Code) established by the city hall for the approval of projects. The document is issued by the city hall of the city where the project or property is located. While the beginning of the work is authorized by a construction license, *Habite-se* certifies its completion in accordance with the license initially given (Source: <https://pt.wikipedia.org/wiki/Habite-se>, consulted on 12/14/2022).

2. AVCB is the document issued by CBPMESP certifying that, during the inspection, the building had fire safety conditions. It is a set of integrated structural, technical and organizational measures to guarantee the building at an optimal level of protection in the fire and panic safety segment, provided for by legislation and constant in the process, establishing a period of revalidation (Source: <https://firefighters.com.br/>, consulted on 12/14/2022).



a. Inspection of UHs

If the house is less than 5 years old, the inspector carries out an inspection at the UH to detect the problems and causes. If it is more than 5 years old, except for problems with cracks and retaining walls, the borrower will be instructed to carry out maintenance at his own expense.

When it comes to requests regarding cracks and retaining walls, the inspector is instructed to evaluate the risks involved, causes and solutions.

If risks are identified, even if the property is not under warranty, CDHU may eventually choose to carry out the necessary works to resolve the problem.

b. Notification to the city hall or construction company

Once the inspection has been received from the inspector, if a construction defect or failure in execution is found, the city hall or the construction company is notified to make the necessary corrections, depending on the type of program.

c. Completion of repairs

If the repairs were carried out, the construction company sends the signed completion form and the incident is closed in the CRM system.

After the deadline granted, and all possibilities for an administrative solution have been exhausted, the case is sent to the CDHU legal department to file a lawsuit.

d. CDHU Property Owner's Manual

100% of the projects delivered to users are accompanied by the Owner's Manual (houses and apartments) and the Manager's Manual (for buildings in common areas), containing all relevant information about the building, prepared by the construction company, checked by the inspector and approved by the Construction Management CDHU works.

It is also the responsibility of the builder/developer to prepare and deliver the manual for the common areas, following the standards established by ABNT No. 15,575, in addition to CDHU's internal standards.

In spite of these procedures, there are approximately 1,500 lawsuits before the company that discuss the occurrence of possible construction defects in housing units sold by CDHU.

Real Estate Housing Insurance

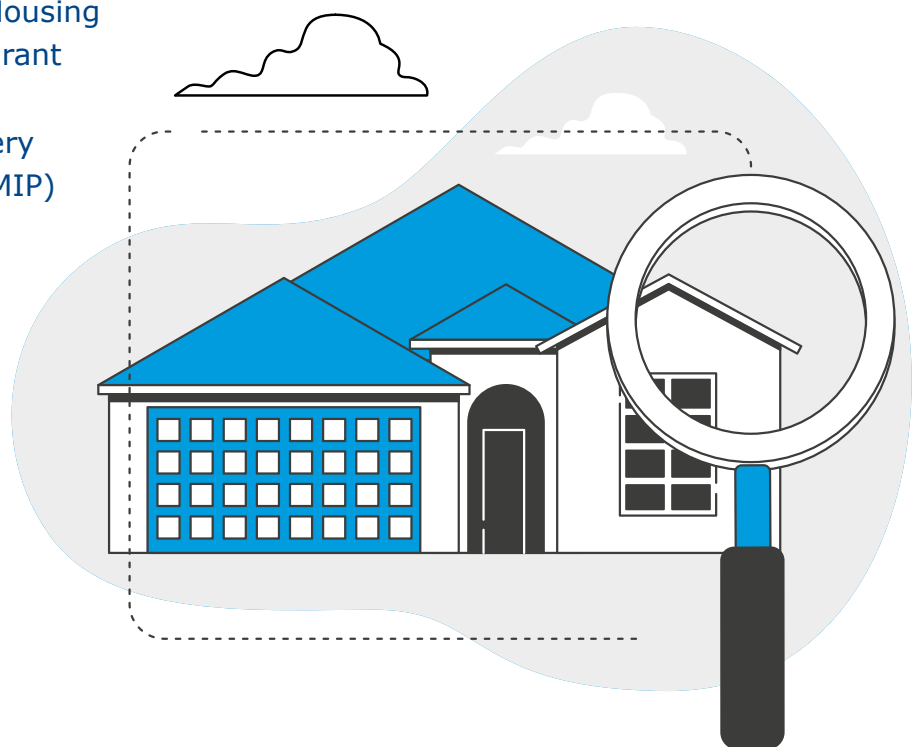
(GRI 416-2 | SDG 16)

Real estate insurance aims to guarantee payment of financing to the creditor, in the event of death or permanent disability of the components of the contract, respecting their proportionality, or even, in the case of physical damage insurance to the property, ensuring that the insured asset returns to its initial state, if it suffers damages provided for in the respective insurance policy.

As CDHU is subject to the SFH regulations, it is subject to BACEN Resolution No. 3,811/2009, which states: "The institutions that are part of the Housing Finance System (SFH) will only grant housing loans with insurance coverage that provides, at the very least, coverage for the risks of (MIP) Death and Permanent Disability of the borrower and (DFI) Physical Damage to the Property".

100% of the housing units have the coverage described. With regard to physical damage to the property (DFI), the following damage caused by:

- Fire, lightning or explosion;
- windstorm;
- total collapse;
- partial collapse, understood as: the destruction or collapse of walls, beams or other structural element;
- duly proven threat of collapse;
- roof collapse; and
- flooding, even if caused by rain.





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In the case of DFI insurance, in addition to the amounts compensated in kind, it must be considered that the compensation is also received through the recovery of the property with the contracting of works.

Supply chain

(GRI 203-2, GRI 414-2 | SDG 1, SDG 3, SDG 5, SDG 8 and SDG 16)

In relation to CDHU suppliers, in 100% of contracts the Service Start Order is only issued after the contractor presents an insurance policy relating to Cross Civil Liability Risk, including coverage against work accidents and various risks of physical accidents, declaration of regular status before the Ministry of Labor, which must state that the company does not employ anyone under the age of 18 in night, dangerous or unhealthy work and does not employ anyone under the age of 16, also declaring that it meets the standards relating to health and safety at work.

In addition, the contractor must present the layout of the construction site, verifying compliance with the precepts of NR 18 – Working Conditions and Environment in the Construction Industry and, also, the schedule for the permanence of labor, the sizing SESMT and the Working Conditions and Environment Program in the Construction Industry (PCMAT), designed for works and services.

In 2023, CDHU did not respond jointly for negligence and recklessness committed by a company contracted to carry out the services/works.

Customer privacy

(GRI 3-3 418, GRI 418-1 | SDG 16)

Technology is increasingly present in our daily lives and is being used to increase the quality and productivity of our activities; therefore, it is extremely important to adopt security, management and control measures to protect data and the technological environment, minimizing the risk of attacks or other types of vulnerabilities in CDHU infrastructure assets.

Threats arise daily and from different sources; therefore, the vulnerability management process is continuous and covers different pillars within the Company.

In 2023, SSI worked on the development of the Information Technology Strategic Planning (PETI) and included 3 needs that meet the theme of this indicator, which are:

- 1 **Implement IT governance processes;**
- 2 **implement data governance processes; and**
- 3 **implement IT security processes.**

Today, there are several entities, resources and technologies that collect, transform, store and share information, and it is necessary to apply data governance so that this ecosystem is formally managed within the Company.

Data governance should guide data management activities, directing, monitoring and evaluating implementations related to compliance and risk prevention with the aim of avoiding incidents and/or promoting mitigation if they occur, covering 3 main segments:

- **Infrastructure:** providing means for collection, treatment, sharing, availability, security (logical and physical) and monitoring;
- **standards:** regulations to ensure security, compliance with laws and regulations, monitoring and penalties in case of misuse of data; and
- **communication:** disseminate, raise awareness and disseminate the culture of information management.



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Regarding the real and potential negative impacts that affected individuals, it is important to highlight that, throughout 2023, CDHU received complaints from customers who identified fraud attempts through receipt of correspondence, telephone contacts and messages via WhatsApp, with the aim of negotiating payments related to fake invoices.

According to a survey carried out with the Housing Service Directorate, there were 306 complaints regarding contacts made by alleged fraudsters. It is worth mentioning that 54 individuals reported having suffered financial losses as a result of the payments made.

CDHU continues to await the development of investigations conducted by the Cyber Crimes Police Department, so that any internal responsibilities can be identified and appropriate disciplinary sanctions can be applied.

It is worth noting that CDHU remains committed to adopting a series of measures aimed at compliance with the LGPD. Specifically, annual training is offered to all employees, in addition to maintaining a Privacy and Personal Data Processing Policy and an Integrity Program.

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About the Report

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As a public company of the Government of the State of São Paulo, CDHU must respond to the requirements of Federal Law No. 13,303/2016 (State-Owned Law), which, in it establishes that public companies and mixed-capital companies must observe minimum requirements of transparency, including the annual disclosure of an integrated or sustainability report (GRI 2-2)

CDHU has already been complying with this precept, having accepted demands from the Supervisory Board, the Board of Directors and CODEC in order to provide greater transparency to the actions and sustainability guidelines involved in its management. Therefore, since 2009, it has been adopting the Global Reporting Initiative (GRI) standard in the preparation of annual sustainability reports, which encompass the Company's performance in the economic, environmental, social and governance areas.

As an international reporting structure, the GRI standards allow aligning the highest sustainability concepts, making reports comparable, and can help both managers and the external public understand the complexity and challenge of the Company in its activity.

As of 2022, CDHU chose to voluntarily adhere to the Sustainability Accounting Standards Board (SASB) indicators for the Home Builders sector, and integrated the annual reports required by Federal Law No. 13,303/2016, specifically the Administration Report and the Governance Letter.

The data reported here covers the period from 01/01/2023 to 12/31/2023 and presents, with transparency and objectivity, the main results related to topics considered material by the Company, as well as dealing with policies, practices, performance and management of all CDHU operations in the State of São Paulo. (GRI 2-3)

In 2023, there was only 1 reformulation of data released. The energy intensity index published through the GRI 302-3 disclosure, in 2022, included information until November 2022. We re-presented the 2022 index in this Report covering the month of December, which caused the annual index to be changed from 19 to 22 kWh per worker. The change did not have a significant effect on the Company. (GRI 2-4)

The materiality matrix considered in this edition of the Report was defined in 2023 based on a broad consultation with stakeholders and in-depth interviews with senior management and partners from the Secretariat of Urban Development and Housing. The definition of material themes was validated by the Company's Management.

The financial and management information refers solely and exclusively to CDHU, with no shareholding held by the Company in other companies, and is calculated for the same period. The Report is covered by the Annual Financial Statement, audited by an independent body and published simultaneously in the Official Gazette of the State of São Paulo and on the institutional website of the State of São Paulo. Both the audited financial statement and the Sustainability Report and the other official documents mentioned (Administration Report and Governance Letter) were published simultaneously in the Official Gazette of the State of São Paulo, in the edition of 04/20/2023. They can also be consulted on the [CDHU website](#).

For more information about the contents of this Report, access the website or contact the CDHU by the email relatoriodesustentabilidade@cdhu.sp.gov.br.

ESG Commitments

CDHU tirelessly seeks to align social, environmental and governance concerns with the Company's business strategies and processes, as a fundamental step towards building a safe and gradual path towards the adoption of integrated reporting, in accordance with the principles and guidelines of the International Integrated Reporting Council (IIRC).

Currently, the economic indicators published in the Financial Statements are evaluated by an independent external audit each year, as required by the State's control and inspection bodies, and their results are validated by the CEO of CDHU and then presented to the Committee of Statutory Audit and the Board of Directors. (GRI 2-5)

In this cycle and in future ones, CDHU maps all sources of information and manages indicators more rigorously, following the guidelines of the frameworks it reports on. CDHU seeks to align its sustainability reports with the principles of integrated reporting, and, for the three-year period 2022–2024, the goal is to gradually apply IIRC requirements, reinforcing controls, information records and information traceability. (GRI 2-5)

The process of publishing the Report follows the established governance rites and is analyzed and approved by the Company's Senior Management, accompanied by the Statutory Audit Committee. The management of material topics involves the various areas of the Company and, in the most strategic topics, it can count on the support of the CDHU Strategic Action and Investment Plan Management Committee, as well as the Innovation and Sustainability



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Committee, both composed of representatives of all relevant areas. With this, there is the possibility of gradually increasing improvements and incorporating them into the routine of the areas involved.

(GRI 2-14)

The production of the Report included the participation of specialized consultancy.

External verification

(GRI 2-5)

CDHU carries out external verification by an independent audit of its financial statements every quarter, and annually these are integrated and published together with the Sustainability Report and the Management Report/Governance Letter – all of these documents are subject to validation and approval by the competent bodies, which includes everything from the Company's Full Board of Directors to the Statutory Audit Committee, the Fiscal Council and the Board of Directors.

The company is constantly seeking to improve its information controls and records, with a view to broadly tracking information and aligning itself with the GRI standards.

The integrated work of the audited financial statements with the Sustainability Report and the Administration Report has been taken with more precise care each year, with special monitoring by the Statutory Audit Committee and an independent member of the Board of Directors. These adjustments guarantee the coherence required for the joint disclosure of the three items.

CDHU did not submit this Report to external verification this year; for the next years, it will evaluate the relevance of adding a specific check for additional information to the financial statements, depending on the conclusions obtained throughout this period.

Materiality

(GRI 3-1)

CDHU carried out a new materiality process in 2023, for the 2024/2025 biennium. The process was based on the guidelines of the International Sustainability Standards Board (ISSB) and GRI Standards and in line with the concept of dual materiality (topics that can impact the value of the company and the impacts of the company's activities on the environment, society and economy). There were 2 stages:

- I.** A qualitative investigation with representatives of Senior Management on the main risks, opportunities and impacts related to the Company's operations, through 11 initial themes that addressed the challenges posed to public policy on urban development and housing; and
- II.** broad consultation with the main stakeholders, carried out online on these same 11 themes, totaling 648 guests and

244 responses received (38% participation), the result of which was weighted and indicated 8 priority material themes: 1) Urban development integrated with housing of social interest; 2) Technological innovation and new modes of housing production and urbanization; 3) Ethics, transparency and integrity; 4) Sustainable and resilient city; 5) Operational and budgetary efficiency; 6) Housing service policy with diversity and inclusion; 7) Environmental management in operations; and 8) Human capital management.

The main advance in the materiality cycle was the in-depth assessment of business impacts, risks and opportunities through interviews with CDHU and SDUH leaders. These interviews not only fed the process in question, but also stimulated reflections

Temas materiais 2023/2024

(GRI 3-2)

The 8 themes were defined through the materiality process carried out in 2 stages: qualitative (in-depth interviews with Senior Management) and quantitative (online consultation with 648 stakeholders). The material themes resulting from this process were validated by the CDHU Board of Directors. Are they:



Urban development integrated with social housing



Technological innovation and new modes of housing production and urbanization



Ethics, transparency and integrity



Sustainable and resilient city

that can initiate a continuous assessment of the Company’s impacts, as guided by GRI Standards.


There is a great convergence of results from the materiality process even without the application of weights in the evaluations of the most influential audiences: without different weights, the first 5 topics remain the same, in the same order; the last 3 would also be the same, only varying in order. Six of the 7 stakeholders agree on the definition of the most relevant topic, and the Senior Management’s assessment is quite aligned with the final result , which confirms the aforementioned convergence.

Although the themes brought up for consultation in 2023 were not identical to those analyzed in the 2021 process, it is possible to notice movements in the prioritized aspects, which meet the organizational moment and the global context. Of the 224 people who responded to the online

consultation, only 22 registered spontaneous comments in the open box. Part of the comments were about more specific/specific aspects, but the need for a public competition to fill/renew the staff (5 comments – Senior Management, Leaders and Employees) and meeting the needs of the population (4 comments – Leaders and Collaborators).

The main advance made in this materiality cycle was the in-depth survey of business impacts, risks and opportunities through interviews with CDHU and SDUH leaders. In addition to feeding the process in question, the meetings held stimulated reflections among those interviewed, which could begin a continuous exercise of evaluating the Company’s impacts, as guided by GRI Standards. Furthermore, this movement can serve as support for reflection on corporate strategy.

Furthermore, there were no changes to the information presented in the previous year on mergers or acquisitions, the nature of the business and the methods of measuring the indicators in the Report. (GRI 3-1)

 To access the **Sustainability Reports** published since 2012, [click here](#).



Operational and budgetary efficiency



Housing service policy with diversity and inclusion



Environmental management in operations



Human capital management

(GRI 3-2)

Positive impact: CDHU and the SDGs

The 2030 Agenda for Sustainable Development, established in 2015 by world leaders, represents an ambitious commitment to eradicate poverty, fight inequality and protect the environment. With 17 SDGs and 169 targets, the SDGs constitute a global agenda to promote a better and more sustainable future for all.

11 SUSTAINABLE CITIES AND COMMUNITIES



CDHU's work has a strong connection with the UN SDGs, specifically with SDG 11:

Make cities and communities more inclusive, safe, resilient and sustainable. The goal of SDG 11 is, by 2030, to guarantee access for all to safe, adequate and affordable housing, including access to basic services and the upgrading of slums.

CDHU intervenes in the urban development of cities, promoting housing provision programs, urbanization of precarious settlements, housing and urban requalification and land regularization of social interest, in addition to contributing to the economic and social development of needy communities and the urban development of municipalities.

The *Viver Melhor* program deserves to be highlighted for its focus on improving the living conditions of low-income families, contributing to the qualification of inadequate households located in settlements in the process of land regularization, providing health, habitability and accessibility to housing, at no cost to families.



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Through its housing programs, CDHU contributes to the achievement of other SDGs, specifically:



SDG 3: Health and well-being and SDG 6: Clean water and sanitation



The *Vida Digna* program aims to improve the sanitary conditions of the population, reducing vulnerability and diseases transmitted by water pollution, as well as protecting and restoring water sources in the Metropolitan Region of São Paulo.



SDG 1: No poverty, SDG 8: Decent work and economic growth and SDG 10: Reduced inequalities



By promoting decent housing conditions, CDHU contributes to tackling the main housing and urban problems, especially in metropolitan regions where the largest contingent of low-income population lives, contributing strongly to reduce socioeconomic inequalities.



SDG 15: Life on Earth

CDHU's actions encourage the use of native plant species in landscaping projects, increasing the diversity of fauna and flora in housing developments, especially in areas close to environmentally sensitive areas.

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Summary of GRI and SASB Contents

GRI Content Index

SASB Content Index







GRI Content Index

Declaration of use	The Companhia de Desenvolvimento Habitacional e Urbano (CDHU) has reported in accordance with the GRI Standards for the period 01/01/2023 to 12/31/2023.
GRI 1 used	GRI 1: Fundamentals 2021
Applicable GRI Sector Standard(s)	Not applicable

For the Content Index – Advanced Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders. The service was performed on the Portuguese version of the Report.

GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
General disclosures								
GRI 2: General disclosures 2021	2-1 Organizational details	19, 212						
	2-2 Entities included in the organization's sustainability reporting	185, 212						
	2-3 Reporting period, frequency and contact point	185, 213	<i>Indicators for which reasons for omission are not permitted in disclosure, according to the GRI Standard.</i>					
	2-4 Restatements of information	185						
	2-5 External assurance	186, 187						
	2-6 Activities, value chain and other business relationships	19, 21, 22, 24 to 47				-	-	
	2-7 Employees	161, 162				6	8 and 10	
	2-8 Workers who are not employees	161, 162				-	-	
	2-9 Governance structure and composition	138 to 143				-	5 and 16	
	2-10 Nomination and selection of the highest governance body	138				-	5 and 16	



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GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 2: General disclosures 2021	2-11 Chairman of the highest governance body	138				-	16	
	2-12 Role of the highest governance body in overseeing the management of impacts	23, 152, 153				-	-	
	2-13 Delegation of responsibility for managing impacts	139, 140				-	-	
	2-14 Role of the highest governance body in sustainability reporting	187				-	-	
	2-15 Conflicts of interest	144, 145				-	16	
	2-16 Communication of critical concerns	145, 147 to 151				-	-	
	2-17 Collective knowledge of the highest governance body	167				-	-	
	2-18 Evaluation of the performance of the highest governance body	166				-	-	
	2-19 Remuneration policies	163, 164				-	-	
	2-20 Process to determine remuneration	163				-	-	
	2-21 Annual total compensation ratio	164				-	-	
	2-22 Statement on sustainable development strategy	8, 9				-	-	
	2-23 Policy commitments	22, 23, 138, 142, 205 to 207				10	16	
	2-24 Embedding policy commitments	138, 152, 153				-	16	
	2-25 Processes to remediate negative impacts	12 to 17, 153				-	16	
2-26 Mechanisms for seeking advice and raising concerns	148 to 151				10	16		
2-27 Compliance with laws and regulations	157				-	-		
2-28 Membership associations	174, 175				-	-		

GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 2: General disclosures 2021	2-29 Approach to stakeholder engagement	145, 146				-	-	
	2-30 Collective bargaining agreements	163				3	8	
Material topics								
GRI 3: Material Topics 2021	3-1 Process to determine material topics	188, 189	<i>Indicators for which reasons for omission are not permitted in disclosure, according to the GRI Standard.</i>					
	3-2 List of material topics	188, 189						
Operational and budgetary efficiency								
GRI 3: Material Topics 2021	3-3 Management of material topics	62, 122				-	8 and 9	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	123				-	8 and 9	
	201-4 Financial assistance received from government	123, 208				-	-	
Sustainable and resilient city								
GRI 3: Material Topics 2021	3-3 Management of material topics	62 to 64				7	13	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	53, 62 to 64				7	13	
Ethics, transparency and integrity								
GRI 3: Material Topics 2021	3-3 Management of material topics	153 to 157, 174 to 177, 182, 183				2, 4, 5 and 10	5, 8 and 16	
	205-1 Operations assessed for risks related to corruption	154				10	16	
GRI 205: Anti- corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	155, 156				10	16	
	205-3 Confirmed incidents of corruption and actions taken	156				10	16	



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GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	174				5	8 and 16	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	174				4	8	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	175				2	5, 8 and 16	
	414-2 Negative social impacts in the supply chain and actions taken	175, 181				2	5, 8 and 16	
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non- compliance concerning marketing communications	-		Not applicable	In 2023, no non- compliance actions were recorded in relation to communication and marketing activities.	-	16	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	182				-	16	

Urban development integrated with social housing

GRI 3: Material Topics 2021	3-3 Management of material topics	44, 45					5, 9 and 11	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	44, 45, 70, 71				-	5, 9 and 11	

Housing service policy with diversity and inclusion

GRI 3: Material Topics 2021	3-3 Management of material topics	108 to 110, 114 to 116, 128 a 133, 171, 172, 176 to 178				1	1, 2, 3, 8 and 16	
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	128 to 134, 181				-	1, 3 and 8	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	171, 172				1	16	

GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	114 to 116				1	2	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	108 to 114, 116 to 118				1	-	
	413-2 Operations with sig- nificant actual and potential negative impacts on local communities	125 to 127, 134, 135				1	1 and 2	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	176 to 178				-	-	
	416-2 Incidents of non- compliance concerning the health and safety impacts of products and services	178 to 180				-	16	

Environmental management in operations

GRI 3: Material Topics 2021	3-3 Management of material topics	78 to 85, 91 to 105				7, 8 and 9	3, 6, 7, 8, 11, 12, 13, 14 and 15	
	301-1 Materials used by weight or volume			Not applicable	The contract with the construction companies does not provide for reporting material consumed, given that CDHU contracts the final product and not the quantity of material consumed; therefore, the materials used are not categorized by weight or volume.	7 and 8	8 and 12	
GRI 301: Materials 2016	301-2 Raw material or recycled materials used			Not applicable	The contract with the construction companies does not provide for reporting material consumed, given that CDHU contracts the final product and not the quantity of material consumed; therefore, the materials used are not categorized by weight or volume.	8	8 and 12	
	301-3 Reclaimed products and their packaging materials			Not applicable	The contract with the construction companies does not provide for reporting material consumed, given that CDHU contracts the final product and not the quantity of material consumed; therefore, the materials used are not categorized by weight or volume.	8	8 and 12	



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GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	88, 89				7 and 8	7, 8, 12 and 13	
	302-2 Energy consumption outside of the organization	89, 90				8	7, 8, 12 and 13	
	302-3 Energy intensity	90				8	7, 8, 12 and 13	
	302-4 Reduction of energy consumption	85 to 87				8 and 9	7, 8, 12 and 13	
	302-5 Reductions in energy requirements of products and services	85				8 and 9	7, 8, 12 and 13	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	78 to 84, 92 to 94				8	6 and 12	
	303-2 Management of water discharge-related impacts	92, 93				8	6	
	303-3 Water withdrawal	92, 93				7 and 8	6	
	303-4 Water discharge	92, 93				7 and 8	6	
	303-5 Water consumption	83, 84				8	6	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	95 to 97				8	6, 14 and 15	
	304-2 Significant impacts of activities, products and services on biodiversity	95 to 97				8	6, 14 and 15	
	304-3 Habitats protected or restored	95 to 97				8	6, 14 and 15	
GRI 304: Biodiversity 2016	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations			Not applicable	In 2023, CDHU obtained licenses for tree management in all of its projects; therefore, it considers non-existent or extremely low impacts on the habitats of protected or endangered species.	8	6, 14 and 15	

GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) greenhouse gas (GHG) emissions	97 to 99				7 and 8	3, 12, 13, 14 and 15	
	305-2 Energy indirect (Scope 2) greenhouse gas (GHG) emissions derived from the purchase of energy	97 to 99				7 and 8	3, 12, 13, 14 and 15	
	305-3 Other indirect (Scope 3) greenhouse gas (GHG) emissions	97 to 99				7 and 8	3, 12, 13, 14 and 15	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	100 to 105				8	3, 6, 11 and 12	
	306-2 Management of significant waste-related impacts	100 to 105				8	3, 6, 11 and 12	
	306-3 Waste generated	100 to 105				8	3, 11 and 12	
	306-4 Waste diverted from disposal			Not applicable	CDHU monitors the total amount of waste from its construction sites, sending it to authorized landfills. The supervision is carried out by contracted managers, who present receipts from the landfill. The composition of the waste is not recorded, only its proper disposal is guaranteed.	8	3, 11 and 12	
	306-5 Waste directed to disposal			Not applicable	CDHU monitors the total amount of waste from its construction sites, sending it to authorized landfills. The supervision is carried out by contracted managers, who present receipts from the landfill. The composition of the waste is not recorded, only its proper disposal is guaranteed.	8	3, 11 and 12	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	99				8	-	
	308-2 Negative environmental impacts in the supply chain and actions taken	99				8	-	



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GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
Human capital management								
GRI 3: Material Topics 2021	3-3 Management of material topics	3, 6, 7, 8, 11, 12, 13, 14 and 15				3 and 6	3, 4, 5, 8, 10 and 16	
	401-1 New employee hires and employee turnover	160, 161				6	5, 8 and 10	
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	166				-	3, 5 and 8	
	401-3 Parental leave	166				6	5 and 8	
GRI 402: Labor Relations 2016	402-1 Minimum notice periods regarding operational changes			Not applicable	If CDHU, for any reason, closes its activities, it is obliged to inform employees and the Professional Union at least 90 days in advance, without prejudice to prior notice.	3	8	
	403-1 Occupational health and safety management system	168, 169				-	8	
	403-2 Hazard identification, risk assessment, and incident investigation	169, 170				-	8	
	403-3 Occupational health services	170, 171				-	8	
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	169				-	8 and 16	
	403-5 Worker training on occupational health and safety	167				-	8	
	403-6 Promotion of worker health	171				-	3	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	171				-	8	
	403-8 Workers covered by an occupational health and safety management system	169				-	8	
	403-9 Work-related injuries	170				-	3, 8 and 16	
	403-10 Work-related ill health	171				-	3, 8 and 16	

GRI standard/ other source	Disclosure	Loca- tion	Omission			Global Compact	SDG	GRI sector standard ref. no.
			Requirement(s) omitted	Reason	Explanation			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	167, 168				6	4, 5, 8 and 10	
	404-2 Programs for upgrading employee skills and transition assistance programs	168				-	8	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	172 to 174				6	5 and 8	
	405-2 Ratio of basic salary and remuneration of women to men	165				6	5, 8 and 10	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken			Not applicable	To date, the company has not received any reports of discrimination, either by employees and/or collaborators, or even with third parties, clients and stakeholders.	6	5 and 8	
Technological innovation and new modes of housing production and urbanization								
GRI 3: Material Topics 2021	3-3 Management of material topics	50 to 59				9	9	

SASB Content Index

Topic	Code	Accounting Metrics	Page or answers
Industry: Home Builders			
Land Use & Ecological Impacts	IF-HB-160a.1	Number of (1) lots and (2) homes delivered on redevelopment sites	33
	IF-HB-160a.2	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	78 to 83
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	During the reporting period, there were no monetary losses arising from judicial or administrative proceedings whose purpose is related to environmental or criminal regulations.
	IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	95, 96
Workforce Health & Safety	IF-HB-320a.1	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	CDHU, in 2023, did not record any occurrence related to absences due to Work Accidents, as well as absences due to illnesses related to occupational diseases. In 2023, CDHU recorded 85 notifications of COVID-19 cases in its operations. Of this total, 84 were considered confirmed cases and 1 unconfirmed suspicion.
Design for Resource Efficiency	IF-HB-410a.1	(1) Number of homes that obtained a certified HERS® Index Score and (2) average score	87
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications	CDHU does not certify its hydraulic installations according to the WaterSense system. However, 100% of the hydraulic installations are TESIS certified through QUALIHAB. The benefits are communicated through the borrower's manuals, which are given to the beneficiaries.
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard	91
	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	74
Community Impacts of New Developments	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	76, 77
	IF-HB-410b.2	Number of (1) lots and (2) homes delivered on infill sites	95 to 97
	IF-HB-410b.3	(1) Number of homes delivered in compact developments and (2) average density	50 to 55
Climate Change Adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	91 and 94
	IF-HB-420a.2	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	55 to 59
Activity metrics – Accounting metrics	IF-HB-000.A	Number of controlled lots	In 2023, the Land Superintendence has 174 plots of land in the feasibility analysis phase with potential for 9,446 UHS in 115 municipalities. Some municipalities indicated more than one piece of land for analysis. None of these lands are owned by CDHU, if approved, they will be donated by the municipalities in return. Still in 2023, 52 plots of land with potential for 4,414 units in 45 municipalities were analyzed and released for the project stage.
	IF-HB-000.B	Number of active selling communities	10
	IF-HB-000.C	Number of homes delivered	10

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Attachments

Policy commitments

Sources of CDHU resources





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Policy commitments

(GRI 2-23 | SDG 16)

CDHU bases its governance on current legal provisions, highlighting:

- **Federal Law No. 6,404/1976**, which provides for joint-stock companies;
- **Federal Law No. 9,514/1997**, which provides for the Real Estate Financing System, establishes the fiduciary sale of immovable property and provides other measures.
- **Federal Law No. 12,527/2011**, which regulates access to information provided for in section XXXIII of art. 5th, in item II of § 3rd of art. 37 and in § 2 of art. 216 of the Federal Constitution; amends Law No. 8,112, of 12/11/1990; repeals Law No. 11,111, of 05/05/2005, and provisions of Law No. 8,159, of 01/08/1991; and takes other measures; and
- **Federal Law No. 12,846/2013**, which provides for the administrative and civil liability of legal entities for carrying out acts against the public administration, national or foreign, and provides other measures;
- **Federal Law No. 13,303/2016**, which provides for the legal status of public companies, mixed capital companies and their subsidiaries, within the scope of the Union, the States, the Federal District and the Municipalities;
- **Federal Law No. 10,741/2003**, which provides for the Statute of Elderly Persons and other provisions, and which provides for the reservation of 3% of housing units for elderly people;
- **Federal Law No. 13,709/2018**, General Data Protection Law (LGPD).

CDHU bases its final activities on current legal provisions, highlighting:

- **State Law No. 9,075/1995**, which establishes prohibitions on borrowers or beneficiaries of the São Paulo State housing policy and provides other measures (acquisition of another property with state resources);
- **State Law No. 10,310/1999**, which provides for the lottery of CDHU properties;
- **State Law No. 11,818/2005**, which amends Law No. 11,023, of 11/28/2001, which provides for the reservation of 4% of all popular properties to be sold with civil and military police officers, incorporating security agents into this quota, penitentiary and prison escort and surveillance agents (art. 1);
- **State Law No. 12,801/2008**, which authorizes the Executive Branch to adopt measures aimed at State participation in the National Social Interest Housing System (SNHIS), creates the State Housing Council (CEH), establishes the FPHIS and the Housing Guarantee Fund (FGH), and provides related measures;
- **State Law No. 12,907/2008**, which consolidates legislation relating to people with disabilities in the State of São Paulo;
- **State Law No. 13,094/2008**, which amends Law No. 10,310, of 05/12/1999 and which provides for the lottery of CDHU properties;
- **State Law No. 16,105/2016**, which amends Law No. 12,276, of 02/21/2006, which provides for the sale of properties financed by CDHU during the course of the financing contract, allowing the transfer of the property after 18 months of signing the contract;

- **State Decree No. 53,823/2008**, which regulates Law No. 12,801, of 01/15/2008, which authorizes the Executive Branch to adopt measures aimed at State participation in the SNHIS, creates the CEH, establishes the FPHIS and the FGH;
- **State Decree No. 55,334/2010**, which authorizes the Housing Secretariat to, representing the State, enter into an agreement with CDHU, aiming at the management of resources to be transferred to municipalities, which have declared a state of public calamity, for the granting of eventual benefits called emergency housing assistance;
- **State Decree No. 55,370/2010**, which amends and adds provisions specified in Decree No. 55,334, of 01/11/2010, which authorizes the Housing Secretariat to, representing the State, enter into an agreement with CDHU, aiming at managing resources to be transferred to municipalities that have declared a state of public calamity, for the granting of an eventual benefit called emergency housing assistance;
- **State Decree No. 62,349/2016**, which provides for the integrity program and the area of compliance to be adopted by companies controlled directly or indirectly by the State of São Paulo, regulating the application of Federal Law No. 13,303, of 06/30/2016, and creating instances and procedures to promote internal control.

In compliance with said legislation, CDHU developed its **Code of Conduct and Integrity**, the **Integrity Program**, various policies and regulations of statutory bodies. All

normative documents mentioned were duly approved by the Collegiate Board and the Board of Directors, disclosed by email to employees and are available on the website, in the Corporate Governance area (<https://www.cdhu.sp.gov.br/web/guest/governancacorporativa/sobre-governancacorporativa>);

- **State Decree No. 64,509/2019**, which reformulates the *Vila Dignidade* Program, established by Decree No. 54,285, of 04/29/2009, with the new name *Vida Longa* and provides related measures;
- **Board Resolution No. 04/1999**, which establishes that 5% of the units produced by CDHU and intended to meet general demand, selected through a lottery, are reserved for elderly people who are 60 years of age or older;
- **Resolution SH-SEAD/09**, which establishes the Regulations for the *Vila Dignidade* Program;
- **SH-SEDS Resolution No. 61/2019**, which establishes the regulations for the *Vida Longa* Program;
- **Board Resolution No. 03, of 01/23/2017**, which provides for exemption from the application of legal and governmental quotas for the elderly, single individuals, people with disabilities for the so-called "closed target groups";
- **Board Resolution No. 32, of 05/13/2014**, which provides for the criteria and procedures for serving single individuals in housing programs aimed at the so-called "open demand";



- **Resolution SH No. 024/2017**, which regulates the Housing Resettlement Policy within the scope of the Social Interest Housing Policy of the Government of the State of São Paulo, defining guidelines and operational procedures to be observed by executing bodies and partners – consolidates the exemption from service to quotas for closed target groups in the case of resettlement;

All activities and actions developed by the People Management Area arise from

the contractual employment relationship between CDHU and employees, in relation to remuneration, benefits, payment of social and labor charges, and are in line with and aligned with legislation current state and federal regulations related to each topic, through the CLT, Federal and State Constitutions, LGPD, regulations of the Ministry of Health, Labor, Social Security, National Health Agency, Federal Revenue, Collective Labor Agreements, Court of Auditors of the State, in addition to internal standards and regulations of compliance and professional conduct.

Policy updates

CDHU is working to adapt its policies, guidelines and procedures in line with the legislation enacted that affects the definition of the policy for serving the company's specific publics, as well as the guarantees of financing contracts signed with its clients. These are:

- **Federal Law No. 14,711/2023 – Framework for Guarantees;**
- **State Law No. 17,347/2021 – State Policy for Early Childhood; and**
- **State Law No. 17,626/2023 – Housing Assistance for Women Victims of Domestic Violence.**

To assist women victims of violence, inter-secretariat working group was created to discuss the regulation of the law, with the participation of employees from SDUH/CDHU.

For Law No. 14,711/2023, there has been no action to date, given the recent

publication by the Federal Government, but a specific assessment will be required.

For Law No. 17,347/2021, a group that deals with the matter was included in some notices, in partnership with COHAB, but there is a need for general adaptation in CDHU programs.

Considering the optimization of expenses and reduction of public spending, CDHU observes State Decree No. 64,065, of 01/02/2019, with its subsequent amendments.

As of 01/01/2024, CDHU also began to observe, where appropriate, Federal Law No. 14,133, of 04/01/2021 (Tenders and Administrative Contracts Law).

Sources of CDHU resources

(GRI 201-4)

CDHU works to adapt its policies, guidelines and the main sources of CDHU's funds can be divided into 2 large groups:

Advances for future capital increases

One of the company's main sources of funds is the capital contribution from the State Treasury, through the subscription of shares linked to the execution of its Investment Program. The funds are approved in the State Budget, according to the Annual Budget Law (LOA), which estimates revenues and sets expenses for the following year. In 2023, these funds totaled R\$540,000 thousand (R\$875,070 thousand in 2022).

Own resources

These are mainly revenues from contracts with borrowers. In 2023, the amounts

collected¹ totaled R\$893,614 thousand, compared to R\$985,880 thousand in 2022, the year in which the company received R\$165,820 thousand in credits from the Salary Variation Compensation Fund (FCVS – compared to R\$7,027 thousand in 2023).

Operating revenue

The Company's operating revenue is made up of:

- Revenues from the sale of housing units, financial charges linked to these revenues, including contractual interest and monetary variations;
- remuneration for registering candidates with a view to selling housing units;
- installments charged to participants in tenders held by the Company;
- contractual fines arising from non-compliance by contractors with contractual clauses;
- income from commercial real estate rentals;
- recovery of administrative, financial and construction costs;
- income from renegotiating agreements;

¹. Amount referring to installments received in the month, in advance and in arrears, plus settlements, insurance indemnities, FGTS and auctions.



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- concession fee;
- remuneration for collection, administration and transfer of technical services provided since May 2020, inherited from the now defunct *Companhia Paulista de Obras e Serviços* (CPOS – specialized technical consultancy services, technical advice, technical, logistical and operational support within the scope of state housing programs for various companies and/or secretariats of the State of São Paulo);
- condominium management; and
- cost reference bulletin.

Gross operating revenue totaled R\$2,323,202 thousand in 2023 (R\$2,024,984 thousand in 2022), an increase of R\$298,218 thousand or 14.73% over the previous year.

Annual results

In 2023, the Company had an accounting loss of R\$569,479 thousand (a loss of R\$504,390 thousand in 2022) and the gross operating result corresponded to a profit of R\$121,314 thousand (a profit of R\$18,386 in 2022). Gross profit or loss is represented by gross operating revenue, less expenses from operating activities (including sales revenue, production costs and subsidy expenses).

Operating expenses represent the costs incurred by the company to produce the housing units. These include costs with building, topography, earthmoving,

urbanization and indirect administrative, construction inspection and operational costs; expenses incurred with the administration of the Company's real estate credits, such as notary costs, fees and/or commissions, expenses incurred with auctions, with the aim of selling housing units and urbanized plots; Expenses incurred when contributing to the FCVS, notifying borrowers and other credit management expenses; expenses incurred with subsidies granted when issuing the bill for the borrower's monthly installment, taking into account the borrower's ability to pay; expenses incurred with planning, preparing and building project units, such as production management and construction supervision; urbanization of areas to make projects viable; cost allowance and housing allowance; expenses incurred in recovering project units, due to abandonment or repossession, for marketing purposes; expenses incurred in registering units with notaries; expenses incurred in publicizing and advertising the marketing of units; expenses incurred in transporting and removing furniture and people during repossessions; general condominium, water and electricity expenses, when the borrower has stopped paying and the property is still in the Company's name; social service expenses, maintenance of community equipment and other community development expenses; and expected losses due to insufficient cash inflow, from the client portfolio, the FCVS and the loss for contractual subsidy, linked to the financing contract, registered on the same date of concession.

Corporate information

(GRI 2-1, GRI 2-2)

Housing and Urban Development Company of the State of São Paulo (CDHU)

The Company publishes information, notices, announcements, summonses and financial statements in the Official Gazette of the State of São Paulo and in mass circulation newspapers, in addition to regional newspapers, when necessary.

Sao Paulo's State Government

Tarcísio de Freitas (2023)

Secretariat of Urban Development and Housing

Marcelo Cardinale Branco – Secretary of State (2023)

CDHU 2023

Presidency	Reinaldo Iapequino
Administrative-Financial Directorate	Nédio Henrique Rosselli Filho
Projects and Programs Directorate	Maria Teresa Diniz dos Santos Maziero
Housing Service Directorate	Ticiane Costa D'Aloia
Construction Engineering Directorate	Silvio Vasconcellos
Directorate of Urban Planning and Development	Maria Claudia Pereira de Souza

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Credits

(GRI 2-3)

Coordination

Directorate of Planning and Urban Development (DPDU)

Planning and Operations Superintendence (SPO)

Demographic and Socioeconomic Information Management (GIDS)

Contributions

This Report is the result of the effort of all CDHU teams and departments. We thank everyone for their participation and commitment to implementing projects and collecting information.

Writing, graphic design, proofreading and translation

TheMediaGroup

Images/photographs

CDHU's collection

Contact

For more information about the contents of this Report, access the [website](#) or contact the CDHU by email relatoriodesustentabilidade@cdhu.sp.gov.br.

